



County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

Agenda - Final Board of Public Utilities

*Jeff Johnson, Chair; Carrie Walker, Vice-chair; Paul
Frederickson, Stephen McLin and Kathleen Taylor, Members
Tim Glasco, Ex Officio Member
Harry Burgess, Ex Officio Member
Christine Chandler, Council Liaison*

Wednesday, April 18, 2018

5:30 PM

1000 Central Avenue
Council Chambers

REGULAR SESSION

Complete Board of Public Utilities agenda packets, past agendas, videos, legislation and minutes can be found online at <http://losalamos.legistar.com/Calenar.aspx>. Learn more about the Board of Public Utilities at <http://www.losalamosnm.us/gov/bcc/utilitiesboard>.

PUBLIC COMMENTS:

Please submit written comments to the Board at bpu@lacnm.us. Oral public comment is accepted during the two periods identified on the agenda and after initial board discussion on a business item, prior to accepting a main motion on an item. Oral comments should be limited to four minutes per person. Requests to make comments exceeding four minutes should be submitted to the Board in writing prior to the meeting. Individuals representing or making a combined statement for a large group may be allowed additional time at the discretion of the Board. Those making comments are encouraged to submit them in writing either during or after the meeting to be included in the minutes as attachments. Otherwise, oral public comments will be summarized in the minutes to give a brief succinct account of the overall substance of the person's comments.

1. CALL TO ORDER

2. PUBLIC COMMENT

This section of the agenda is reserved for comments from the public on Consent Agenda items or items that are not otherwise included in this agenda.

3. APPROVAL OF AGENDA

4. BOARD BUSINESS

4.A. Chair's Report

4.A.1 [10373-18](#) Reminder for Upcoming Boards & Commissions Luncheon

Presenters: Board of Public Utilities

PG. 1

4.B. Board Member Reports**4.C. Utilities Manager's Report****4.D. County Manager's Report****4.E. Council Liaison's Report****4.F. Environmental Sustainability Board Liaison's Report****4.G. General Board Business****4.G.2 [10302-18](#)** Briefing from County Manager on the County Strategic Objectives

Presenters: Harry Burgess, County Manager

PG. 2-8

4.G.3 [10416-18](#) Quarterly Update on Utility System - Wastewater System

Presenters: Jack Richardson, Deputy Utilities Manager - GWS
Services

PG. 9-53

4.H. Approval of Board Expenses**4.I. Preview of Upcoming Agenda Items****4.I.1 [10690-18](#)** Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

PG. 54-56

5. PUBLIC HEARING(S)**5.A [10663-18](#)** Public Hearing for Modification of Department of Public Utilities Rules & Regulations - Modifications to Rule GR-15: Deposits; and Deletion of Rule GR-16: Credit Rating

Presenters: Bob Westervelt, Deputy Utilities Manager -
Finance/Admin

PG. 57-61

- 5.B [10662-18](#) Public Hearing for Modification of Department of Public Utilities Rules & Regulations - Fee Schedule, Preface & Table of Contents
- Presenters:** James Alarid, Deputy Utilities Manager - Engineering
- PG. 62-68

6. **CONSENT AGENDA**

The following items are presented for Board approval under a single motion unless any item is withdrawn by a member for further Board consideration in the "Business" section of the agenda.

CONSENT MOTION -

I move that the Board of Public Utilities approve the items on the Consent Agenda as presented and that the motions in the staff reports be included in the minutes for the record.

OR

I move that the Board of Public Utilities approve the items on the Consent Agenda as amended and that the motions contained in the staff reports, be included in the minutes for the record.

- 6.A [10685-18](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Board of Public Utilities

PG. 69-78

- 6.B [AGR0548-18](#) Approval of Services Agreement No. AGR 18-28 with Transmission & Distribution Services LLC., in the amount of \$731,393.78, plus Applicable Gross Receipts Tax, for the Purpose of the White Rock Substation 15KV Retrofit & Upgrade Project

Presenters: Rafael De LaTorre, Deputy Utilities Manager - Electric Distribution

PG. 79-96

- 6.C [10342-18](#) Approval of Revision to Modification 20 to the Electric Energy and Power Coordination Agreement (ECA) Between the Incorporated County of Los Alamos and the United States Department of Energy (DOE).

Presenters: Bob Westervelt, Deputy Utilities Manager - Finance/Admin

PG. 97-103

- 6.D [10581-18](#) Approval of Re-appointment of Deputy Utility Manager of Finance and Administration, Bob Westervelt, as Los Alamos' Member on the New Mexico Municipal Energy Acquisition Authority (NMMEA) Board of Directors

Presenters: Bob Westervelt, Deputy Utilities Manager - Finance/Admin

PG. 104-105

- 6.E [10686-18](#) Approval of Northern Rio Arriba Electric Cooperative (NORA) Third Revised Exhibit A and Amendment No.3 to the Operation, Maintenance and Wheeling Agreement Dated August 27, 1986

Presenters: Steve Cummins, Deputy Utilities Manager - Power Supply

PG. 106-110

7. **BUSINESS**

- 7.A [10316-18](#) Discussion of Potential Rate Structure Alternatives

Presenters: Bob Westervelt, Deputy Utilities Manager - Finance/Admin

PG. 111-114

- 7.B [10546-18](#) Financing for Wastewater Treatment Plant Loans

Presenters: James Alarid, Deputy Utilities Manager - Engineering

PG. 115-121

8. **STATUS REPORTS**

- 8.A [10688-18](#) Status Reports

Presenters: Department of Public Utilities

PG. 122-133

9. **PUBLIC COMMENT**

This section of the agenda is reserved for comments from the public on any items.

10. **ADJOURNMENT**

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the County Human Resources Division at 662-8040 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes can be provided in various accessible formats. Please contact the personnel in the Department of Public Utilities (505) 662-8132 if a summary or other type of accessible format is needed.



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	4.A.1
Index (Council Goals):	BCC - N/A
Presenters:	Board of Public Utilities
Legislative File:	10373-18

Title

Reminder for Upcoming Boards & Commissions Luncheon

Body

The month prior to a Boards & Commissions luncheon, the attendee schedule will be included in the agenda packet as a reminder during the Chair's report.

For the luncheon, the member should prepare a brief report that outlines recent important activities of the Board and highlights upcoming events. The report will be included in the luncheon minutes.

11:30 a.m. - 1:00 p.m. - Council Chambers

2018 Schedule

January 18 - Steve McLin
March 15 - Paul Frederickson
May 17 - Jeff Johnson
September 20 - Carrie Walker
November 15 - Kathy Taylor
January 17, 2019 - New member



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.G.2
Index (Council Goals): BCC - N/A
Presenters: Harry Burgess, County Manager
Legislative File: 10302-18

Title

Briefing from County Manager on the County Strategic Objectives

Recommended Action

None

Staff Recommendation

None

Body

the 2015 Board of Public Utilities Self-evaluation, the Board suggested that the County Manager present the County's goals and objectives to the Board and discuss overlap with the Department of Public Utilities. In December 2015, this was added to the Board's Policies and Procedures manual under the County Manager's responsibilities.

Alternatives

None

Fiscal and Staff Impact

None

Attachments

A - 2018 Los Alamos County Strategic Leadership Plan



LOS ALAMOS

Los Alamos County Strategic Leadership Plan 2018 Update

What will the Los Alamos community look like in 20 years? Will our unique combination of science and setting continue? Will we have preserved our small town atmosphere and natural surroundings? Will there be plenty of affordable neighborhoods and an excellent educational system?

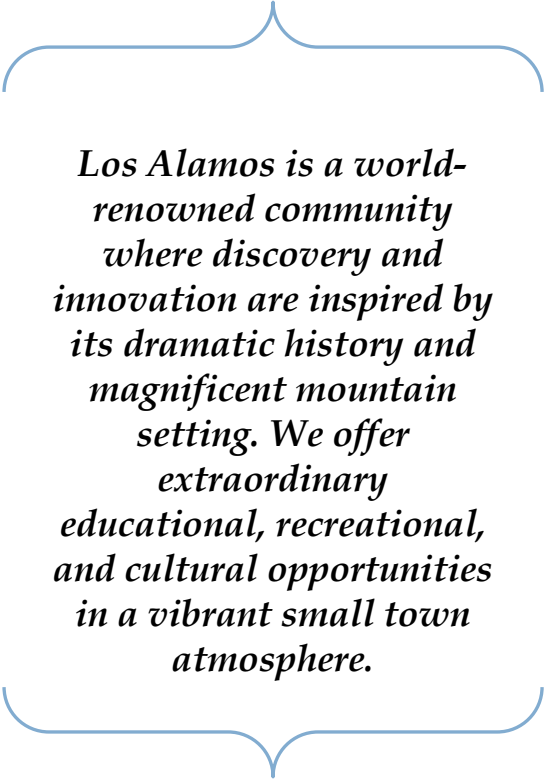
To accomplish these priorities and more, Los Alamos will need a strong leadership vision that serves as a basis for policy formulation and goal-setting. A flexible road-map is required, which will provide direction not only to the County enterprise but the community as well. The strategic focus areas or issues that will shape the County's future must be addressed with dynamic leadership commitment.

For these reasons the Los Alamos County Council developed a 20-year Strategic Leadership Plan to help guide the community into the future. The Plan includes a shared vision for what the community can become. In support of the vision, strategic focus areas were identified along with actionable goals to help measure success.

The Los Alamos community has volunteered countless hours of service to assisting the Council with its visioning and goal setting. The Strategic Leadership Plan incorporates the past work of community volunteers where at all possible. The plan builds upon the foundational work developed by the Los Alamos community and adopted by the County Council.

A Vision for the future...

Imagine Los Alamos County in 20 years...



Los Alamos is a world-renowned community where discovery and innovation are inspired by its dramatic history and magnificent mountain setting. We offer extraordinary educational, recreational, and cultural opportunities in a vibrant small town atmosphere.

Strategic Focus Areas

Economic Vitality

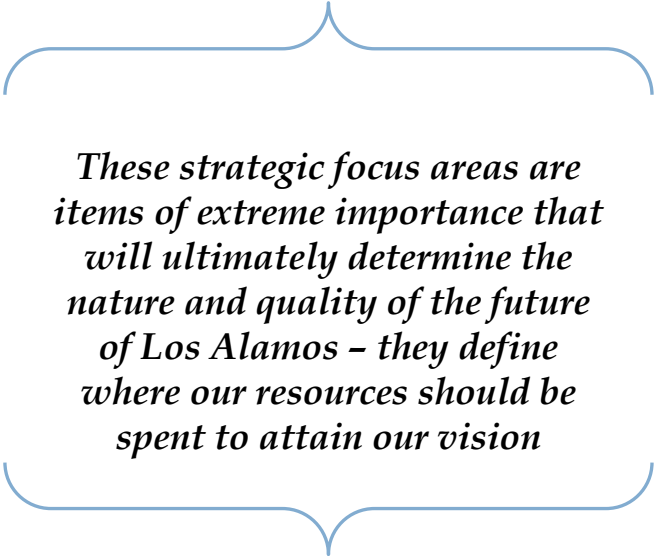
- Economic Vitality
- Financial sustainability

Quality of Life

- Education
- Quality cultural and recreational amenities
- Environmental stewardship
- Mobility
- Housing

Quality Governance

- Operational excellence
- Communication
- Intergovernmental Relations



These strategic focus areas are items of extreme importance that will ultimately determine the nature and quality of the future of Los Alamos – they define where our resources should be spent to attain our vision

How do we get there from here?

In the next five years the County will address these twenty-six major goals (focus areas with corresponding goals):

Economic Vitality

Priority Area – Economic Vitality

- Build the local tourism economy.
- Promote vitality in our neighborhoods and downtown areas and eliminate blight in Los Alamos and White Rock as part of an overall property maintenance and beautification effort.

Economic Vitality

- Promote a strong and diverse economic base by encouraging new business growth.
- Collaborate with Los Alamos National Laboratory as the area's #1 employer.

Financial Sustainability

- Encourage the retention of existing businesses and assist in their opportunities for growth.
- Support spinoff business opportunities from LANL.
- Significantly improve the quantity and quality of retail business.

Quality of Life

Priority Areas – Housing

- Support development of affordable workforce housing

Priority Areas – Quality Cultural and Recreational Amenities

- Maintain and improve existing outdoor recreation and open space amenities.

Housing

- Promote the creation of a variety of housing options for all segments of the Los Alamos Community, including infill opportunities as appropriate.

Education

- Support Los Alamos Public Schools' goal of ranking among the top public schools in the nation.
- Partner with Los Alamos Public Schools and the University of New Mexico – Los Alamos; and support, as appropriate, the delivery of their educational services to community standards.

Quality Cultural and Recreational Amenities

- Implement a comprehensive range of recreational and cultural amenities that enhance the Los Alamos community.

Environmental Stewardship

- Enhance environmental quality and sustainability balancing costs and benefits including County services and utilities.

Mobility

- Maintain and improve transportation and mobility.

Quality Governance

Priority Areas – Operational Excellence

- Continue implementation of the Comprehensive Plan with an emphasis on neighborhoods.
- Maintain and improve quality essential services and supporting infrastructure including updated enterprise software and permitting.

Operational Excellence

- Simplify permit requirements and improve the overall development and building code processes to become easier to work with for all participants.
- Invest in staff development to create a high performing organization.
- Manage commercial growth well following an updated, concise, and consistent comprehensive plan.
- Establish and implement a mechanism for effective Utility policy setting and review.

Communication

- Improve transparency in policy setting and implementation.
- Create a communication process that provides measureable improvement in citizen trust in government.

Intergovernmental Relations

- Strengthen coordination and cooperation between County government, LANL, and regional and national partners.
- Actively pursue land transfer opportunities.

Goal statements reflect leadership priorities and direction that will define the basis for policy formulation and revenue and resource generation and allocation.



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	4.G.3
Index (Council Goals):	BCC - N/A
Presenters:	Jack Richardson, Deputy Utilities Manager - GWS Services
Legislative File:	10416-18

Title

Quarterly Update on Utility System - Wastewater System

Recommended Action

No recommendation, for information only.

Staff Recommendation

None

Body

The Board has requested a quarterly system assessment on a different utility each quarter. This quarter, Jack Richardson, Deputy Utilities Manager for Gas, Water and Sewer, will present an update on the wastewater system.

Alternatives

None

Fiscal and Staff Impact

None

Attachments

A - Wastewater System Presentation

Quarterly Update to BPU Waste Water Systems (WC & WT)

By: Jack Richardson, PE

Deputy Utility Manager – Gas, Water, Sewer (GWS)

BPU Meeting – April 18, 2018

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1



LA WWTP

RAS Pump Station Room
Return Activated Sludge

WR WWTP

Trickling Filter Recirculation Pump Area

GWS ORGANIZATIONAL STRUCTURE

These folks in the red box are responsible for all wastewater collection (WC) system O&M – but they are also responsible for all gas distribution and water distribution system O&M.

Deputy Utilities Manager
Gas, Water, Sewer (GWS)

Superintendent (GWS)
(1)

Meter Reader Supervisor (1)

Apprentice I (3) / Trainee (1)

Meter Reading {5}

Field Supervisor (1)

Senior Pipefitter (4)

Pipefitter (2)

Apprentice II (4)

Apprentice I (4)

Trainee (2)

Senior Engineering Aide
(1)

Shop Supervisor (1)

Superintendent (WWTP)
(1)

WWTP Supervisor (1)

Senior WWTP Operator
(2)

Operator Apprentice III
(2)

Operator Apprentice II
(1)

Operator Apprentice I (0)

Trainee (2)

These folks in the green box are responsible for all wastewater treatment (WT) system O&M – both the Los Alamos & White Rock WWTP's.

Superintendent (WP) (1)

Senior Water System
Operator (5)

Water System Electrical
Tech. (2)

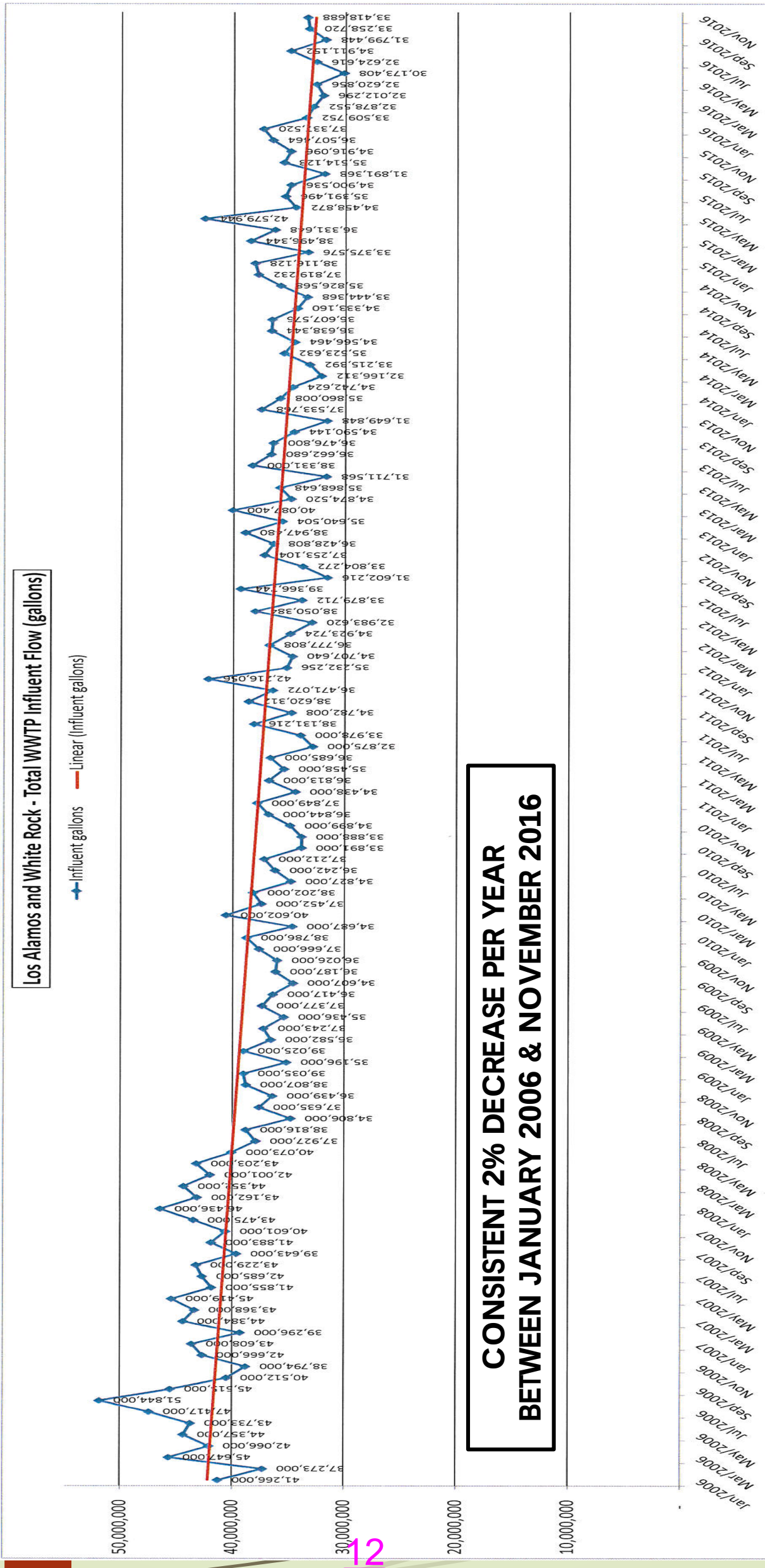
Water Systems Trainee
(1)

**Water Production
Potable and
Non-Potable {9}**

**Wastewater
Treatment {9}**

**Gas Distribution
Water Distribution
Sewer Collection
GWS Total {20}**

2006 – 2016 Total Wastewater System Flows or “Sales” (Gallons per Month)



CONSISTENT 2% DECREASE PER YEAR
BETWEEN JANUARY 2006 & NOVEMBER 2016

2005 Study – Executive Summary Extract

DEPARTMENT OF PUBLIC UTILITIES

INCORPORATED COUNTY OF LOS ALAMOS



SEWER SYSTEMS CONDITIONAL ASSESSMENT 2005

Los Alamos County
Sewer Condition Assessment

Utilities Engineering
7/13/2005, Rev 1

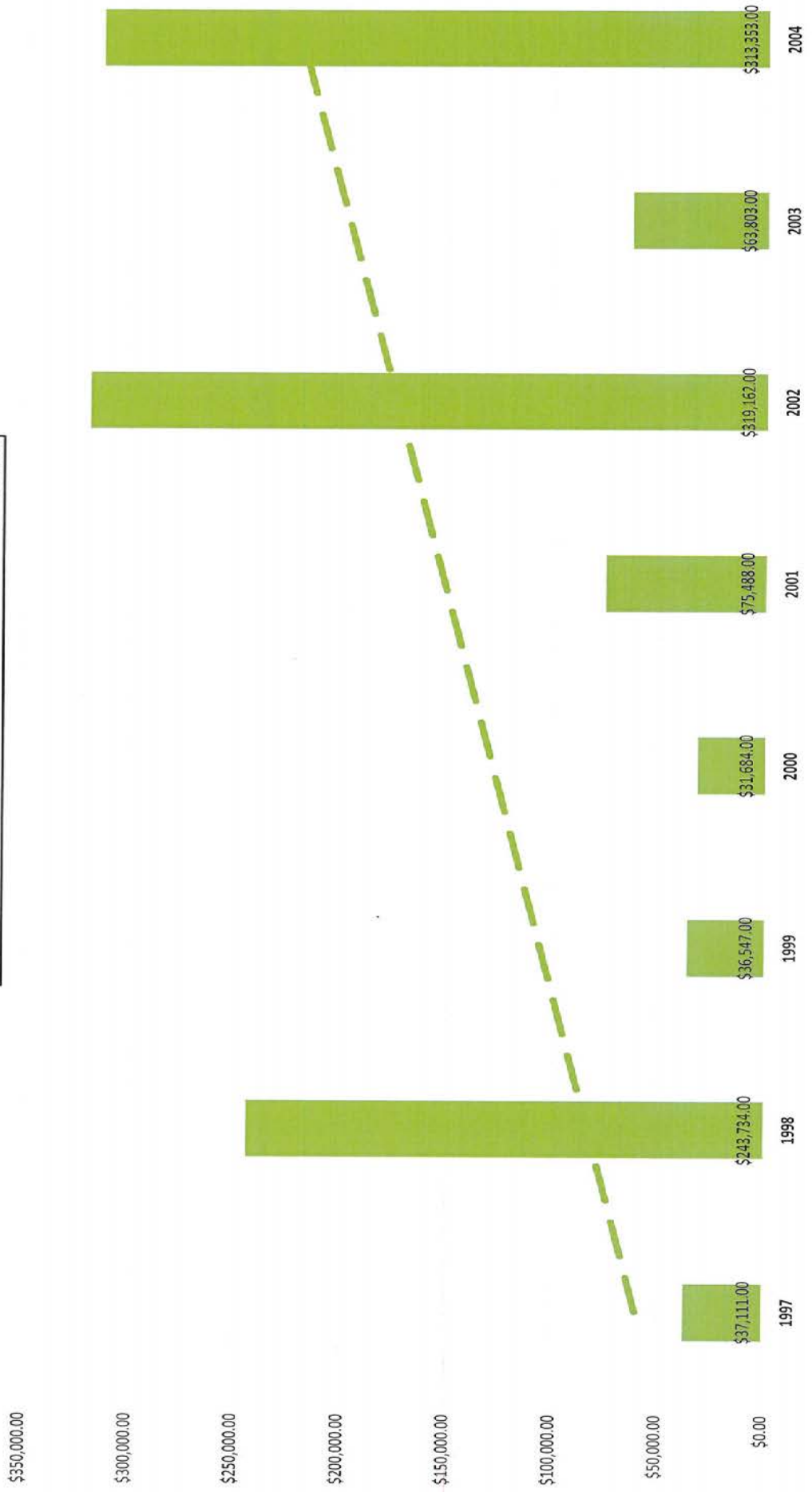
1. INTRODUCTION

1.1. Report Summary

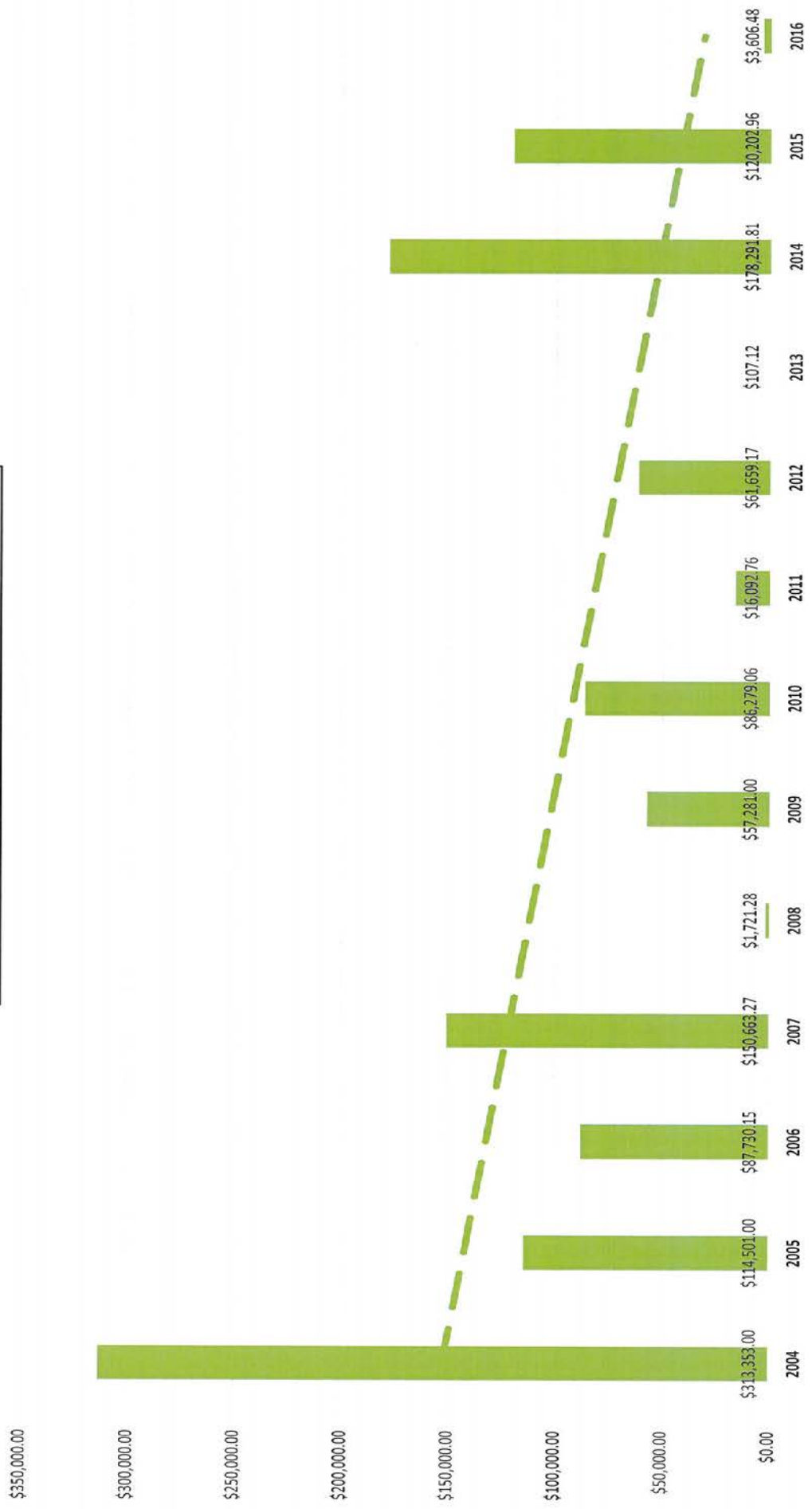
This report summarizes the 2005 sewer condition assessment of the Los Alamos County wastewater collection system performed by the Department of Public Utilities (LACU).

Completion of a condition assessment of the sewer collection system is one effort in the Department's strategic goals developed in 2004: Reduce sewer overflows into homes by 25% per year over the next four years. Sewer overflows are a health hazard, result in expensive insurance claims and are reported as violations to the LACU National Pollution Discharge Elimination System (NPDES) permit.

