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
Pete Sheehey, Council Liaison

Wednesday, January 16, 2019 **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 losalamos.legistar.com. Learn more about the Board of Public Utilities at rebrand.ly/LACBPU.

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.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.1 11564-19 Approval of Board of Public Utilities Meeting Calendar for 2019

Presenters: Jeff Johnson, Chair of the Board of Public Utilities

PG. 1-2

4.G.2 11565-19 Approval of Meeting Agenda Outline for 2019

Presenters: Jeff Johnson, Chair of the Board of Public Utilities

PG. 3-4

4.G.3 11566-19 Appointment of Board Member to Audit Committee for 2019

Presenters: Jeff Johnson, Chair of the Board of Public Utilities

PG. 5

4.G.4 11567-19 Affirmation of the Incorporated County of Los Alamos Open Meetings Resolution No. 19-01

Presenters: Jeff Johnson, Chair of the Board of Public Utilities

PG. 6-12

4.G.5 11568-19 Election of Board of Public Utilities Chair and Vice-chair for 2019

Presenters: Jeff Johnson, Chair of the Board of Public Utilities

PG. 13-14

4.G.6 11312-18 Quarterly Update on Utility System - Water System

Presenters: Jack Richardson, Deputy Utilities Manager - GWS Services

PG. 15-75

4.H. Approval of Board Expenses

4.I. Preview of Upcoming Agenda Items

4.I.1 11551-19 Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

PG. 76-78

5. PUBLIC HEARING(S)

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 11550-19 Approval of Board of Public Utilities Meeting Minutes

Presenters: Department of Public Utilities

PG. 79-89

6.B AGR0609-19 Approval of Services Agreement AGR19-27 with Los Alamos National Bank in the amount of 142,800.00, plus New Mexico Gross Receipts Tax, for the Purpose of Lock Box Services.

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

PG. 90-98

6.C AGR0610-19 Approval of Services Agreement No. AGR19-18 with Transmission & Distribution Services, LLC in the amount of $195,000.00 plus Applicable Gross Receipts Tax, for the Purpose of On-call Services for Utility Power Distribution Electrical Engineering

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

PG. 99-108

6.D 11537-19 Approval of the Purchase of an Aerzen Blower from Advanced Process Technologies in the Amount of $114,365.00, plus Applicable Gross Receipts Tax

Presenters: Jack Richardson, Deputy Utilities Manager - GWS Services

PG. 109-112

7. BUSINESS

7.A 11570-19 Board of Public Utilities (BPU) Policy Regarding Smart Meter Opt Outs

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

PG. 113-116

7.B 11569-19 Initial Discussion - Water Rate Adjustment

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

PG. 117-129

8. STATUS REPORTS

8.A 11552-19 Status Reports

Presenters: Board of Public Utilities

PG. 130-144

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.

Los Alamos, NM 87544
www.losalamosnm.us

County of Los Alamos

Staff Report

January 16, 2019

Agenda No.:	4.G.1
Index (Council Goals):	BCC - N/A
Presenters:	Jeff Johnson, Chair of the Board of Public Utilities
Legislative File:	**11564-19**

Title

Approval of Board of Public Utilities Meeting Calendar for 2019

Recommended Action

I move the Board of Public Utilities approve the proposed Board meeting calendar for 2019.

Staff Recommendation

Staff recommends that the Board of Public Utilities approved the proposed BPU Meeting Calendar for 2019.

Body

In accordance with Incorporated County of Los Alamos Resolution No. 19-01 regarding Open Meetings, notice of regular meetings of all county boards, commissions and policymaking bodies shall be given ten days in advance of the meeting date. **Each County board, commission and policymaking body may adopt a schedule of its regular meetings for the present calendar year or the balance thereof.** For purposes of paragraph 5 of the Resolution (regarding notice requirements), **notice of all regular meetings contained in such schedule is met if a copy of the schedule is posted and provided to the media as provided for in paragraph 5**; provided, however, that every County board, commission or policymaking body must still post and provide to the media a copy of the agenda prior to each regularly scheduled meeting as required under the Resolution.

Alternatives

The Board could choose not to approve a calendar for 2019 at this time or could make changes.

Fiscal and Staff Impact

None

Attachments

A - Proposed Board of Public Utilities Meeting Calendar for 2019

2019 Los Alamos County Board of Public Utilities Meeting Calendar

REVISED 01/16/2019

BPU Meeting Dates

LAC Holidays

Unless otherwise advertised, the Board of Public Utilities (BPU) **meets the third Wednesday of every month at 5:30PM at the Municipal Building 1000 Central Ave. Council Chambers** ***Changes will be noted in red.**

Special meetings are scheduled as needed and may not be held in Chambers. They are not included on this calendar.

Agendas and special meeting notices are published at least 72 hours prior to meetings. If you would like to be added to the distribution to receive e-mail notices of BPU meetings, please e-mail jaime.kephart@lacnm.us

Email comments to the BPU bpu@lacnm.us

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 505-662-8040 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 at 505-662-8132 if a summary or other type of accessible format is

January

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January 2020

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For videos, agendas and minutes, visit the County's website and select "Board of Public Utilities" from the drop-down menu. losalamos.legistar.com/Calendar.aspx

To view meetings live online, visit the web-site above and click on the **"Live Proceedings"** tab just prior to the meeting.

Learn more about the BPU online at: rebrand.ly/LACBPU

Follow us on Facebook : www.facebook.com/DPU1968

DEPT OF PUBLIC UTILITIES
LOS ALAMOS COUNTY NEW MEXICO
Electricity, Water, Gas & Wastewater Services

1000 Central Ave, Suite 130
Los Alamos, NM 87544

505.662.8333
Fax 505.662.8005
rebrand.ly/LACDPU

Agenda No.:	4.G.2
Index (Council Goals):	BCC - N/A
Presenters:	Jeff Johnson, Chair of the Board of Public Utilities
Legislative File:	**11565-19**

Title

Approval of Meeting Agenda Outline for 2019

Recommended Action

I move that the Board of Public Utilities approve the meeting agenda outline for 2019 as presented.

Staff Recommendation

None

Body

Section 3.3 of the Board of Public Utilities Policies and Procedures Manual outlines an annual calendar of BPU activities. Annually at the January meeting, the Board is to review and approve the standard meeting agenda outline in section 3.4 of the PPM.

MEETING AGENDA OUTLINE FOR 2019

1. Call to Order
2. Public Comment (on consent agenda items and items not otherwise listed on the agenda)
3. Approval of Agenda
4. Board Business
a. Chair's report
b. Board Member Reports
c. Utilities Manager's Report
d. County Administrator's Report
e. Council Liaison's Report
f. Environmental Sustainability Board Liaison's Report
g. General Board Business
h. Approval of Board Expenses
i. Preview of Upcoming Agenda Items
i.1. Tickler File for the Next 3 Months
5. Public Hearings (Any BPU action will be in the Public Hearings section of the agenda.)
6. Consent Agenda
a. Approval of Minutes
7. Business

8. Status Reports

a. Electric Distribution Reliability Report

b. Accounts Receivable Report

c. Safety Incident Report

d. Project Status Reports

9. Public Comment (on any item)

10. Adjournment

Alternatives

The Board could choose to modify the template.

Fiscal and Staff Impact

None

Attachments

None

Los Alamos, NM 87544
www.losalamosnm.us

County of Los Alamos

Staff Report

January 16, 2019

Agenda No.:	4.G.3
Index (Council Goals):	BCC - N/A
Presenters:	Jeff Johnson, Chair of the Board of Public Utilities
Legislative File:	**11566-19**

Title

Appointment of Board Member to Audit Committee for 2019

Recommended Action

None

Staff Recommendation

Staff recommends that the Board of Public Utilities appoint a member to serve on the County Audit Committee for 2019.

Body

The BPU should appoint a member to the Audit Committee.

Alternatives

The Board could choose not to appoint a member for this committee at this time.

Fiscal and Staff Impact

None

Attachments

None

County of Los Alamos

Staff Report

January 16, 2019

Agenda No.:	4.G.4
Index (Council Goals):	BCC - N/A
Presenters:	Jeff Johnson, Chair of the Board of Public Utilities
Legislative File:	**11567-19**

Title

Affirmation of the Incorporated County of Los Alamos Open Meetings Resolution No. 19-01

Recommended Action

I move that the Board of Public Utilities affirm Incorporated County Of Los Alamos Resolution No. 19-01; A Resolution Establishing Minimum Standards Of Reasonable Notice To The Public For All Meetings Of The Council, The County Indigent Hospital And County Health Care Board And Of All County Boards, Commissions And Policymaking Bodies

Staff Recommendation

Staff recommends that the Board of Public Utilities affirm Incorporated County Of Los Alamos Resolution No. 19-01

Body

At the first County Council meeting of a new calendar year, Council passes an Open Meetings resolution that establishes minimum standards of reasonable notice to the public for all meetings of County boards, commissions, and policy making bodies. After the resolution is passed, the Board of Public Utilities reviews the resolution at the next regularly scheduled meeting and affirms the standards.

Board of Public Utilities Policies & Procedures Manual

Section 2.12.c Open Meetings Policy

"Each January the County Council passes and the BPU will affirm a resolution establishing minimum standards of reasonable notice to the public for all meetings of the council, the county indigent hospital and county health care board and of all county boards, commissions, and policy-making bodies.

Alternatives

None

Fiscal and Staff Impact

None

Attachments

A - Resolution No. 19-01

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 19-01

A RESOLUTION ESTABLISHING MINIMUM STANDARDS OF REASONABLE NOTICE TO THE PUBLIC FOR ALL MEETINGS OF THE COUNCIL, THE COUNTY INDIGENT HOSPITAL AND COUNTY HEALTH CARE BOARD AND OF ALL STANDING COUNTY BOARDS, COMMISSIONS AND POLICYMAKING BODIES

WHEREAS, the Council wishes to establish minimum standards of reasonable notice to the public for meetings of the Council, including its meetings as the County Indigent Hospital and County Health Care Board, and all standing County boards, commissions and policymaking bodies listed in Schedule "A;" and

WHEREAS, the democratic ideal is best served by a well-informed public, and sunshine laws generally require that public business be conducted in full public view, that the actions of public bodies be taken openly, and that the deliberations of public bodies be open to the public; and

WHEREAS, the Open Meetings Act states that, except as may be otherwise provided in the Constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission, administrative adjudicatory body or other policymaking body held for the purpose of formulating public policy, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times [Section 10-15-1B NMSA 1978]; and

WHEREAS, when it is difficult or impossible for a member to attend a meeting in person, the member may participate by means of a conference telephone or similar communications equipment [Section 10-15-1C NMSA 1978]; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public [Section 10-15-1D NMSA 1978]; and

WHEREAS, the Open Meetings Act requires the Council of the Incorporated County of Los Alamos to determine annually what constitutes reasonable notice of its public meetings and those of all County boards, commissions and policymaking bodies [Section 10-15-1D NMSA 1978]; and

WHEREAS, the Council wishes to establish the minimum standards of reasonable notice to the public for all public meetings of the Council and for all public meetings of all County boards, commissions and policymaking bodies for the year 2019 and until a new resolution concerning public meetings is adopted.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Incorporated County of Los Alamos that:

1. All meetings of the Council, including its meetings as the County Indigent Hospital and County Health Care Board, shall be held at the time and place indicated in the meeting notice. All meetings of the Council shall be held on the dates specified in the schedule attached to this Resolution as Schedule "B" unless notice is otherwise provided seventy-two (72) hours in

advance of the meeting date. An agenda for all regular meetings of the Council shall be available at least seventy-two (72) hours prior to the meeting from personnel in the Office of the County Manager. All agendas shall be posted on the County's web site provided the web site is operational during the period seventy-two (72) hours prior to the meeting.

