

County of Los Alamos
Minutes
Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544



LOS ALAMOS

*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, June 20, 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, June 20th, 2018 at 5:30 p.m. at 1000 Central Ave., Council Chambers. Board Chair, Jeff Johnson, called the meeting to order at 5:31 p.m.

Present 6 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson, Board Member McLin, Board Member Taylor and Board Member Glasco

Absent 1 - Board Member Burgess

County Manager Mr. Harry Burgess was absent. Deputy County Manager Mr. Steve Lynne attended in his place.

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. Members of the public gave the following summarized comments:

1) Ms. Collette Hunter, 3690 Ridgeway Drive - Ms. Hunter has rooftop solar installed at her home. She noted that the Board discussed possible plans to change how customers who produce more power than they use are charged. She likes the way customers are charged now and does not want that changed. She would like to know when the Board plans to discuss this again.

3. APPROVAL OF AGENDA

Ms. Taylor moved that the agenda be approved as presented. 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) Mr. Johnson congratulated Mr. McLin on his reappointment to the Board.

2) Mr. Johnson asked Mr. Glasco to discuss during his Utilities Manager's report when the Board might see the rate discussion on distributed solar and when the Board might have a follow-up discussion on the possibility of low flow hydro on some of the in-town service systems.

4.B. Board Member Reports

Board members had nothing to report.

4.C. Utilities Manager's Report

4.C.1 [10911-18](#) Utilities Manager's Report

Presenters: Tim Glasco

Mr. Glasco provided a written report, which is included in the minutes as an attachment. He also discussed the additional two items requested by the Chair during his report.

4.D. County Manager's Report

Mr. Burgess was absent. Mr. Lynne reported on the following items:

1) Regarding the Munis Enterprise Resource System going live on July 1st, Mr. Lynne informed the Board that throughout the project, the Utilities interface with the public has been identified as one of the most significant parts of the project. During the first two weeks of go-live, the Change Management Team has planned to have additional staff available in the lobby to help direct traffic and provide support to the Customer Care Center.

4.E. Council Liaison's Report

The Council Liaison arrived at 6:27 p.m. No report was given.

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 [10692-18](#) 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 a

summary of spring and summer conservation activities.

The Board discussed this item and requested clarification where necessary.

4.H. Approval of Board Expenses

During his Utilities Manager's report, Mr. Glasco discussed the following two possible Board member travel opportunities coming up in July and August: the NuScale facilities tour in Corvallis, OR on July 12-13 and the Utah Associated Municipal Power Systems annual member conference in Logan, UT on August 12th.

Ms. Walker moved that the Board approve expenses for both trips in July and August for up to two people per trip. 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.I. Preview of Upcoming Agenda Items

4.I.1 [10914-18](#) 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) 07/18/2018 - Update on Using Low Flow Hydro on Some of the In-town Systems (Steve Cummins)

Staff will let the students involved in the Quadrumaniacs First Lego League team know when that discussion is scheduled.

5. PUBLIC HEARING(S)

5.A [10822-18](#) 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 Utility Manager of Finance and Administration Mr. Bob Westervelt presented this item. The following is the substance of the item being considered.

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 was 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. The Board discussed this topic at the May meeting and requested some changes. Those changes were made and

presented for Board consideration.

The Board discussed this item and requested clarification where necessary.

Ms. Walker moved that 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. 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

5.B [10821-18](#)

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

Presenters: James Alarid

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

Clarifying language was 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. Minor editing cleanups were also recommended for the Preface.

The Board discussed this item and requested clarification where necessary.

Ms. Taylor moved that 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 as presented. 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. CONSENT AGENDA

Mr. McLin 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 [10913-18](#)

Approval of Board of Public Utilities Meeting Minutes

Presenters: Department of Public Utilities

I move that the Board of Public Utilities approve the meeting minutes of May 16th, 2018 as presented.

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- 6.B [10905-18](#) Approval of Department of Energy (DOE) - Los Alamos County (LAC) Resource Pool Budget for Fiscal Years 2019/2020

Presenters: Bob Westervelt

I move that the Board of Public Utilities approve the 2019-2020 Resource Pool budget as presented and forward to the County Council for its approval.

7. BUSINESS

- 7.A [10758-18](#) Discussion of Proposed Revisions to Water Rule W-6 "Back Flow Prevention and Cross Connection Control" of the DPU Rules and Regulations and Proposed Implementation of New Fees and Enforcement Action Plans to Modernize the Back Flow Prevention - Cross Connection Control (BFP-CCC) Program in Water Distribution.

Presenters: Jack Richardson

Deputy Utility Manager of Gas, Water and Sewer Mr. Jack Richardson presented this item. The following is the substance of the item being considered.

Having an adequate Back Flow Prevention - Cross Connection Control (BFP-CCC) Program is required and essential to every public water supply system, yet many public systems struggle to consistently provide this protection on an annual basis. The Los Alamos County Department of Public Utilities Water Distribution system is no exception. The DPU's responsibilities under its current BFP-CCC Program have historically been met using in-house staff being reactive to notifications from various sources about known deficiencies. The proposed revisions to the existing Rules and Regulations - Water Rule W-6 is an attempt to modernize the existing program by being more consistent with current best industry practices. Utilities has contracted with Viking II, Inc. to help with program development and maintenance. Mr. Richardson introduced the consultants from Viking II, Inc., Mr. Carl Star, Ms. Nancy Star and Mr. Bart Star. The consultants presented general information about the purpose of backflow prevention and answered questions for the Board. Mr. Richardson presented the proposed changes and requested that the Board provide feedback and give some general consensus on a path forward.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

- 1) Staff will revise the proposal based on Board member feedback and will return for further discussion at a later date.