Total Annual Cost of Sewer Claims with Linear Trend Line - 1997 to 2004

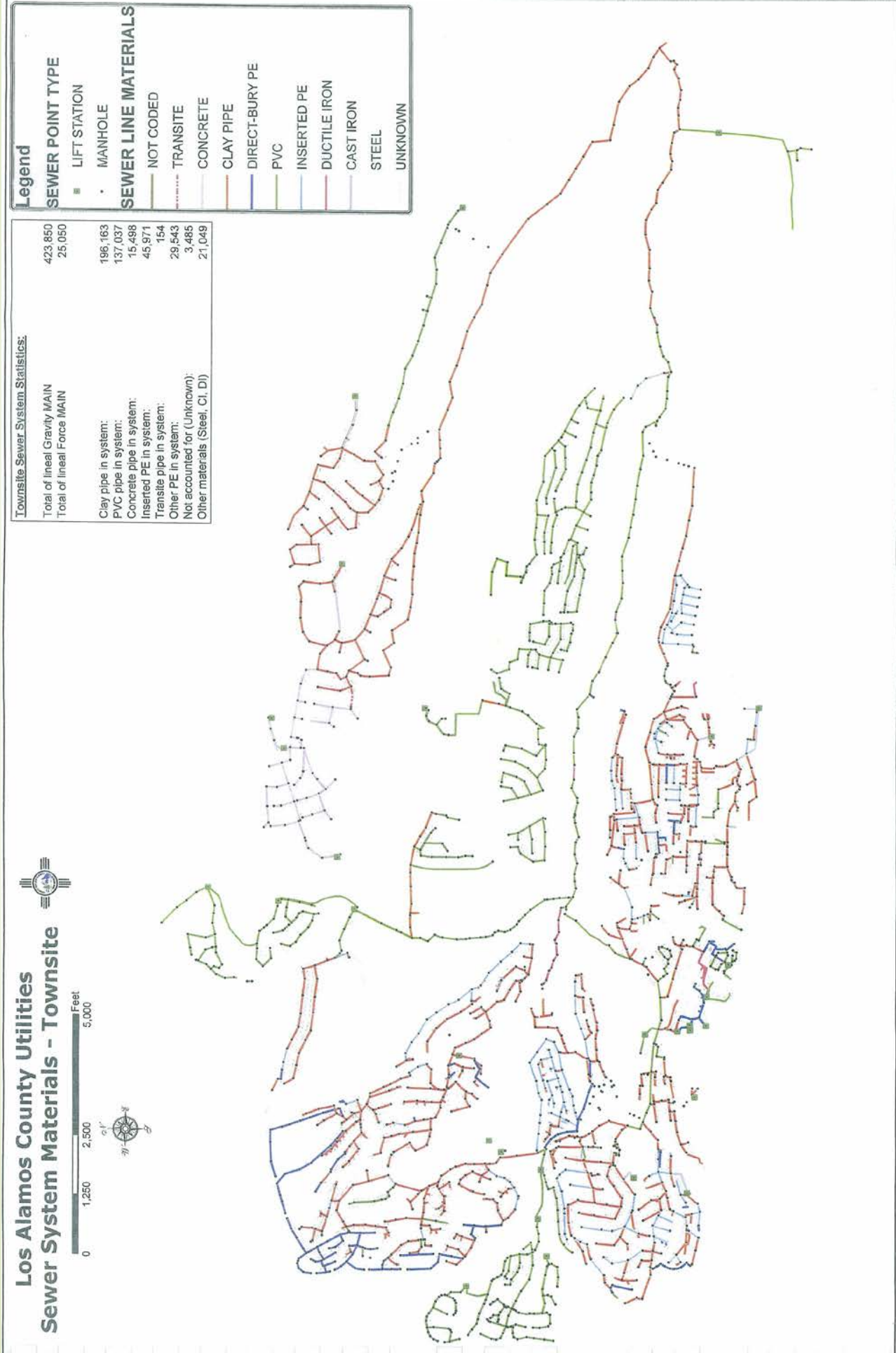


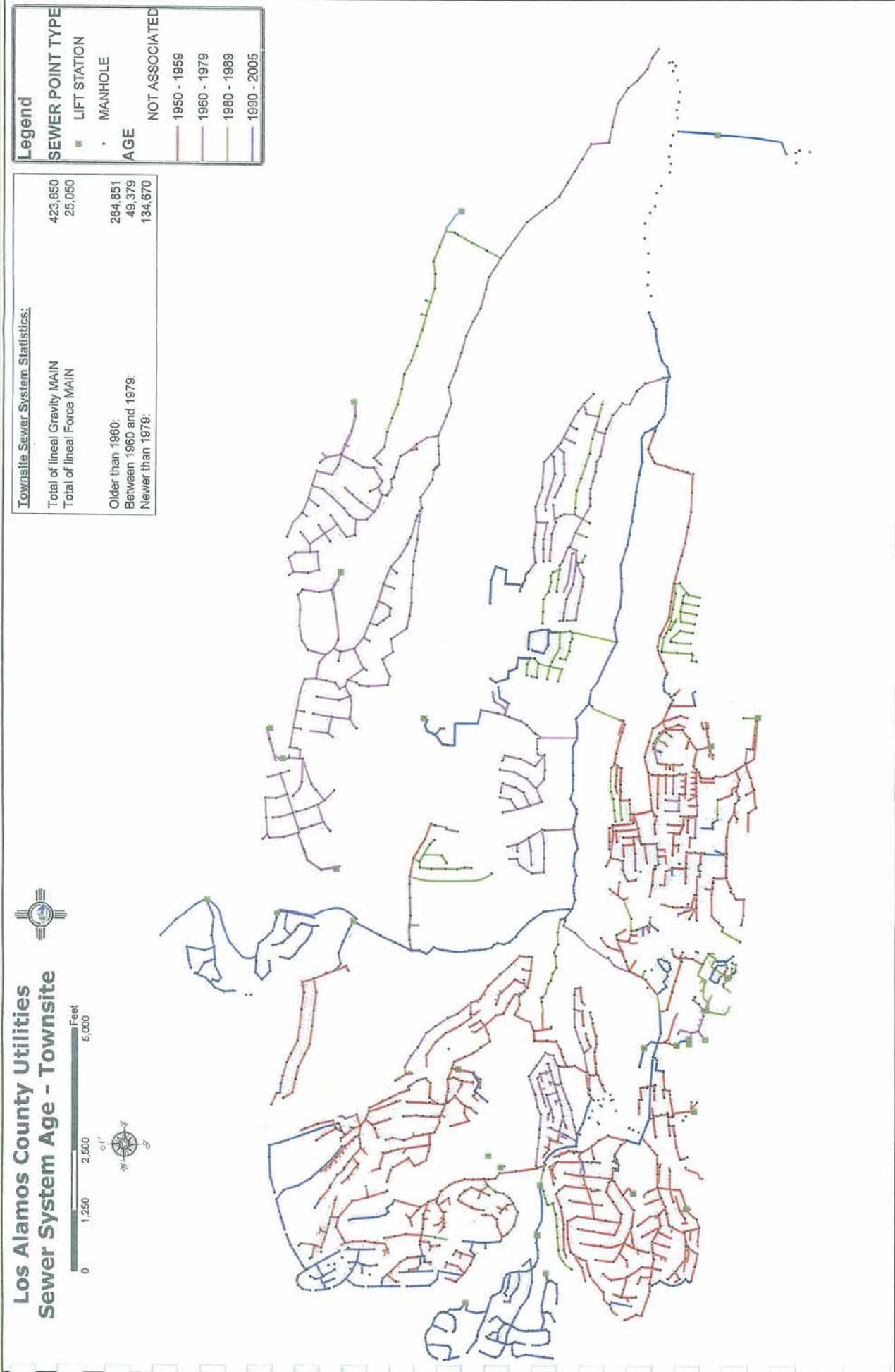
Total Annual Cost of Sewer Claims with Linear Trend Line - 2004 to 2016

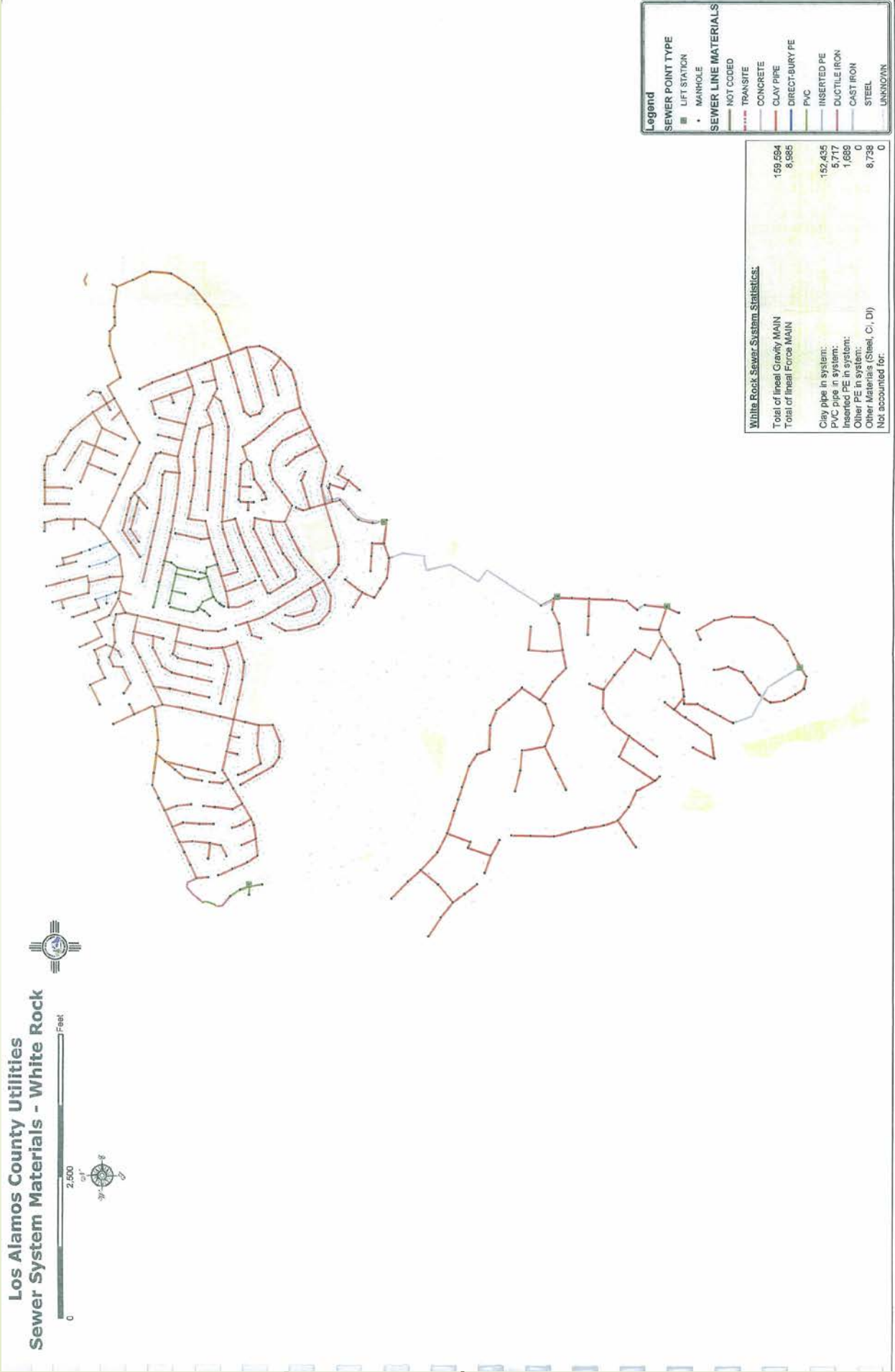


Wastewater Collection System 2005 Condition Assessment Discussion Points

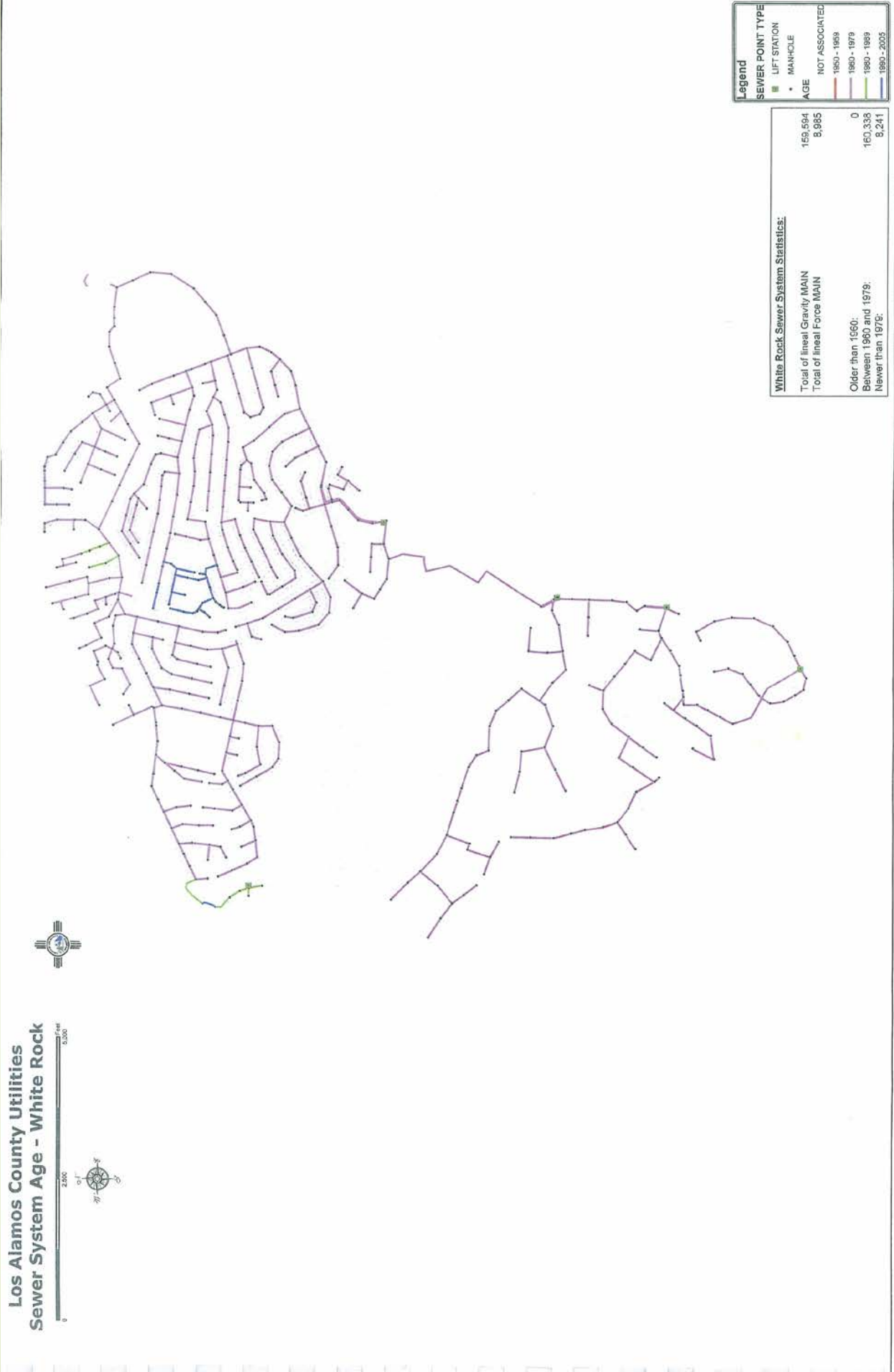
TOWNSITE & WHITE ROCK WASTEWATER COLLECTION SYSTEMS DISCUSSION POINTS						
Pipeline Type	Townsite			White Rock		
	Lineal Feet	Miles	% of Total	Lineal Feet	Miles	% of Total
Gravity Main	423,850	80.27	94.42%	159,594	30.23	94.67%
Force Main	25,050	4.74	5.58%	8,985	1.70	5.33%
SubTotal	448,900	85.02	100.00%	168,579	31.93	100.00%
Pipeline Material						
Clay (VCP)	196,163	37.15	43.70%	152,435	28.87	90.42%
Poly Vinyl Chloride (PVC)	137,037	25.95	30.53%	5,717	1.08	3.39%
Concrete	15,498	2.94	3.45%	0	0.00	0.00%
PE Inserted (in other pipe type)	45,971	8.71	10.24%	1,689	0.32	1.00%
Transite (ACP)	154	0.03	0.03%	0	0.00	0.00%
Polyethylene (PE stand alone)	29,543	5.60	6.58%	0	0.00	0.00%
Steel / Cast Iron / Ductile Iron	21,049	3.99	4.69%	8,738	1.65	5.18%
Unknown	3,485	0.66	0.78%	0	0.00	0.00%
SubTotal	448,900	85.02	100.00%	168,579	31.93	100.00%
Pipeline Age						
Older than 1960 (58+ Years Old)	264,851	50.16	59.00%	0	0.00	0.00%
Between 1960 and 1979 (48+ Years Old)	49,379	9.35	11.00%	160,338	30.37	95.11%
Newer than 1979 (39- Years Old)	134,670	25.51	30.00%	8,241	1.56	4.89%
SubTotal	448,900	85.02	100.00%	168,579	31.93	100.00%







White Rock Wastewater Collection Pipeline Age – 2005 Condition Assessment



2005 Condition Assessment of Wastewater Collection System (WC)

Wastewater Collection System Condition Assessment

- Upgraded video inspection equipment has been purchased and has become a routine part of WC O&M since 2007. Annual footage goals for video inspection (and pipeline cleaning) have also become routine since 2007. National standard comparable values have been incorporated into the WC dashboards starting in FY 2013.
- Sewer video inspection software usage (WinCam 2007 - 2014 & IT Pipes 2014 - Present) has also become routine. The FY 2018 GIS Upgrade project is scheduled to incorporate these video files into the GIS by linking the inspection videos to pipeline segments for easy access and viewing.

2005 – 2016 Reduce Sewer Overflow Events with Damage Claims (WC)

- Trend Line in the Correct Direction for Reducing Damage Events per Year.
 - Between 2006 and 2016 the DPU has significantly reduced the number of damage claims from sewer backup events.
- Sewer Overflow Events Incorporated into WC Dashboard.
 - AWWA national standard for sewer overflow events per 100 miles of main pipeline has been incorporated into the WC dashboard.

2010 Purchase of Small Back Yard Excavator and Trailer (WC)

- Based on a recommendation in the 2005 Condition Assessment, a mini-excavator and trailer were purchased in 2010. This piece of equipment has allowed for improved O&M and minor R&R projects in locations where it would be difficult to access without major property damage and restoration issues.

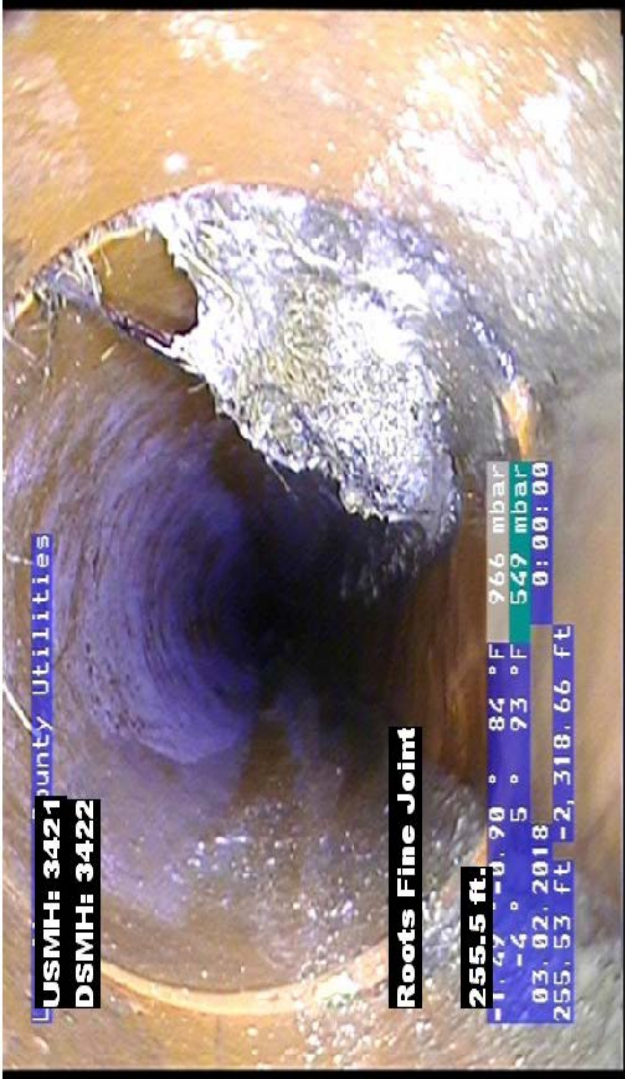
■ **2013 Purchase of Back Yard Cleaning Machine (WC)**

- Based on a recommendation in the 2005 Condition Assessment Report, a back yard cleaning machine was purchased in 2013. This piece of equipment has allowed the sewer crews to reach wastewater collection pipelines that were previously inaccessible. Since 2013 these inaccessible lines have been the number 2 priority for sewer cleaning – behind only the wastewater collection pipelines that are known to be deficient and have a history of needing cleaning on a routine basis in order to avoid sewer overflow events or backups causing damage.

■ **2007 - 2017 White Rock WWTP Deferred Replacement “Project (WT)**

- The full replacement of the White Rock WWTP was warranted in FY 2007. In order to minimize the impact of this project’s cost to DPU sewer customers because the new replacement LA WWTP was completed with start up in FY17 and with financing debt service beginning soon after; a plan was developed to complete a series of small projects to enable the WR WWTP to remain operational for an additional 10 years. The last of these smaller projects is scheduled to be completed in April 2018. This deferral “project” has successfully enabled the DPU to delay the WR WWTP replacement project into FY 2019 design & FY 2020/21 construction and start up.

Typical Wastewater Collection Pipeline Inspection Project Photos



Ongoing Strategy for Operating and Maintaining the Wastewater Systems

❖ **INPUT #1 - Condition Assessment (Latest = 2005 with a Future CA Planned After a Few Years Using the Upgraded GIS System)**

▶ Continue to work towards completion of the recommendations in the 2005 condition assessment of the wastewater collection & treatment systems. Significant items highlighted included:

- ▶ Pipeline Age & Condition – Extensive old and often fragile Clay, Concrete, Steel & Cast Iron pipe status & condition being incorporated into the enhanced GIS Condition Assessment Program
- ▶ SLS Stations (Sewer Lift Stations) – 5 of 12 recommended full replacements completed
- ▶ SLS Stations – 2 additional full replacements (Not Recommended) due to premature station failure
- ▶ Purchased and routinely use mini-excavator and video inspection equipment and software – including adding national standards for video inspection and pipeline cleaning into the WC dashboard
- ▶ Completed 10-Year WR WWTP deferral “Project” and budgeted for new WR WWTP in the FY19 – FY21 time period

❖ **INPUT #2 - Asset Management Team (AMT) Program**

▶ Two teams (Wastewater Collection & Wastewater Treatment) efforts consist of front line supervisors (with daily input from field crew), engineering and finance & admin staff to programmatically address O&M and capital replacement requirements and system upgrade opportunities

▶ Identify and prioritize portions of the wastewater systems that need attention in order to provide safe and reliable service to our customers

▶ AMT program features a pre-budget development AMT Governance Team meeting

❖ **OUTPUT - Bi-Annual Budget / Annual Budget Update & Revision / System Condition Assessment (Field & Financial)**

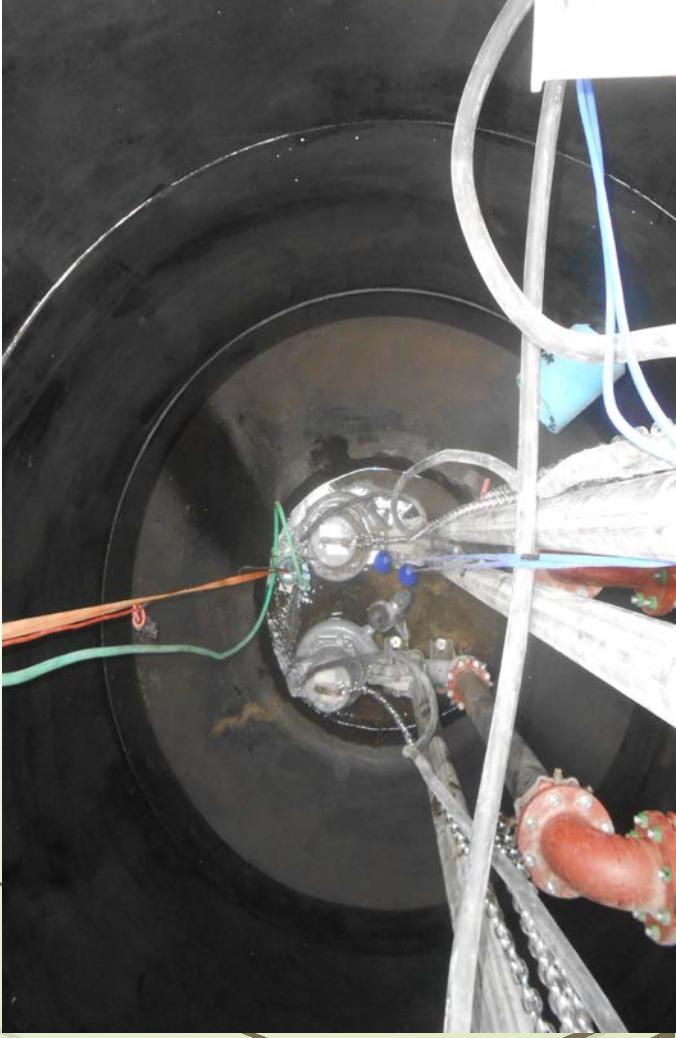
▶ AMT's analyze the wastewater systems in order to recommend O&M and CIP improvements that are used to develop the annual budget (O&M and CIP) to meet all wastewater systems requirements

▶ AMT's will review financial statements at regular meetings to monitor progress and the relationship between expenditures and budgets. AMT's are responsible to recommend revisions to any existing plan or program in response to actual conditions in the field as conditions change.

Typical Sewer Lift Station Replacement Project – Before Photos



Typical Sewer Lift Station Replacement Project – After Photos



Examples of Operation & Maintenance Program Efficiency

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- ❖ **Eliminated One FTE in Overall Gas/Water/Sewer Crew Size (FY17)**
 - ▶ One regular employee FTE was not replaced after retirement in FY 2017
 - ▶ Reduces the number of FTE's in the entire GWS from 21 to 20 (which affects WC as well as DW & GA)
 - ▶ Loss of FTE is coincident with a realignment in DPU lessening emphasis on CIP full replacement projects and increasing emphasis on O&M type specific detailed R&R type projects
- ❖ **Enhanced Sewer Lift Station O&M in Wastewater Collection (FY18)**
 - ▶ Sewer Lift Station field inspection forms are being upgraded so that asset management condition assessment information will be collected annually and placed into a digital file related to the GIS
 - ▶ GWS staff have recommended multiple approaches to the renewed emphasis on O&M, in lieu of full CIP replacement. Suggestions that have been or will be implemented:
 - ❑ Inspection of pump vibration, power usage, electric control functions, etc. added to the routine inspection program.
 - ❑ Replace corroded fasteners with new SS fasteners. Add full coverage wet well & piping coating to routine R&R efforts. This effort should minimize the number of SLS's that require full replacement and minimize the SLS portion of the CIP plan.
- ❖ **Incorporating GIS More as an O&M Tool in Addition to Being the Standard Mapping Tool (FY18 through FY20)**
 - ▶ Will provide for easier and quicker access to water system documentation by adding field form data to the GIS data sets either by attaching scanned images of the field forms or inputting the field form data into a GIS data set
 - ▶ Will provide for easy access to records during preparation for AMT meetings – thereby reducing time and perceived record keeping weaknesses
 - ▶ Enhanced field forms for all infrastructure (not just SLS's) matched to upgraded GIS data sets are being developed, tested and implemented

Wastewater System CIP Planning Considerations : 1 of 2

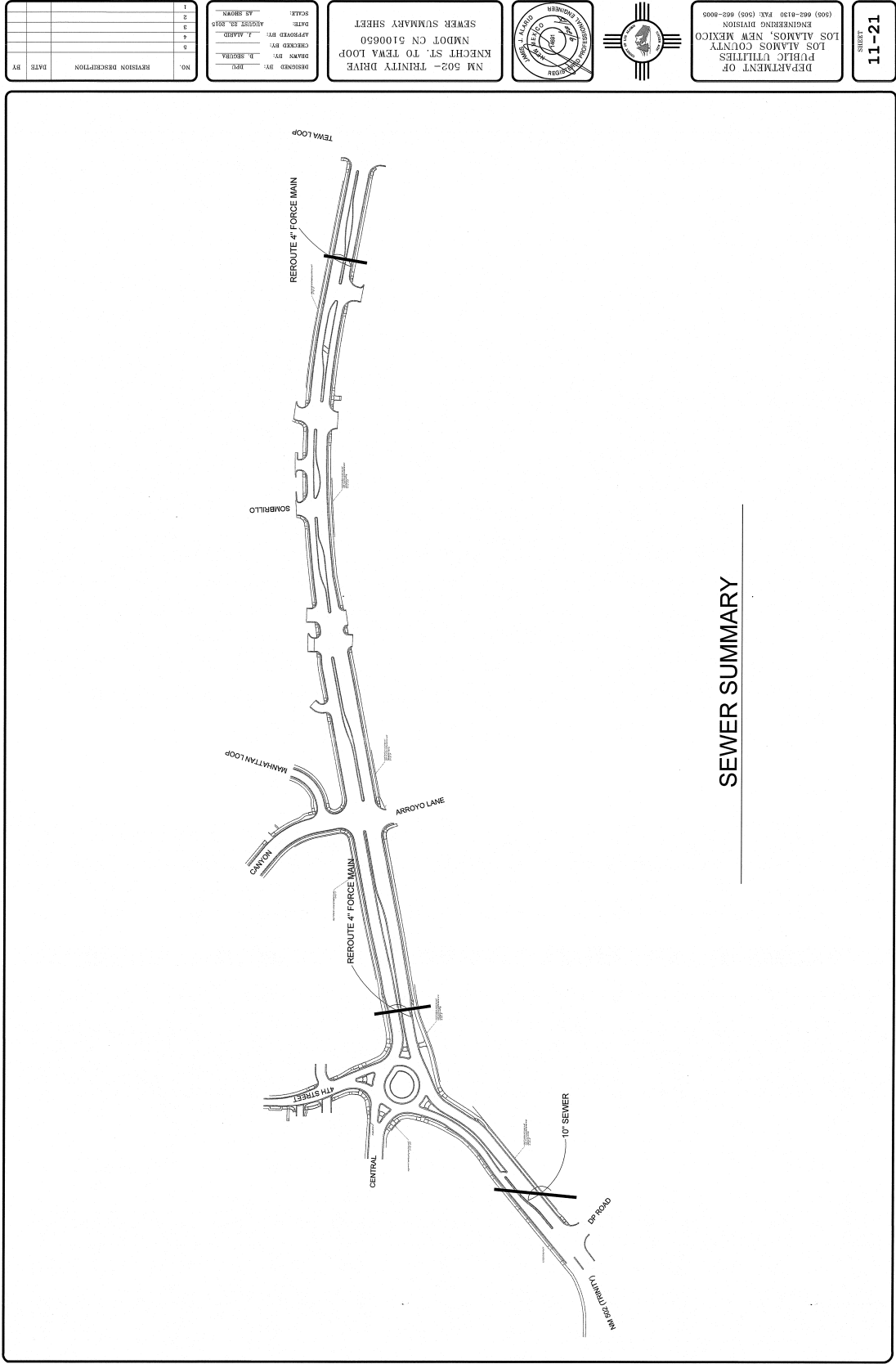
19

❖ **Renewed Emphasis on O&M Type R&R Rather Than Large Scale CIP Replacement Projects (WC & WT)**

- ▶ Critical Infrastructure receives a higher risk factor and a higher probability of large scale replacement
 - Risk Factors and Existing Condition Assessments are being developed with the enhanced GIS Condition Assessment System
 - Enhanced GIS Condition Assessment System will assist the DPU in developing future CIP plans
 - Enhanced GIS Condition Assessment System will also assist the DPU in analyzing and reporting system values: Installed Cost; Present Worth (depreciated net book value); Full Replacement Cost. This will enable better coordination and tracking of system value with the Office of Management & Budget.
- ▶ NM 502 CIP Projects have been added back into the FY19 & FY20 program thinking – assuming the NM DOT actually decides to construct this project during this time frame
 - NM DOT's third attempt at soliciting bids for this project resulted in No Bids. The previous two attempts resulted in the low bidder being significantly over the project's estimated costs.
 - NM DOT may cancel or significantly modify the original NM 502 Project. This Project included gas, water distribution, water production, wastewater collection, electric distribution and communications conduit portions totaling \$2.42 million. DPU is in the process of requesting our pre-paid contribution for utilities be returned expeditiously in the event of cancellation
 - The wastewater collection portion has some important pipelines that are necessary to maintaining flow in the system and have known deficiencies. Even if the DOT NM 502 Project is cancelled, DPU proposes to complete these projects independently

Proposed Risk Assessment Matrix

RISK MATRIX		Hazard Effect / Consequence				
Risk Type		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Harm To People (Safety - Health)		No injury or health risk	First aid case - exposure to minor health risk	Medical treatment case - exposure to major health risk	Serious injuries requiring medical treatment - reversible impact on health	Fatality or loss of quality of life - irreversible impact on health
Environmental Impact		No environmental harm	Minimal environmental harm - easily remediable	Material environmental harm - remediable short term	Serious environmental harm - remediable with major effort and expense	Major environmental harm - remediable for restoration not possible - only mitigation
Business Impact - Material or Financial Loss		No business disruption - no material or financial loss	Brief business disruption - minor material or financial loss	Partial shutdown - moderate material or financial loss	Partial loss of operation - major material or financial loss	Substantial or total loss of operation - significant material or financial loss
Legal & Regulatory		None to low level legal issue	Minor legal issue or breach of law - non-compliance	Serious breach of law - investigation & report to authorities - prosecution and/or moderate penalty possible	Major breach of law - considerable prosecution and penalties	Very considerable penalties and prosecutions - multiple law suits and jail terms possible
Impact on Reputation - Social - Community		Slight impact - public awareness may exist but no public concern	Limited impact - local public concern	Considerable impact - regional public concern	National impact - national public concern	International impact - international public concern
Likelihood		Risk Factor				
Almost Certain	5	2	3	4	5	5
Likely	4	2	2	3	5	5
Possible	3	1	2	3	4	5
Unlikely	2	1	1	2	3	4
Rare	1	1	1	2	2	3
Risk Factor		Guidelines for Risk Matrix				
5	Extreme	Eliminate, avoid, implement specific action plans & procedures to manage & monitor. Immediate action required.				
4	High	Proactively manage. Prioritised action required.				
3	Medium	Actively manage. Planned action required.				
2	Low	Monitor and manage as appropriate. Actioned by routine procedures.				
1	Virtually None	Routine monitoring. No action required.				



Wastewater System CIP Planning Considerations : 2 of 2

❖ **Renewed Emphasis on Sustainable Cash Flows and Cash Balances Meeting Financial Policy Goals (WC & WT)**

- ▲ Financial Policy Goals have been established.
 - Financial Policy Goals will help drive the proposed rate setting discussions into the future.
 - The overarching goal is to reliably provide safe wastewater collection, treatment and disposal with excellent customer service. One of the main goals is also to establish and maintain adequate cash balance reserves in each of the Wastewater Fund sub-funds: Wastewater Collection & Wastewater Treatment independently respective to each sub-fund.