2. Notice of regular meetings of all County boards, commissions and policymaking bodies listed on Schedule "A" shall be given no less than ten (10) days in advance of the meeting date. The notice may include an agenda for the meeting or indicate how a copy of the agenda may be obtained. An agenda shall be available at least seventy-two (72) hours prior to the meeting. All meetings of each standing County board, commission or policymaking body shall be held at the time and at the place indicated in the meeting notice. Each County board, commission and policymaking body may adopt a schedule of its regular meetings for the present calendar year or the balance thereof. Such schedule shall contain the date, time, and place of each regular meeting. For purposes of paragraph 5 of this Resolution, notice of all regular meetings contained in such schedule is met if a copy of the schedule is posted and provided to the media as provided for in paragraph 5 of this Resolution; provided, however, that every County board, commission or policymaking body must still post and provide to the media a copy of the agenda prior to each regularly scheduled meeting as required under this Resolution. All agendas shall be posted on the County's web site provided the web site is operational during the period seventy-two (72) hours prior to the meeting.

3. Special meetings may be called by the Chair or a majority of the members of the Council, including its meetings as the County Indigent Hospital and County Health Care Board, or respective County board, commission or policymaking body listed in Schedule "A," upon seventy-two (72) hours' notice. The notice shall include an agenda for the meeting or information to indicate how a copy of the agenda may be obtained. An agenda for the meeting shall be available to the public and posted on the County's web site at least seventy-two (72) hours before any special meeting.

4. Emergency meetings may only be called under unforeseen circumstances which demand immediate action to protect the health, safety and property of citizens or to protect the public body from substantial financial loss. The Council, including its meetings as the County Indigent Hospital and County Health Care Board, and all County boards, commissions and policymaking bodies listed in Schedule "A" shall avoid emergency meetings whenever possible. Emergency meetings may be called by the Chair or a majority of the members of the Council or respective County board, commission or policymaking body listed on Schedule "A," upon twenty-four (24) hours' notice, unless threat of personal injury or property damage requires less notice. The notice for all emergency meetings shall include an agenda for the meeting or information on how the public may obtain a copy of the agenda, which shall be posted on the County's web site as soon as is practicable after the agenda is created.

5. For the purposes of regular meetings described in paragraphs 1 and 2 of this Resolution, notice requirements are met if notice of the date, time, and place is posted in a conspicuous place in the vicinity of the front door of the Municipal Building located at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior of the building, as well as being posted on the County's web site. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

6. For the purposes of special meetings described in paragraph 3 of this Resolution, notice requirements are met if notice of the date, time, place and agenda is posted in a conspicuous place in the vicinity of the front door of the Municipal Building at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior, as well as being posted on the County's web site. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

7. For the purposes of emergency meetings described in paragraph 4 of this Resolution, notice requirements are met if notice of the date, time, place and agenda is posted in a conspicuous place in the vicinity of the front door of the Municipal Building at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior and posted on the County's web site as soon as is practicable. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

8. In addition to the information specified above, all notices shall include the following language:

> "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 of the meeting, please contact the County Human Resources Department at 662-8040 at least one (1) 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 Office of the County Manager at 663-1750, if a summary or other type of accessible format is needed."

9. The Council, including when meeting as the County Indigent Hospital and County Health Care Board, and all County boards, commissions and policymaking bodies listed on Schedule "A" may close a meeting to the public only if authorized by the Open Meetings Act [Section 10-15-1H NMSA 1978]:

(a) If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the Council, including when meeting as the County Indigent Hospital and County Health Care Board, or respective County board, commission or policymaking body, as applicable, taken during the open meeting. The authority for the closure and the subjects to be discussed shall be stated with reasonable specificity in the motion for closure and the vote on closure of each individual member shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in the closed meeting.

(b) If the decision to hold a closed meeting is made when the Council, including when meeting as the County Indigent Hospital and County Health Care Board, a County board, commission or policymaking body is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed with reasonable specificity is given to the members and to the general public.

(c) Following completion of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state whether the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.

(d) Except as provided in the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by a vote of the Council, including when meeting as the County Indigent Hospital and County Health Care Board, or respective County board, commission or policymaking body, in an open public meeting [Section 10-15-1H NMSA 1978].

10. Any member may participate by means of a conference telephone, video communication, or similar communications equipment when it is difficult or impossible for a member to attend a meeting in person, provided that each member participating by other means can be identified when speaking, all participants are able to hear each other at the same time and members of the public meeting attending the meeting are able to hear any member of the public body who speaks during the meeting.

PASSED AND ADOPTED this 8th day of January, 2019.

COUNCIL OF THE INCORPORATED COUNTY OF LOS ALAMOS

Sara Scott, Council Chair

ATTEST:

Naomi D. Maestas
Los Alamos County Clerk

SCHEDULE "A"

COUNTY BOARDS, COMMISSIONS AND POLICYMAKING BODIES

Art in Public Places Board
Board of Adjustment (formerly Variance Board)
Board of Public Utilities
Community Development Advisory Board
Environmental Sustainability Board
Historic Preservation Advisory Board (formerly Fuller Lodge/Historic Districts Advisory Board)
Labor Management Relations Board
Library Board
Lodgers' Tax Advisory Board
Parks and Recreation Board
Personnel Board
Planning and Zoning Commission
Transportation Board
Valuation Protests Board

SCHEDULE "B"

2019 Los Alamos County Council Calendar

LOS ALAMOS

Regular meetings will be held in Council Chambers in the Municipal Building at 1000 Central Avenue or at Fire Station 3, 129 State Road 4 in White Rock. Tuesday meetings start at 6:00 PM. Work Sessions are held at Fire Station No. 3, 129 State Road 4 in White Rock. Special meetings are scheduled as needed.

NMAC Legislative Conf.
1/15-17
Santa Fe

Martin Luther King Jr.

2019 State Legislative Session
1/15 - Opening Day
3/16 - Session Ends

NMML Municipal Day
2/20 Santa Fe

Presidents' Day

Washington, DC CONFERENCES

NACO legislative Conference
3/2 - 3/6
Washington D.C.

NLC Congressional City Conference
3/10 - 3/13
Washington D.C.

LAPS Spring Break
3/25 - 3/29

Easter 4/21

NACO Western Interstate Conf. (WIC)
5/15 - 5/17
Spokane, WA

Memorial Day

NMAC Annual Conference
6/18 - 6/21
Location: TBD

January

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LA	27	28	29	30	31		

February

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LA	17	18	19	20	21	22	23
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March

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April

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Independence Day

August

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					1	2	3
LA	4	5	6	7	8	9	10
	11	12	13	14	15	16	17
WR	18	19	20	21	22	23	24
LA	25	26	27	28	29	30	31

September

	S	M	T	W	T	F	S
	1	2	3	4	5	6	7
	8	9	10	11	12	13	14
WR	15	16	17	18	19	20	21
LA	22	23	24	25	26	27	28
	29	30					

Labor Day/LA

October

	S	M	T	W	T	F	S
LA			1	2	3	4	5
	6	7	8	9	10	11	12
WR	13	14	15	16	17	18	19
	20	21	22	23	24	25	26
LA	27	28	29	30	31		

November

	S	M	T	W	T	F	S
						1	2
WR	3	4	5	6	7	8	9
LA/Veteran's Day	10	11	12	13	14	15	16
	17	18	19	20	21	22	23
Thanksgiving and day after	24	25	26	27	28	29	
LA							

December

	S	M	T	W	T	F	S
	1	2	3	4	5	6	7
LA	8	9	10	11	12	13	14
	15	16	17	18	19	20	21
LA	22	23	24	25	26	27	28
Christmas Day	29	30	31				

NACO Annual Conf.
7/12 - 7/15
Las Vegas, NV

January 2020

	S	M	T	W	T	F	S
				1	2	3	4
LA	5	6	7	8	9	10	11
LA	12	13	14	15	16	17	18
	19	20	21	22	23	24	25
LA	26	27	28	29	30	31	

NMML Annual Conf.
8/28 –8/30
TBD

NLC City Summit
11/20 - 23
San Antonio, TX

- Council Regular Meeting
- Council Work Session
- Holidays
- Budget Hearings
- Strategic Planning
- B&C Luncheons

County of Los Alamos
Staff Report
January 16, 2019

Agenda No.:	4.G.5
Index (Council Goals):	BCC - N/A
Presenters:	Jeff Johnson, Chair of the Board of Public Utilities
Legislative File:	**11568-19**

Title
Election of Board of Public Utilities Chair and Vice-chair for 2019

Recommended Action
The board should elect a Chair and Vice-chair using the method agreed upon at the January 20th, 2016 meeting.

Staff Recommendation
Staff recommends that a Chair and Vice-chair of the Board of Public Utilities be elected for 2019 in accordance with LAC Ordinance Sec. 40-41.

Body
The Board of Public Utilities shall annually elect its chair and such officers as it desires from among its members. The election shall occur at a regular meeting in January of each year. (LAC Ordinance Sec. 40-41. Board of public utilities - Organization.)

Procedure Agreed Upon by General Consensus for the January 2019 Elections:

First use the following steps to elect a new Chair, and then repeat the process for the Vice-chair. After the Vice-chair is elected, the previous Chair continues to conduct the meeting. The outgoing Chair will continue to Chair the remainder of the January meeting through its conclusion, with the incoming Chair assuming Chair responsibilities immediately following conclusion of the January meeting.