- 7.B [OR0815-18](#) Approval of Incorporated County of Los Alamos Code Ordinance No. 683, An Ordinance to Authorize the Refinance and Reissuance of Amended Loan and Promissory Note Agreements with the New Mexico Environment Department to Reflect a Reduction of the Prior Loan Principal Balance, Lowered Interest Rate and Extension of the Payment Term

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.

In January/February 2018 the BPU and Council enacted an ordinance and resolution

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authorizing transfer of excess cash reserves from the gas fund to the wastewater fund. \$2.5 million was transferred, and in February, those funds were used to pay down the balance of the outstanding loan that was used for construction of the Los Alamos Wastewater Treatment Plant. By refinancing the remaining balance, the loan can be returned to its original term or extended for a slightly longer term. Doing so would reduce the annual debt service requirements, improve cash flow and establish some flexibility for future capital planning or rate actions. In addition, in 2017 NMED adopted new, lower rates for loans of this type providing an opportunity to refinance the existing debt to a revised combined rate of 2 3/8%. Over the past several months the Board has considered several refinance options and elected to pursue a twenty-five-year repayment schedule for the loan. This proposed ordinance authorizes and effects that refinancing option. If approved by the Board, it will be forwarded to Council for approval.

The Board discussed this item and requested clarification where necessary.

Ms. Walker moved that the Board of Public Utilities approve Incorporated County of Los Alamos Code Ordinance No. 683, An Ordinance to Authorize the Refinance and Reissuance of Amended Loan and Promissory Note Agreements with the New Mexico Environment Department to Reflect a Reduction of the Prior Loan Principal Balance, Lowered Interest Rate and Extension of the Payment Term, 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 10912-18 Status Reports

Presenters: Department 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

9. PUBLIC COMMENT

Mr. Johnson opened the floor for public comment on any items. There were no comments.

10. ADJOURNMENT

The meeting adjourned at 7:55 p.m.

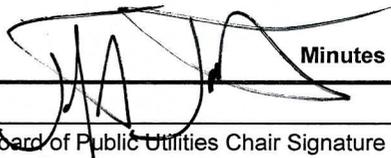
APPROVAL

Jeff Johnson

Board of Public Utilities Chair Name

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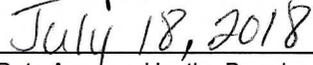
Board of Public Utilities

A large, stylized handwritten signature in black ink, appearing to be 'MAD' with a flourish extending to the right.

Minutes

June 20, 2018

Board of Public Utilities Chair Signature

The date 'July 18, 2018' is handwritten in black ink.

Date Approved by the Board

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ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

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MANAGER'S REPORT

June 20, 2018

1. Progress on neutral reactors for the TA-3 Substation. It appears we have a path forward to have the reactors installed prior to energizing the substation.
2. Error in water quality report on mrem vs. pCi/l. The numerical value for the gross beta/photon emitters should be in pCi/L but the automatic report writer we received from NMED defaults to units of the MCL which are in mrem/yr. We will be issuing a correction to our customers explaining and correcting the error.
3. UAMPS offering another tour of the NuScale facilities in Corvallis OR on July 12-13. UAMPS will also be having their annual member conference in Logan, UT on August 12-15, 2018. BPU members are invited to attend.
4. Water line in Los Alamos Canyon is being flushed prior to placing in service. Some water is being discharged down the canyon in the vicinity of the ice rink.
5. Sent letter to PNM indicating the County's election to not continue with the SJGS post-2022. So far, TEP and LAC have indicated intent to withdraw. Farmington has indicated a desire to extend while PNM and UAMPS have not yet made their intentions known.
6. We are intervening in a rate case for NM Gas Co. They are proposing an approximate 17% increase in transportation cost to us. Settlement meetings are on-going and expected to be complete one way or another by late September.
7. Go-live for the Tyler Munis ERP system is scheduled for July 1, 2018. We are still working with Paymentus for credit card payments, and with SEW for integration of the mobile app. It appears we will be ready for go live with these features.
8. CCC personnel will be moved to the Boards and Commissions room 110 on July 2-13 because of construction work in the lobby of the Muni Bldg.

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Environmental Sustainability Board (ESB) liaison report

Susan Barns, ESB Liaison *6/20/2018*

Recent activities of the ESB include:

- Review and discussion of Environmental Services FY19 third quarter financial report
- Los Alamos Recycler of the Year Awards were given to Chamisa Elementary School and Cortex and Company Salon. We had several very qualified businesses and non-profits nominated, and we applaud all their efforts in promoting sustainability in Los Alamos!
- Education and outreach booths at Chamberfest, a Summer Movie in the Park, and the Farmer's Market. We look forward to interacting with the community at ScienceFest, the Rodeo Festival, BearFest and another Farmer's Market.
- Environmental Services has received a grant from NMED to install water bottle filling stations in public schools

Tomorrow night's meeting will include:

- A presentation on Recycle Coach, a web- and mobile-based education application to help residents recycle more and better
- An update from the Zero Waste subcommittee, including an Ignite talk on Zero Waste recently given at the Los Alamos Makers.
- A presentation on Repurposing Discarded Items by Mark Devolder

Just a reminder: Yard Trimming roll cart pick-ups will begin July 1.