❖ **Enhanced Sewer Lift Station (SLS) O&M Program (WC)**

- ▲ Original CIP project was to replace virtually all sewer lift stations. Many stations exhibit advanced corrosion of fasteners, valves & piping.
 - Cost of CIP projects was reduced from an original estimate of full replacement of 15 SLS's to a current estimate to refurbish, through an R&R O&M project, 8 SLS's over 20 years. Saving approximately 50% of the cost of full replacement for each SLS refurbished instead of replaced.
 - Success of the proposed SLS O&M program may allow for additional savings on SLS replacements.
 - The new O&M routine program is being developed in FY18.

❖ **Deferral of Three Major Sewer Lift Station Elimination Projects from the 10-Year CIP Plan to the 20-Year Plan (WC)**

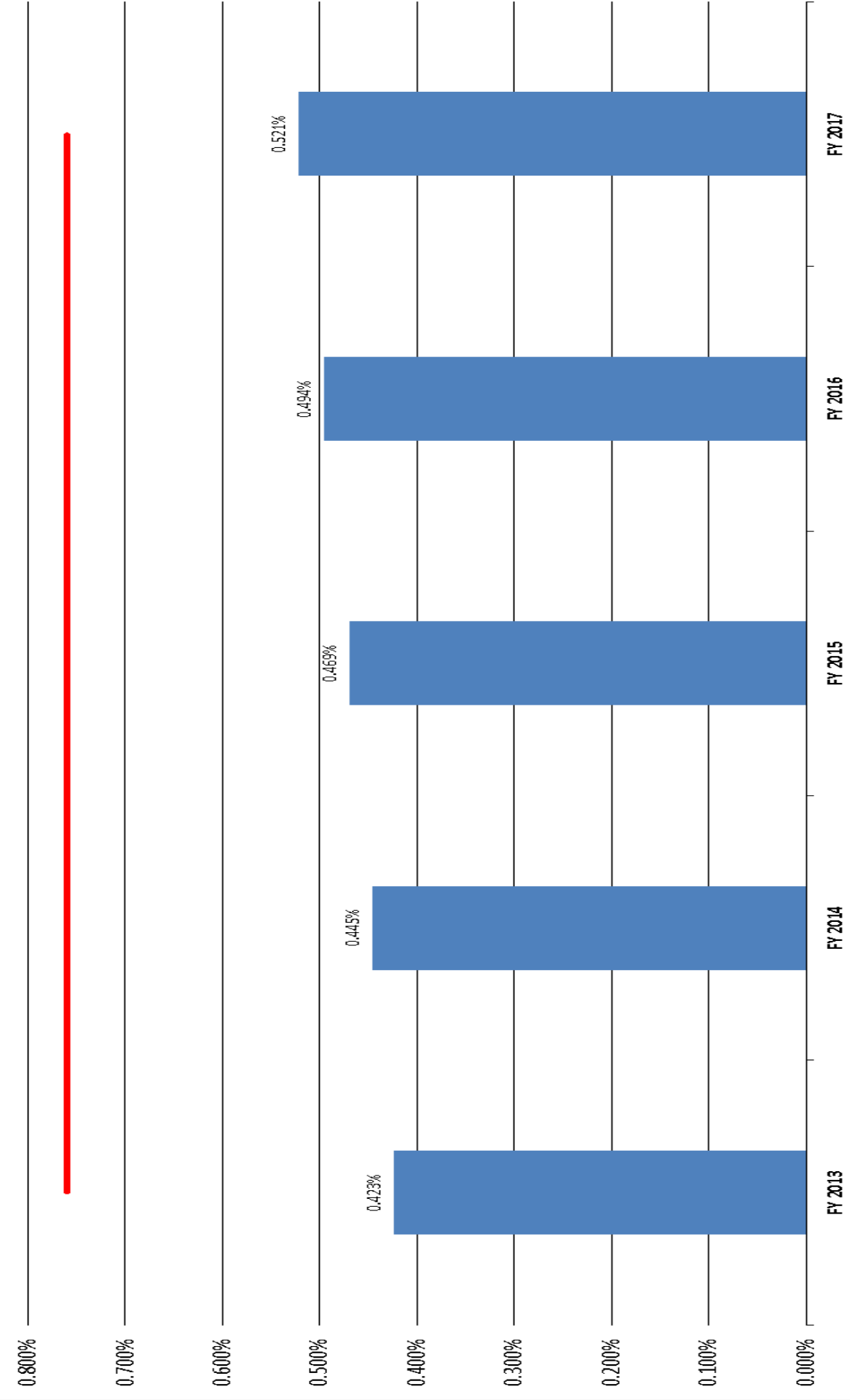
- ▲ Original CIP plan, developed for the 10-year planning period, included the elimination of three major sewer lift stations planned to be replaced with gravity sewer pipelines. These stations are all high volume stations with feasible gravity pipeline alternatives.
 - In order to lower the average annual projected CIP costs for the wastewater collection system, these projects have been deferred to beyond the existing 10-year planning period and have been incorporated into the 20-year planning period. The financial analyses used for this presentation include these projects within the 20-year planning period.

AWWA / Wastewater System R & R

System Renewal & Replacement AWWA National Standard Percentages						
Asset Class	System Repair & Replacement			Present Worth Value of the GWS Group System	Annual Repair & Replacement National	
	Bottom Quartile	Median	Top Quartile		Bottom Quartile	Median
Water Supply	0.8%	1.5%	3.7%			
Water Treatment Facilities	0.7%	1.9%	5.0%			
Water Pump Station	0.6%	2.6%	5.5%			
Water Transmission and Distribution	1.0%	2.4%	4.5%			
Wastewater Collection	1.3%	2.5%	5.2%			
Wastewater Pump Stations	0.7%	2.1%	5.9%			
Wastewater Treatment	1.1%	2.2%	4.4%			
FUTURE CIP COSTS FOR WC & WT						
Water Production	0.775%	2.1%	4.675%	\$39,939,696	\$309,533	\$838,734
Water Distribution	1.0%	2.4%	4.5%	\$17,117,013	\$171,170	\$410,808
\$559,000 - Proposed Annual CIP for WC						
Wastewater Collection	1.0%	2.3%	5.55%	\$19,989,785	\$199,898	\$459,765
\$66,450 (w/out) & \$1,293,700 (with wwtp projects) - Proposed Annual CIP for WT						
Wastewater Treatment	1.10%	2.20%	4.40%	\$13,326,524	\$146,592	\$293,184
						\$586,367

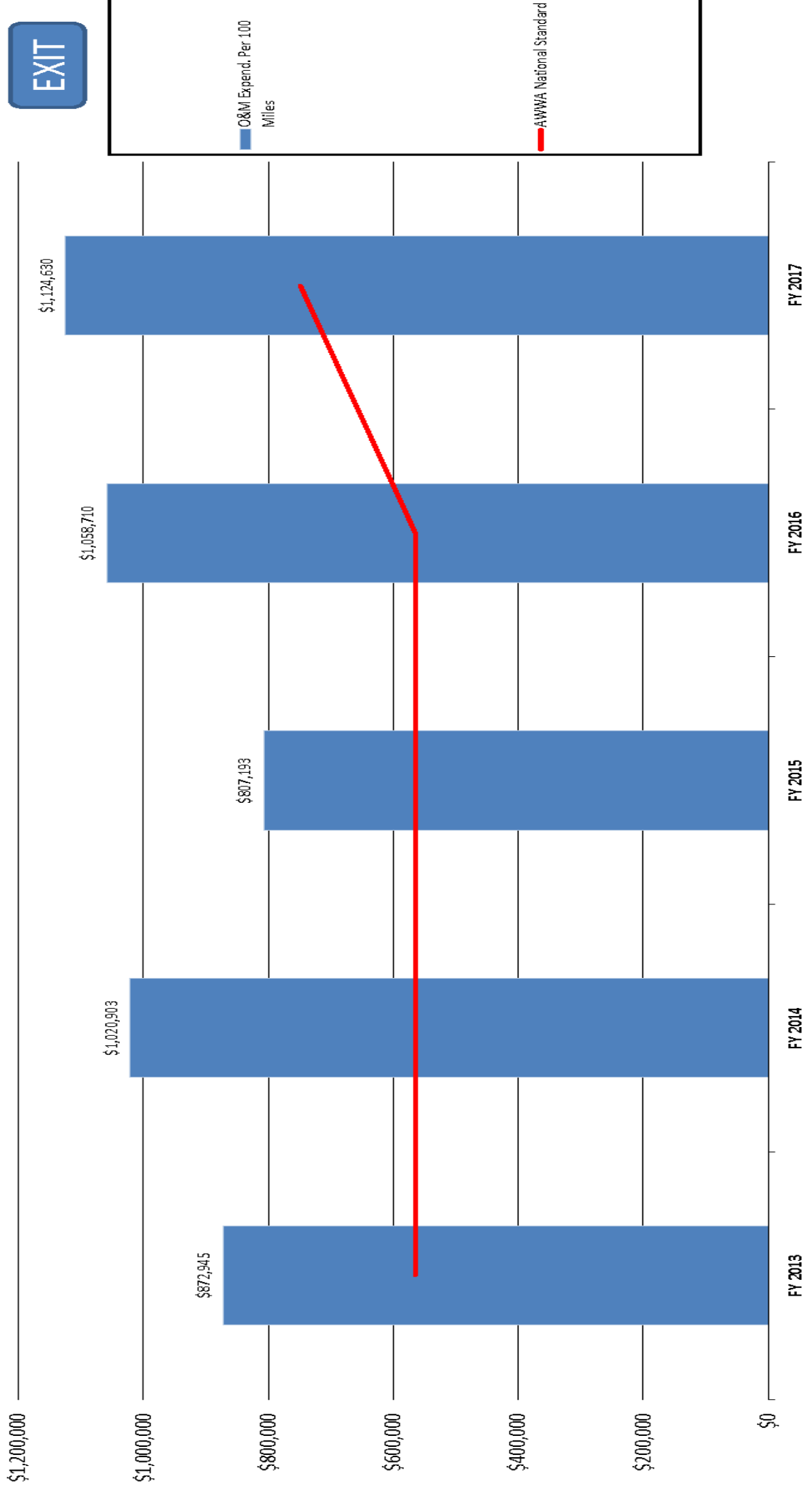
- ❖ **PRIMARY KEY ORGANIZATIONAL PERFORMANCE MEASURES (all)**
- ▶ **Sewer Service Affordability – Based on Ave Res Monthly Bill per Median Household Income (%)**
- ▶ **O&M Expenditures per 100 Miles of Main Pipeline (\$/100 miles)**
- ▶ **Sewer Overflow Events per 100 Miles of Pipeline (#/100 miles)**
- ❖ **SECONDARY KEY ORGANIZATIONAL PERFORMANCE MEASURES (all)**
- ▶ **Monthly Video Inspection Footage (feet/mon.)**
- ▶ **Monthly Sewer Main Cleaning Footage (feet/mon.)**
- ▶ **O%M Expenditures per All Accounts (\$/all acc.) (Conveyance and Treatment)**
- ▶ **Total System revenue per All Accounts (\$/all acc.)**
- ▶ **Energy Consumption – Conveyance per Million Gallons (kWhr/MG)**
- ▶ **Planned Maintenance as a Percent of Total Maintenance (planned maint. hours/planned + corrective maint. hours) (%)**
- ▶ **System Renewal and Replacement (CIP Expenditures for R&R/Total Present Worth of WC System) (%)**
- ❖ **PERFORMANCE MEASURES WITH TARGETS OR BENCHMARKS**
- ▶ **Performance Measures with known national standards for system comparison are in GREEN (Typically AWWA standards)**
- ▶ **Performance Measures with a DPU Strategic Plan or Conservation Plan Goal are in Magenta**
- ▶ **Performance Measures with both a DPU Strategic Plan or Conservation Plan Goal and a national standard comparable goal are in Cyan**
- ▶ **Measures are collected and reviewed monthly via a 12 month moving average graph. Annual FY performance measures data is transferred from the annual data sets to a multi-year data set for year over year / multi-year comparison. Full implementation scheduled for late FY 2018**

GRAPH WC-1 / SEWER AFFORDABILITY (AVE SF RES ANNUAL SEWER BILL AS A % OF MEDIAN HOUSEHOLD INCOME)



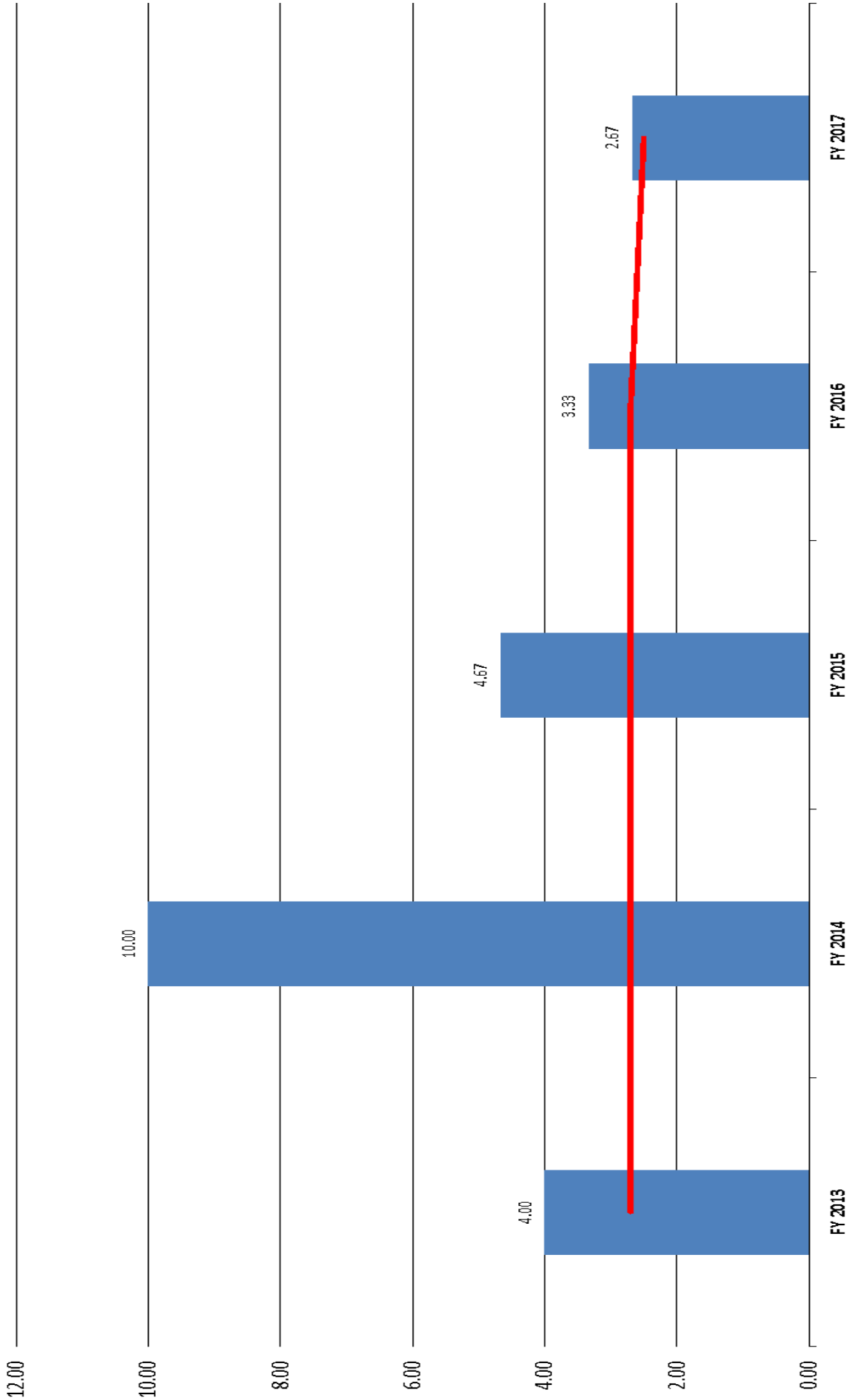
EXIT

GRAPH WC-2 / O&M EXPENDITURES (CONVEYANCE) PER 100 MILES OF MAIN PIPELINE



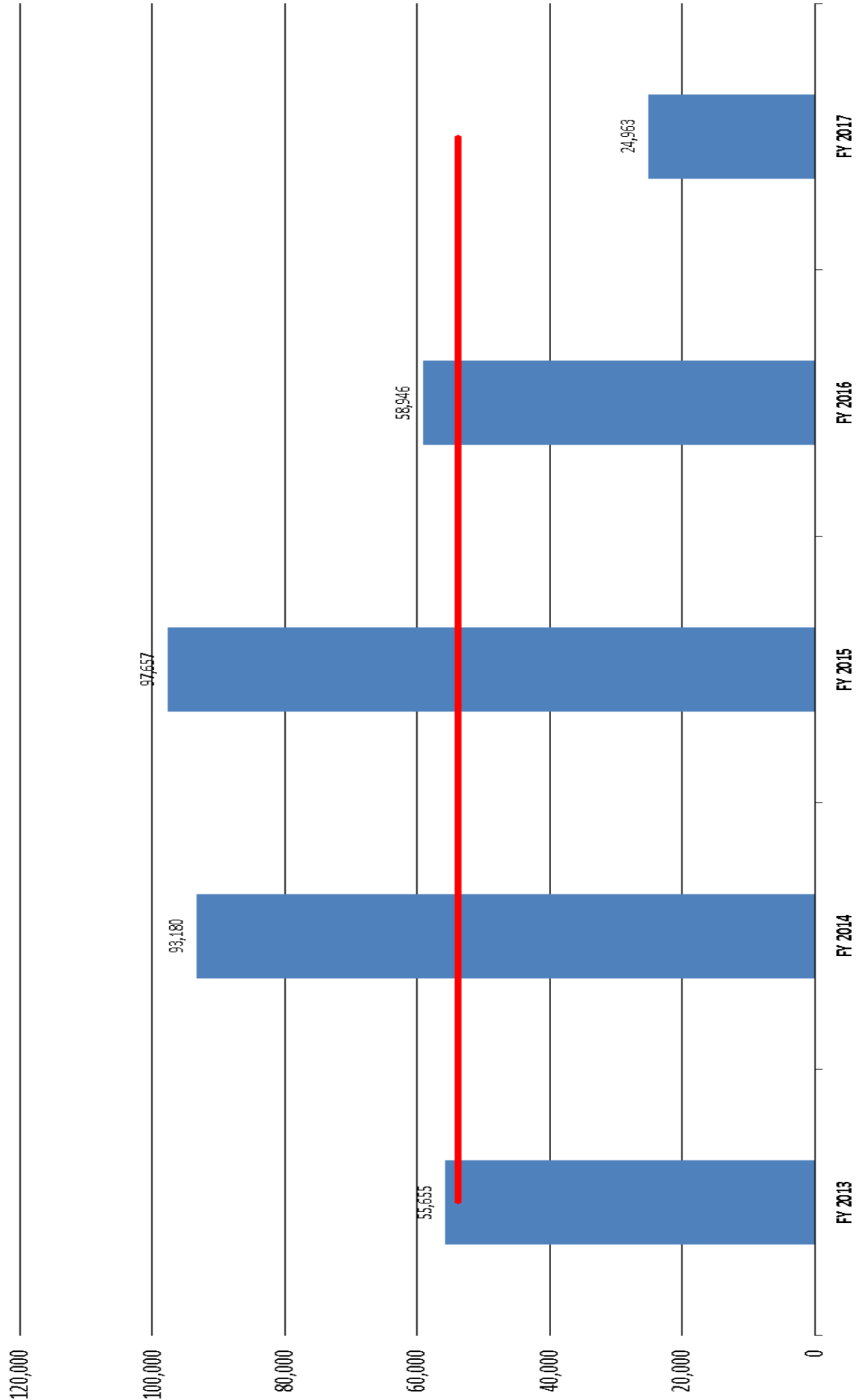
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GRAPH WC-3 / SEWER OVERFLOW EVENTS PER 100 MILES MAIN PIPELINE

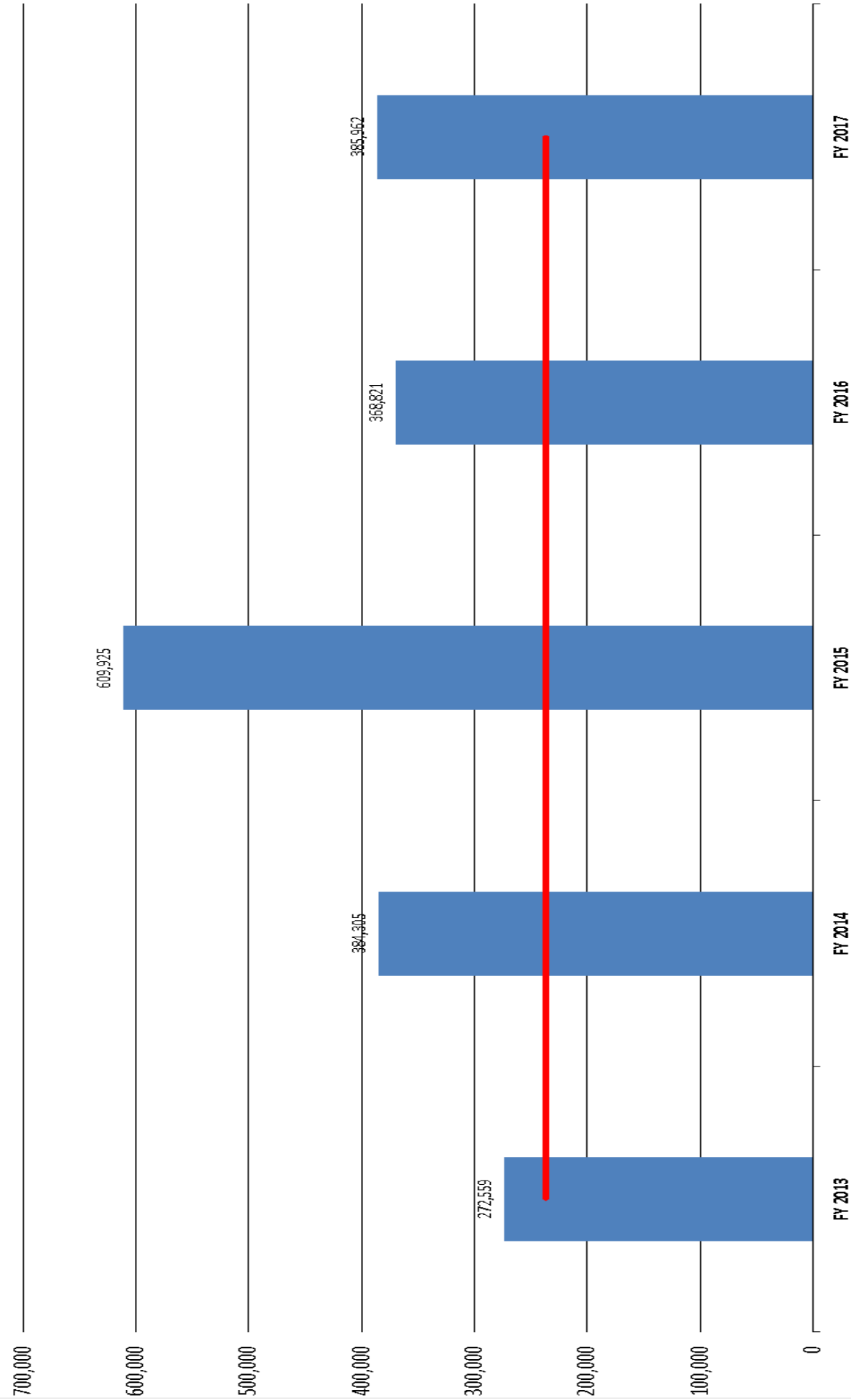


GRAPH WC-4 / VIDEO INSPECTION FOOTAGE

EXIT



GRAPH WC-5 / SEWER MAIN CLEANING FOOTAGE

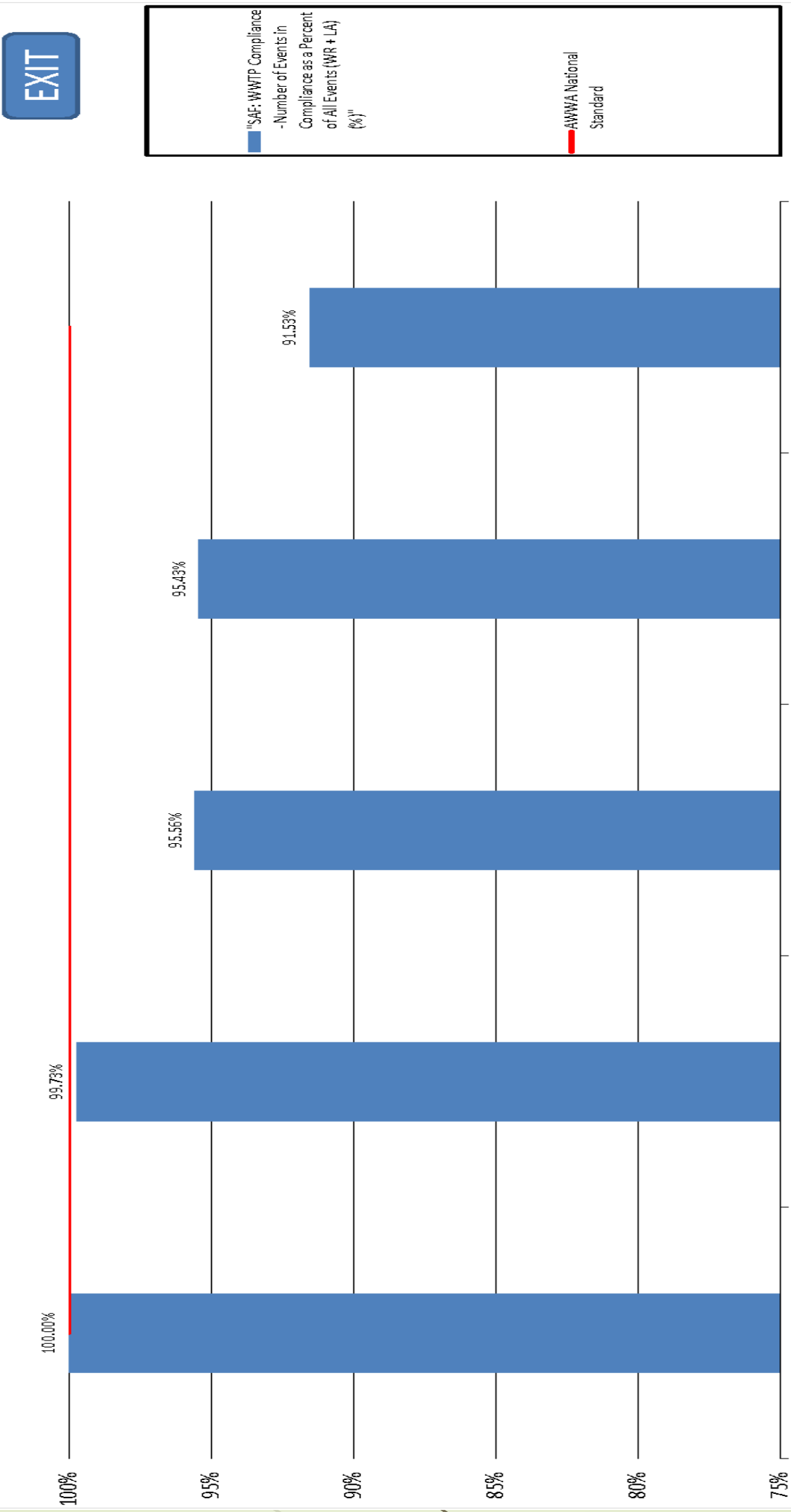


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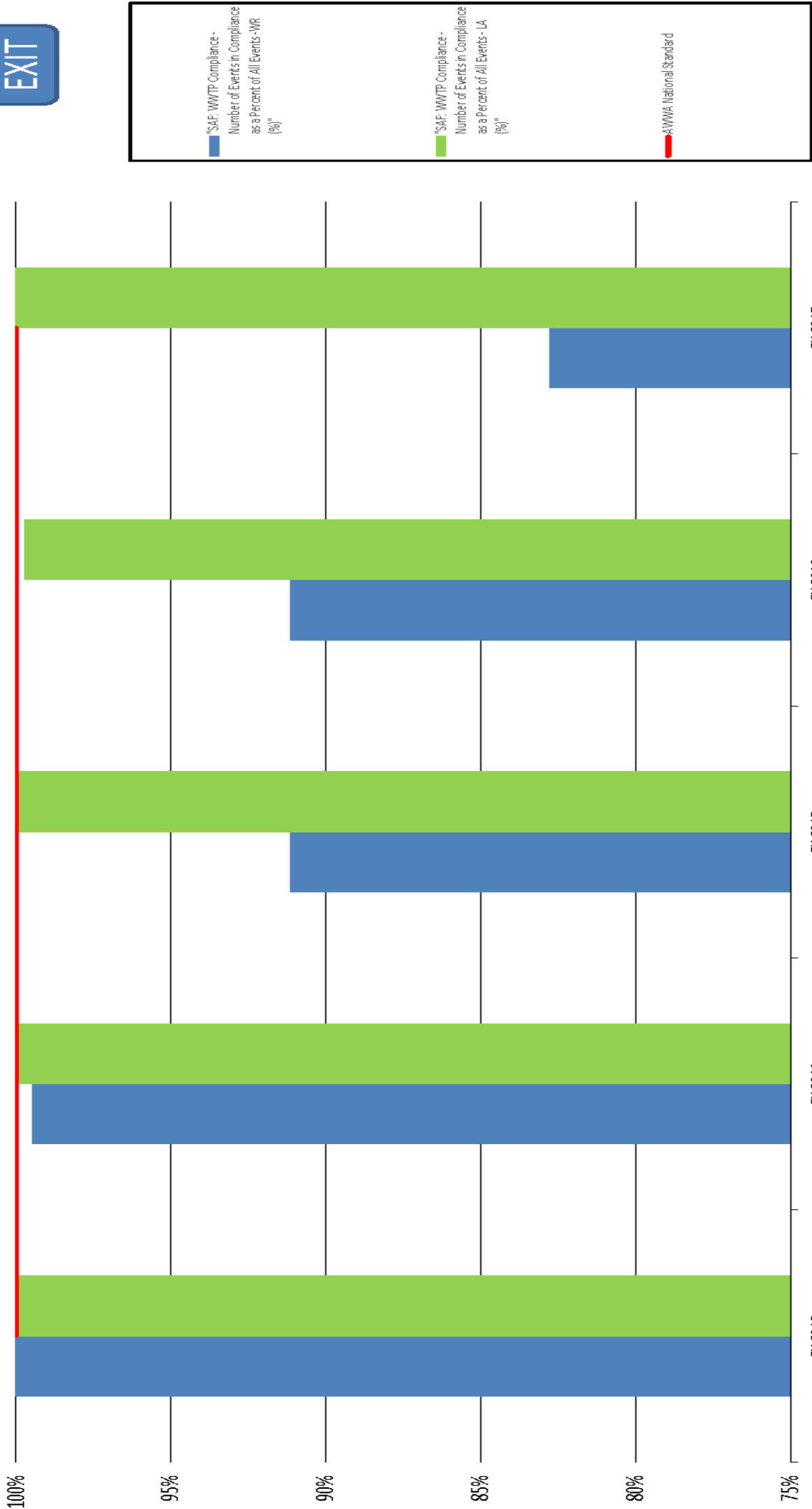
- ❖ **PRIMARY KEY ORGANIZATIONAL PERFORMANCE MEASURES (all)**
- ▶ Permit Events in Compliance as a Percent of All Permit Events (%) (Combined LA & WR WWTP's)
- ▶ O&M Expenditures per Million Gallons (\$/MG)
- ▶ Energy Consumption per Million Gallons Treated (kWhr/MG) (Combined LA & WR WWTP's)
- ▶ Million Gallons of Sewage Conveyed & Treated (MG)
- ❖ **SECONDARY KEY ORGANIZATIONAL PERFORMANCE MEASURES (all)**
- ▶ Permit Events in Compliance as a Percent of All Permit Events (%) (Separate LA & WR WWTP's)
- ▶ Energy Consumption per Million Gallons Treated (kWhr/MG) (Separate LA & WR WWTP's)
- ▶ Planned Maintenance as a Percent of Total Maintenance (planned maint. hours/planned + corrective maint. hours) (%)
- ▶ System Renewal and Replacement (CIP Expenditures for R&R/Total Present Worth of Gas System) (%)
- ❖ **PERFORMANCE MEASURES WITH TARGETS OR BENCHMARKS**
- ▶ Performance Measures with known national standards for system comparison are in GREEN (Typically AWWA standards)
- ▶ Performance Measures with a DPU Strategic Plan or Conservation Plan Goal are in Magenta
- ▶ Performance Measures with both a DPU Strategic Plan or Conservation Plan Goal and a national standard comparable goal are in Cyan
- ▶ Measures are collected and reviewed monthly via a 12 month moving average graph. Annual FY performance measures data is transferred from the annual data sets to a multi-year data set for year over year / multi-year comparison. Full implementation scheduled for late FY 2018