1. The current Chair says “nominations are now in order for the office of Chair of the Board of Public Utilities”

2. Any member, including the chair, can nominate one person. After each nomination, the current Chair states that “[NAME] is nominated by Member [NAME]. Are there any further nominations?”

3. When it appears that there are no further nominations, the current Chair will ask once more for any final nominations. If there is no further response, the Chair will then declare the nomination closed.

4. Have a roll call vote for the Chair position.

5. If no one receives a majority of the votes and more than two nominations received votes, drop the nomination that received the fewest number of votes and the nominations that receive no votes and go back to step 4.

6. If there are only two nominations and the vote is a tie, try a second roll call vote. If that also results in a tie, the current Chair chooses between the two nominees.

7. If the person elected declines the position, go back to step 1 with the provision that said elected person may not be nominated again.

Alternatives

None - The Board is required by Ordinance to elect a chair and vice-chair annually in January.

Fiscal and Staff Impact

None

Attachments

None

Agenda No.:	4.G.6
Index (Council Goals):	BCC - N/A
Presenters:	Jack Richardson, Deputy Utilities Manager - GWS Services
Legislative File:	**11312-18**

Title
Quarterly Update on Utility System - Water System

Recommended Action
No recommendation, for information only.

Staff Recommendation
None

Body
The board has requested a 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 water system. This year's report is similar in scope and format to last year's report; except more graphical using DPU performance measure dashboard data for multi-year trends and comparisons to national standards and DPU goals (Conservation, Strategic Plan & Budget). Discussion including both the physical and financial condition of the water system sub-systems: Water Distribution (DW), Water Production (WP) and Non Potable (NP) System as well as the overall water fund itself are reported.

This year's financial models differ significantly from last year's in that the cash balance reserves for both the DW and WP sub-funds are significantly less than projected last year. The reasons for this are detailed in this year's report and will be discussed during the presentation. Also anticipated to be discussed are the various possible paths forward as an introduction to more detailed discussions at future Board meetings.

Alternatives
None

Fiscal and Staff Impact
None

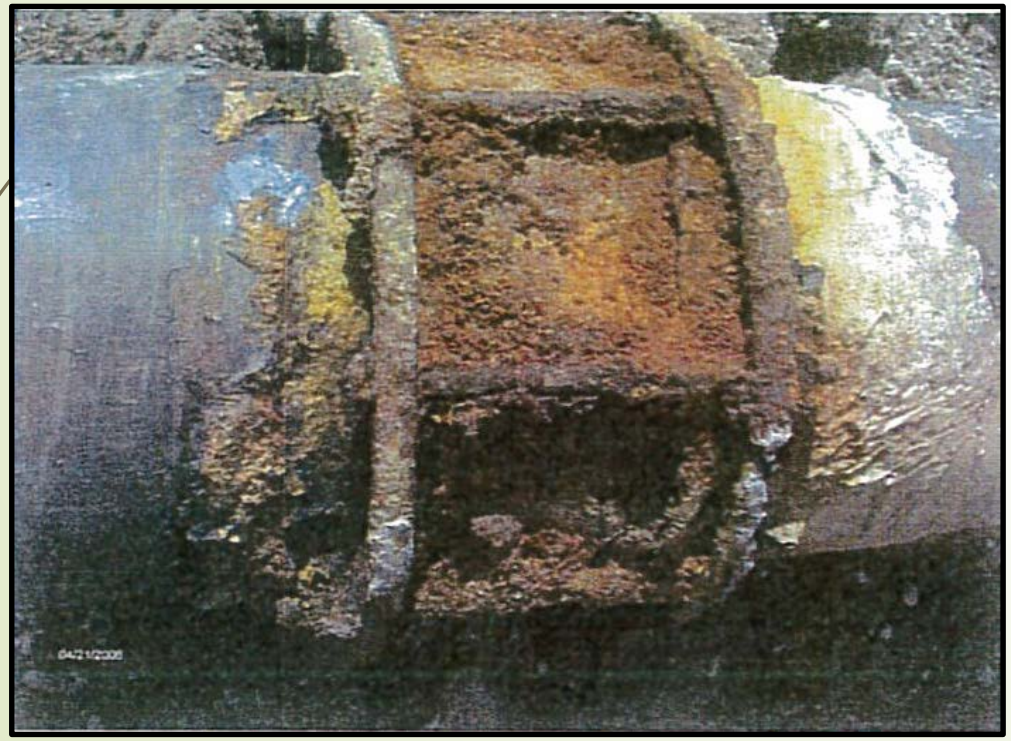
Attachments
A - Water System Presentation

Quarterly Update to BPU Water Systems (DW, WP & NP)

By: Jack Richardson, PE

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

BPU Meeting – January 16, 2019





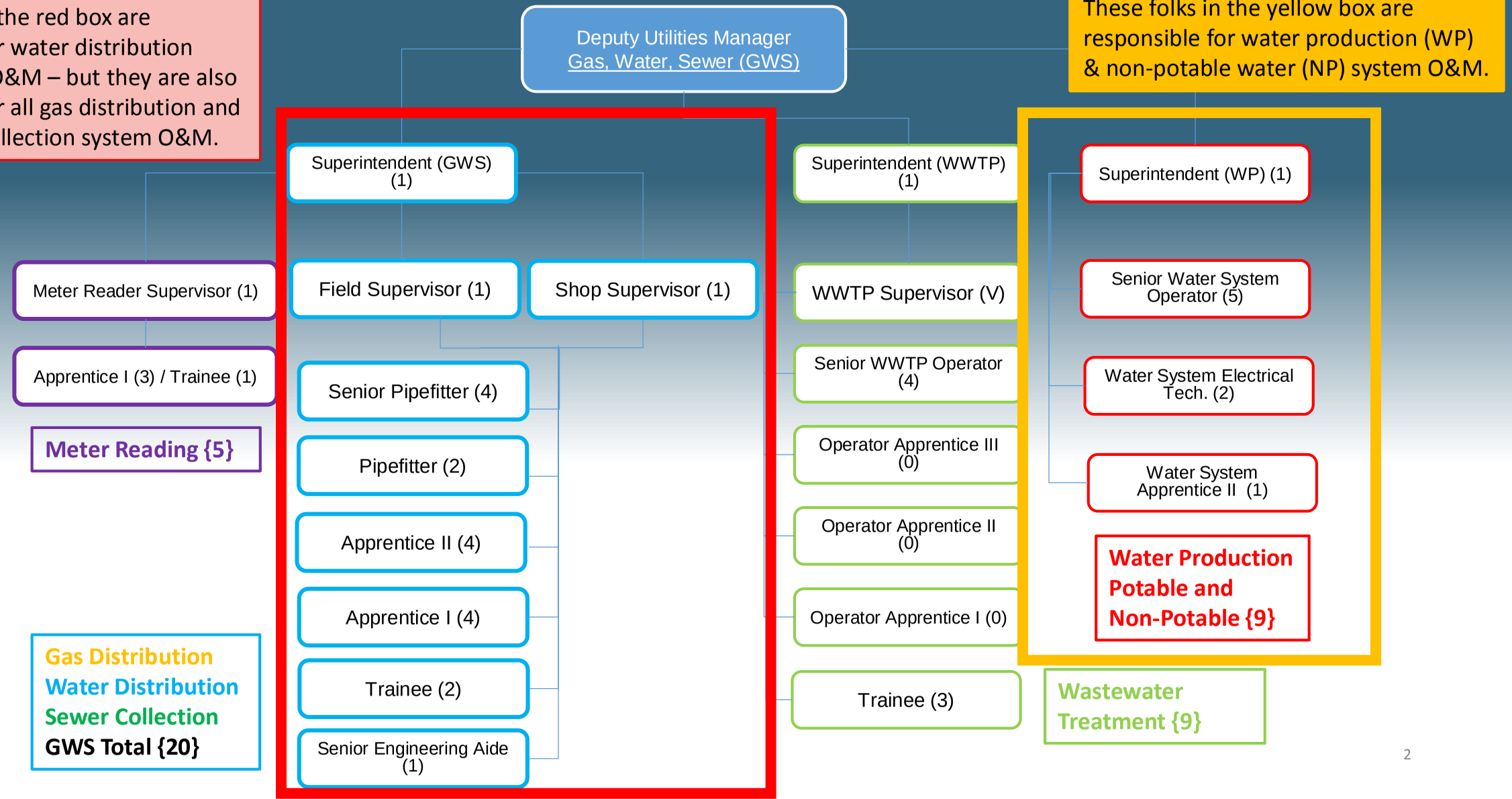
Water Distribution Pipeline
Eastern Area 6” Steel
Corroded Pipeline with Leak

Water Production Pipeline
Eastern Area & Down Town Area
Corroded Coupling Example

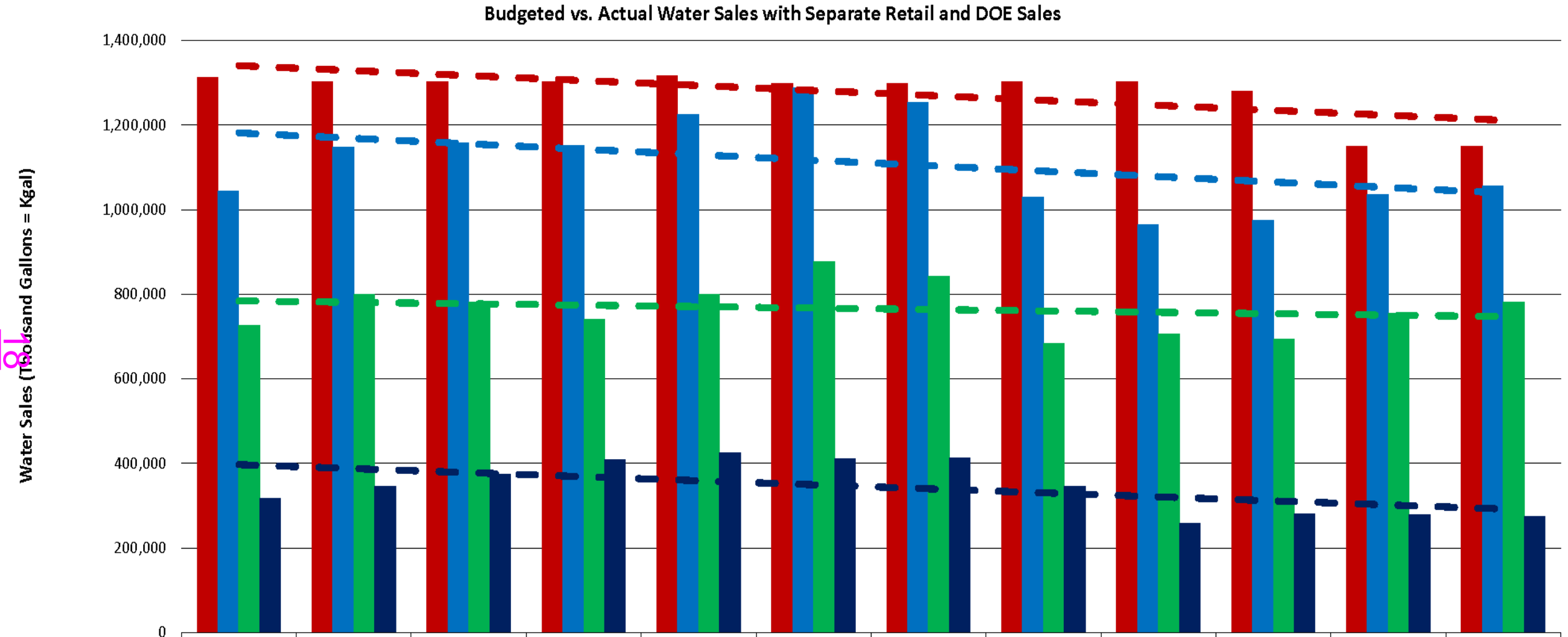
GWS ORGANIZATIONAL STRUCTURE

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

These folks in the yellow box are responsible for water production (WP) & non-potable water (NP) system O&M.