GRAPH WT-1 / WWTP COMPLIANCE - NUMBER OF NON COMPLIANT PERMIT EVENTS AS A % OF ALL PERMIT EVENTS - (WR + LA)

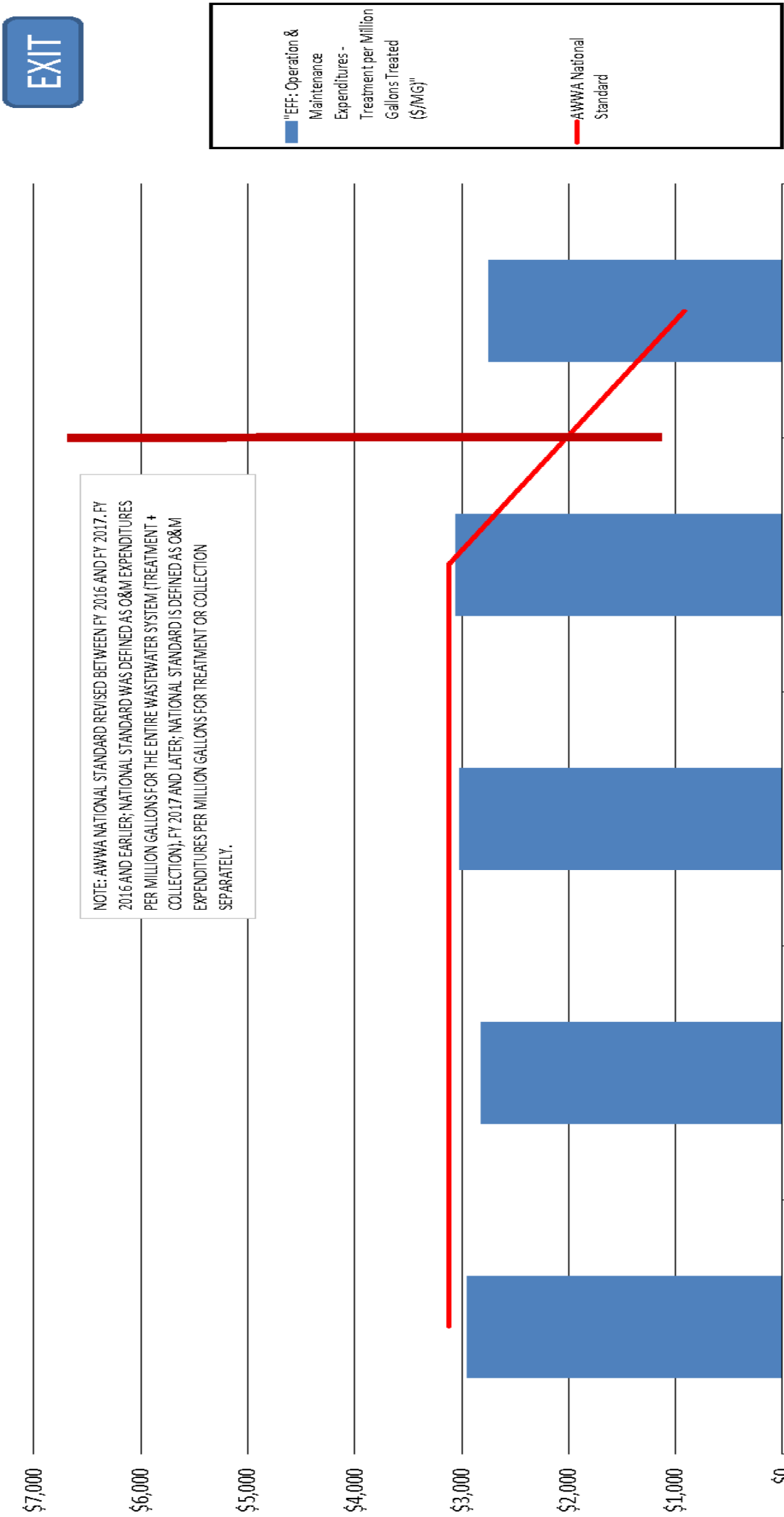


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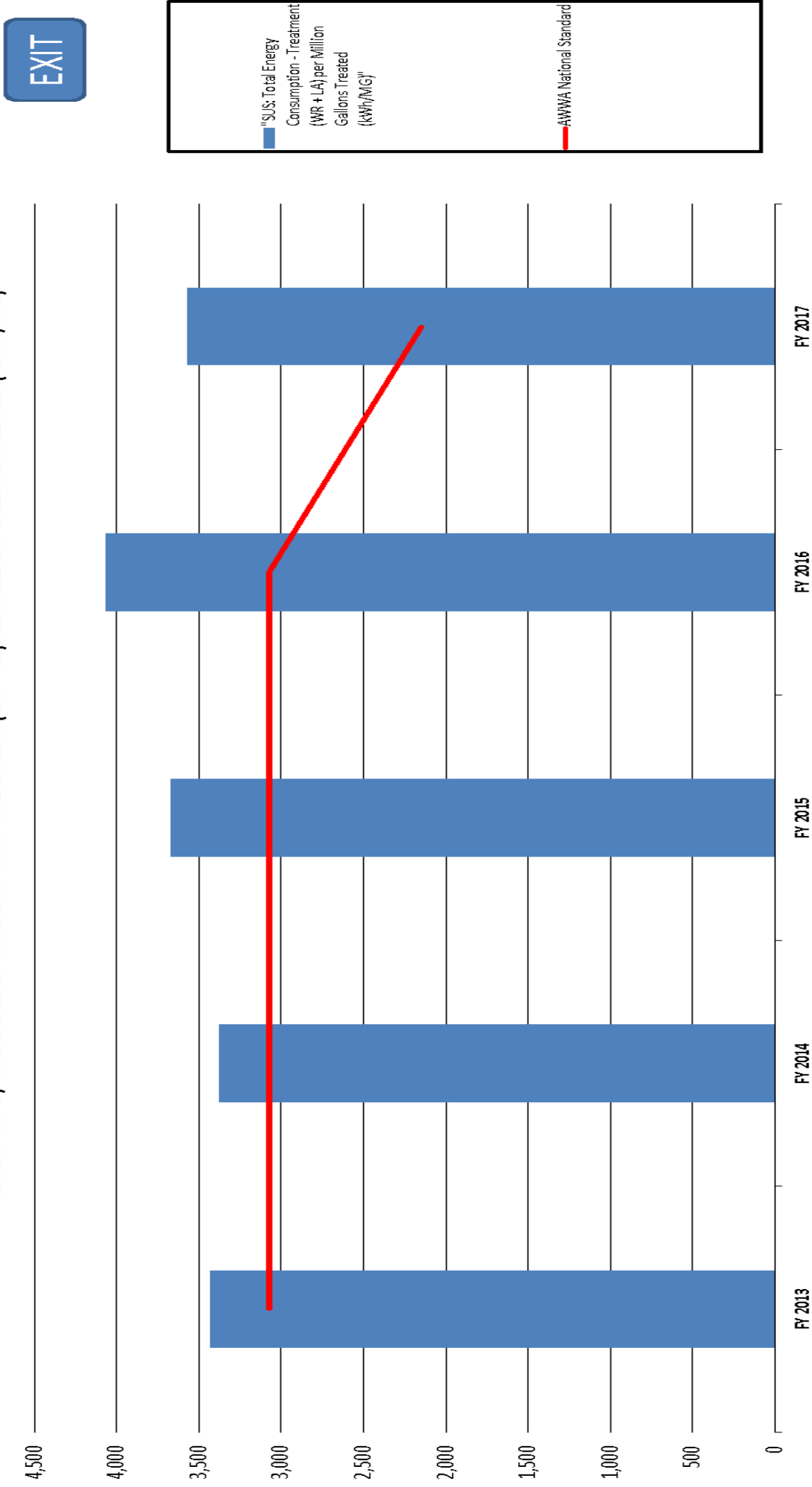
GRAPH WT-5 / WWTP COMPLIANCE - NUMBER OF EVENTS IN COMPLIANCE AS A % OF ALL PERMIT EVENTS (WR & LA)



GRAPH WT-2 / OPERATION & MAINTENANCE EXPENDITURES - TREATMENT PER MILLION GALLONS TREATED (\$/MG)



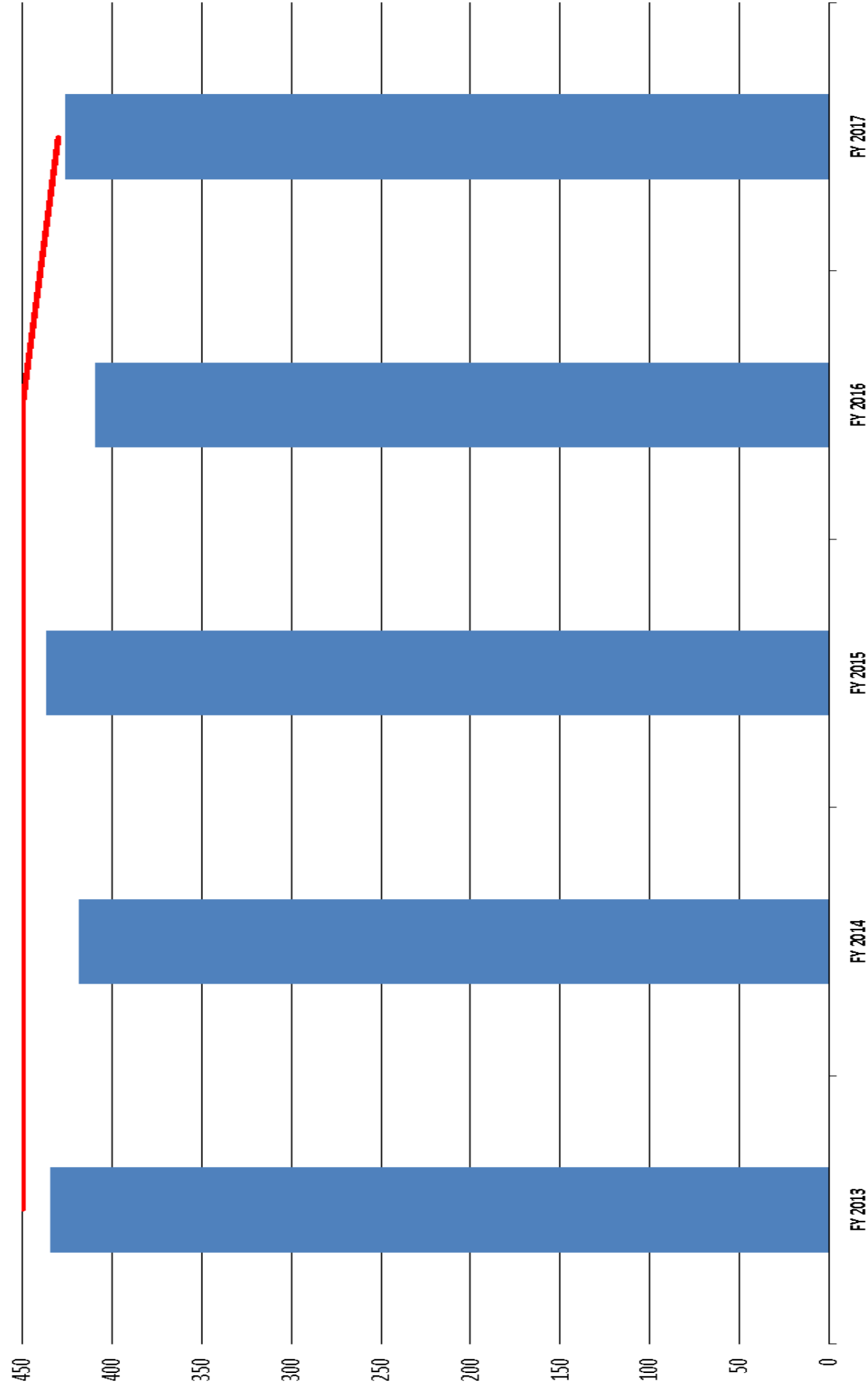
GRAPH WT-3 / TOTAL ENERGY CONSUMPTION - TREATMENT (WR + LA) PER MILLION GALLONS TREATED (kWhr/MG)



EXIT

EXIT

GRAPH WT-4 / GALLONS OF SEWAGE CONVEYED & TREATED (MG)



DPU Financial Policy for Cash Reserves

In Each Utilities Sub Fund:

- **180-Days of Budgeted O&M Expenditures Recommended – or – 90-Days Minimum Floor**
- **Debt Service Reserve (Sufficient to Fund All Debt Service for the Following Year)**
- **Contingency Reserve (Only One Occurrence in any Single Year in Either WC or WT)**
 - **WC = \$750,000 Replace a Washed Out Section of Wastewater Collection Interceptor Pipeline**
 - **WT = \$250,000 Replace a Treatment System Component (Clarifier, Disinfection System, etc)**
- **Retirement/Reclamation Reserve (Only One Occurrence in any Single Year in Either WC or WT)**
 - **WC = \$150,000 Abandon a Sewer Lift Station**
 - **WT = \$150,000 Abandon a Treatment System Basin & Equipment (Disinfection, Digester, etc.)**
- **Cash Balance and Cost / Risk Sharing Between Water System Groups**
 - **WC and WT Group's Budget for Contingency and Retirement/Reclamation Reserves are Split 50/50**
- **Actual (or Annuitized) CIP Program Expenditures for the Following Year – or – The System's Annual Depreciation Plus 2.5% (whichever is greater)**
 - **WC = \$11,198,000 (FY19 – FY38) = \$559,900 / Year. Compared to \$18,109,223 (FY01-FY16) = \$1,131,826 / Year Historic CIP**
 - **WT = \$25,874,000 over 20 Years = \$1,293,700 per Year / Compared to \$17,213,189 (FY01-FY16) = \$1,075,824 / Year Historic CIP**

Wastewater System Rates – Historic/Current/Proposed Future



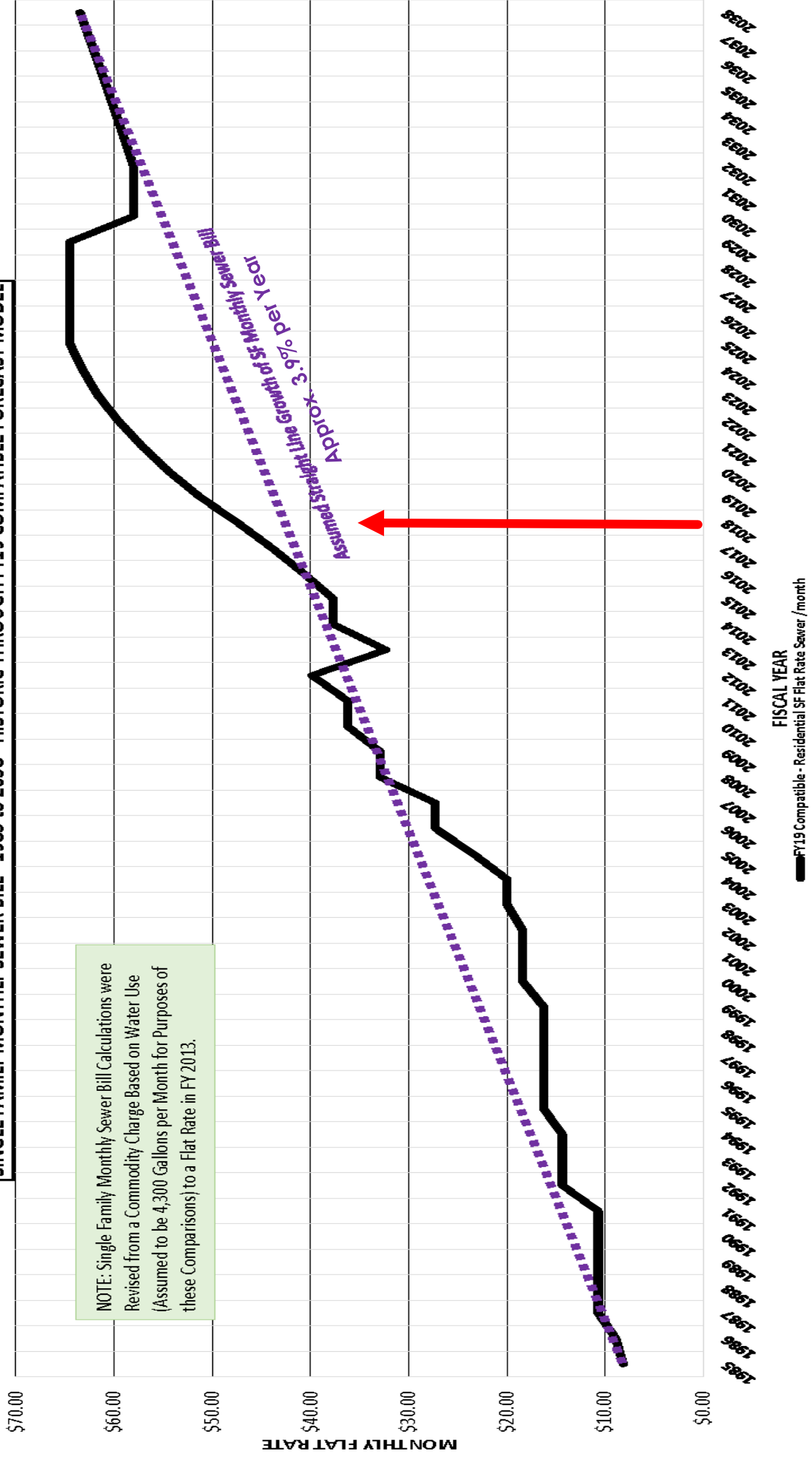
Rates Proposed to Meet Long Range (10 & 20 Year) O&M and CIP System Needs

- Financial Policy sets a goal for annual cash balance reserves to meet key criteria.
- Short term goal of rate setting is to maintain necessary and acceptable levels of both O&M and CIP expenditures while stabilizing cash balance reserves in the wastewater system fund (Wastewater Collection & Wastewater Treatment) that meet DPU financial policy goals and acceptable O&M standards.
- Current status has Wastewater Fund cash balance reserves in relation to DPU financial policy as follows: Debt Service (fully meets); Operations (partially meets); Capital Expenditures (\$0.00 - does not meet) & Contingency (\$0.00 - does not meet).

SUMMARY TABLE OF MONTHLY SEWER BILLS & ANNUAL PERCENT RATE ADJUSTMENT - SF RESIDENTIAL & NON-RESIDENTIAL/COMMERCIAL		1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
SF Monthly Sewer Bill Percent Increase (SF only) COMM Monthly Sewer Bill		\$10.71	\$10.71	\$10.71	\$14.35	\$14.35	\$14.35	\$16.24	\$16.24	\$16.24	\$16.24
		0.00%	0.00%	0.00%	33.99%	0.00%	0.00%	13.17%	0.00%	0.00%	0.00%
		\$40.80	\$40.80	\$40.80	\$56.10	\$56.10	\$56.10	\$60.75	\$60.75	\$60.75	\$60.75
SF Monthly Sewer Bill Percent Increase (SF only) COMM Monthly Sewer Bill		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
		\$16.24	\$18.39	\$18.39	\$18.39	\$19.97	\$19.97	\$23.41	\$27.28	\$27.28	\$32.86
		0.00%	13.24%	0.00%	0.00%	8.59%	0.00%	17.23%	16.53%	0.00%	20.45%
SF Monthly Sewer Bill Percent Increase (SF only) COMM Monthly Sewer Bill		\$60.75	\$78.25	\$78.25	\$78.25	\$109.00	\$109.00	\$137.00	\$168.50	\$168.50	\$222.49
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
		\$32.86	\$36.21	\$36.21	\$39.85	\$32.31	\$37.68	\$37.68	\$40.69	\$43.94	\$47.46
SF Monthly Sewer Bill Percent Increase (SF only) COMM Monthly Sewer Bill		0.00%	10.19%	0.00%	10.05%	-18.92%	16.62%	0.00%	7.99%	7.99%	8.00%
		\$222.49	\$245.39	\$245.39	\$270.15	\$523.89	\$565.68	\$610.99	\$659.81	\$712.59	\$720.61
SF Monthly Sewer Bill Percent Increase (SF + COMM) COMM Monthly Sewer Bill		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
		\$51.25	\$54.45	\$57.18	\$59.61	\$61.69	\$63.24	\$64.50	\$64.50	\$64.50	\$64.50
		8.00%	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	0.00%	0.00%	0.00%
SF Monthly Sewer Bill Percent Increase (SF + COMM) COMM Monthly Sewer Bill		\$725.35	\$726.77	\$750.19	\$782.08	\$809.45	\$829.68	\$846.28	\$846.28	\$846.28	\$846.28
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
		\$64.50	\$58.05	\$58.05	\$58.05	\$58.92	\$59.81	\$60.70	\$61.61	\$62.54	\$63.48
SF Monthly Sewer Bill Percent Increase (SF + COMM) COMM Monthly Sewer Bill		0.00%	-10.00%	0.00%	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
		\$846.28	\$761.65	\$761.65	\$761.65	\$773.07	\$784.67	\$796.44	\$808.39	\$820.51	\$832.82

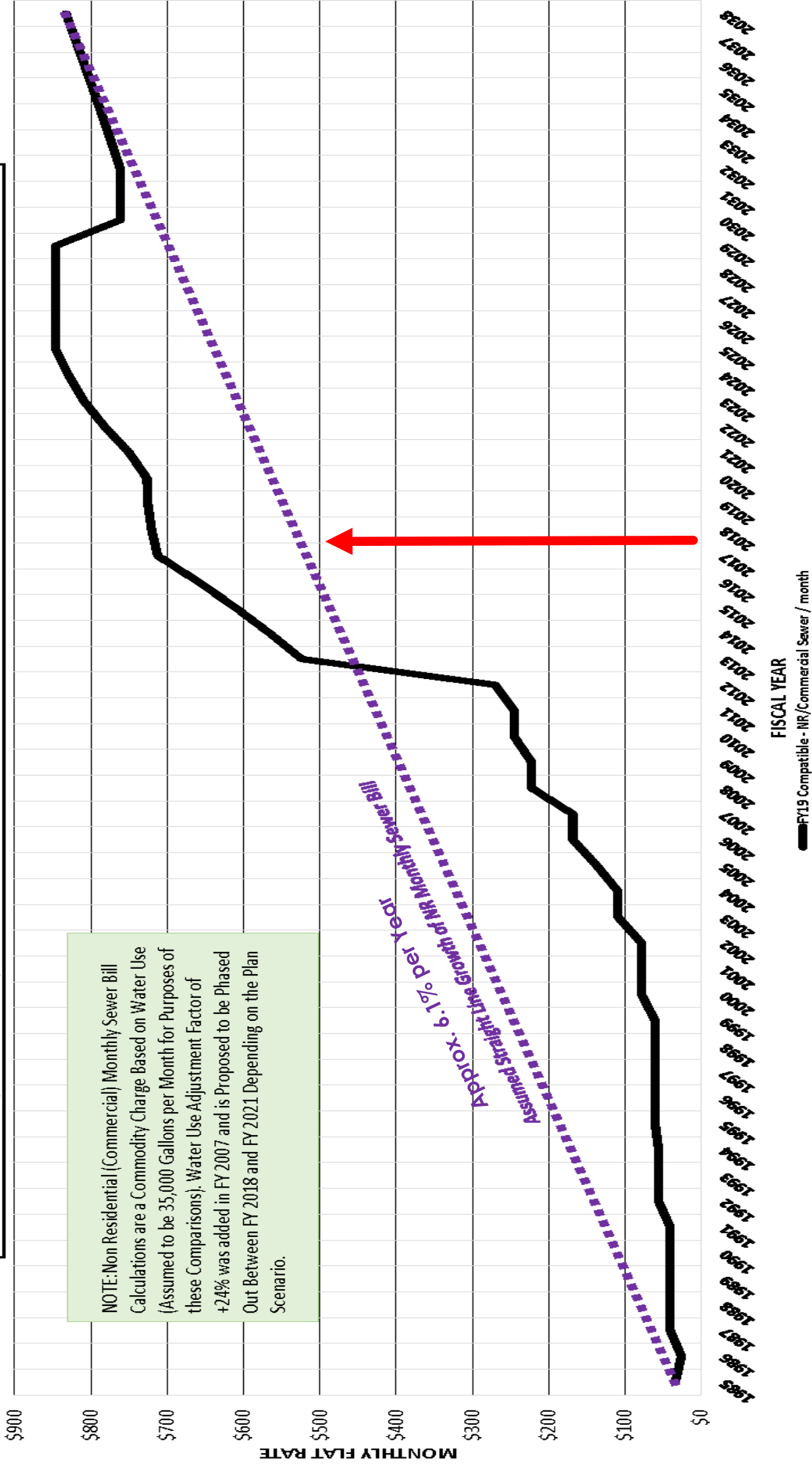
Wastewater System – SF Monthly Sewer Bill - 1985 thru 2038 Historic thru Forecast

SINGLE FAMILY MONTHLY SEWER BILL - 1985 to 2038 - HISTORIC THROUGH FY19 COMPATIBLE FORECAST MODEL

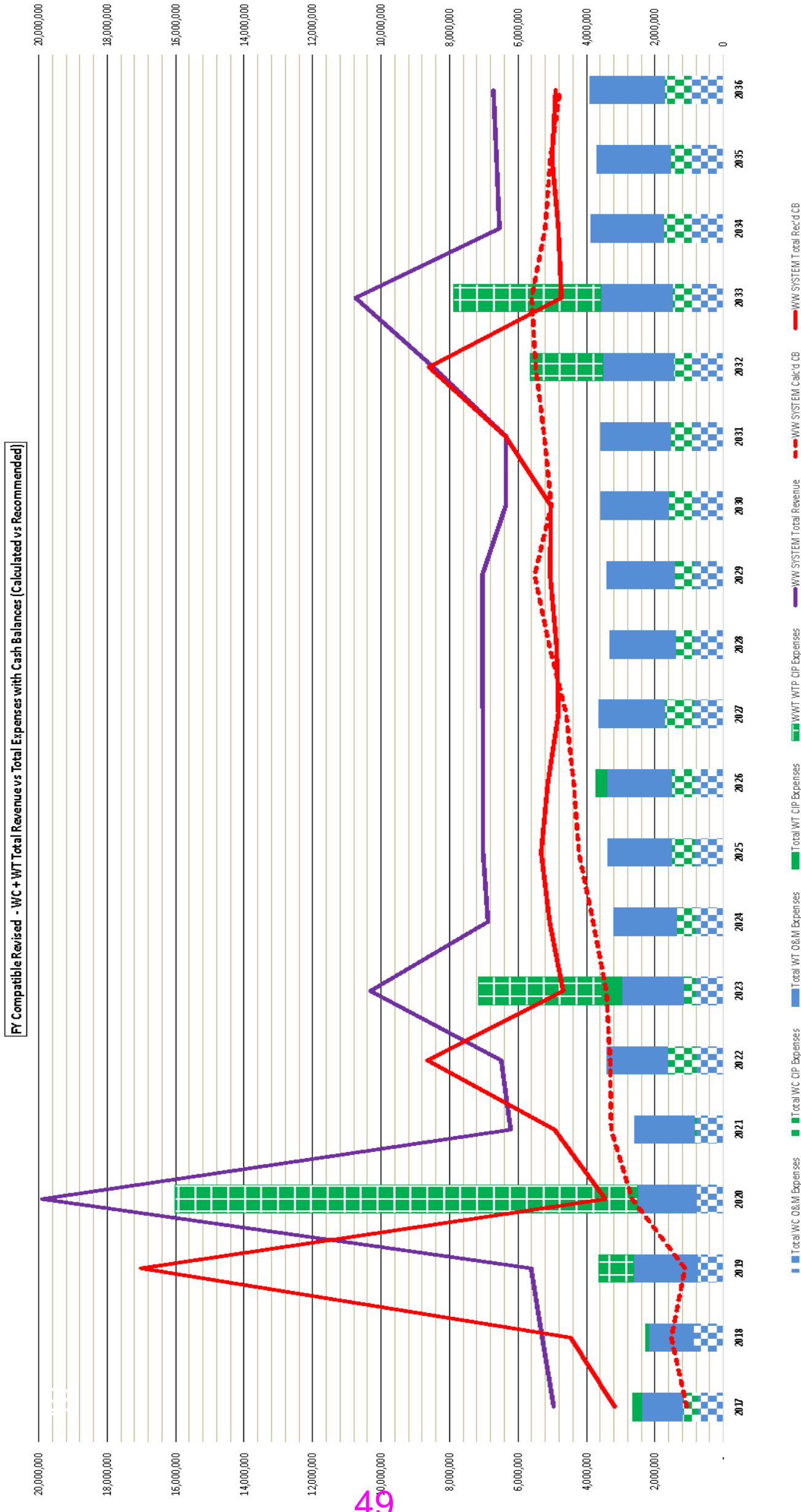


Wastewater System – NR/Comm Monthly Sewer Bill - 1985 thru 2038 Historic thru Forecast

NON RESIDENTIAL (COMMERCIAL) MONTHLY SEWER BILL - 1985 to 2036 - HISTORIC THROUGH FY19 COMPATIBLE FORECAST MODEL



Wastewater System / FY19 Compatible / 20-Year Revenue – Expenditure - Cash Balance Graph



- The current physical condition of the Wastewater Collection sub-system overall is fair to good; with significant known pipeline portions in poor condition.
- The known poor condition portions are typically clay material pipelines that have been in the ground for 60 + years and are difficult to access with tree and shrubbery plantings over them. It is known, through visual inspection, that much of this known deficient older pipe has significant root intrusion that requires constant attention on routine schedules.
- The highest risk critical infrastructure in the WC sub-system are the sewer lift stations and the exposed canyon drop pipelines. The 2005 Condition Assessment recognized this and DPU has completed 5 of the recommended 12 full replacements for sewer lift stations plus an additional 2 full replacements due to premature failure. One canyon drop full replacement and three major emergency repairs have been completed in the recent past.
- The enhanced O&M emphasis in WC was initiated by prioritizing these facilities; while maintaining the efforts required on the other known deficient pipelines.
- There are both short range (10-Year) and long range (20-Year) CIP plans that balance the correction of these deficiencies. Over the 20-Year planning horizon the following projects are proposed: 14 Pipeline Projects; 18 Sewer Lift Station Projects (6 Full Replacement / 9 R&R / 3 Eliminations); 7 Canyon Drop Pipeline Replacement Projects.

- After full completion of the long range CIP plan, the Wastewater Collection sub-system should be considered to meet acceptable modern standards for material safety and capacity conditions such that future CIP projects could be considered to be typical R&R or O&M program efficiency enhancement projects.
- The increased emphasis on enhanced O&M activities – as opposed to continuous major CIP project completion – is being implemented. In FY19, when the first phase of the GIS upgrade project has been completed, the enhanced O&M programs of the wastewater collection system will take another significant step forward.

- The current physical condition of the Wastewater Treatment system overall is only fair to good – because of the condition of the White Rock WWTP.
- The White Rock WWTP, and its age and current condition, are well documented. The DPU was successful in delaying the replacement of this WWTP for over 10 years without significant violations of the WWTP's discharge permits but further delay is no longer possible without a significant risk of major failure and permit violation. The proposed full replacement project, design in FY19/construction in FY20/start up in FY21, will allow for the WT system physical condition assessment to improve from fair/good to good/excellent.
- The Los Alamos WWTP is now 13 years old but is still in good condition. Some significant items are beginning to reach the end of their useful lives; however, planned consistent R&R of these items through the annual O&M budget has been planned. The addition of filtration equipment, currently scheduled for FY2023, is required in order to continue the expansion of the NP system to meet County sustainability goals.
- The short range (10-Year) and long range (20-Year) CIP plans (both WWTPs) consist of major plant (not O&M R&R) possibly funded through an outside financing process and major heavy equipment replacements.
- The increased emphasis on annual O&M R&R activities – as opposed to lump sum major CIP project completion – is being implemented. It is expected that this approach will help to flatten out the significant R&R O&M expenditures year to year.

- The current overall financial condition of the full Wastewater Fund, that includes both sub-systems Wastewater Collection and Wastewater Treatment, is fair but improving.
- The financial condition assessment of fair is mostly derived because of the relatively low existing cash balance relative to the cash balance reserve amount recommended in the DPU financial policy. The end of FY19 cash balance is projected to be \$1,029,505 with the recommended cash balance being \$4,207,621.
- However, even with the proposed FY19 thru FY21 CIP project for full replacement of the White Rock WWTP, the cash balance status improves almost every year; with the single down year never lowering the cash balance below the FY19 value.
- One reason for this fairly rapid improvement in the Wastewater Fund cash balance reserves is the deferral of Wastewater Collection sub-system CIP projects for FY18 through FY21. CIP planning for annual WC sub-system projects starts up again in FY22 and continues throughout the remainder of the planning period (FY2038) on a regular annual basis.
- Consistency with the rate adjustments recommended in the 10 & 20-year forecast models will keep the Wastewater Fund on an increasingly stable financial foundation while simultaneously providing the cash reserves necessary to implement the proposed CIP Plan that is required to bring the overall Wastewater Fund System to acceptable modern standards for capacity and reliability.



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.I.1
Index (Council Goals): BCC - N/A
Presenters: Board of Public Utilities
Legislative File: 10690-18

Title

Tickler File for the Next 3 Months

Attachments

A - Tickler File for the Next 3 Months



LOS ALAMOS

County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Tickler

**Criteria: Agenda Begin Date: 5/1/2018, Agenda End Date: 7/31/2018, Matter Bodies:
Board of Public Utiliti**

File Number	Title
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Agenda Date: 05/16/2018

10691-18	Briefing/Report (Dept, BCC) - No action requested Review of Department of Public Utilities Quarterly Report Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 10 Min. Sponsors: Tim Glasco, Utilities Manager
CO0528-18	Code Ordinance (TENTATIVE) FER Implementation - Public Hearing for Rate Ordinance - Unbundled Rate Structure Department Name: DPU Drop Dead Date:	05 Public Hearings Length of Presentation: Apx. 30 Min. Sponsors: Bob Westervelt, Deputy Utilities Manager - Finance/Admin
AGR0567-18	General Services Agreement Approval of Services Agreement No. AGR__-____ with [vendor] in the amount of \$[amount], plus Applicable Gross Receipts Tax, for the Purpose of SCADA Uninterruptable Power Supply Department Name: DPU Drop Dead Date:	06 Consent Length of Presentation: N/A Sponsors: James Alarid, Deputy Utilities Manager - Engineering
RE0370-18	Resolution Approval of Incorporated County of Los Alamos Resolution No. XX-XX. A Resolution Removing Uncollectible Utility Accounts from the Incorporated County of Los Alamos' Accounts Receivable List for [TITLE OF RESOLUTION] Department Name: DPU Drop Dead Date:	06 Consent Length of Presentation: N/A Sponsors: Bob Westervelt, Deputy Utilities Manager - Finance/Admin
10693-18	Briefing/Report (Dept,BCC) - Action Requested Recommendations and Possible Action to Continue or Discontinue Los Alamos County's Participation in the San Juan Generating Station Post 2022 Department Name: DPU Drop Dead Date:	07 Business Length of Presentation: Apx. 30 Min. Sponsors: Steve Cummins, Deputy Utilities Manager - Electric Production

Agenda Date: 06/20/2018

10692-18	Report Quarterly Conservation Program Update	04G General Board Business
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File Number	Title	
	Department Name: DPU Drop Dead Date:	Length of Presentation: Apx. 5 Min. Sponsors: James Alarid, Deputy Utilities Manager - Engineering
10443-18	Briefing/Report (Dept,BCC) - Action Requested Approval of Task Order No. 2 Under Services Agreement No. AGR17-37 with Stantec Consulting Services, Inc. in the amount of \$[amount], plus Applicable Gross Receipts Tax, for the Purpose of Year 2 Services for the Geographic Information System and Asset Management Upgrade Department Name: DPU Drop Dead Date:	06 Consent Length of Presentation: N/A Sponsors: Jack Richardson, Deputy Utilities Manager - GWS Services
Agenda Date: 07/18/2018		
10695-18	Briefing/Report (Dept, BCC) - No action requested Annual Review and Revision of Board of Public Utilities Policies and Procedures Manual Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 10 Min. Sponsors: Jeff Johnson, Chair of the Board of Public Utilities
10696-18	Briefing/Report (Dept,BCC) - Action Requested Annual Affirmation of the Board of Public Utilities Policies and Procedures Manual Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 5 Min. Sponsors: Jeff Johnson, Chair of the Board of Public Utilities
10697-18	Briefing/Report (Dept, BCC) - No action requested Planning for Upcoming Board of Public Utilities Annual Boards & Commissions Presentation to Council on September 25th, 2018 Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 20 Min. Sponsors: Jeff Johnson, Chair of the Board of Public Utilities
10417-18	Briefing/Report (Dept, BCC) - No action requested Quarterly Update on Utility System - (System TBD) Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 20 Min. Sponsors: Tim Glasco, Utilities Manager



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 5.A
Index (Council Goals): BCC - N/A
Presenters: Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File: 10663-18

Title

Public Hearing for Modification of Department of Public Utilities Rules & Regulations - Modifications to Rule GR-15: Deposits; and Deletion of Rule GR-16: Credit Rating

Recommended Action

I move the Board of Public Utilities approve revisions to Department of Public Utilities Rules & Regulations, Rule GR-15: Deposits, as presented; and approve deletion in its entirety of Department of Public Utilities Rules and Regulations, Rule GR-16: Credit Rating.

Staff Recommendation

Staff recommends approval of the rule changes as proposed.

Body

Historically, a credit rating was calculated by the billing system according to defined parameters and was used as one criteria in the determination of whether a deposit would be required on a new or existing utilities account. Tyler Munis, the new Enterprise Resource Planning (ERP) system being implemented by the County, does not support automated calculation of a credit rating. The criteria used can be evaluated and applied by staff without the necessity of establishing a formal credit score. The recommended revision to rule GR-15 deletes reference to the credit rating, but adds some of the criteria previously delineated in Rule GR-16. Some minor language cleanup is included as well. Rule GR-16 defined the credit score criteria and calculation but is no longer applicable in the new ERP, so is recommended for deletion in its entirety.

Alternatives

If this item is not approved staff would need to draft alternative language for Board consideration that would implement the changes necessitated by the new ERP system, or would need to track and apply the criteria and calculate a credit score manually. Again, the same criteria is already used by staff to determine if a deposit is required, so calculation of a formal credit score is unnecessary.

Fiscal and Staff Impact/Planned Item

There is no fiscal impact to this action.

Attachments

- A- Rule GR-15 Deposits (redline version)
- B- Rule GR-16 Credit Rating (redline version)

**RULES AND REGULATIONS
GENERAL PROVISIONS (GR)
RULE GR-15
DEPOSITS**

GR-15.01 GENERAL

This rule describes the deposit and guarantee of payment requirements for the utility. No interest is paid on deposits required by the Utility. The deposit shall be calculated in accordance with the Fee Schedule.

GR-15.02 DEPOSIT REQUIREMENTS

A. Residential

Except as provided in paragraphs 1 – 6 below, no deposits are required from new customers who own or are purchasing their homes or who can provide a letter from their most recent utility demonstrating to the Utility a history of satisfactory timely payments.

Deposits will be required from residential customers under the following conditions:

- 1) New customers who do not own or that are not purchasing their homes and that are unable to provide a letter from their most recent utility demonstrating to the Utility a history of timely satisfactory payments.
- ~~2) Any customer who has a credit rating (see Rule GR-16) greater than 25 points.~~
- ~~3) 2) Any customer being reconnected after a disconnection for non-payment.~~
- ~~4) 3) Any customer who has interfered with a Utility service or improperly connected to the utility.~~
- ~~5) 4) Any customer who has filed or been made part of a bankruptcy action.~~
- ~~5) Any customer who has made payment of a Utility bill that was returned for with a non-sufficient funds (NSF) or for insufficient credit available check more than once during the preceding a twelve-month period.~~
- 6) Any customer that has incurred three or more "collections events" in the preceding twenty- four month period, at the discretion of the Billing Manager. Collections events include late fees charged, door tags, reminder letters, broken payment arrangements, or referral of an account to a collection agency.

B. Commercial

Customer deposits or irrevocable letters of credit will be required for all new commercial accounts where the location is not owned by the Customer.

Deposits will also be required from commercial customers under the following conditions:

- ~~1) Any customer who has a credit rating (See Rule GR-16) greater than 25 points.~~
- ~~2) 1) Any customer being reconnected after a disconnection for non-payment.~~
- ~~3) 2) Any customer who has interfered with a Utility service or improperly connected to the utility.~~
- ~~4) 3) Any customer who has filed or been made part of a bankruptcy action.~~
- ~~4) Any customer who has made payment of a utility bill with a that was returned for non-sufficient funds (NSF) or for insufficient credit available check more than once during the preceeding a twelve-month period.~~
- 5) Any customer that has incurred three or more "collections events" in the preceding twenty- four month period, at the discretion of the Billing Manager. Collections events include late fees charged, door tags, reminder letters, broken payment arrangements, or referral of an account to a collection agency.

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GR-15.03 REFUND OF DEPOSITS

SECTION REVISIONS: 05/17/200604/18/2018

- A. Upon disconnection of service, the Utility shall refund the customer's deposit or the balance in excess of ~~the any~~ unpaid bills for service.
- B. Upon customer request, ~~Deposits are will be~~ credited to customer accounts when there have been no delinquent payments for twelve consecutive billing cycles.

SECTION REVISIONS: ~~05/17/2006~~04/18/2018

**RULES AND REGULATIONS
GENERAL RULES (GR)
RULE GR-16
CREDIT RATING**

GR-16.01 GENERAL

Rule includes credit ratings, events and duration affecting credit ratings.

GR-16.02 CREDIT RATINGS

Excellent 0 Points

Good 10 Points

Fair 50 Points

Poor 100 Points

GR-16.03 CREDIT EVENTS, POINTS AND DURATION

Customer's credit rating will be calculated based on the following table:

Event	Points	Duration
New Customer	10	6 Months
Late Fee Charged	10	12 Months
Payment Arrangement Made	5	12 Months
Missed payment arrangement	25	12 Months
Reminder letter	10	12 Months
NSF Payment	25	12 Months
Door Tag	15	12 Months
Disconnect for nonpayment	50	12 Months
Meter tampering	50	12 Months
Collection agency	50	12 Months
Write-off	50	12 Months
Bankruptcy	50	24 Months



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 5.B
Index (Council Goals): BCC - N/A
Presenters: James Alarid, Deputy Utilities Manager - Engineering
Legislative File: 10662-18

Title

Public Hearing for Modification of Department of Public Utilities Rules & Regulations - Fee Schedule, Preface & Table of Contents

Recommended Action

I move the Board of Public Utilities approve the modifications to the Department of Public Utilities Rules and Regulations - Fee Schedule. I further move that the Board approve the revised Preface and Table of Contents as presented.

Staff Recommendation

Staff recommends approval of the revisions as presented.

Body

The following modifications to the Department of Public Utilities Rules and Regulations - Fee Schedule are proposed.

- Deposits for residential meters is currently \$60 per meter. Staff is proposing to allow the fees to be increased up to \$120 per meter in cases where the customer has a poor payment history. Charging the increased deposit will be at the discretion of the Customer Care Supervisor.
- Clarifying language has been added to the Water Hydrant Meter deposit. The name will be changed to Fire Hydrant Meter and language will be added to reinforce the deposit is refundable. The fee will not change.

Review of the Fee Schedule is performed annually. The new fees will be in effect immediately after approval of the Utility Board.

Preface and Table of Contents Cleanup

- Preface - In 2006, the DPU Rules and Regulations were updated in their entirety. The Preface currently states, "These rules have been updated through May 2006." This statement needs to be modified to indicate how subsequent revisions are noted in the document. There is also a minor typo cleanup in paragraph 4.
- GR16 - If approved by the Board, this rule will be deleted and this section reserved.
- GR18 - This rule was revised and the title change from "Energy Assistance Plan" to "Utilities

Assistance Program” was approved by the Board on November 18th, 2015. The Table of Contents were not updated at that time.

- Appendix 2 - This appendix, “The Revised Residential Standards and Operating Procedures,” is found in the DPU Construction Standards, not in this document. After the 2006 Rules & Regulations revision, this appendix was never actually included in the Rules and Regulations and does not need to be.

Alternatives

If the modifications to the fee schedule are not approved some outdated fees will remain in effect.

Fiscal and Staff Impact/Planned Item

N/A

Attachments

A - Fee Schedule (Redline Version)

B - Preface (Redline Version)

C - Table of Contents (Redline Version)

**RULES AND REGULATIONS
FEE SCHEDULE (FS)**

Administrative Fees		
Account Initiation and Transfer Fee	\$10	
Reconnection following disconnection for non-payment – normal hours	\$60	Per trip to location, 8:00 AM to 4:00 PM M-F
Reconnection following disconnection for non-payment – after normal hours	\$200	Per trip to location, after hours, weekends and holidays
Door Hanger Fee	\$10	Per occurrence
Deposits		
Residential	\$60 per meter	Or up to \$120 per meter with poor payment history
Commercial	Variable	Two times the highest anticipated monthly bill
~~Fire Water~~ hydrant meter	\$1,500	Refundable upon meter return (All commodity charges shall be at the filed and approved rate schedule)
Service Fees		
Disconnection or reconnection of electric, gas or water – normal hours – No charge for first trip in a 24-hr period, thereafter each trip is \$75	No Charge (first trip) \$75 each additional trip	Per trip to location, 8:00 AM to 4:00 PM M-F
Emergency disconnection or reconnection of electric, gas or water – after normal hours	No Charge	Per trip to location, after hours, weekends and holidays
Non –Emergency_ disconnection or reconnection of electric, gas or water – after normal hours	\$200	Per trip to location, after hours, weekends and holidays
Furnace check fees	\$100	For up to two furnaces
Meter Test Fees (Requested by customer)		
Electric meters, all sizes	\$125	
Water meters 5/8 inch through 1-1/2 inch	\$150	
Water meters greater than 1-1/2 inch (in place test)	\$150	
Construction Fees		
New Service Installations		
100 amp electric residential service installation less than 150 feet	\$850	Prepaid
200 amp electric residential service installation less than 150 feet	\$1008	Prepaid
Residential Net Meter application & inspection (2 trips), incremental cost of Net meter and labor to install Net meter	\$260	Prepaid
Commercial Net Meter application & inspection (2 trips), incremental cost of Net meter and labor to install Net meter	\$450	Prepaid

SECTION REVISIONS: 06/21/2017, 01/18/2017, 08/17/2015, 12/17/2014, 11/20/2014, 07/18/2012, 01/24/2007, 05/17/2006

All other electric service installations	Estimated cost	Prepaid
¾ inch gas residential service installation less than 150 feet	\$1090	Prepaid
¾ inch service line up to 150 feet, tap to main, and meter, out of road	\$1215	Prepaid
¾ inch service line up to 150 feet, tap to main in paved road, and meter	\$2897	Prepaid
Install ¾" – 1" excess flow valve on existing polyethylene service line	\$616	Prepaid
Install ¾" – 1" excess flow valve on existing steel service line	\$2422	Prepaid
Install gas valve on existing polyethylene service line	\$662	Prepaid
Install gas valve on existing steel service line	\$2710	Prepaid
All other gas service installations	Estimated cost	Prepaid
¾ inch water meter	\$416	Prepaid
¾ inch water meter with box, install out of road	\$1700	Prepaid
¾ inch water meter with box, with tap in paved road	\$3508	Prepaid
4 inch sewer tap and saddle with sewer main exposed by customer	\$410	Prepaid
All other work including sewer installations, service relocations and replacement	Estimated cost	Prepaid
North Mesa Connection Charges		
\$250 charge per undeveloped unit where the unit is located in a subdivision where the final plat has been formally accepted by the County, the charge shall be paid for by the individual customer or contractor at the time a water meter is requested	\$250 per unit	
Where the unit is located in a subdivision where the final plat has not been accepted by the County, the charge shall be paid by the subdivision's developer at the time the final plat is filed with the County	\$250 per unit	
Inspection Fees for Subdivisions/Commercial Utility Infrastructure		
Fees for inspection will be based on a percentage of the construction cost estimate for the public Utility infrastructure. Estimate shall be prepared by a Professional Engineer, registered in the state of New Mexico and signed and sealed by the New Mexico Professional Engineer and provided to County Utility Engineering Department for written approval.	5% of construction cost estimate for the public Utility infrastructure	1.If construction scope and or cost increases by 10 percent or more than original approved scope, inspection fee will be revised accordingly 2. Utility Department reserves right to modify fees if needed.

RULES AND REGULATIONS
REVISION 2006
LOS ALAMOS COUNTY
BOARD OF PUBLIC UTILITIES

PREFACE

The following rules and regulations for electric, gas, water, and sewer service have been adopted by the Los Alamos County Board of Public Utilities pursuant to the Los Alamos Public Code, Section 14-8-1 and 14-1-11. These rules were updated in their entirety in ~~have been updated through~~ May 2006.
Subsequently, when rules are changed, their revision dates are noted in the footers of those sections.

These rules and regulations are to be used in conjunction with the Los Alamos County Code of Ordinances and Los Alamos County Utility Department Construction Standards.

The rules and regulations are divided into major sections to include the general Rules that apply to the entire utility and a section for each specific utility. The major sections include General Rule, Electric, Gas, Water, Sewer, Subdivision, and Fee Schedule. Appendix I is included for reference and are not a formal inclusion of the rules.

Each rule is numbered using the designation for that section. Each rule number consists of two parts separated by a dash. The figure before the dash refers to the Section, i.e., GR for General Rule Section. The figure after the dash refers to the position of the part within the rule. Thus, the second rule of the GR section is numbered GR-2 and the first part of that rule is numbered GR-2.01. Under this system, each rule is identified with its section and each part is identified within its rule. New rules and parts within rules can be inserted in their proper place by using the decimal system.

RULES AND REGULATIONS TABLE OF CONTENTS

Preface

General Rules (GR)

- GR-1 Jurisdiction
- GR-2 Update Procedures
- GR-3 Definitions
- GR-4 Protection of Utility Systems
- GR-5 Mandatory Connections
- GR-6 Application for Service
- GR-7 Liability and Interruption of Service
- GR-8 Right to Access Customer Property
- GR-9 Temporary Services
- GR-10 Service Connections and Connection to Utility
- GR-11 Unauthorized Connections
- GR-12 Responsibility for Equipment
- GR-13 Disconnection and Reconnection of Service
- GR-14 Rates and Fees
- GR-15 Deposits
- GR-16 ~~Credit Rating~~Reserved
- GR-17 Presentation and Payment of Bills
- GR-18 ~~Energy Assistance Plan (EAP)~~Utilities Assistance Program (UAP)
- GR-19 Estimated Bills
- GR-20 Disputed Bills
- GR-21 Meter Tests and Adjustments of Bills for Meter Error
- GR-22 Utility Extensions
- GR-23 Limitation and Restrictions of Use
- GR-24 Utility Line Locates
- GR-25 Inspection
- GR-26 Rights-of-Way and Utility Easements

Electric (E) Red Tab

- E-1 Description of Service
- E-2 Service Connections – Electric
- E-3 Meter Requirements – Electric
- E-4 Responsibility for Electric Equipment
- E-5 Interconnection – Connection with Cogeneration and Small Power Producers

Gas (G) Yellow Tab

- G-1 Description of Service
- G-2 Service Connections – Gas
- G-3 Meter Requirements – Gas
- G-4 Responsibility for Gas Equipment

Water (W) Blue Tab

- W-1 Description of Service
- W-2 Service Connections – Water
- W-3 Meter Requirements – Water
- W-4 Responsibility for Water Equipment
- W-5 Fire Hydrants
- W-6 Backflow Prevention and Cross Connections
- W-7 Private Water Wells
- W-8 Water Conservation

Sewer (S) Green Tab

- S-1 Description of Service
- S-2 Service Connections – Sewer
- S-3 Responsibility for Sewer Facilities
- S-4 Sewer Interceptors (Traps)
- S-5 Private Sewage Disposal
- S-6 General Discharge Prohibitions
- S-7 Water Reuse
- S-8 Back Water Valves

Subdivision (SD) Brown Tab

- SD-1 Subdivision & Site Plan Development Process

Fee Schedule (FS)

- Administrative Fees
- Deposits
- Service Fees
- Meter Tests Fees
- Construction Fees
- North Mesa Connection Fee
- Subdivision/Commercial Inspection Fees

Appendix 1

Standard Interconnection Agreement For Qualifying Facilities 10 kW Or Less

Appendix 2

~~Revised Residential Standards and Operating Procedures~~



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.A
Index (Council Goals): BCC - N/A
Presenters: Board of Public Utilities
Legislative File: 10685-18

Title

Approval of Board of Public Utilities Meeting Minutes

Recommended Action

I move that the Board of Public Utilities approve the meeting minutes of March 21st, 2018 as presented.

Body

REQUESTED REVISIONS TO THE DRAFT MINUTES

Draft minutes are sent to members after each meeting for their review. Members may then send changes to be incorporated prior to final approval of the minutes at the next regular meeting. There were no changes.

Attachments

A - Draft BPU Regular Session Minutes - March 21st, 2018



LOS ALAMOS

County of Los Alamos
Minutes
Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

*Jeff Johnson, Chair; Carrie Walker, Vice-chair; Paul Frederickson, Stephen McLin and
Kathleen Taylor, Members
Tim Glasco, Ex Officio Member
Harry Burgess, Ex Officio Member
Christine Chandler, Council Liaison*

Wednesday, March 21, 2018

5:30 PM

1000 Central Avenue
Council Chambers

REGULAR SESSION

1. CALL TO ORDER

The regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, March 21, 2018 at 5:30 p.m. at 1000 Central Ave., Council Chambers. Board Chair, Jeff Johnson, called the meeting to order at 5:30 p.m.

Present 5 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin and Board Member Taylor

2. PUBLIC COMMENT

Mr. Johnson opened the floor for public comment on items on the Consent Agenda and for those not otherwise included on the agenda. There were no comments.

3. APPROVAL OF AGENDA

Mr. McLin moved to pull item 7.A to a future meeting. The motion passed by the following vote:

Yes: 5 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin and Board Member Taylor

Mr. McLin moved to approve the agenda as amended. The motion passed by the following vote:

Yes: 5 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin and Board Member Taylor

4. BOARD BUSINESS

4.A. Chair's Report

Mr. Johnson reported on the following items:

1) We are advertising for new Board of Public Utilities members. He asked other Board members to encourage interested parties to apply.

2) It is time to start the Utilities Manager's performance review. In the past, the Board has had a closed session where they have discussed how they would like to go about the review. The Utilities Manager responds to the criteria provided the previous year, then the Board does a write-up and meets again to discuss it. Mr. Johnson is comfortable with this format again, but wanted the Board's input. Members did not express any opposition to this approach. Ms. Kephart will schedule a special closed meeting to begin the process.

4.B. Board Member Reports

Board members reported on the following items:

1) Ms. Taylor and Mr. McLin - Ms. Taylor and Mr. McLin are the representatives on the Board/Council Utilities Subcommittee. They recently had a meeting where they discussed whether there is an issue with the Board perhaps setting policy outside the bounds of the Charter. The Council Liaison, Ms. Christine Chandler, clarified that the discussion was related to County Code of Ordinances Section 40-45 that discusses under which circumstances the Council should be approving policies that are issued by the Board. The subcommittee discussed how to flesh out what was intended by that and what kind of policies should be coming back to the Council for approval. There is some work being done by the County Attorney's office to help the subcommittee hone in on that.

4.C. Utilities Manager's Report

Mr. Glasco provided a written report, which is included in the minutes as an attachment.

Mr. McLin asked Mr. Glasco to discuss timing for upcoming contract approvals for the Advanced Metering Infrastructure (AMI) project. Mr. Glasco responded.

Mr. Johnson asked Mr. Glasco to discuss whether the change order for the Otowi Well No. 2 drilling would be coming back to the Board for approval. Mr. Glasco responded.

4.D. County Manager's Report

Mr. Burgess reported on the following items:

1) Last week, Mr. Burgess, Councilor David Izraelevitz and Councilor Antonio Maggiore traveled to Washington, D.C. as part of their annual conversation with representatives, the Department of Energy (DOE) and the National Nuclear Security Administration (NNSA). At the County's weekly leadership meetings, they have discussed concerns about Small Modular Reactor (SMR) issues. In D.C., they were able to meet with Edward McGinnis, who is the Principal Deputy Associate Secretary for the Office of Nuclear Energy. He was accompanied by a couple of staff members. They had a good conversation about the Carbon Free Power Project (CFPP). The Office of Nuclear Energy officials were certainly aware of the project and the Utah Associated Municipal Power Systems (UAMPS); however, they were confused on some points that Mr. Burgess hopes were clarified with regards to DOE's and NNSA's participation in the CFPP. They thought that since DOE was participating, NNSA was also fully participating. The County representatives explained to them that the County has a partnership with the NNSA and has actually reduced the megawatt subscription due to NNSA's inability to partner with the County in the CFPP. They discussed how that relates to the County's Electric Coordination Agreement (ECA) with NNSA. The information was quite enlightening to Mr. McGuinnis. Mr. McGinnis stated at the end of the conversation that he would be talking to his staff to find out what could be done with regards to CFPP participation. Two days later, they met

with NNSA officials, including the acting NNSA Director. The County representatives had a follow-up meeting with him to inform him of the concerns, the point being that it would be good for NNSA to participate early on rather than waiting. The NNSA officials thought that they could try to purchase power later. However, Mr. Burgess explained to them that they would be excluded if everyone else was already subscribed, and it would also be a good show of faith in the project for NNSA to be a participant early on. He believes the message was well received, but doesn't know what the outcome of those discussions will be.

4.E. Council Liaison's Report

Ms. Christine Chandler reported on the following items:

- 1) With regards to the Utilities Subcommittee meeting Mr. McLin and Ms. Taylor spoke of earlier, Ms. Chandler thought the subcommittee had a very good conversation.
- 2) Ms. Chandler is looking forward to the April 10th, joint Board/Council meeting regarding the Small Nuclear Reactor project.

4.F. Environmental Sustainability Board Liaison's Report

Ms. Susan Barns provided a written report, which is included in the minutes as an attachment.

4.G. General Board Business

4.G.1 [10318-18](#) Quarterly Conservation Program Update

Presenters: James Alarid

Mr. Alarid was absent. Utilities Manager Mr. Timothy Glasco presented this item. The following is the substance of the item being considered.

Upon approval of the Energy and Water Conservation Plan in March 2015, the Board requested that staff provide quarterly updates on the Conservation Program and on progress towards the goals and actions identified in the plan. Mr. Glasco presented the annual report for calendar year 2017 from the Pajarito Environmental Education Center (PEEC).

The Board discussed this item and requested clarification where necessary.

4.H. Approval of Board Expenses

There were no expenses.

4.I. Preview of Upcoming Agenda Items

4.I.1 [10584-18](#) Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

In addition to the items already listed in the tickler provided in the agenda packet, the following items were identified for the tickler for upcoming meetings:

- 1) TBD - Closed Session to Conduct Utilities Manager's Annual Performance Review (Jeff Johnson)

5. PUBLIC HEARING(S)

There were no public hearings.

6. CONSENT AGENDA

Ms. Walker moved that the Board of Public Utilities approve the items on the Consent Agenda as presented and that the motions contained in the staff reports be included in the minutes for the record. The motion passed by the following vote:

Yes: 5 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin and Board Member Taylor

6.A [10580-18](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Board of Public Utilities

I move that the Board of Public Utilities approve the meeting minutes of February 21st, 2018 as presented.

6.B [10299-18](#) Approval of AGR18-41 for the San Juan Generating Station Decommissioning Trust Agreement.

Presenters: Bob Westervelt

I move that the Board of Public Utilities approve AGR18-41 with Bank of Albuquerque for establishment of a Trust for the purpose of fulfilling the County's funding obligation under the San Juan Generating Station Decommissioning Trust Funds Agreement, and forward to Council for approval.

6.C [AGR0558-18](#) Approval of Amendment No. 4 to Services Agreement No. AGR 12-3838 with John & Hengerer in the Amount of \$100,000.00 for Revised Total Agreement Amount of \$395,000.00, plus Applicable Gross Receipts Tax for the Purpose of Providing Legal Services to the Incorporated County of Los Alamos Relating to Matters Pending Before the Federal Energy Regulatory Commission and/or Other Federal Agencies Involved in Energy Regulation

Presenters: Steve Cummins

I move that the Board of Public Utilities approve, Amendment No. 4 to Services Agreement No. AGR 12-3838 with John & Hengerer in the Amount of \$100,000.00 for Revised Total Agreement Amount of \$395,000.00, plus Applicable Gross Receipts Tax for the Purpose of Providing Legal Services to the Incorporated County of Los Alamos Relating to Matters Pending Before the Federal Energy Regulatory Commission and/or Other Federal Agencies Involved in Energy Regulation and forward to County Council for Approval.

6.D [AGR0561-18](#) Approval of Amendment No. 1 to Services Agreement No. AGR 16-4270 with Virtue & Najjar, P.C. in an Amount of \$200,000.00 for a Revised Total Agreement Amount of \$400,000.00, plus Applicable Gross Receipts Tax,

for the Purpose of Providing Legal Services in Connection with the Incorporated County of Los Alamos' Utilities Operations

Presenters: Steve Cummins

I move that the Board of Public Utilities approve Amendment No. 1 to Services Agreement No. AGR 16-4270 with Virtue & Najjar, P.C. in an Amount of \$200,000.00 for a Revised Total Agreement Amount of \$400,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Providing Legal Services in Connection with the Incorporated County of Los Alamos' Utilities Operations, and forward to Council for approval.

7. BUSINESS

ITEM 7.A. WAS PULLED FROM THE AGENDA.

- 7.A [10539-18](#) Recommendations and Possible Action on Carbon Free Power Project (CFPP) Licensing Period Phase 1 Participation

Presenters: Steve Cummins

- 7.B [10317-18](#) Approval of Department of Public Utilities FY2019 & FY2020 Budget

Presenters: Bob Westervelt

Deputy Utility Manager of Finance & Administration Mr. Bob Westervelt presented this item. The following is the substance of the item being considered.

Staff presented the proposed budget for FY2019 & FY2020. Overall the FY19 expenditure budget as presented is a reduction of 9.4% from the FY18 budget, attributable primarily to low cost of power in the electric fund, low cost of gas in the gas fund, and completion or delay of certain projects that are not being re-budgeted. FY20's projected expenditure budget represents approximately a 4% increase over FY18's approved budget and a 15% increase over the proposed FY19 budget. The increase in the FY20 budget is due primarily to planned construction of the White Rock Wastewater Treatment Plant in that year.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

- 1) The Utilities Subcommittee representatives will consider discussing at a future subcommittee meeting the possibility of a sunset clause for County Code of Ordinances, Section 40-64 relating to the direct transfer of revenues or funds between utility systems.