Total Budget vs Total Actual Water Sales w/ Retail & DOE Sales



	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Total Budgeted Sales (Kgal)	1,312,032	1,302,257	1,302,257	1,302,257	1,315,887	1,297,502	1,297,502	1,301,800	1,301,800	1,280,000	1,150,000	1,150,000
Total Actual Sales (Kgal)	1,043,428	1,147,098	1,156,924	1,151,292	1,225,571	1,288,126	1,254,647	1,029,057	964,069	974,847	1,035,300	1,056,892
Annual Retail Sales (Kgal)	725,873	800,273	781,692	741,284	800,842	876,361	842,345	683,637	706,365	693,335	755,655	781,818
Annual LANL Sales (Kgal)	317,555	346,825	375,233	410,008	424,728	411,765	412,302	345,420	257,704	281,512	279,645	275,074

Water Production Well Water Discussion

- **DOE and DPU Current Monitoring Schedule is Quarterly for All DPU Water Production Wells**
  - This has been the historic schedule for monitoring for many years. If the known chromium (Cr)or RDX plumes reach any DOE monitoring wells immediately up gradient of the nearest DPU production well then monitoring is expected to be increased to monthly. National EPA standard for Cr is an allowable 100 PPB (parts per billion). New Mexico State standard for Cr is 50 PPB. New Mexico State screening level for RDX is 7.02 PPB. If Cr is found in a DPU production well, above historic background levels of 2 to 6 PPB, then a future decision as to when PW3 is taken off line will occur. If RDX is found in a DPU production well then that well will be taken off line immediately.
- **Otowi Well No. 1**
  - After improvements to the Tsankowi Chlorination Infrastructure (FY2020), the existing Otowi Well No. 1 will be placed into service for the first time pumping into the Pajarito Booster Station No.1 Tank that serves the White Rock community.
- **Otowi Well No. 2**
  - The DPU is currently developing the first new production well in the system since taking ownership of the water production system. This well is anticipated to be approximately 500 to 1,000 GPM in capacity also serving the White Rock community.
- **Otowi Booster No. 1 Replacement**
  - The DPU has deferred this project from the short term (10-year) CIP Plan to the long term (20-Year) CIP Plan (FY2031). The existing OB1 station is non-functional due to its use of a deteriorated pipeline under NM Hwy 502. It has been deferred until the OW2 well has been completed and the capacity of OW2 is known – as well as for cash flow needs of the WP sub-fund. The capacity of this replacement booster station will be sized to accommodate both the new OW2 and the existing OW1 wells - boosting flexibility and redundancy in the overall system.

Otowi Well No. 2

- **Schedule**

- Well Site Construction & Surface Casing: November 14th through December 15th (complete)
- Main Well Drilling, Casing, Testing, Surveying: January 11th through March 23rd (contractual)
- Design of Well House, Pump, Motor and Motor Driver Equipment: March 23rd through June 30th
- Construction of Well House, Setting Pump & Motor and Motor Driver Service: June 30th through November 24th (estimated)

- **Costs**

- Well (Drilled, Tested, Complete): $3,000,000 (budget) / Expected Final Cost: $ 4,078,953
- Well House, Pump, Equipment & Pipeline: $1,500,000 (budget) / Expected Final Cost: $ 2,210,000

- **Well Discussion Highlights**

- Located per original system planning documents dated circa 1990's. OW2 is the third of four potential wells proposed for the "Otowi Well Field".
- Planned for ultimate natural gas engine power generator equipment with electric power grid backup. Able to pump when grid is down or when grid is at peak power; avoiding peak power demand charges.
- Tight formation encountered in the water bearing stratum so anticipated capacity is expected to be around 500 to 1,000 GPM putting this well in the middle of the pack in terms of capacity.

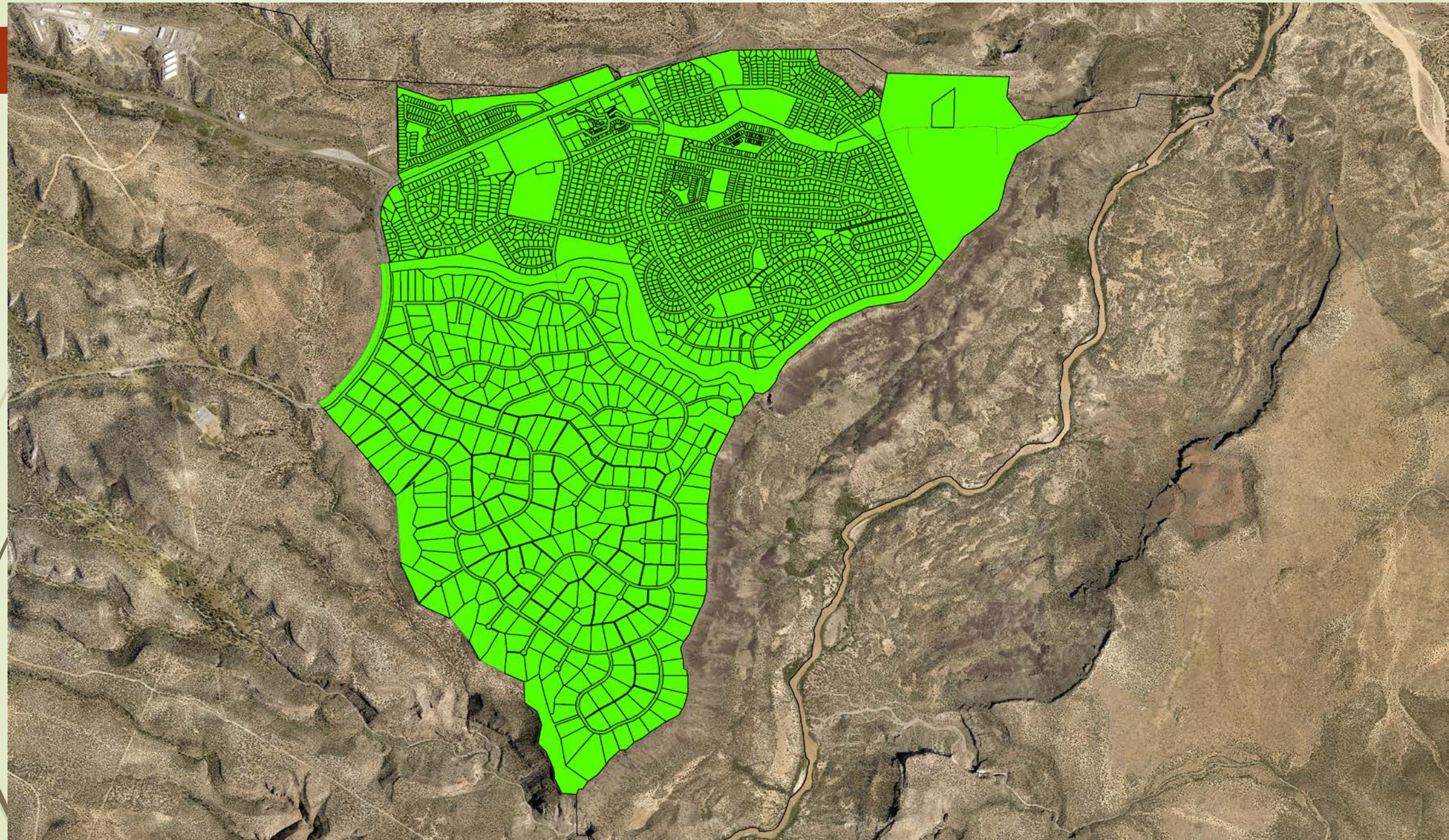
Otowi Well No. 2 – Site Access Off LA Canyon Road