Mr. McLin moved that the Board of Public Utilities approve the Fiscal Year 2019-2020 budget as presented and forward to Council for adoption. The motion passed by the following vote:

Yes: 5 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin and Board Member Taylor

8. STATUS REPORTS

8.A [10583-18](#) Status Reports

Presenters: Board of Public Utilities

The following informational status reports were provided to the Board in the agenda packet:

- 1) Electric Reliability Update
- 2) Accounts Receivables Report
- 3) Safety Report (The OSHA incident report for February was distributed at the meeting).

9. PUBLIC COMMENT

Mr. Johnson opened the floor for public comment on any items. Members of the public gave the following summarized comments:

- 1) Ms. Susan Barnes 3406 Ridgeway - With regards to the Carbon Free Power Project (CFPP), Ms. Barnes thanked everyone for their efforts to reduce the County's potential obligation for phase 1 down to \$80,000.00 and for working through the intricacies of the Power Sales Agreement. She feels that this potential refundable investment is reasonable to keep options open and research all the alternatives. She looks forward to the results of the next Integrated Resource Plan. She hopes that the County is also planning to expend the same level of effort to investigate other possible renewable energy resources. She hopes to see the same type of extensive public outreach, collaboration with experts in the various fields, in depth analysis of pros and cons of all the options, and coordination with Council. Another decision point in the CFPP will be reached in another year, at which time the County will need to be able to answer the question, "Is this a good idea compared to the alternatives?"

10. ADJOURNMENT

The meeting adjourned at 7:02 p.m.

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board

ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

MANAGER'S REPORT

March 21, 2018

1. Police have arrested two suspects in the recent break-ins at the Pajarito Cliffs site. We are in the process of significantly upgrading security at the facility which should result in improved safety for our employees as well as deterring theft.
2. At the monthly meeting of the Project Management Committee for the Carbon Free Power Project modifications to the Power Sales Contract were adopted that deals the issues raised by Los Alamos County relating to handling requests for inspection of public records and for how debt service payments are described. These two changes were made to comport with New Mexico law. The vote on whether to approve the Power Sales Contract and proceed with the Carbon Free Project or drop out is scheduled for April 10th.
3. We are approaching the implementation date for the PRISM system, and staff will be undergoing extensive training during the next three months. As we are nearing the go-live date, we have returned Alicia Garcia back to her administrative duties, and also returned Sonya Ortiz to her regular duties in the Customer Care center.
4. We have been in consultation with Voith, the original equipment provider for the El Vado hydroelectric plant. Our plan for repair of the turbine generator unit is to remove the existing one-piece seal cover and replace it with the original equipment four-part seal cover. That, together with new O-rings, should take care of the oil leak problem. The new parts must be fabricated and the old parts removed by J.R. Merritt, so we do not anticipate the plant to be back on line for another couple of months.
5. LANL will be completing the TA-3 substation replacement project over the next four months. We have concerns that the new design deletes existing overcurrent protections that are critical to operation of the Los Alamos townsite electrical system. We are in discussions with the DOE and LANL utilities on a solution to this problem.
6. We have scheduled our first meeting with DOE contracting personnel, local DOE and LANL staff to begin negotiations on a post-2025 electric coordination agreement.
7. Work on Otowi Well No. 2 is still suspended pending completion of negotiations on a change order for the new drilling method.

Environmental Sustainability Board (ESB) liaison report

Susan Barns, ESB Liaison 3/21/2018

Recent activities of the ESB include:

- Development and approval of the ESB FY19 Work Plan
- Review of 2017 NMED Annual Reports
- Review of FY18 Quarter 2 Financial Report
- Discussion of Open Forum poll results regarding Yard Trimming Roll cart collection schedule. More than 1000 residents have signed up for their cart—please sign up online (through the Environmental Services web page) if you are interested in having a roll cart for curbside collection of your yard trimmings. Collection will begin in July.
- Discussion of upcoming Business and School Recycler of the Year competitions. Nominations will begin on Earth Day—please nominate outstanding businesses, non-profits and schools to be recognized for their sustainability efforts!
- Presentation on reducing residential recycling contamination
- Appointment of three new ESB Board Members: Lisa Bakosi, Dorothy Brown and Warren Mazanec
- Discussion of upcoming events: Earth Day, Recycle Fashion Show, Clean Up Los Alamos Day, ChamberFest, ScienceFest, Farmers' Markets, and another solid waste sort



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	6.B
Index (Council Goals):	BCC - N/A
Presenters:	Rafael De LaTorre, Deputy Utilities Manager - Electric Distribution
Legislative File:	AGR0548-18

Title

Approval of Services Agreement No. AGR 18-28 with Transmission & Distribution Services LLC., in the amount of \$731,393.78, plus Applicable Gross Receipts Tax, for the Purpose of the White Rock Substation 15KV Retrofit & Upgrade Project

Recommended Action

I move that the Board of Public Utilities approve, in a form acceptable to the County Attorney, Services Agreement No. AGR 18-28 with Transmission & Distribution Services, LLC. in the amount of \$731,393.78 and a contingency in the amount of \$50,000, for a total of \$781,393.78, plus applicable gross receipts tax, for the purpose of White Rock Substation 15KV Retrofit & Upgraded Project and forward to Council for approval.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

A portion of the White Rock substation includes an original 1975, 5 MVA substation transformer and 2 circuit, 15KV, metal clad substation switchgear, "*switchgear*". The substation transformer is still good but the *switchgear* is in need of replacement. Though the *switchgear* is primarily used as a back-up because of its age and deteriorated condition, the *switchgear* is often placed into service each time LANL takes its 115KV transmission line out of service between White Rock and the ETA substation. The *switchgear* is placed into service several times per year but we're at a point where the *switchgear* has become unsafe to operate. (During the most recent event, one of the 15KV breakers became stuck and inoperable meaning the entire substation load had to be carried for the day with a single 15KV breaker.) Also, as the A19 and other potential load develops in White Rock, the replacement *switchgear* will likely be placed in service permanently to power A19 and surrounding area.

Alternatives

The Board could choose not to accept the Agreement but would be detrimental to the electrical reliability and future electrical capacity needs for White Rock. Also, the existing switchgear would have to be removed from service because it's becoming increasingly unsafe to continue to be placed into service without major repairs.

Fiscal and Staff Impact

The White Rock Substation Project was in the FY 2018 electrical capital budget and \$800,000 has been allocated to the project. Staff will project manage the retrofit upgrade, develop the over-current protection settings, and program the substation relays. Line Operations staff will re-do the two outgoing feeders and install a new outgoing feeder for A19, energize and place the new switchgear section into service.

Attachments

A - AGR-18-28

B - One-Line Diagram

C - RFP 18-28 Cost & Rank



INCORPORATED COUNTY OF LOS ALAMOS SERVICES AGREEMENT

This **SERVICES AGREEMENT** (this "Agreement") is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **Transmission and Distribution Services, LLC**, a New Mexico limited liability company ("Contractor"), to be effective for all purposes May 2, 2018.

WHEREAS, the County Purchasing Agent determined in writing that the use of competitive sealed bidding was either not practical or not advantageous to County for procurement of the Services and County issued Request for Proposals No. 18-28 ("RFP") on December 10, 2017, requesting proposals for a Design/Build Solution to Field Upgrade the 15kV White Rock Substation, as described in the RFP; and

WHEREAS, Contractor timely responded to the RFP by submitting a response dated January 30, 2018 ("Contractor's Response");

WHEREAS, based on the evaluation factors set out in the RFP, Contractor was the successful Offeror for the services listed in the RFP;

WHEREAS, the Board of Public Utilities approved this Agreement at a public meeting held on April 18, 2018; and

WHEREAS, the County Council approved this Agreement at a public meeting held on May 1, 2018;

WHEREAS, Contractor shall provide the Services, as described below, to County.

NOW, THEREFORE, for and in consideration of the premises and the covenants contained herein, County and Contractor agree as follows:

SECTION A. SERVICES: Contractor shall provide a design-build turn-key solution ("Solution") that includes engineering services, design specifications, installation, material, construction review, and commissioning services for the electrical one-line diagram in **Attachment "A"**. The Solution replaces an existing two (2) circuit, 15kV metal clad substation in White Rock, which has been in service since approximately 1975. Contractor shall provide the services as follows:

1. Contractor shall develop DRAFT detailed design-build construction drawings, "90% Draft Drawings", for the Solution for County review, input and comment. Within seven (7) work days, the County shall provide written comments for incorporation to the 90% Draft Drawings.
2. Contractor shall provide "99% Construction Drawings" for County review, input and comment. Within five (5) work days, the County shall provide written comments for incorporation to the 99% Construction Drawings.

3. Contractor shall provide "For Construction Drawings" for County approval. Within three (3) work days, County shall approve the For Construction Drawings; at which time the Contractor shall proceed with the construction for the Solution.
4. Contractor shall remove the existing 15kV switchgear building by using a crane to load the building onto a County provided semi-trailer for removal and final disposition.
5. Contractor shall install a completely new 15kV switchgear building; remove the existing 115kV fuse protection & surge arresters; install a new 115kV candlestick type circuit switcher; and, add new transformer differential protective relaying.
6. If required, Contractor shall expand the concrete footing(s) to fit the new building and related 115kV equipment. The new 15kV switchgear building shall contain three (3) breaker bays and power the existing 15kV County feeders. Modifications and connections to the 15kV County feeders shall be provided by the County.
7. Contractor shall install new 115kV station class, polymer housed, MOV-type surge arresters; a new 115kV General Electric candlestick style circuit switcher placed between the existing center break V-switch and transformer; and new slip-over current transformers (CTs) installed on the transformer high-side bushings. The 15kV, low side CTs shall be incorporated into the switchgear outgoing feeders to complete the transformer differential protection.
8. Contractor shall utilize the existing 115kV center break V disconnect switches and add a new switch operator platform to provide consistent grounding connections to the circuit switcher.
9. Contractor shall provide slip-over current transformers that allow the microprocessor relays (SEL-787, SEL-751, and four (4) GE Multilin 750/760 relays) to detect faults in the transformer and switchgear and trip the 115kV candlestick switcher. The transformer and switchgear bus shall be included in the same differential zone.
10. The Contractor and County shall mutually agree to the project schedule, tentatively set around eight (8) months including forty (40) days of on-site installation and commissioning.
11. Contractor shall commission the new Solution installation and be on site when the County energizes the new upgraded White Rock Substation.

Base-Bid Design Build Solution:

1. Supply all design, installation, material, parts, equipment, electrical appurtenances, etc., and commissioning for the design-build Solution for a fully functional 15kV metal-clad White Rock Substation Upgrade which met the Project Specifications as described in the County's RFP 18-28 and as outlined in **Attachment "A"**, White Rock Substation One-Line Diagram attached hereto.
2. Supply all design, installation, material, parts, equipment, electrical appurtenances, etc., and commissioning for the 115kV components as outlined in **Exhibit "A"** attached hereto.
3. Supply all design, installation, material, parts, equipment, electrical appurtenances, etc., and commissioning for the 15kV components as outlined in **Exhibit "A"** attached hereto.

4. At the County's option, supply all design, installation, material, parts, equipment, electrical appurtenances, etc., and commissioning for the Adder components as outlined in **Exhibit "A"** attached hereto.
5. Coordinate with County staff the on-site daily work activities and field installation. Contractor shall wear the proper personal protective equipment and adhere to all County safety work practices required while working inside an energized, 115kV electrical substation.
6. Provide at least one (1) full day of on-site training to DPU staff during the execution, testing and commissioning of the substation upgrade Solution. In particular, racking-in and racking-out the 15kV feeder breakers.
7. Prepare and submit to the County three (3) complete sets of record drawings in hard-copy and digital format as described in the original RFP and prior to County's Certification of Substantial Completion ("CSC").
8. Provide New Mexico licensed professional engineer stamp for record drawings.
9. Provide New Mexico EL-1 license for the electrical installation services.

SECTION B. TERM: The term of this Agreement shall commence May 2, 2018 and shall continue through June 30, 2020, unless sooner terminated, as provided herein. At County's sole option the Agreement may be renewed for up to two (2) consecutive one-year periods, unless sooner terminated, as provided therein.

SECTION C. COMPENSATION:

1. **Amount of Compensation.** County shall pay compensation for performance of the Services in an amount not to exceed SEVEN HUNDRED THIRTY ONE THOUSAND THREE HUNDRED NINETY THREE DOLLARS AND 78/100 (\$731,393.78), which amount does not include applicable New Mexico gross receipts taxes ("NMGR"). Compensation shall be paid in accordance with the rate schedule set out in **Exhibit "A,"** attached hereto and made a part hereof for all purposes.
2. **Monthly Invoices.** Contractor shall submit itemized invoices to County's Project Manager showing amount of compensation due, amount of any NMGR, and total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after County's receipt of the invoice.

SECTION D. TAXES: Contractor shall be solely responsible for timely and correctly billing, collecting and remitting all NMGR levied on the amounts payable under this Agreement.

SECTION E. STATUS OF CONTRACTOR, STAFF, AND PERSONNEL: This Agreement calls for the performance of services by Contractor as an independent contractor. Contractor is not an agent or employee of County and shall not be considered an employee of County for any purpose. Contractor, its agents or employees shall make no representation that they are County employees, nor shall they create the appearance of being employees by using a job or position title on a name plate, business cards, or in any other manner, bearing County's name or logo. Neither Contractor nor any employee of Contractor shall be entitled to any benefits or compensation other than the compensation specified herein. Contractor shall have no authority to bind County to any agreement, contract, duty or obligation. Contractor shall make no

representations that are intended to, or create the appearance of, bind County to any agreement, contract, duty, or obligation. Contractor shall have full power to continue any outside employment or business, to employ and discharge its employees or associates as it deems appropriate without interference from County; provided, however, that Contractor shall at all times during the term of this Agreement maintain the ability to perform the obligations in a professional, timely and reliable manner.

SECTION F. STANDARD OF PERFORMANCE: Contractor agrees and represents that it has and shall maintain the personnel, experience and knowledge necessary to qualify it for the particular duties to be performed under this Agreement. Contractor shall perform the Services described herein in accordance with a standard that meets the industry standard of care for performance of the Services.

SECTION G. DELIVERABLES AND USE OF DOCUMENTS: All deliverables required under this Agreement, including material, products, reports, policies, procedures, software improvements, databases, and any other products and processes, whether in written or electronic form, shall remain the exclusive property of and shall inure to the benefit of County as works for hire; Contractor shall not use, sell, disclose, or obtain any other compensation for such works for hire. In addition, Contractor may not, with regard to all work, work product, deliverables or works for hire required by this Agreement, apply for, in its name or otherwise, any copyright, patent or other property right and acknowledges that any such property right created or developed remains the exclusive right of County. Contractor shall not use deliverables in any manner for any other purpose without the express written consent of County.

SECTION H. EMPLOYEES AND SUB-CONTRACTORS: Contractor shall be solely responsible for payment of wages, salary or benefits to any and all employees or contractors retained by Contractor in the performance of the Services. Contractor agrees to indemnify, defend and hold harmless County for any and all claims that may arise from Contractor's relationship to its employees and subcontractors.

SECTION I. INSURANCE: Contractor shall obtain and maintain insurance of the types and in the amounts set out below throughout the term of this Agreement with an insurer acceptable to County. Contractor shall assure that all subcontractors maintain like insurance. Compliance with the terms and conditions of this Section is a condition precedent to County's obligation to pay compensation for the Services and Contractor shall not provide any Services under this Agreement unless and until Contractor has met the requirements of this Section. County requires Certificates of Insurance or other evidence acceptable to County that Contractor has met its obligation to obtain and maintain insurance and to assure that subcontractors maintain like insurance. Should any of the policies described below be cancelled before the expiration date thereof, notice shall be delivered in accordance with the policy provisions. General Liability Insurance and Automobile Liability Insurance shall name County as an additional insured.

- 1. General Liability Insurance:** ONE MILLION DOLLARS (\$1,000,000.00) combined single limit per occurrence; TWO MILLION DOLLARS (\$2,000,000.00) aggregate.
- 2. Workers' Compensation:** In an amount as may be required by law. County may immediately terminate this Agreement if Contractor fails to comply with the Worker's Compensation Act and applicable rules when required to do so.
- 3. Automobile Liability Insurance for Contractor and its Employees:** ONE MILLION DOLLARS (\$1,000,000.00) combined single limit per occurrence; TWO MILLION DOLLARS (\$2,000,000.00) aggregate on any owned, and/or non-owned motor vehicles used in performing Services under this Agreement.

- 4. Professional Liability Insurance:** Insert appropriate language here if applicable. PROFESSIONAL LIABILITY INSURANCE, as may be applicable to the particular profession or service to be provided, with a limit of not less than ONE MILLION DOLLARS (\$1,000,000.00) each Claim, with a TWO MILLION DOLLARS (\$2,000,000.00) annual aggregate, without any restrictive “negligent act, negligent error, or negligent omission” clause, and with coverage extending for a three (3) year period from completion of this contract, against any and all claims which may arise from the Contractor’s negligent performance of work described herein.
- 5.** The switchgear and all its appurtenances shall carry a twenty four (24) month warranty from date of shipment or twelve (12) months from the date of energization, whichever occurs first.

SECTION J. RECORDS: Contractor shall maintain, throughout the term of this Agreement and for a period of six (6) years thereafter, records that indicate the date, time, and nature of the services rendered. Contractor shall make available, for inspection by County, all records, books of account, memoranda, and other documents pertaining to County at any reasonable time upon request.

SECTION K. PERFORMANCE BOND AND LABOR-MATERIALS BOND

Performance Bond and Labor-Materials Bond shall be executed in an amount equal to one hundred percent (100%) of the total amount payable by the terms of the contract attached herein as **Exhibit “B”**.

SECTION L. APPLICABLE LAW: Contractor shall abide by all applicable federal, state and local laws, regulations, and policies and shall perform the Services in accordance with all applicable laws, regulations, and policies during the term of this Agreement. In any lawsuit or legal dispute arising from the operation of this Agreement, Contractor agrees that the laws of the State of New Mexico shall govern. Venue shall be in the First Judicial District Court of New Mexico in Los Alamos County, New Mexico.

SECTION M. NON-DISCRIMINATION: During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of the obligations of Contractor under this Agreement, with regard to race, color, religion, sex, age, ethnicity, national origin, sexual orientation or gender identity, disability or veteran status.

SECTION N. INDEMNITY: Contractor shall indemnify, hold harmless and defend County, its Council members, employees, agents and representatives, from and against all liabilities, damages, claims, demands, actions (legal or equitable), and costs and expenses, including without limitation attorneys’ fees, of any kind or nature, arising from Contractor’s performance hereunder or breach hereof and the performance of Contractor’s employees, agents, representatives and subcontractors.

SECTION O. FORCE MAJEURE: Neither County nor Contractor shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence.

SECTION P. NON-ASSIGNMENT: Contractor may not assign this Agreement or any privileges or obligations herein without the prior written consent of County.

SECTION Q. LICENSES: Contractor shall maintain all required licenses including, without limitation, all necessary professional and business licenses, throughout the term of this Agreement. Contractor shall require and shall assure that all of Contractor's employees and subcontractors maintain all required licenses including, without limitation, all necessary professional and business licenses.

SECTION R. PROHIBITED INTERESTS: Contractor agrees that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. Contractor further agrees that it shall not employ any person having such an interest to perform services under this Agreement. No County Council member or other elected official of County, or manager or employee of County shall solicit, demand, accept or agree to accept a gratuity or offer of employment contrary to Section 31-282 of the Los Alamos County Code.

SECTION S. TERMINATION:

1. **Generally.** County may terminate this Agreement with or without cause upon ten (10) days prior written notice to Contractor. Upon such termination, Contractor shall be paid for Services actually completed to the satisfaction of County at the rate set out in Section C. Contractor shall render a final report of the Services performed to the date of termination and shall turn over to County originals of all materials prepared pursuant to this Agreement.
2. **Funding.** This Agreement shall terminate without further action by County on the first day of any County fiscal year for which funds to pay compensation hereunder are not appropriated by County Council. County shall make reasonable efforts to give Contractor at least ninety (90) days advance notice that funds have not been and are not expected to be appropriated for that purpose.

SECTION T. NOTICE: Any notices required under this Agreement shall be made in writing, postage prepaid to the following addresses, and shall be deemed given upon hand delivery, verified delivery by telecopy (followed by copy sent by United States Mail), or three, (3) days after deposit in the United States Mail:

County:

Deputy Utilities Manager, Electric Distribution
Incorporated County of Los Alamos
1000 Central Ave., Suite 130
Los Alamos, New Mexico 87544

Contractor:

Harry Barnes Jr., Managing Member
Transmission & Distribution Services, LLC
9550 San Mateo Blvd. NE, Suite G
Albuquerque, New Mexico 87113

SECTION U. INVALIDITY OF PRIOR AGREEMENTS: This Agreement supersedes all prior contracts or agreements, either oral or written, that may exist between the parties with reference to the services described herein and expresses the entire agreement and understanding between the parties with reference to said services. It cannot be modified or changed by any oral promise made by any person, officer, or employee, nor shall any written modification of it be binding on County until approved in writing by both County and Contractor.

SECTION V. CAMPAIGN CONTRIBUTION DISCLOSURE FORM: A Campaign Contribution Disclosure Form was submitted as part of the Contractor's Response and is incorporated herein by reference for all purposes. This Section acknowledges compliance with Chapter 81 of the Laws of 2006 of the State of New Mexico.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

INCORPORATED COUNTY OF LOS ALAMOS

NAOMI D. MAESTAS
COUNTY CLERK

BY: _____
TIMOTHY A. GLASCO, PE **DATE**
UTILITIES MANAGER

Approved as to form:

J. ALVIN LEAPHART
COUNTY ATTORNEY

TRANSMISSION AND DISTRIBUTION SERVICES, LLC, A
NEW MEXICO LIMITED LIABILITY COMPANY

BY: _____
HARRY BARNES, JR., **DATE**
MANAGING MEMBER

Exhibit "A"
Compensation Rate Schedule
AGR18-28

ITEM #	DESCRIPTION	COST
1	Base Cost for Design Build Solution	
A	115kV Side with alternates described below	\$ 154,000.00
B	15kV Side with alternates described below	\$ 566,585.00
C	Bond	\$ 10,808.78
2	ALTERNATE ADDERS AT COUNTY'S DISCRETION	
A	ARC-FLASH DETECTION	\$ 6,000.00
B	UPGRADE TO STATION CLASS SWITCHGEAR ARRESTERS	\$ 2,700.00
C	TELVENT 3030 RTU INSTEAD OF SEL 2032	\$ 12,000.00
D	REAL-TIME FEEDER METERS (BI-TRONICS)	\$ 9,750.00
E	FACTORY ACCEPTANCE TESTING OPTION (T&D VISIT)	\$ 2,750.00
	TOTAL	\$ 731,393.78

ADDITIONAL DESCRIPTIONS for items above:

115 kV Side (Installation, Material, Commissioning & Testing, LOT pricing):

- 1 lot – GE Alstom, Circuit Switcher and supports (115 kV, 1200 Amp, 40 kA Interrupting)
- 1 lot – Slip over bushing CTs (100:5), Station Class Switchgear Arresters (74 kV MCOV), jumpers/terminal pads
- 1 lot – Transformer differential circuits and trip scheme, control wiring, cabling with associated raceways
- 1 lot – Associated low voltage AC/DC wiring for complete system
- 1 each – Engineering (50% of \$58,000 allocated to **115 kV** side)

Optional Costs:

- 1 lot – Telvent SAGE 3030 RTU and associated wiring \$ 12,000
- 1 lot – ARC Flash Detection cabling/hardware \$ 6,000
- 1 lot – Upgrade to station class LV arresters \$ 2,700
- 1 Factory Acceptance Testing Option (T&D to visit) \$ 2,750

Sub Total: \$ 154,000

15 kV Side (Installation, Material, Commissioning & Testing, LOT pricing):

1 each walk-in type Power Control Enclosure manufactured by PACS Switchgear with approximate dimensions of 18'x15'x13' including 15kV, 1200 Amp, 25 kA Interrupting, 4 cubicle metal clad switchgear.

Enclosure assembly to include:

- 3 each ABB breakers (ADVAC type, 1200 Amp, 25 kA, 95 kV BIL)
- 1 lot bus bracing, insulator assembly (1200 Amp, 15 kV, 25 kA, 110 kV BIL) two high cubicle
- 1 lot PTs, CTs for bus metering & differential and over current protection circuits
- 1 each 25 kVA, 120/240V control power transformer
- 3 each GE 760 Feeder Relays
- 1 each GE 750 Bus Relay
- 1 each SEL 787 transformer differential relay
- 1 each SEL 751 backup bus overcurrent relay with arc flash detection capability
- 4 each GE PQM 11 Feeder/Bus Metering devices
- 1 each 48VDC battery system and battery charger
- 1 each DC trip schemes for breakers, remote/local control, etc.
- 1 lot RTU and associated wiring installed in switchgear enclosure
- 1 lot surge arresters
- 1 lot – Associated low voltage AC/DC wiring for complete system
- 1 lot – Removal of existing switchgear assembly/hardware onto LAC provided transport/trailer for their removal from the station and associated salvage activities or disposal
- 1 each- Engineering (50% of \$58,000 allocated to **15 kV** side)
- Misc. Other support structures, cabling, grounding connections, etc. as needed to provide a functional and complete station.

Optional Cost:

1 Real-time Feeder Meters (Bi-tronics)	\$	9,750		
		<u>Sub Total</u>	\$	<u>566,585</u>

Subtotal: \$154,000 + \$566,585 = \$720,585

1.5% for Performance and Labor & Material Bond = \$ 10,808.78

GRAND TOTAL = **\$ 731,393.78**

PAYMENT SCHEDULE:

- 10% - Execution of Contract; Preliminary Drawing Submittal
- 50% - Construction Drawing Approval/Beginning of Manufacturing
- 20% - Project Construction Begins
- 15% - Project Construction Complete
- 5% - Completion of Record Drawings/Project Closeout

EXHIBIT "B"

Performance Bond



Bond No. _____

We as Principal, hereinafter referred to as Contractor, and _____ a limited liability company organized and existing under and by the virtue of the laws of the State of _____ and authorized to do business in the State of New Mexico, hereinafter called Surety, are held and firmly bound unto the Incorporated County of Los Alamos, hereinafter referred to as County, in the penal sum of one hundred percent (100%) of the Contract Price of _____ dollars (\$_____), as may be adjusted by Change Order, inclusive of applicable gross receipts taxes in lawful money of the United States of America, for the payment of which sum Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

THE CONDITIONS OF THIS BOND are such that, whereas, Contractor has been awarded and has agreed to enter into a certain Contract with the Incorporated County of Los Alamos, to which this Performance Bond shall be attached and incorporated therein, for performance of Work or services on Project specifically described in the Contract document for:

Incorporated County of Los Alamos

RFP18-28

Design/Build Solution to Field Upgrade the 15kV White Rock Substation

and if Contractor shall perform and complete all of the undertakings, covenants, terms, and obligations of said Contract during the original term thereof, and any extensions which may be granted by the County with or without notice to the Surety, and if Contract shall satisfy all claims and demands incurred under such Contract, and shall fully indemnify and save harmless the

Performance Bond Continued

County from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the County all outlay and expenses which the County may incur in making good any default, then this obligation shall be void; otherwise it shall be and remain in full force and effect.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due, except that, with respect to express guarantees of a longer term, a suit thereon must be initiated within six (6) months following the expiration of said express guarantees, if any.

The Surety acknowledges that said Contract may contain express guarantees and agrees that said guarantees, if any, are covered by the Surety's obligation hereunder.

Right of action with respect to any express guarantees, if any, in said Contract shall accrue following completion and formal acceptance of the work under said contract.

The right to sue on this bond accrues only to the contracting agency and the parties to whom New Mexico Statutes Annotated, 1978 Comp. 13-4-18 through 13-4-20, as amended, grant such right; and such right shall be exercised only in accordance with the provisions and limitation of said statutes.

PROVIDED, FURTHER, that Surety, for value received hereby stipulates and agrees that no change, extensions of time, alteration or addition to the terms of Contract. The Agreement, or the work to be performed thereunder, or the Contract Documents accompanying the same, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alternation or addition to the terms of the Contract.

PROVIDED, FURTHER, that no final settlement between the County and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument may be executed in two counter-parts, each one of which shall be deemed as an original, this _____ day of _____, 20____.

The undersigned state that they have the authority to enter into said Contract.

CONTRACTOR AS PRINCIPAL:

By: _____

Print Name: _____

Title: _____

ATTEST: _____

SURETY:

By: _____

Print Name: _____

Title: _____

ATTEST: _____

Payment (Labor and Materials) Bond



Payment (Labor and Materials) Bond for the Protection of all Persons Supplying Labor and Material to the Contractor or its Sub-contractors

Bond No. _____

We _____ as Principal, hereinafter called the Contractor, and _____, a limited liability company organized and existing under and by virtue of the laws of the State of _____, and authorized to do business in the State of New Mexico, hereinafter called the Surety, are held and firmly bound unto the Incorporated County of Los Alamos as Obligee, hereinafter the County, in the amount of _____ Dollars (\$_____), in the penal sum of one hundred percent (100%) of the Contract Price of _____ dollars (\$_____), as may be adjusted by Change Order, inclusive of applicable gross receipts taxes in lawful money of the United States of America, for the payment of which sum Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

Payment (Labor and Materials) Bond is for the Protection of all Persons Supplying Labor and Material to the Contractor or its Sub-contractors

WHEREAS, Contractor has agreed to enter into the Contract described as follows:

Incorporated County of Los Alamos

RFP18-28

Design/Build Solution to Field Upgrade the 15kV White Rock Substation

Which contract is by reference made part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, the condition of this obligation is such that if the Contractor shall pay as they become due, all just claims for labor performed and materials and supplies furnished upon or for the work under said contract, whether said labor be performed and materials and supplies be furnished under the original contract or any contract thereunder, then this obligation shall be null and void; otherwise, it shall remain in full force and effect, subject, however to the following conditions:

The right to sue on this bond accrues only to the Contracting Agency and the parties to whom Section 31-173 Los Alamos County Code of Ordinances grant such right; and any such right shall be exercised only in accordance with the provisions and limitations of said ordinance.

PROVIDE, FURTHER, that the Surety, for value received hereby stipulates and agrees that no change, extensions of time, alteration, or addition to the terms of the Contract, or to the Work to be performed thereunder, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract.

PROVIDE, FURTHER, the County shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have no obligations to make payments to give notices on behalf of or otherwise have obligations to Claimants. The Surety hereby waives notice of any change, including changes of time, to the Contractor or to related subcontracts, purchase orders and other obligations.

SIGNED AND SEALED ON this _____ day of _____, 20 _____

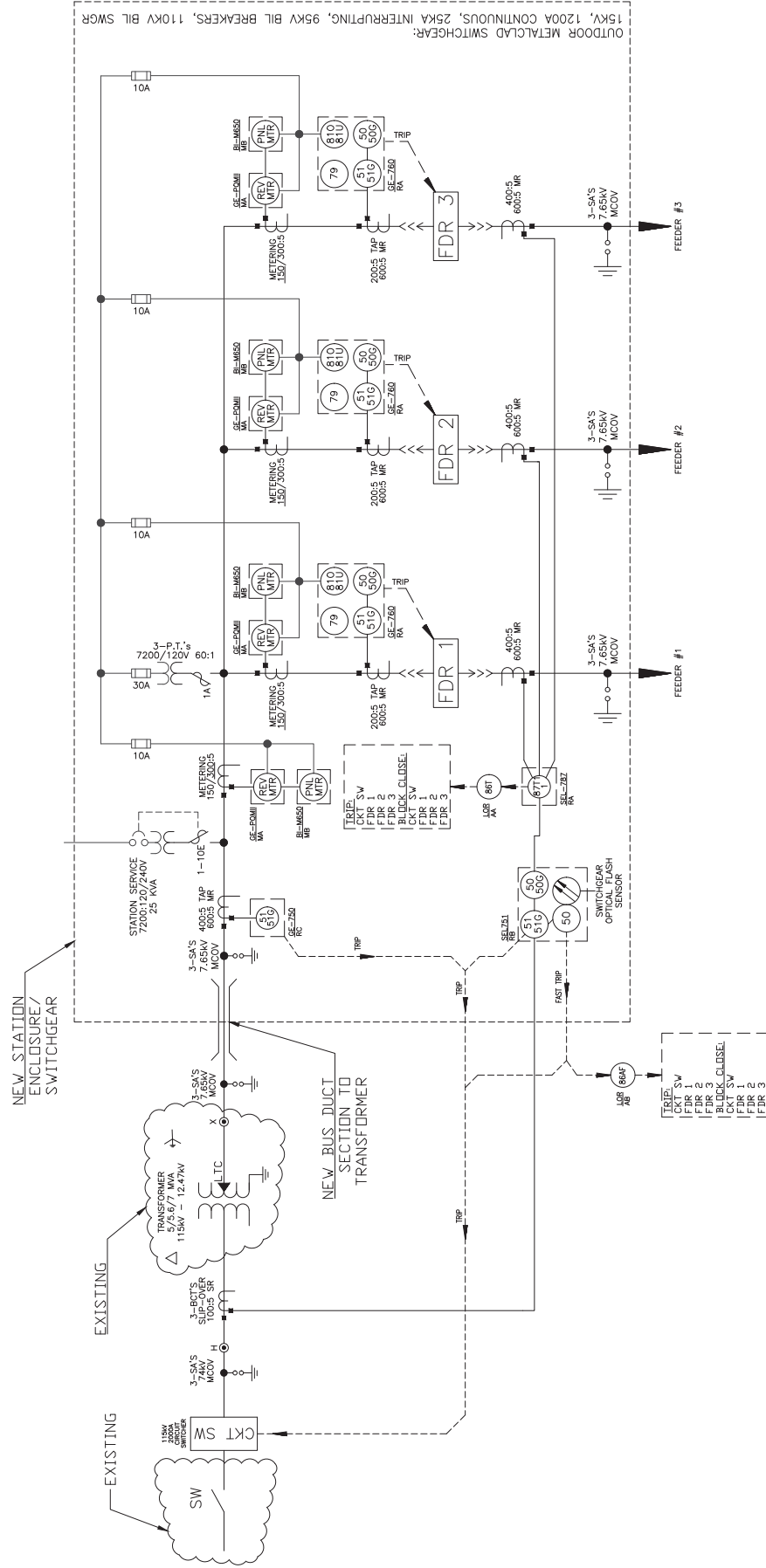
CONTRACTOR AS PRINCIPAL:

Signature: _____
Print Name: _____
Title: _____
Address: _____

SURETY'S AUTHORIZED NEW MEXICO AGENT:

Signature: _____
Print Name: _____
Title: _____
Address: _____

This bond is issued simultaneously with Performance Bond in favor of County for the faithful performance of the contract.



END																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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RFP18-28		White Rock Substation Design Build Replacement Project			
		Bixby Electric	T&D Services	US Electric	ABB
Total Cost (less Bonding & NMGRIT) NOTE: Price was 45% of weighted Criteria		\$ 874,740.00	\$ 731,394.00	\$ 771,221.00	\$ 774,625.00
		Note 2	Note 2	Note 2	Note 2
RANK BASED ON OVERALL SCORE:					
		Rank 4	Rank 1	Rank 3	Rank 2
NOTE 2: Some adjustments were made to the price to account for "like-for-like" comparison with #1 Ranked Choice. For example, the use of GE relays, GE Meters, Telvent RTU, etc; in conformance to the Spec.					



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	6.C
Index (Council Goals):	BCC - N/A
Presenters:	Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File:	10342-18

Title

Approval of Revision to Modification 20 to the Electric Energy and Power Coordination Agreement (ECA) Between the Incorporated County of Los Alamos and the United States Department of Energy (DOE).

Recommended Action

I move that the Board of Public Utilities approve this Modification 20 to the Electric Coordination Agreement as presented and forward to Council with a recommendation for approval.

Staff Recommendation

Staff recommends approval as presented.

Body

MOD 20 to the Electric Coordination Agreement (ECA) between Los Alamos County and The Department of Energy was initially drafted and approved by the Operating Committee, the BPU, and the County Council, in June and July of 2017. When submitted to the NNSA Contracting Officer, she elected to delete one clause from the approved agreement, necessitating that the revised agreement be re-approved by the Operating Committee, BPU, and Council.

The change by the CO was to entirely remove proposed Article XVIII dealing with consideration of future resources. While the proposed language was useful for clarity, it in fact simply articulated in the contract what is essentially current and historical operational practice anyway, so is not crucial to moving forward. The summary of that language from the July 2017 staff report is shown in "strikethrough" below. The revised MOD was approved via E-Mail vote by the Operating Committee on April 3, 2018.

A summary of the proposed MOD from the July 2017 Agenda Item follows.

The Power Pool was established through the Electric Coordination Agreement (ECA) between Los Alamos County and The Department of Energy in 1985. (Note: In 2002 the National Nuclear Security Administration was established as a branch of the Department of Energy and took over responsibility for the ECA. The acronyms NNSA, DOE, and LANL may be used interchangeably throughout this discussion and the MOD document). Through the contract, both parties contribute the power from and costs of each of the respective "Pool Approved Resources" into the Pool, and those costs are then allocated back to the parties pro rata according to each party's usage. The contract has been renewed continuously since 1985. Historically the County has contributed

approximately 75% of the resources, while LANL has accounted for approximately 80% of the load.

The attached MOD20 to the Electric Coordination Agreement was initially approved by the Operating Committee on ~~June 1, 2017~~ April 3, 2018. The changes were minor, mainly clarifying responsibilities for Critical Infrastructure Protection (CIP v5) and Western Electricity Coordinating Council (WECC) compliance, removal of the TA-3 Cogeneration Facility, which has been out of service for some time, as an approved resource, and correcting language related to fixed asset charges to reflect actual practice. The agreed status and cost share of NNSA's initial participation in the Carbon Free Power Project through the Power Pool ~~and the treatment of exploration of future resources are~~ is also included. ~~primarily as a bridge to future negotiations for a MOD-21 where these matters will be refined more in the context of a post 2025 ECA.~~ No changes to cost share, asset mix, or contract term are included in this modification.

Alternatives

The Board could elect not to accept the proposed MOD20, in which case the parties would have to continue negotiations to address these matters.

Fiscal and Staff Impact

There is no immediate staff or fiscal impact. The proposed clauses proposed are intended to add clarity as to the matters covered.

Attachments

A - MOD 20 as approved by the CO

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE		PAGE OF PAGES 1 5	
2. AMENDMENT/MODIFICATION NO. 0020		3. EFFECTIVE DATE See Block 16C		4. REQUISITION/PURCHASE REQ. NO.	
5. PROJECT NO. (If applicable)		6. ISSUED BY NNSA/Business Services Division U.S. Department of Energy Business Services Division P.O. Box 5400 Albuquerque NM 87185-5400		7. ADMINISTERED BY (If other than Item 6) CODE	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Incorporated County Of Los Alamos Attn: Robert K. Westervelt 1000 Central Ave Ste 300 LOS ALAMOS NM 87544		(x)		9A. AMENDMENT OF SOLICITATION NO.	
CODE 069423424		FACILITY CODE		9B. DATED (SEE ITEM 11)	
		X		10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC04-85AL26078	
				10B. DATED (SEE ITEM 13) 09/11/2012	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended. ☐ is not extended.
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Mutual Agreement of the Parties
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☒ is not. ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

SEE ATTACHMENT B "Modification Description"

Payment:

OR for NNSA

U.S. Department of Energy

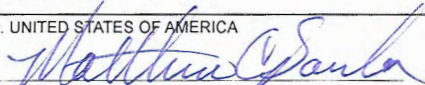
Oak Ridge Financial Service Center

P.O. Box 5807

Oak Ridge TN 37831

Period of Performance: 07/01/1985 to 06/30/2025

Except as provided herein, all terms and conditions of the document referenced in Item 9 A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Matthew C. Barela	
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	16C. DATE SIGNED 2/6/18

NSN 7540-01-152-8070
Previous edition unusable

STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

ATTACHMENT B "Modification Description"

Electric Energy and Power Coordination Agreement

A. Pursuant to the authority "Mutual Agreement of the Parties". The purpose of this modification is to (1) ADD ARTICLE XVI - Western Electric Coordinating Council Compliance and Peak Reliability Services (2) ADD ARTICLE XVII - Carbon Free Power Project (CFPP), (3) revise Attachment A Exhibit A, Schedule 3, Rev. 2, (4) insert new Attachment A Exhibit B, Schedule 4.1 Rev. 0, (6) Remove Attachment A, Exhibit A, Schedule 1.1, TA-3 Generating Plant Units 1, 2, and 3.

B. As a result of Paragraph A, the contract is more specifically modified as follows:

Part I Schedule – Adding Article XVI Western Electric Coordinating Council Compliance and Peak Reliability Services and Article XVII Carbon Free Power Project (CFPP)

(1) ARTICLE XVI- Western Electric Coordinating Council Compliance and Peak Reliability Services

The Western Electricity Coordinating Council (WECC) is the Regional Entity for the Western Interconnection responsible for compliance monitoring and enforcement. NNSA is registered as a Transmission Owner (TO) and Transmission Operator (TOP) with WECC. As a registered entity, NNSA is responsible for compliance with all requirements of the WECC standards that are applicable to their function for which they are registered. NNSA is required to self-certify annually for all registered functions and WECC conducts compliance audits of the TO/TOPs per their schedule. As part of the ECA, the County provides and is responsible for the operation and maintenance of the Supervisory Control and Data Acquisition (SCADA) software system and the Backup Control Center that support the NNSA TOP function at LANL. The SCADA system and the Backup Control Center provide critical functions that are needed to meet the WECC TOP requirements related to Critical Infrastructure Protection and cybersecurity requirements. Operating Procedure C15, NERC CIP Compliance and Electric SCADA System Maintenance includes details on the WECC requirements applicable to the transmission system.

The parties agree to the following terms to ensure compliance with the applicable WECC standards and/or requirements:

Each party shall comply with the North American Electric Reliability Corporation and Western Electric Coordinating Council (WECC) standards where applicable, for the safe and reliable operation of the electric distribution/transmission system. NNSA will notify the County, when new standards or modifications to standards are applicable. The NNSA/County Operating Procedures will be updated to identify the requirements and who is the responsible party to implement, as necessary.

NNSA and the County shall be responsible for the maintenance and operation of their respective transmission facilities. Incurrence of significant costs relating to operation or maintenance of Pool transmission facilities will be reviewed and approved pursuant to the NNSA/County Operating Committee procedures for budgeting and planning. (Reference Operating Procedure C5, 1.1, Transmission System Operation and Maintenance) Attachment A, Exhibit A, Schedule 3, Rev 3 identifies the NNSA transmission arrangements and substations. Attachment A, Schedule 4.0, Rev 2 identifies the County transmission arrangements and substations.

As the registered entity with WECC, NNSA shall be the lead party responsible for the annual self-certification and audits including (1) communication with WECC regarding any issues or concerns; (2)

submitting the required documentation; and (3) coordinating with the County in a timely manner. The County shall provide the appropriate documentation to support NNSA within the required timeframes as communicated by NNSA.

Peak Reliability (Peak) serves as the Reliability Coordinator, as defined by the North American Electric Reliability Corporation, and as delegated by the Western Electricity Coordinating Council (WECC), for the Western Interconnection. The NNSA signed the Peak Reliability Coordinator Funding Agreement in July 2015. As a registered TOP/TQP, NNSAL must pay for Peak's services in accordance with the Funding Agreement. The monthly payment for the reliability coordination service will be included as a pool expense.

(2) Article XVII -Carbon Free Power Project (CFPP)

The Los Alamos Power Pool Operating Committee approved a not to exceed budget of \$145,540 to be used for Phase 1, the fatal flaw analysis for the Carbon Free Power Project at the preferred site in Idaho to evaluate the potential for this future resource to serve the Los Alamos Power Pool. The fatal flaw analysis will be used to determine the viability of a CFPP project as a future pool asset. The analysis evaluates the region of interest, land use agreement for the preferred site in Idaho, development of water acquisition strategy, and UAMPS - NuScale cost share agreement.

The parties agree that costs associated with the initial Fatal Flaw Analysis is in accordance with Exhibit C Miscellaneous Costs of Mutual Benefit, cost associated with studies and meetings with the planning for resources and facilities, the parties agree these costs will be allocated 50 percent demand and 50 percent energy.

Further participation in the project as defined in the UAMPS CFPP Power Sales Contract for the Development period will covered by a separate agreement or modification of the ECA.

Part III Exhibits are revised as followed:

(3) Exhibit A, Schedule 3, Rev. 2 DOE 115 KV TRANSMISSION AND SUBSTATION FACILITIES

Exhibit A, Schedule 3, Rev. 2 is revised to include additional resources associated with the STA and WTA. Modification 17 recognizes the STA-WTA link but Attachment A was not updated. The attachment is revised and incorporated as Attachment A, Exhibit A, Schedule 3, Rev. 3 DOE 115 KV TRANSMISSION AND SUBSTATION FACILITIES

(4) Insert Exhibit B, Schedule 4.1 Rev. 0

Exhibit B, Schedule 4.1 Rev. 0 is incorporated to recognize the Los Alamos County's transmission/distribution asset as an approved resource.

(5) Exhibit A, Schedule 1.1, TA-3 Generating Plant Units 1, 2, and 3

Exhibit A, Schedule 1.1 TA-3 Generating Plant Units 1, 2, and 3 is removed as an approved resource. The asset is no longer in service.

Exhibit A

Exhibit A, Schedule 3, Rev. 3

DOE 115 KV TRANSMISSION AND SUBSTATION FACILITIES

Description:

The DOE Los Alamos 115 kV Transmission and Substation Facilities includable as Approved Resources are as follow:

- (a) ETA Switching Station and related facilities
- (b) STA Switching Station and related facilities
- (c) WTA Switching Station and related facilities
- (d) 115 kV Transmission ETA to TA-3, ETA to TA-53, TA-53 to TA-3, STA to WTA, and WTA to TA 3
- (e) 115 kV Transmission ETA to PNM system point of connection
- (f) TA-3 Transformation and related facilities
- (g) Capacitor Banks and related facilities
- (h) Synchronous Optical Network (SONET Ring)
- (i) Primary Control Room and the Personal Access Control System

Monthly Fixed Charge

The parties agree that a monthly fixed charge associated with the NNSA 115 KV Transmission and Substation Facilities for each budget year will be based upon amortization of the remaining net asset value over the remaining estimated asset life as of June 30 of the proceeding contract year. Estimated asset lives will be established when assets are placed in service based on standard asset lives adopted for assets of a similar nature, industry or trade standards, or other methodology agreed to by the parties upon project approval. Any assets expensed directly or fully amortized will be excluded from this fixed charge amount. The monthly charge will be included as part of NNSA's annual budget. Replacements and additions of single items, not to exceed \$20,000, shall be separately charged as an operating expense on an actual cost incurred basis.

Operating and Maintenance Expenses

The parties agree that all operating and maintenance expenses associated with the approved 115 kV Transmission and Substation Facilities are includable herein.

Exhibit B

Exhibit B, Schedule 4.1, Rev. 0

County 115 KV TRANSMISSION AND SUBSTATION FACILITIES

Description

The County Los Alamos 115 kV Transmission and Substation Facilities includable as Approved Resources are as follow:

- (a) SCADA System
- (b) Backup Control Room

Monthly Fixed Charge

The parties agree that a monthly fixed charge associated with the County 115 KV Transmission facilities for each budget year will be based upon amortization of the remaining net asset value over the remaining estimated asset life as of June 30 of the preceding contract year. Estimated asset lives will be established when assets are placed in service based on standard asset lives adopted for assets of a similar nature, industry or trade standards, or other methodology agreed to by the parties upon project approval. Any assets expensed directly or fully amortized will be excluded from this fixed charge amount. The monthly charge will be included as part of NNSA's annual budget. Replacements and additions of single items, not to exceed \$20,000, shall be separately charged as an operating expense on an actual cost incurred basis.

Operating and Maintenance Expenses

The parties agree that all operating and maintenance expenses associated with the approved 115 kV Transmission and Substation Facilities are includable herein.

C. All other terms and conditions remain unchanged.



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.D
Index (Council Goals): BCC - N/A
Presenters: Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File: 10581-18

Title

Approval of Re-appointment of Deputy Utility Manager of Finance and Administration, Bob Westervelt, as Los Alamos' Member on the New Mexico Municipal Energy Acquisition Authority (NMMEAA) Board of Directors

Recommended Action

I move that the Board of Public Utilities approve re-appointment of Deputy Utility Manager of Finance and Administration, Bob Westervelt, as Los Alamos' member on the New Mexico Municipal Energy Acquisition Authority Board of Directors and forward to Council with a recommendation for appointment.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

The Joint Powers Agreement (JPA) that formed the New Mexico Municipal Energy Acquisition Authority (NMMEAA) was ammended in 2008 to guarantee Los Alamos a seat on a seven member Board of Directors. Mr. John Arrowsmith, former Utilities Manager, was appointed as Los Alamos' initial representative in 2008, and was reappointed in October 2013. In anticipation of Mr. Arrowsmith's retirement, Deputy Utilities Manager for Finance and Administration Robert Westervelt was appointed in June of 2014. Mr. Westervelt was appointed to a four year term, whcih expires in June of 2018. Mr. Westervelt was recommended by Mr. Arrowsmith for the appointment as he had the knowledge and experience working with NMMEAA to serve in this position.

The JPA language is as follows:

"The Energy Acquisition Authority shall be governed by a seven-member board of directors (the "Board"). Each director shall have current experience in the operation of municipal utilities, the acquisition of energy supplies, and/or municipal finance in general, and shall be appointed as follows:

- A. The governing body of each Party shall appoint two directors.
- B. The fifth director shall be appointed by the Incorporated County of Los Alamos, New Mexico, as a local government participating in the acquisition of a long-term supply of natural gas

pursuant to the Authority's initial energy acquisition transaction.

C. The sixth and seventh directors shall be appointed by the other five directors; provided, that the governmentally-owned utility contracting for at least fifty percent (50%) of the total natural gas being acquired pursuant to the initial transaction undertaken by the Energy Acquisition Authority shall have the right to nominate one person each for appointment to the sixth and seventh director positions; and provided further, that such nominees shall have the qualifications described in the introductory paragraph of this Section 3.

D. The governing body of each Party shall appoint replacement directors to fill vacancies in the Board positions appointed by that Party, and the remaining directors shall appoint a replacement director to fill any vacancy in the fifth director board position. Replacements for the sixth and seventh directors shall be appointed by the other five directors; provided, that the governmentally-owned utility contracting for at least fifty percent (50%) of the total natural gas being acquired pursuant to the initial transaction undertaken by the Energy Acquisition Authority shall have the right to nominate one person each for appointment as a replacement to the sixth and seventh director positions. All replacement directors shall have the qualifications set described in the introductory paragraph of this Section 3.

E. No director shall be a currently serving elected public official of the governing body of either Party to this agreement or of the governing body of a municipal participant.

F. Each director shall have a term of office of 4 years, but may be reappointed for additional terms as provided in this Section 3; provided, that a director appointed by the governmentally-owned utility as provided in paragraphs B and C of this Section may be replaced by the other directors if the Supply Agreement between the Authority and the governmentally-owned utility that appointed that director has been terminated."

Alternatives

The Board could choose not to approve appointment of Mr. Westervelt.

Fiscal and Staff Impact

None

Attachments

None



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.E
Index (Council Goals): BCC - N/A
Presenters: Steve Cummins, Deputy Utilities Manager - Power Supply
Legislative File: 10686-18

Title

Approval of Northern Rio Arriba Electric Cooperative (NORA) Third Revised Exhibit A and Amendment No.3 to the Operation, Maintenance and Wheeling Agreement Dated August 27, 1986

Recommended Action

I move that the Board of Public Utilities approve the NORA Third Revised Exhibit A and Amendment No.3, and forward to Council for their consideration with a recommendation for approval.

Staff Recommendation

Staff recommends approval of NORA Third Revised Exhibit A and Amendment NO.3 to the Operation, Maintenance, and Wheeling Agreement dated August 27, 1986 as presented.

Body

In 1986 LAC entered into a 50 year agreement with NORA to provide Wheeling Services for output from the El Vado Generating Station from the Spills switching station to the Coyote Switching Station in northern New Mexico. In conjunction with wheeling agreements from Jemez and Tri-state, El Vado's energy has a designated path to serve the County's load. The rate that NORA charges the county, however, is part of an Exhibit and Amendment to the overall contract. The current exhibit expired in July of 2017 and had a ten year duration. LAC's proposal, agreed to by NORA, is the same annual percentage increase negotiated in the previous rate sheet. The result is a 5.09% increase over the next ten year period.

Alternatives

Due to LAC's ownership of the El Vado Generating Station there is currently no alternative to this agreement. This wheeling agreement is an integral part of utilizing the Generating Station's output.

Fiscal and Staff Impact

The monetary impact is approximately \$986,863.48 over the ten year period at the forecasted delivery of 28,091 MWhs per year from the plant.

Attachments

A - Third Revised Exhibit A and Amendment No. 3

THIRD REVISED EXHIBIT "A"
TO
OPERATION, MAINTENANCE, AND WHEELING AGREEMENT
DATED AS OF AUGUST 27, 1986
("ORIGINAL WHEELING AGREEMENT"), AS AMENDED,
AND
AMENDMENT NO. 3 ("AMENDMENT NO. 3")
BETWEEN
NORTHERN RIO ARriba ELECTRIC COOPERATIVE, INC. ("NORA")
AND
INCORPORATED COUNTY OF LOS ALAMOS ("COUNTY")

SCHEDULE OF WHEELING CHARGES

1. NET RATE TO THE COUNTY PER BILLING PERIOD OR PART THEREOF.

\$60.00 per billing period (customer charge)

- PLUS -

The following charges per kWh of energy input annually for each billing year listed below. A "Billing Year" is from July 1 through the following June 30 of the next calendar year, as set forth below:

BILLING YEAR	ENERGY CHARGE PER kWh OF ENERGY INPUT
July 1, 2017-June 30, 2018	0.00343
July 1, 2018-June 30, 2019	0.00345
July 1, 2019-June 30, 2020	0.00347
July 1, 2020-June 30, 2021	0.00348
July 1, 2021-June 30, 2022	0.00350
July 1, 2022-June 30, 2023	0.00352
July 1, 2023-June 30, 2024	0.00354
July 1, 2024-June 30, 2025	0.00356
July 1, 2025-June 30, 2026	0.00358
July 1, 2026-June 30, 2027	0.00360

ATTACHMENT C

The above kWh charges shall be applied to the kWh energy input to NORA's system and measured by the kWh/kW demand meter located at the Spills Switching Station. The "billing period" shall be approximately 1/12 of a Billing Year but not necessarily a calendar month.

Commencing on July 1, 2027, the kWh charges to the County for energy applied to the kWh energy input to NORA 's utility system shall be at kWh energy charges and the minimum charges to be negotiated by the Parties pursuant to the terms and conditions of Amendment No. 3 ("Amendment No. 3") to the Operation, Maintenance, and Wheeling Agreement dated as of August 27, 1986 between NORA and the County ("Original Wheeling Agreement"), as revised by Addendum dated October 22, 1986, as amended by Amendment No. 1 dated as of June 26, 1996, and effective as of July 1, 1996 ("Amendment No. 1"), and as amended by Amendment No. 1 dated as of January 23, 2008, and effective as of July 1, 2017 ("Amendment No. 2") (together with Amendment No. 3 and Third Revised Exhibit "A" (collectively sometimes all referred to as the "Agreement," as it has been amended).

2. MINIMUM CHARGES.

The minimum charges under these rates shall be the product of the applicable kWh energy charge per Billing Year listed in Section 1 of this Third Revised Exhibit "A" for the particular Billing Year and times ten million (10,000,000) kWh per year (e.g., for the year 2017, \$.00343 per kWh times 10,000,000 kWh), payable on the first of the month following the execution of Amendment No. 3 to the Original Wheeling Agreement between NORA and the County and on July 1 thereafter for each year or portion thereof from July 1, 2017, through June 30, 2027. The payment of the minimum charges entitles the County to kWh wheeling allowances during the year for which the minimum charges are paid. All extraordinary

operations and maintenance expenses, as defined in the Agreement between NORA and the County, shall be charged separately from this Schedule in Amendment No. 3 and in accordance with the aforementioned Agreement.

Notwithstanding any provision in this Third Revised Exhibit "A" or in the Agreement, including Amendment No. 1 and Amendment No. 2, to the contrary, the County shall not be obligated to pay any minimum charges to NORA if the County is unable during any Billing Year, defined as from July 1 through June 30, to generate and transmit at least 10,000,000 kWh due to "uncontrollable forces," as defined in Section 7.3 of the Agreement. If the County is unable to generate and transmit a minimum of 10,000,000 kWh in a Billing Year due to uncontrollable forces, then the pro rata share of the minimum charges already paid to NORA for that year which represents the difference between the energy actually transmitted and 10,000,000 kWh shall be credited to the County for the next Billing Year.

3. POWER FACTOR ADJUSTMENT.

The County agrees to maintain at the Spills Switching Station unity power factor as nearly as practicable. KWh wheeling charges will be adjusted to correct for average power factors lower than 95%. Such adjustments will be made by increasing the measured kWh 1% for each 1% by which the average power factor is less than 95% (lagging or leading).

4. TERMS OF PAYMENT.

Terms of payment shall be as set forth in the Agreement between the County and NORA.

5. This Third Revised Exhibit "A" supersedes and replaces in its entirety Exhibit "A" and the Second Revised Exhibit "A" to the Agreement.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals this ____ day of _____, 2018, and this Third Revised Exhibit "A" shall be effective as of July 1, 2017.

**NORTHERN RIO ARRIBA ELECTRIC
COOPERATIVE, INC.**

BY: _____
**STEVE RENDON
PRESIDENT**

ATTEST:

**GILBERT MARTINEZ
SECRETARY**

**INCORPORATED COUNTY OF LOS
ALAMOS**

BY: _____
**TIMOTHY A. GLASCO
LOS ALAMOS COUNTY UTILITIES MANAGER**

BY: _____
**DAVID IZRAELEVITZ
LOS ALAMOS COUNTY COUNCIL CHAIR**

ATTEST:

**NAOMI D. MAESTAS
LOS ALAMOS COUNTY CLERK**



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 7.A
Index (Council Goals): BCC - N/A
Presenters: Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File: 10316-18

Title

Discussion of Potential Rate Structure Alternatives

Recommended Action

None. Discussion item only.

Staff Recommendation

None. Discussion item only.

Body

There has been discussion for quite some time on changes to historical rate design to address issues in the modern utilities world. Specifically, with the rapid expansion of distributed generation, rate design needs to address the issue of offsetting electric costs with distributed generation, while continuing to rely on the distribution system for backup or base load power. Other opportunities for properly apportioning costs to relevant cost drivers present themselves with the implementation of advanced metering, and should be considered in rate design as well.

There are several possible approaches to rate design that address these issues. There are Pro's and Con's, in differing degrees, to any potential rate design. Several of the more common rate structures emerging in the current electric utility environment are presented on the attached, with a discussion of some of the identified Pros and Cons. Since one of the biggest drivers of this discussion is the rapid expansion of distributed generation, and the resulting pressures on the electric distribution system, we have included a comparison for a real, actual utilities customer, over a two-year period, showing what the impact to that customer of each rate alternative would be.

Alternatives

None. Discussion item only.

Fiscal and Staff Impact

None. Discussion item only.

Attachments

A - Electric Rate Options Comparison

- (1) Current Net Metering
- power generated can offset 100 percent of annual power used, at the retail rate
excess generation over the annual amount used is paid at average wholesale cost of power, trued up annually
(customer sees a monthly credit equal to excess generation at the retail rate, and at the end of the year receives a bill to adjust that credit to the wholesale cost of power)
- Pros:
- easy to calculate, understand
 - most generous of alternatives contemplated regarding benefit to distributed generation owner/operator
- Cons:
- Encourages "oversizing" systems
 - Enables customers to remain connected to and rely on the distribution system during periods of low or no generation, but collects nothing from those customers for the service
In the long run this is economically unsustainable
 - Requires annual true up, which is a manual process.
 - Customer can offset entire bill, in fact could receive a net payment, for generation in excess of consumption
- (2) Current net metering with minimum system charge bill
- Same as current net metering, except customer will see a minimum monthly bill
An alternate is to charge both the monthly service charge and the monthly minimum, but that is not the way this example is set up.
This would affect "vacation owners", that stay connected to the system but have very low usage.
- Pros:
- easy to calculate, understand
 - there is no annual true up required.
 - Customers pay at least what it costs to provide "backup" service.
 - Discourages "oversizing" system, as there is no economic benefit to doing so
- Cons:
- As presented, still allows offset of customer/account/billing charges.
 - Lowest income customers most severely impacted.
- (3) Buy All/Sell All value of solar (VOS)
- one hundred percent of power generated is "purchased" by the utility at the VOS rate
one hundred percent of the power consumed by the customer is "sold" by the utility at the retail rate
Customer/account/billing charges are billed as separate charges.
only exception is "station service" - power used by the generation system itself in front of the production meter is "lost"
- Pros:
- Costs of operating & maintaining the distribution system are included in the retail rate
 - Recognizes the value of "local" generation - values at on site avoided cost, not average system cost
for example, the benefit to the utility of reducing coincident peak is included in the VOS calculation and thus inures to the system owners
 - Allows owners to, and fairly compensates owners for, building systems of whatever size they choose.
- Cons:
- Would require change to existing metering. Production meters currently exist, but are not read or maintained by the utility.
 - Does nothing to limit potential system problems created by large generation facilities on stressed distribution feeders.
 - Considers only identifiable economic factors in VOS. Does not recognize "social benefits". (Same could be said of all proposed alternatives)
 - As presented, still allows offset of customer/account/billing charges.

(4) Net Metering with distribution charge

Same as existing net metering except adds a distribution charge

Pros:

Better for system economic support than without distribution surcharge

Cons:

Customer can offset entire bill, in fact could receive a net payment, for generation in excess of consumption
Encourages overbuilding of system to generate enough to offset entire bill.

Just like the "wires charge" that has already been "rejected" by broad segment of customer base.

(5) Unbundled Rate Structure

This would change billing for all customers - not just DG owners

Customers pay the "cost of power" rate for the power used, a distribution charge, and a customer account charge

Different from Net metering with minimum bill in that power produced is compensated at "cost of power" rate instead of bundled retail rate.

But, distribution charge is charged in every case, not just as a minimum bill.

Pros:

Most fair for all customers

Cons:

Lowest income customers most severely impacted

Other alternatives become relevant and should be considered upon full implementation of AMI

(6) TOU/Demand Metering - Daytime peak

(7) TOU/Demand Metering - Evening Peak

(6) Demand metering with daytime peak

Highest rate would be at the time of the coincidental peak, thus shift of usage to avoid high demand charges would transfer cost from LAC to LANL.
requires AMI

Pros:

Results in lowest cost of power for the County to the extent demand can be shifted.

Cons:

Highest cost for those users not able to shift their demand.

(7) Demand metering with evening peak

Highest rate would be at the time of LAC's peak

Requires AMI

Pros:

Would relieve some distribution system stress or limits

Attempts to shift load to when most DG is available - resolves "duck curve" effect to some extent

Cons:

May actually increase LAC contribution to coincidental peak, which would increase total cost of power.

This additional cost would most likely be born by all customers that did not shift their load.



County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 7.B
Index (Council Goals): BCC - N/A
Presenters: James Alarid, Deputy Utilities Manager - Engineering
Legislative File: 10546-18

Title

Financing for Wastewater Treatment Plant Loans

Recommended Action

None

Staff Recommendation

Staff recommends refinancing the existing debt associated with the Los Alamos Wastewater Treatment Plant for 12 years, and financing the design and construction of a new White Rock Wastewater Treatment Plant for 25 years. With Board concurrence staff will proceed to execute the loans immediately.