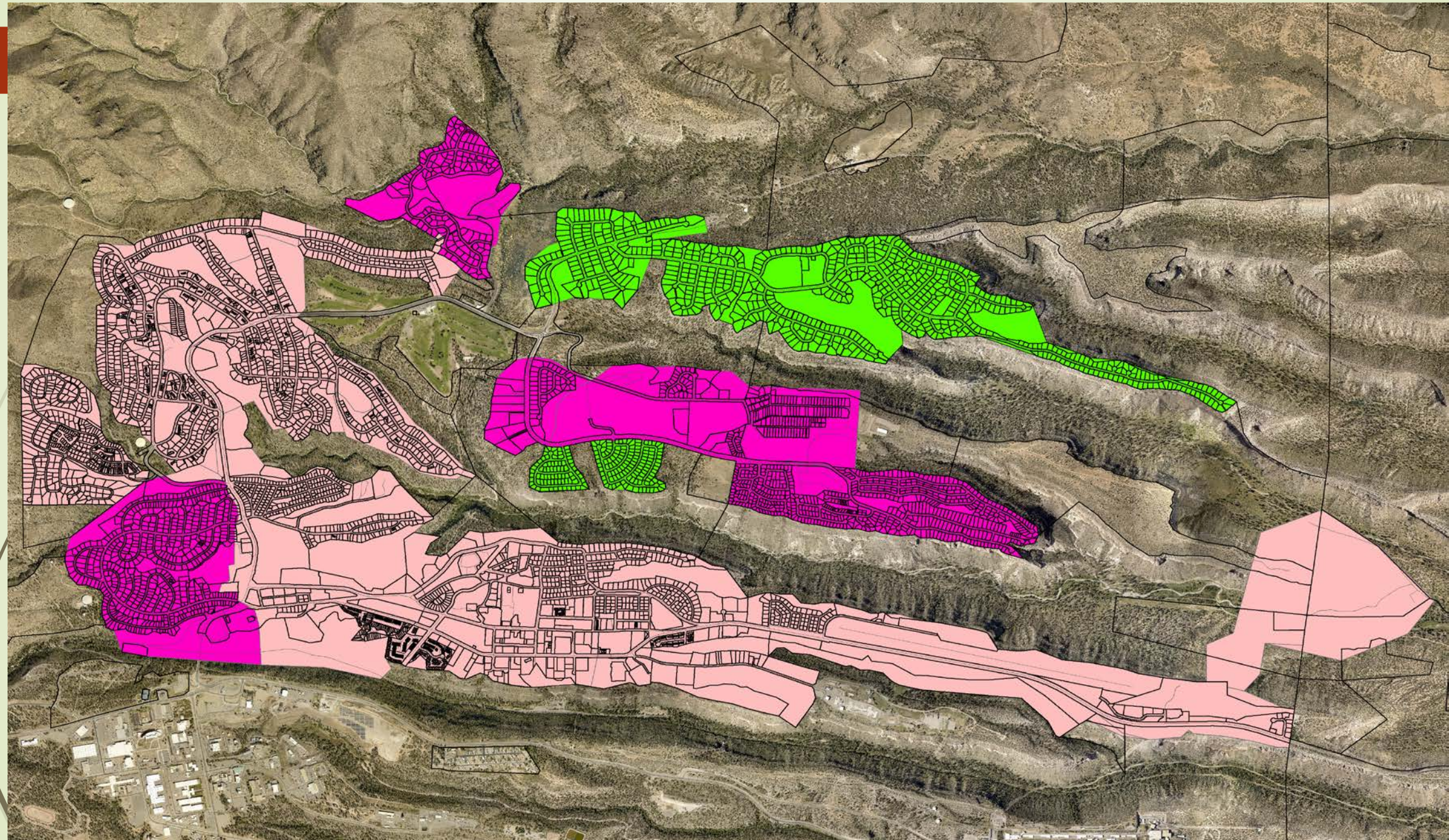
Water Meter Change Out Program Discussion Points

- **Historic Water Meter Change Outs**
- Typical minimum expected life of a water meter is 20 years. (battery related)
- Average number of water meters in the water distribution system at any one time is 7,050.
- 7,050 / 20 Years = 352.50. DPU has recently had an annual goal of 350 water meter change outs per year. This was decided as the appropriate approach to maintain adequately functional water meters throughout the system.
- **Current Temporary Accelerated Water Meter Change Out Program**
- Recent improvements to the new style of water meter being installed have significantly improved the accuracy at low flows. Newer style water meters also have improved compatibility with modern AMI (Automated Metering Infrastructure) systems. A significant portion of the existing water meters being replaced throughout the system are near or at the end of their expected life and would have been replaced anyway.
- Installation of all new meters during the temporary accelerated program will provide multiple benefits:
  - Improve meter reading accuracy and lower the unaccounted for water loss percentage.
  - Standardize the water meters throughout the system thereby improving efficiencies for AMI incorporation and GWS O&M.
  - Provide the opportunity/incentive to complete R&R maintenance activities on related meter service appurtenances (shut off valves, leaking connections, meter cans and/or lids, etc.)
- Temporary Accelerated Program is expected to run from FY2016 through FY2023.
- **Cost / Benefit of the Temporary Accelerated Water Meter Change Out Program**
- Costs for the accelerated program are expected to average approximately $300,000 per year over historic costs.
- Colors on the following Meter Change Out Program Slides:
- GREEN = Complete (99%) / PINK = Progress Made to Date (30% - 50%) / ROSE = No Progress Yet (0% - 10%)

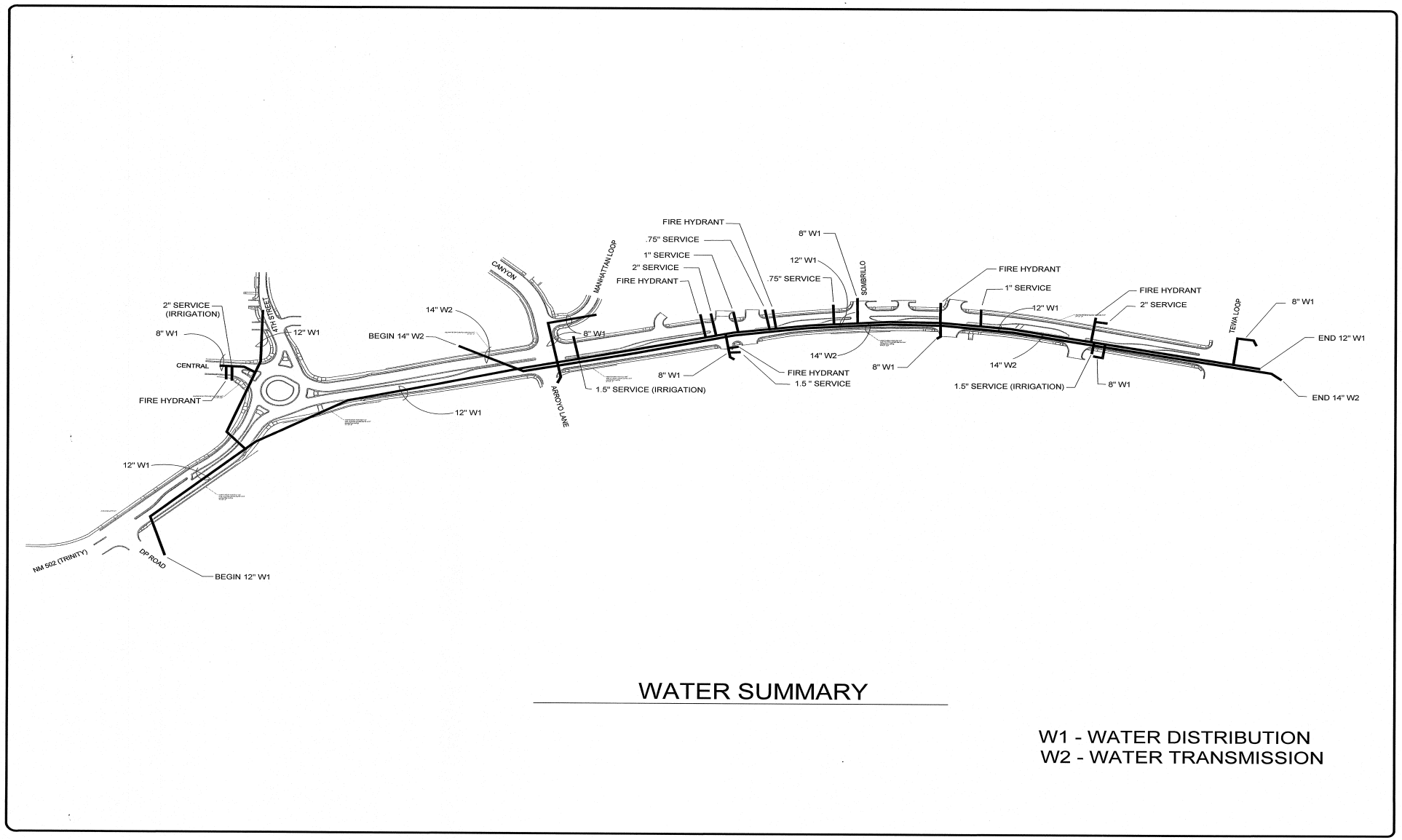
Water Meter Change Out Program – White Rock – 99% Complete



Water Meter Change Out Program – Townsite – 99% (Green)/30-50% (Pink)/0-10% (Rose)



NM 502 Project - Water Distribution & Production Pipelines



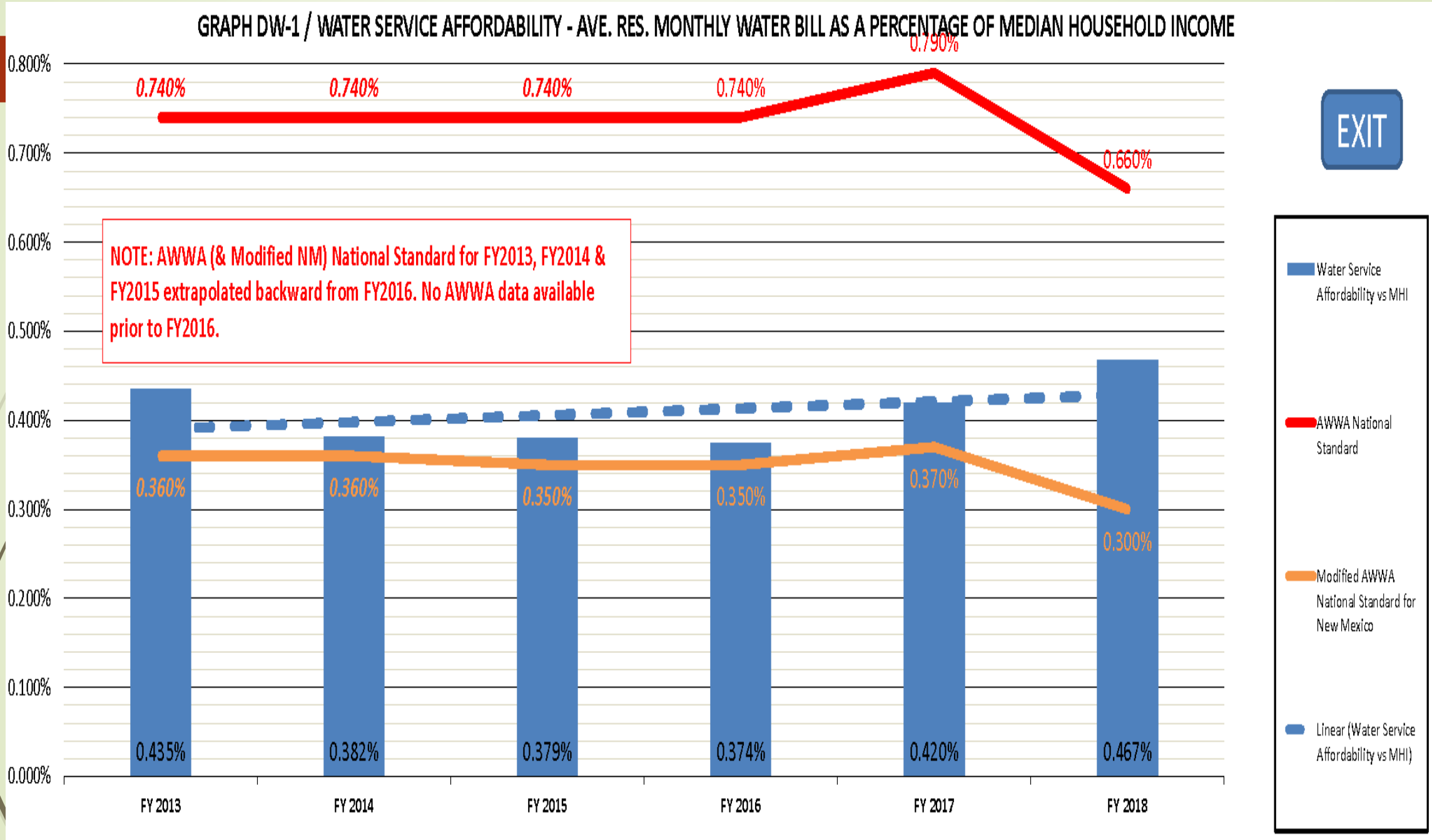
Measures/Targets/Benchmarks for Tracking Water Distribution System O&M