Body

Two financial milestones were recently reached in the effort to replace the White Rock Wastewater Treatment Plant. On February 8, 2018 a payment of \$2,500,000 was made towards the existing loan for the Los Alamos Wastewater Treatment Plant. On April 7, 2018 the regular scheduled annual payment of \$964,888.54 was made towards the same loan. The resulting balance of the loan has been decreased to \$7,029,504.37.

Staff recommends two actions associated with funding the new plant. The first is to refinance the existing loan now that interest rates are lower, and the second is a new loan for design and construction of the new plant. Both loans will be through the Clean Water State Revolving Loan (CWSRL) fund, administered by the New Mexico Environment Department Construction Programs Bureau.

Refinance Existing Loan

We are presenting our options to refinance and a staff recommendation for Board acceptance for the term of the loan to refinance. CWSRL interest rates are 2.38% now, and our existing loan is at 3.0%. There is a refinance fee in the amount of 2% of the loan amount due at the time of execution of the loan agreement. In our case this fee is \$140,590.09. The variable of significance is the term of the loan which establishes the interest savings and annual payments. We must balance the annual payments of this loan combined with the annual payments of the new construction loan to maintain a sustainable wastewater fund. Four scenarios are summarized below to demonstrate the benefit of refinancing the loan.

Term	Interest Rate	Loan Amount	Payoff Date	2% Fee	Annual Payment	Interest Saved
No Refinance	3%	\$7,029,504.37	2027	n/a	\$964,888.54	n/a

12 Year	2.38%	\$7,029,504.37	2030	\$140,590.09	\$680,110.00	\$842,342.00
15 Year	2.38%	\$7,029,504.37	2033	\$140,590.09	\$562,540.00	\$565,554.00
17 Year	2.38%	\$7,029,504.37	2035	\$140,590.09	\$507,403.00	\$377,801.00

Staff recommends refinancing the existing loan for 12 years. The ordinance in place for our existing loan is still valid and a new ordinance will not be required to refinance.

Design & Construction Loan

We are presenting three options to finance the new White Rock plant and a staff recommendation for Board acceptance for the term of the loan to finance. The estimated cost of the new plant design and construction are as follows.

Design	\$ 1,000,000
Engineering During Construction	\$ 520,000
Construction	\$ 13,000,000
Total	\$ 14,520,000

In April of 2017 the DPU applied for a CWSRL to preserve the opportunity to secure a loan at 2.38%. First payment on the loan will be due one year after the project is completed. Staff has evaluated financing the design and construction for the terms of 20, 25 and 30 years and a summary is provided below.

Term	Interest Rate	Loan Amount	First Payment		Payoff Date	Annual Payment
20 Year	2.38%	\$14,520,000.00	2021	2040	\$920,454.00	
25 Year	2.38%	\$14,520,000.00	2021	2045	\$776,862.00	
30 Year	2.38%	\$14,520,000.00	2021	2050	\$682,220.00	

Staff recommends financing the design and construction for 25 years. A schedule showing the financing, design and construction is attached.

Alternatives

If proceeding with the two loans is not approved, staff will re-evaluate the loan options and continue to work with the Board on replacing the White Rock Wastewater Plant.

Fiscal and Staff Impact

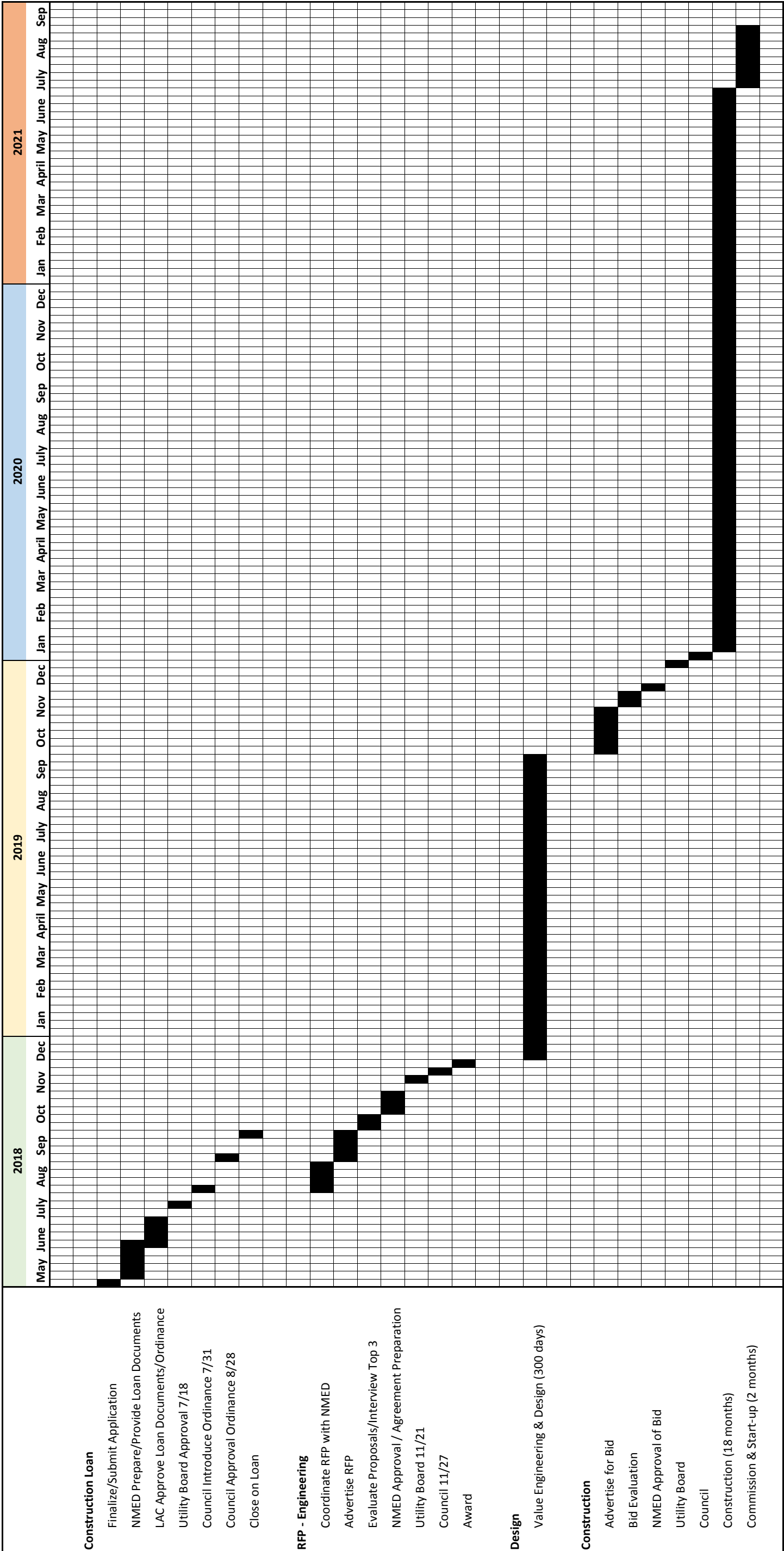
An evaluation of the wastewater fund rate impact and cash reserves for the various loan combinations is provide in Attachment B. A detailed cash flow graph of the recommended loan terms is also provided in Attachment B. Similar detail will be presented for all alternatives in the Board presentation.

Attachments

A - Schedule for White Rock Wastewater Treatment Plant Replacement

B - Rate Impact and Cash Reserve Evaluation

White Rock Wastewater Treatment Plant
Preliminary Schedule
April 10, 2018



MEMORANDUM



Department of Public Utilities

Electric, Gas, Water, and Wastewater Services

Administrative Offices

1000 Central Avenue, Suite 130

Los Alamos, NM 87544

P 505.662.8333 F 505.662.8005

dpu@lacnm.us

losalamosnm.us/utilities

DATE: 10 April 2018

TO: J. Alarid

THROUGH:

FROM: J. Richardson

CC: T. Glasco, B. Westervelt, J. Kephart

RE: WWTP Financing Scenarios & Rate Adjustment Impacts

20-Year Forecast Models for Various Scenarios

Revenue – Expenses – Cash Balance (RECB) Graphs

Final Recommendation

Refinance the LA WWTP remaining debt for a period of 12 Years – Payoff Date 2030.

Finance the WR WWTP new debt for a period of 25 Years – Payoff Date 2045.

Summary of RECB Graphs

1. The scenarios graphed match the scenarios outlined in the Agenda Document. There are four sets of graphs – One for each variation of LA WWTP Refinancing (LA ReFi). For each LA ReFi variation set – there are three scenarios: Financing the WR WWTP (WR Finan) for 20 and 25 and 30 year terms. There are four sets of three graphs for a total of 12 graphs.
2. Both the short range (10-Year) and long range (20-Year) CIP plans were held constant for all scenarios. WWTP CIP projects that were assumed to be financed through bond or loan financing have been accounted for and displayed separately in the forecast model.
3. Expenses for all scenarios were held constant; except for Debt Service. Debt Service amounts varied for each scenario based on the data received from NMED depending on the financing scenarios.
4. As derived from the Agenda Document Memo difference with all refinancing data submitted by NMED – two possible LA WWTP refinancing scenario sets were not considered feasible and thus were not developed as RECB graphs: 1) LA ReFi at the lower interest rate of 2.38% for only 9 years (until FY2027), and 2) LA ReFi at 2.38% for 25 years (until FY2043).
5. All Rate Adjustments between FY19 & FY28 were held constant to match the Rate Adjustments in the FY19 Budget 10-Year Forecast; except as noted on the RECB graph.

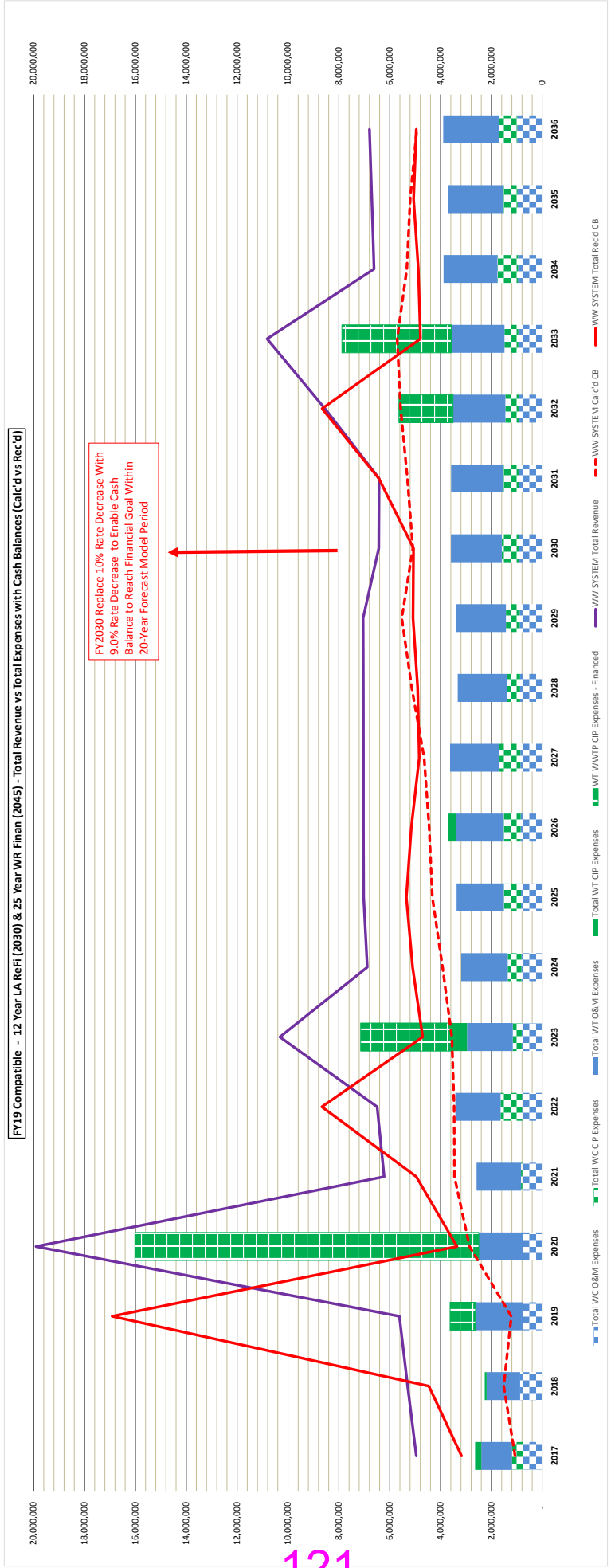
Some exceptions where the rate adjustments differed from the FY19 budget were when the cash balance started to become significantly more than the financial policy recommendation.

6. A preliminary baseline forecast model was completed using interest/term formulas had been developed prior to receiving the data from NMED. This early baseline model used the FY19 Budget Rate Adjustments between FY19 & FY28 and included various rate adjustments between FY29 & FY38 - a 10% rate decrease in FY30 and also some inflationary rate increases or 0% rate adjustments. All Rate Adjustments between FY29 and FY38 were held constant to match this early baseline forecast model; with some exceptions. To be consistent, all exception Rate Adjustments occur in FY30 to again reflect the financial policy goal of meeting the recommended cash balance without becoming too large. The scenario which comes closest to the preliminary baseline forecast model appears to be the “12 Year LA ReFi & 25 Year WR Finan” scenario (with only a 9% Rate decrease in FY30 as opposed to an estimated FY30 rate Decrease of 10% with an acceptable cash balance graph.
7. The overall approach was done to maintain consistency between scenarios as much as possible – while not varying too much from meeting the financial cash balance goal or accumulating too much in the cash balance fund.

Recommendations Based on the RECB Graphs and Rate Adjustments

8. Because the refinancing of the LA WWTP debt saves DPU considerable money owed compared to not refinancing – none of the No LA ReFi scenarios are recommended.
9. The RECB Graph for the scenario “17 Year LA ReFi (FY2035) & 25 Year WR Finan (2045)” appears to be outstanding. It has the earliest date to reach the financial policy cash balance recommendation, the calculated cash balance flow is virtually coincident with the recommended cash balance flow, and there are very early rate decreases that replace rate increases. However, refinancing the LA WWTP through FY2035 would mean that we would be paying debt service on a plant where there are two significant additional CIP projects scheduled during this debt repayment period (16 year upgrades and 26 year upgrades). Because of the length of this refinancing debt repayment period – none of the 17 Year LA ReFi scenarios are recommended.
10. The middle two scenario sets each had two scenarios worthy of serious consideration. The top four of these are rank listed below along with the reasoning behind their selection:
 - a. “12 Year LA ReFi (2033) & 25 Year WR Finan (2045)”. The LA WWTP debt refinancing period ends in 2030 three years prior to the scheduled 26-year upgrade project. A downward Rate Adjustment occurs in FY2030. The financial policy recommended cash balance is met in FY2027.
 - b. “15 Year LA ReFi (2033) & 25 Year WR Finan (2045)”. The LA WWTP debt refinancing period ends in 2033 which is the year when the next major 26-year upgrade CIP project is scheduled – leaving no break between owing debt service for the LA WWTP on two separate CIP projects. A downward Rate Adjustment is available fairly early (FY2027), identical to scenario c, however the later FY2030

- Rate Adjustment available in scenario a does not occur. The financial policy recommended cash balance is the earliest of any scenario by one year (FY2025).
- c. “12 Year LA Refi (2030) & 30 Year WR Finan (2050)”. The LA WWTP debt refinancing period ends in 2030 three years prior to the scheduled 26-year upgrade project. A downward Rate Adjustment is available fairly early (FY2027) with an additional smaller FY2030 downward Rate Adjustment. The financial policy recommended cash balance is met one year earlier than scenario a (FY2026).
 - d. “15 Year LA ReFi (2033) & 20 Year WR Finan (2040)”. The LA WWTP debt refinancing period ends in 2033 which is the year when the next major 26-year upgrade CIP project is scheduled – leaving no break between owing debt service for the LA WWTP on two separate CIP projects. A downward later in FY2030 decreases from the baseline of 10% to 3% and no early Rate Adjustment downward is available. The financial policy recommended cash balance is met the same year as in scenario a (FY2027).
11. The prioritized criteria used to select the above recommended scenarios is listed below.
- a. Time frame of LA ReFi debt service repayment versus scheduled CIP projects proposed with bond or loan financing.
 - b. Time frame of WR Finan debt service repayment versus scheduled CIP projects proposed with bond or loan financing.
 - c. Date of earliest downward Rate Adjustment.
 - d. Consistency of rates (no whipsawing from one year adjustment up to the next year down or vice versa).
 - e. Date of financial policy cash balance met.
 - f. Smoothness of the calculated cash balance curve and coincidence with the recommended cash balance curve.
12. Attached is the full set of 12 RECB graphs with a full prioritization; 1 (highest recommendation) thru 12 (lowest recommendation).





County of Los Alamos

Staff Report

April 18, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 8.A
Index (Council Goals):
Presenters: Department of Public Utilities
Legislative File: 10688-18

Title

Status Reports

Body

Each month the Board receives in the agenda packet informational reports on various items. No presentation is given, but the Board may discuss any of the reports provided.

Attachments

A - Electric Reliability Report

B - Accounts Receivables Report

C - Safety Report - *There were no Workers Comp or Tort claims for the month of March.*

STATUS REPORTS

ELECTRIC RELIABILITY

Los Alamos County Utilities



Electric Distribution Reliability

April 18, 2018

Stephen Marez
Senior Engineer

Electric Distribution Reliability Study
Twelve Month Outage History

Prepared by Stephen Marez
Senior Engineer L.A.C.U.

Date	Call Rcd.	Circuit	Cause	Start Time	End Time	Duration	Customers Affected (Meters)	Combined Customer Outage Durations	Total Outage H:M:S	Running SADI
4/27/2017	Utilities	16	URD Failure	9:00	10:00	1:00	70	70:00:00	70:00:00	0:00:28
4/29/2017	Utilities	16	URD Failure	0:00	5:00	5:00	7	35:00:00	105:00:00	0:00:42
5/6/2017	Utilities	WR1	Animal	9:35	10:30	0:55	30	27:30:00	132:30:00	0:00:53
5/15/2017	Utilities	16	URD Failure	12:15	13:15	1:00	40	40:00:00	172:30:00	0:01:09
5/15/2017	Utilities	WR1	Planned	9:00	12:00	3:00	10	30:00:00	202:30:00	0:01:21
6/18/2017	Utilities	14	URD Failure	15:15	15:30	0:15	539	134:45:00	337:15:00	0:02:14
6/27/2017	Utilities	17	URD Failure	11:30	12:30	1:00	4	4:00:00	341:15:00	0:02:16
7/26/2017	Utilities	WR1	URD Failure	6:50	10:30	3:40	10	36:40:00	377:55:00	0:02:30
8/12/2017	Utilities	EA4	OH Failure	14:30	15:00	0:30	5	2:30:00	380:25:00	0:02:31
9/10/2017	Utilities	16	URD Failure	17:00	18:50	1:50	40	73:20:00	453:45:00	0:03:01
9/19/2017	Utilities	14	URD Failure	2:45	3:35	0:50	18	15:00:00	468:45:00	0:03:07
9/19/2017	Utilities	14	URD Failure	7:45	9:00	1:15	80	100:00:00	568:45:00	0:03:46
9/19/2017	Utilities	14	URD Failure	7:45	14:15	6:30	45	292:30:00	861:15:00	0:05:43
10/5/2017	Utilities	15	Tree	16:00	16:15	0:15	10	2:30:00	863:45:00	0:05:44
10/27/2017	Utilities	18	Planned	8:30	9:30	1:00	1	1:00:00	864:45:00	0:05:44
11/24/2017	Dispatch	TC2	Supply line Failure	2:54	6:03	3:09	2264	7131:36:00	7996:21:00	0:53:03
11/24/2017	Dispatch	TC1	System Failure	3:53	5:59	2:06	4069	8544:54:00	16541:15:00	1:49:44
11/30/2017	Utilities	WR1	Planned	19:00	23:00	4:00	1	4:00:00	16545:15:00	1:49:45
11/30/2017	Utilities	WR1	Planned	19:00	0:30	5:30	5	27:30:00	16572:45:00	1:49:56
12/22/2017	Utilities	13	URD Failure	12:30	15:50	3:20	15	50:00:00	16622:45:00	1:50:16
12/27/2017	Utilities	13	URD Failure	18:30	21:07	2:37	1	2:37:00	16625:22:00	1:50:17
1/16/2018	Utilities	18	HUMAN	8:30	8:34	0:04	213	14:12:00	16639:34:00	1:50:23
2/3/2018	Utilities	13	Animal	1:30	2:30	1:00	8	8:00:00	16647:34:00	1:50:26
2/14/2018	Utilities	14	Planned	9:00	10:30	1:30	7	10:30:00	16658:04:00	1:50:30
3/8/2018	Utilities	WR2	Planned	9:30	11:00	1:30	7	10:30:00	16668:34:00	1:50:34
3/9/2018	Utilities	15	Unknown	13:00	14:00	1:00	6	6:00:00	16670:49:00	1:47:36
3/9/2018	Utilities	15	Animal	9:30	10:30	1:00	1	1:00:00	16675:34:00	1:50:37
3/10/2018	Utilities	WR2	Unknown	14:11	15:11	1:00	1	1:00:00	16676:34:00	1:50:37
3/16/2017	Utilities	WR1	Weather	16:30	17:30	1:00	5	5:00:00	16681:34:00	1:50:39
3/18/2017	Utilities	WR1	Weather	14:00	16:00	2:00	1	2:00:00	16683:34:00	1:50:40

CIRCUIT SAIDI IS CALCULATED ACCORDING TO THE NUMBER OF CUSTOMERS IN EACH CIRCUIT RESPECTIVELY											
Running SAIDI Circuit 13	Running SAIDI Circuit 14	Running SAIDI Circuit 15	Running SAIDI Circuit 16	Running SAIDI Circuit 17	Running SAIDI Circuit 18	SAIDI Circuit EA4 & Royal Crest	Running SAIDI Circuit WR1	Running SAIDI Circuit WR2	Monthly SAIDI	Monthly Customer Minutes out of service	WEATHER SAIDI
			0:02:17								
			0:03:25				0:01:02		APRIL 0:00:42	105:00:00	
			0:04:43								
							0:02:11		MAY 0:00:39	70:00:00	
	0:15:00			0:01:09					JUNE 0:00:55	138:45:00	
							0:03:34		JULY 0:00:15	36:40:00	
						0:00:05			AUGUST 0:00:01	2:30:00	
			0:07:07								
	0:16:40										
	0:27:48								SEPTEMBER 0:03:11	480:50:00	
	1:00:22	0:00:05							OCTOBER 0:00:01	396:00:00	
4:18:33	14:14:14	3:48:47	4:45:27	40:54:14	0:00:17						
					40:07:18		0:03:43				
							0:04:45		NOVEMBER 1:44:12	15708:00:00	
4:20:22									DECEMBER 0:00:21	84:07:00	
4:20:27					0:04:00				JANUARY 0:00:06	94:19:00	
4:20:45									FEBRUARY 0:00:07	35:19:00	
	14:15:24							0:00:39			
		3:48:58									
		3:49:00						0:00:43			
							0:04:57				
							0:05:01		MARCH 0:00:10	25:30:00	0:00:03
Circ 13 1655	Circ 14 539	Circ 15 1875	Circ 16 1842	Circ 17 209	Circ 18 213	Circ EA4 165	Circ WR1 1586	Circ WR2 961	Total 9045		0:00:03

Twelve Month History	March 2018	
Total # Accounts	9045	
Total # Interruptions	30	
Sum Customer Interruption Durations	16683:34:00	hours:min:sec
# Customers Interrupted	7513	
SAIFI(APPA AVG. = 1.0)	.83	int./cust.
SAIDI (APPA AVG. = 1:00)	1:50	hours:min
CAIDI	2:13	hours:min/INT
ASAI	99.9991%	% available

- **SAIFI - System Average Interruption Frequency Index**

A measure of interruptions per customer (Per Year)

$$\text{SAIFI} = \frac{(\text{Total number of customer interruptions})}{(\text{Total number of customers served})}$$

- **SAIDI – System Average Interruption Duration Index**

A measure of outage time per customer if all customers were out at the same time (hours per year)

$$\text{SAIDI} = \frac{(\text{Sum of all customer outage durations})}{(\text{Total number of customers served})}$$

- **CAIDI – Customer Average Interruption Duration Index**

A measure of the average outage duration per customer (hours per interruption)

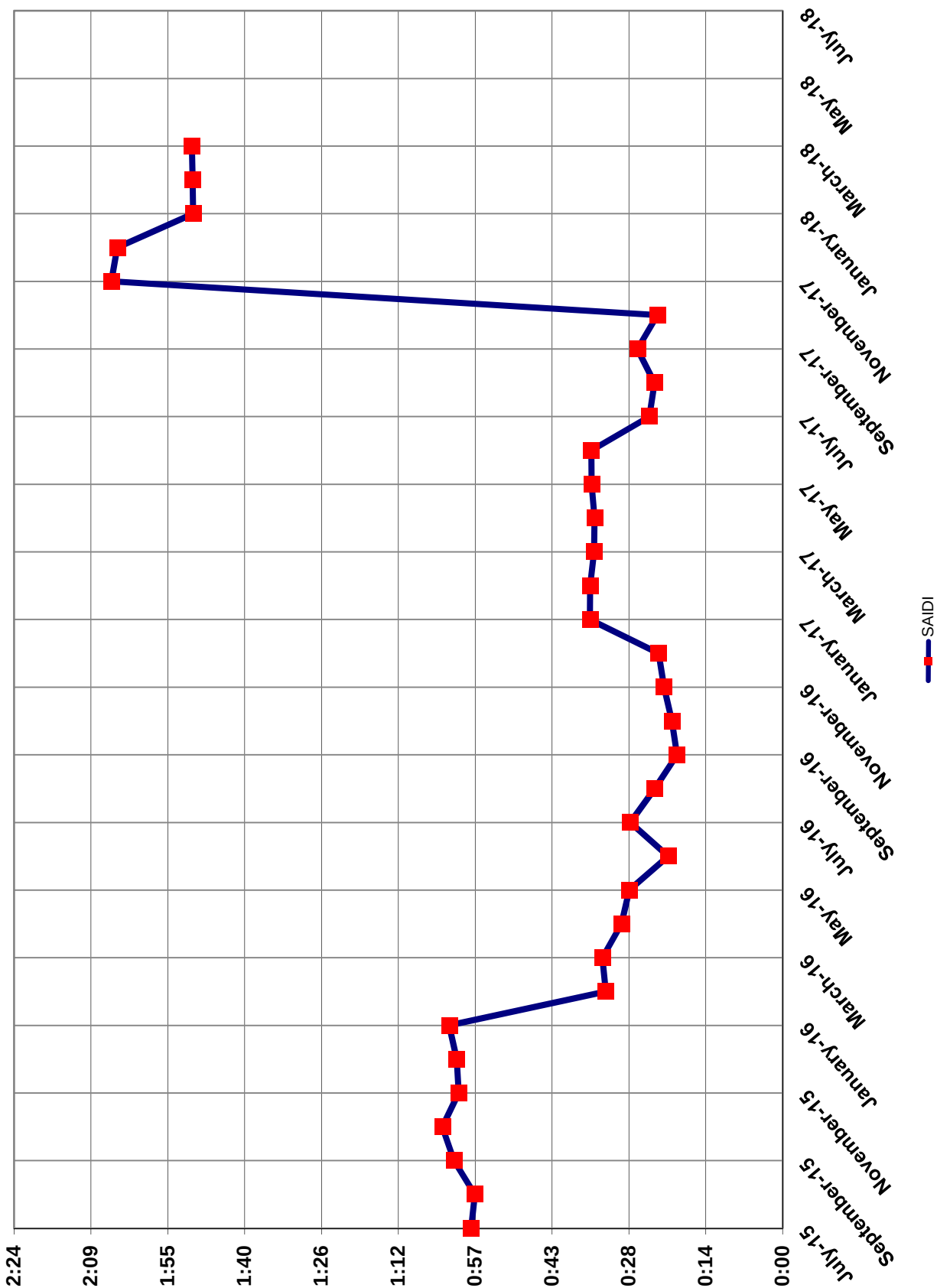
$$\text{CAIDI} = \frac{(\text{Sum of all customer outage durations})}{(\text{Total number of customer interruptions})} = \frac{\text{SAIDI}}{\text{SAIFI}}$$

- **ASAI – Average System Availability Index**

A measure of the average service availability (Per unit)

$$\text{ASAI} = \frac{(\text{Service hours available})}{(\text{Customer demand hours})} = \frac{8760 - \text{SAIDI}}{8760}$$

EACH POINT IS A 12 MONTH SAIDI HISTORY
1:00:00 = APPA BENCHMARK SAIDI



STATUS REPORTS

ACCOUNTS RECEIVABLES

Los Alamos County Utilities Department
Active Receivables Over 90 Days Past Due
April 2, 2018

<i>Account</i>	<i>Acct Type</i>	<i>Comments</i>	<i>90 - 119</i>	<i>120 +</i>
2021698	COMM	Paid \$1,072.89 on 4/4	206.67	-
2116108	COMM	Final account, will attempt to collect or will lien	559.46	-
2091848	RES	Paid \$515.00 on 4/4	226.75	13.01
2008856	RES	Working on payment arrangement, all utilities off except gas	-	311.03
			992.88	324.04
			TOTAL \$	1,316.92

Los Alamos County Utilities Department
Receivables More than 60 Days Inactive
April 2, 2018

<i>YEAR</i>	<i>OUTSTANDING 4/2</i>	<i># OF ACCOUNTS</i>	<i>OUTSTANDING 3/1</i>	<i># OF ACCOUNTS</i>
FY14	27,282.32	96	27,242.22	97
FY15	24,824.57	94	24,824.57	94
FY16	19,264.52	113	19,502.24	117
FY17	27,785.34	96	27,189.24	105
FY18	7,258.77	75	4,729.09	74
TOTAL	\$ 106,415.52	474	\$ 103,487.36	487

STATUS REPORTS

SAFETY

	Hours Worked						Hours Worked					
	ADMIN	EL DIST	EL PROD	GWS	WA PROD	WWTP	ADMIN	EL DIST	EL PROD	GWS	WA PROD	WWTP
MONTH												
Jan - 2018	2773.0	1161.0	1572.0	2972.0	1014.0	976.0						
Feb - 2018	3339.0	1437.0	3114.0	3482.0	1235.0	1239.0						
Mar - 2018	4766.0	1531.0	2612.0	4201.0	1687.0	1788.0						
Apr - 2017	3700.0	1411.0	1879.0	4633.0	1243.0	1047.0						
May - 2017	3446.0	1201.0	2906.0	4010.0	4227.0	1277.0						
June - 2017	3444.0	2976.0	1760.0	2987.0	1663.0	1334.0						
July - 2017	4071.0	1462.0	1558.0	3732.0	1453.0	1345.0						
Aug - 2017	5757.0	1641.0	2680.0	4286.0	2895.0	3097.0						
Sept - 2017	3385.0	1329.0	1659.0	3439.0	1355.0	1122.0						
Oct - 2017	3029.0	1424.0	1468.0	3522.0	1188.0	1238.0						
Nov - 2017	3476.0	1416.0	1506.0	3398.0	1182.0	1201.0						
Dec - 2017	3204.0	1251.0	1372.0	3047.0	2427.0	946.0						
Total Hrs Worked ->	44390.0	18240.0	24086.0	43709.0	21569.0	16610.0						
Number of Recordable Injury and Illness Cases	0	1	0	4	0	1						
OSHA Recordable Injury & Illness Incidence Rate	0.00	10.96	0.00	18.30	0.00	12.04						
Number of OSHA Days Away Days Restricted (DART) cases	0	0	0	3	0	0						
OSHA Days Away Days Restricted (DART) Rate	0.00	0.00	0.00	13.73	0.00	0.00						