- **PRIMARY KEY ORGANIZATIONAL PERFORMANCE MEASURES**
- Water Service Affordability – Based on Ave Res Monthly Bill per Median Household Income (%) – US & NM Only
- O&M Expenditures per 100 Miles of Main Pipeline ($/ 100 Miles)
- Main Pipeline Breaks per 100 Miles of Pipeline (#/100 miles)
- Unaccounted for Water Loss (%)
- Total Gallons Purchased for Distribution (DW) vs Delivered to Distribution (DW) vs. DPU Distribution (DW) Projected Sales
- **SECONDARY KEY ORGANIZATIONAL PERFORMANCE MEASURES**
- Number of Meters Changed Out and Average Age of Meters in the DW System (# and age)
- O&M Expenditures per All Accounts ($/ Account)
- Cost of Water per All Accounts ($ / Account)
- CIP Expenditures per All Accounts ($ / Account)
- 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

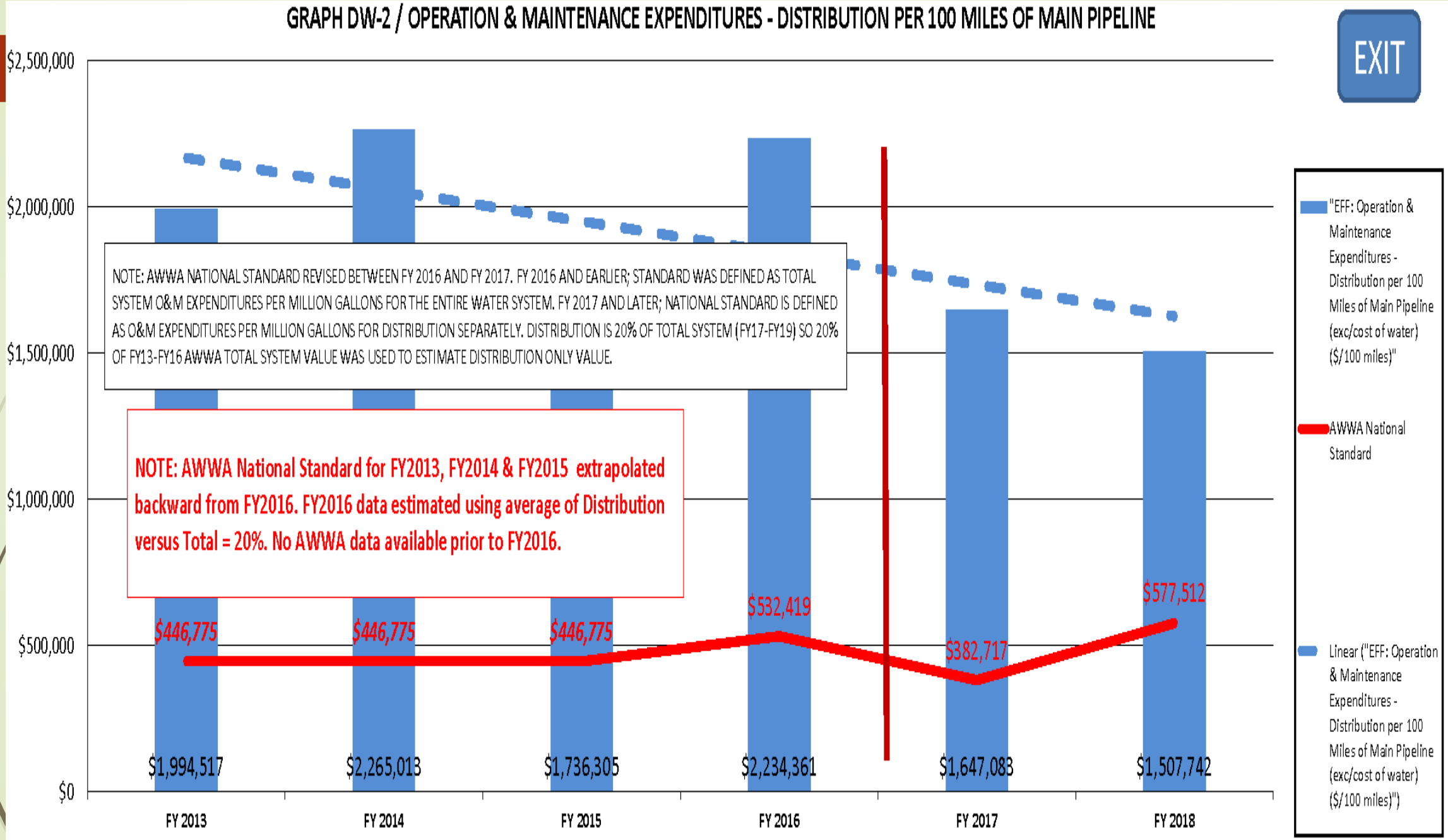
DW – DASHBOARD ANALYSES – 1 of 2

- Abbreviated summary of dashboard data for Water Distribution.
  - DW-1: Primary/Long term trend upward – not good. Due to recent annual rate increases. Still good compared to national standard and not too bad compared to New Mexico standard.
  - DW-2: Primary/Excellent 6-year trend downward. Due mostly to increased GWS emphasis on WC and GA systems. Not very good comparison to national standard – but improving trend.
  - DW-3: Primary/Excellent 6-year trend toward national standard.
  - DW-4: Primary/Trend line difficult to assess due to FY14 negative value. Good comparison to national standard. Not much movement toward DPU Conservation Goal. New meters & measuring hydrant testing water use expected to dramatically improve this measure in the future.
  - DW-5: Primary/Revised projected sales now in line with actual sales. Will help end overly optimistic revenue projections.

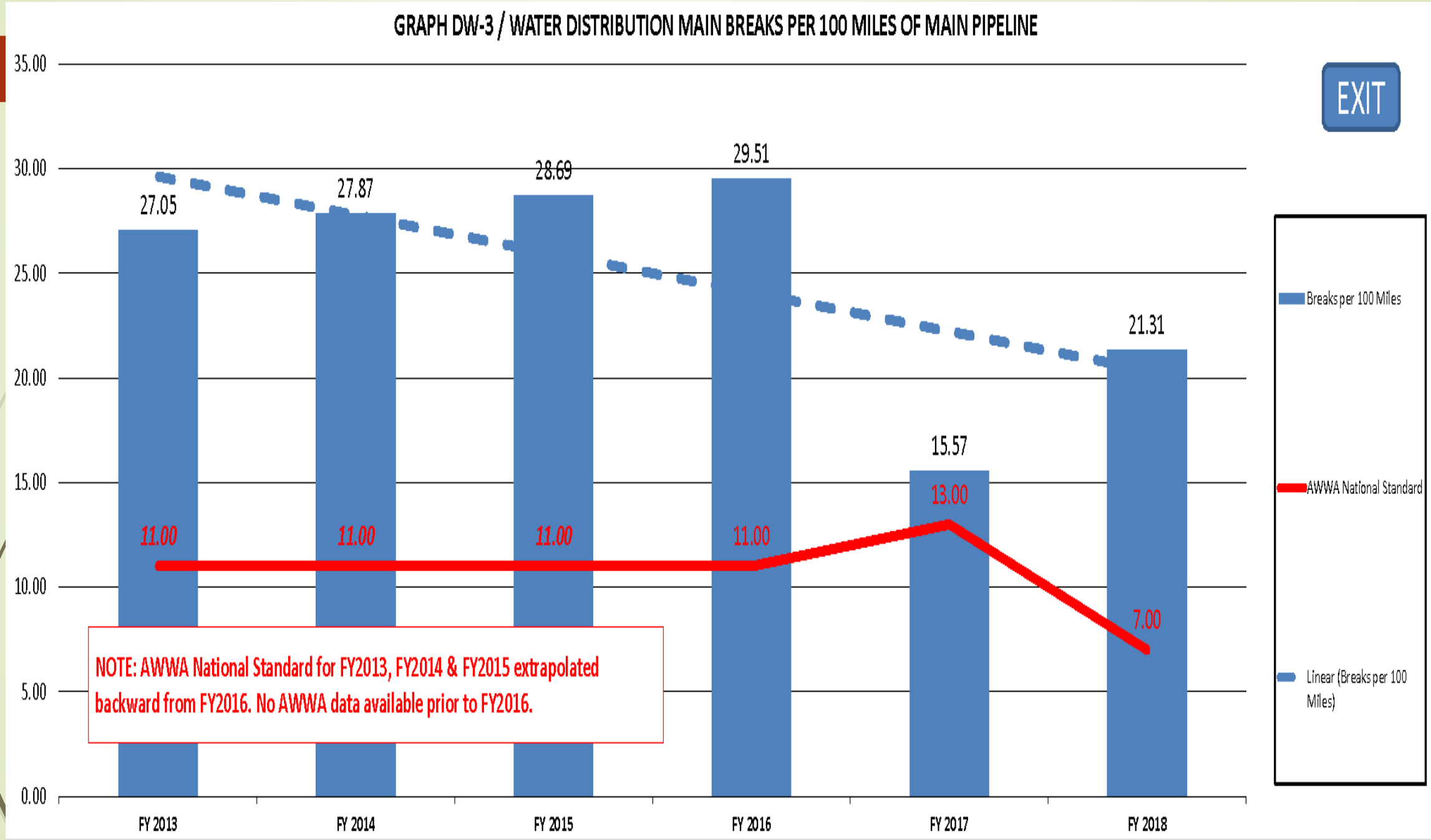
Water Distribution – Primary Key Organizational Performance Measure



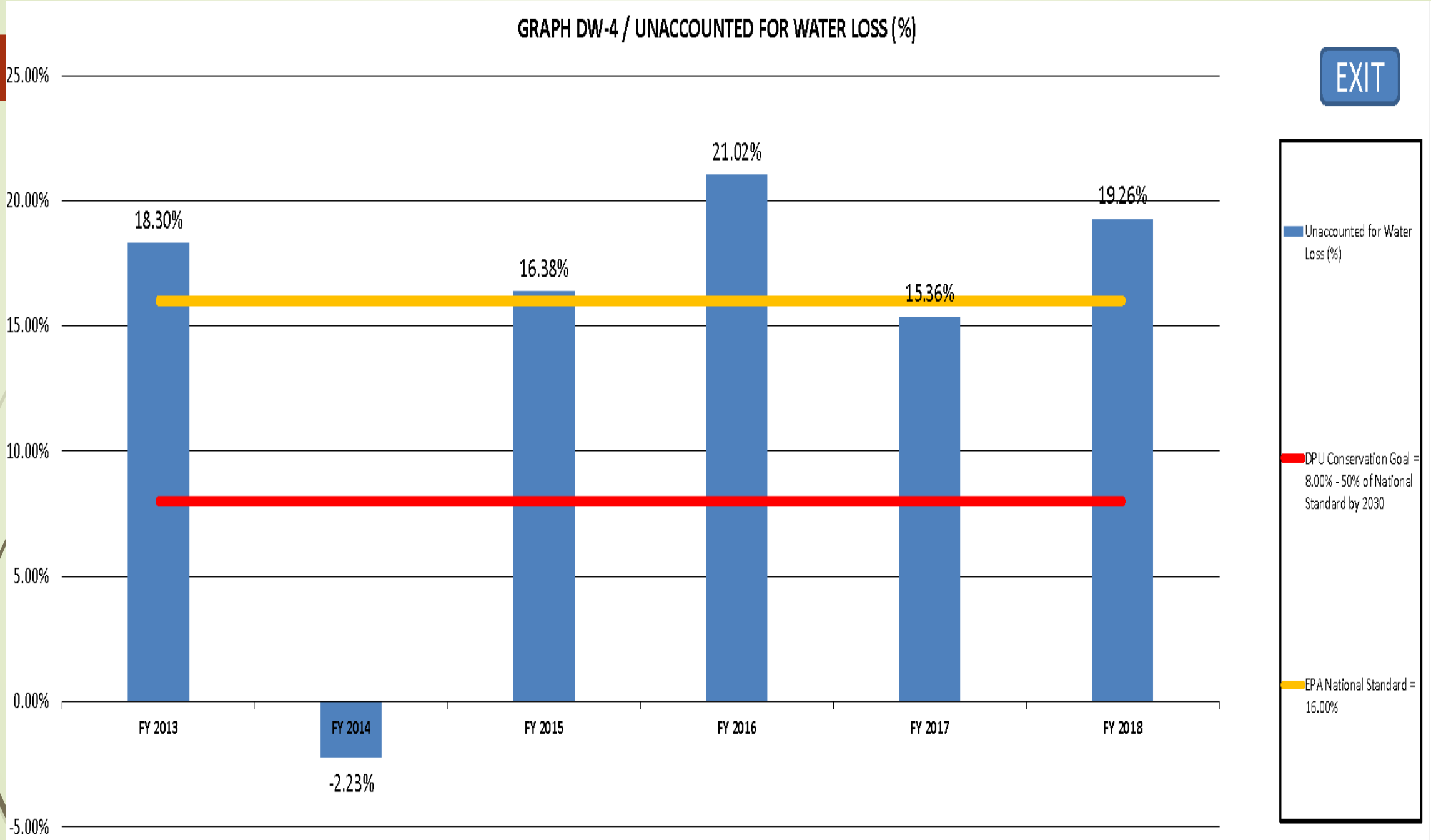
Water Distribution – Primary Key Organizational Performance Measure



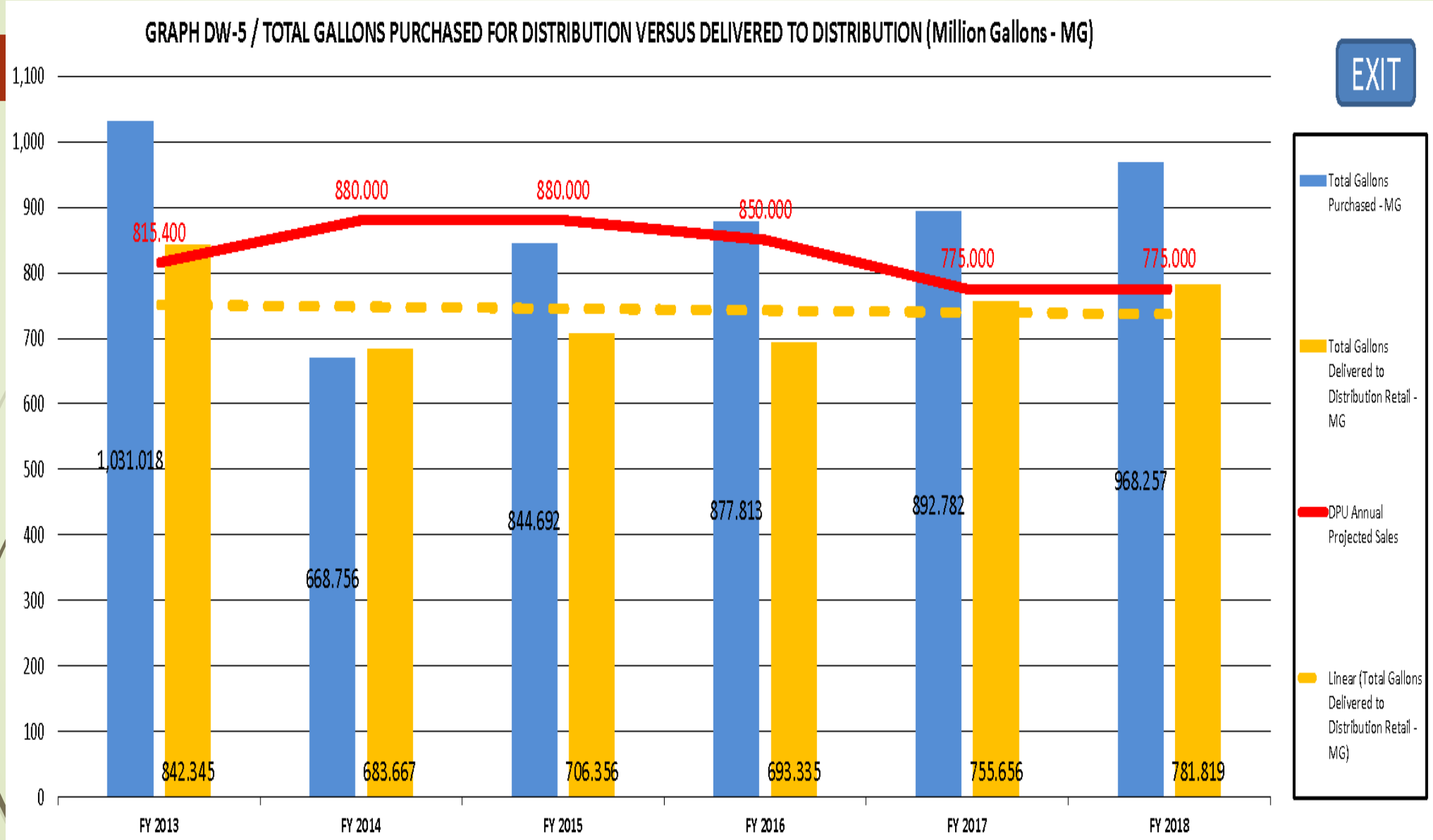
Water Distribution – Primary Key Organizational Performance Measure



Water Distribution – Primary Key Organizational Performance Measure



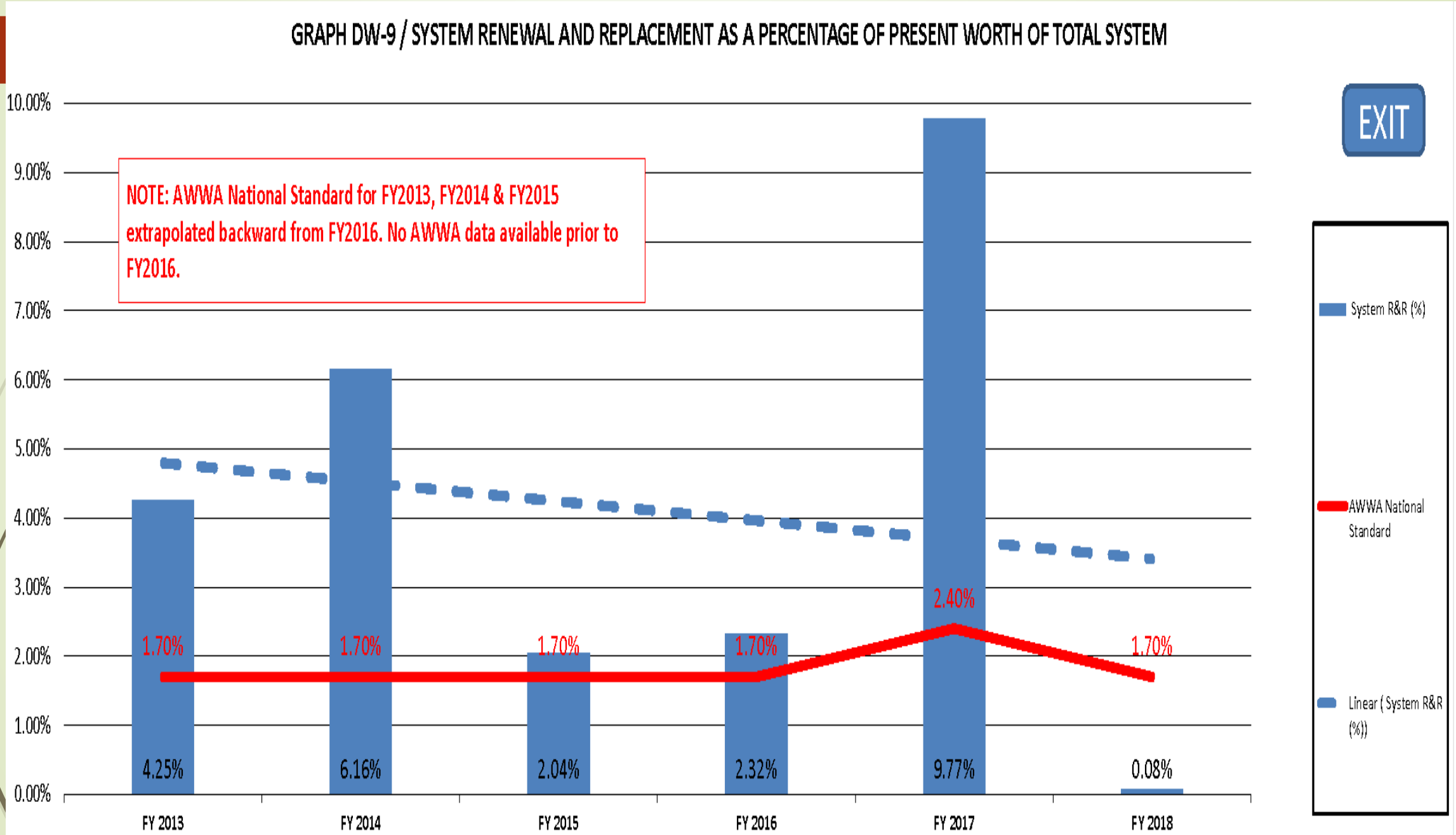
Water Distribution – Primary Key Organizational Performance Measure



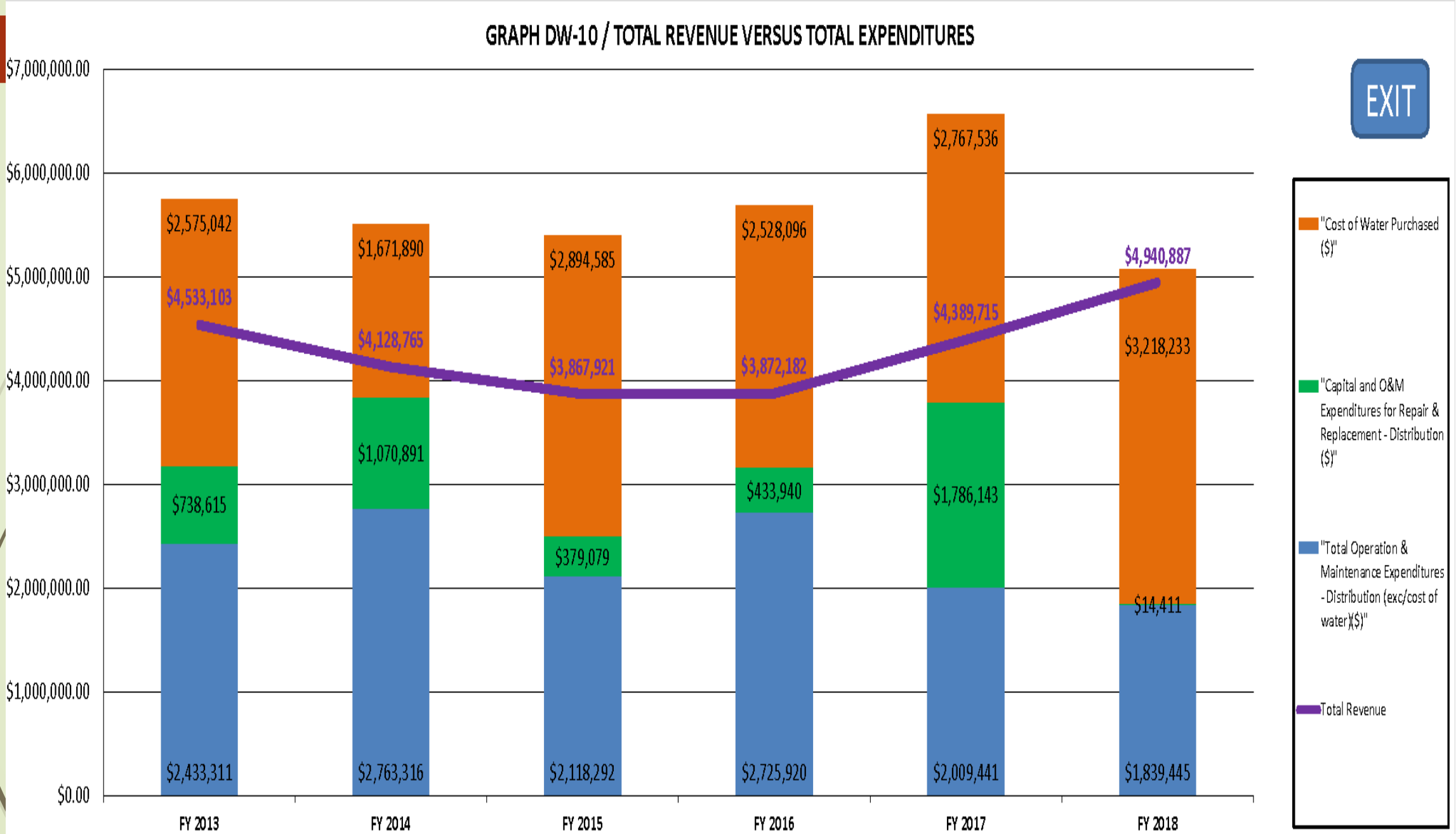
DW – DASHBOARD ANALYSES – 2 of 2

- Abbreviated summary of dashboard data for Water Distribution.
  - DW-9: Secondary/Existing 6-year trend still above national standard even though it is trending downward. However, proposed zero CIP for FY16 through FY21 period will reflect negatively in this data set over the next few years compared to the national standard.
  - DW-10: Secondary/Shows historic expenses significantly exceeding revenues for the 5-year period early this graph. Mainly due to historically overly optimistic revenue projections and related overly optimistic CIP expenses; plus unexpected carry over CIP from pre-model years. CIP expenses are included. Proposed rate increases and the extended period of zero CIP projects are anticipated to help rectify this situation.

Water Distribution – Secondary Key Organizational Performance Measure



Water Distribution – Tertiary Key Organizational Performance Measure



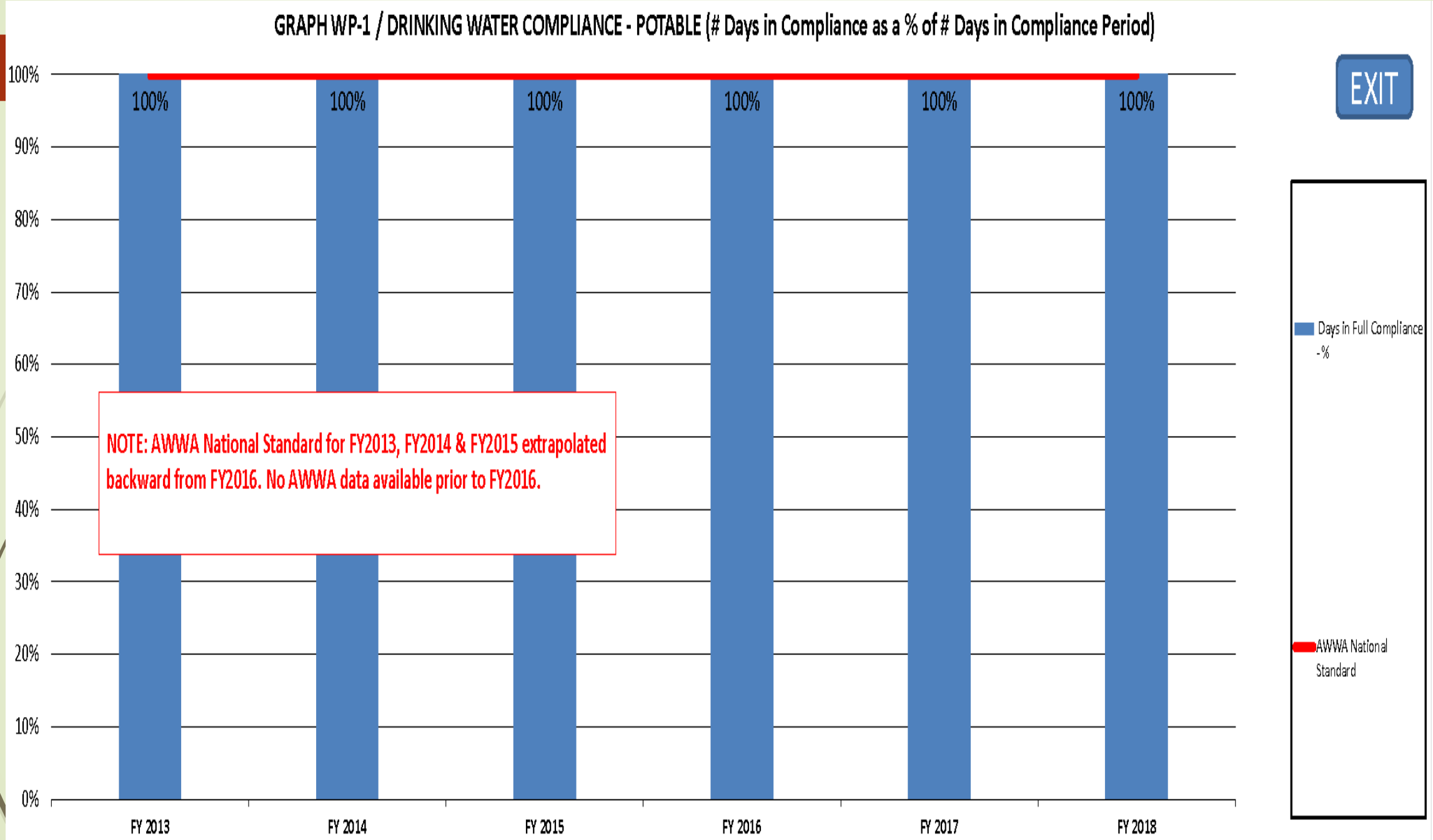
Measures/Targets/Benchmarks for Tracking Water Production System O&M

- ❖ **PRIMARY KEY ORGANIZATIONAL PERFORMANCE MEASURES**
- ► Percent Number of Days in Full Compliance (%)
- ► O&M Expenditures per Million Gallons Produced ($/MG)
- ► Main Pipeline Breaks per 100 Miles of Pipeline (#/100 miles)
- ► Energy Consumption per Million Gallons Potable Water Produced (kWh/MG)
- ► Gallons per Capita Daily Water Produced (GPCD)
- ► Total Gallons Produced vs DPU Projected Sales
- ❖ **SECONDARY KEY ORGANIZATIONAL PERFORMANCE MEASURES**
- ► Energy Consumption per Million Gallons Produced (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 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.**

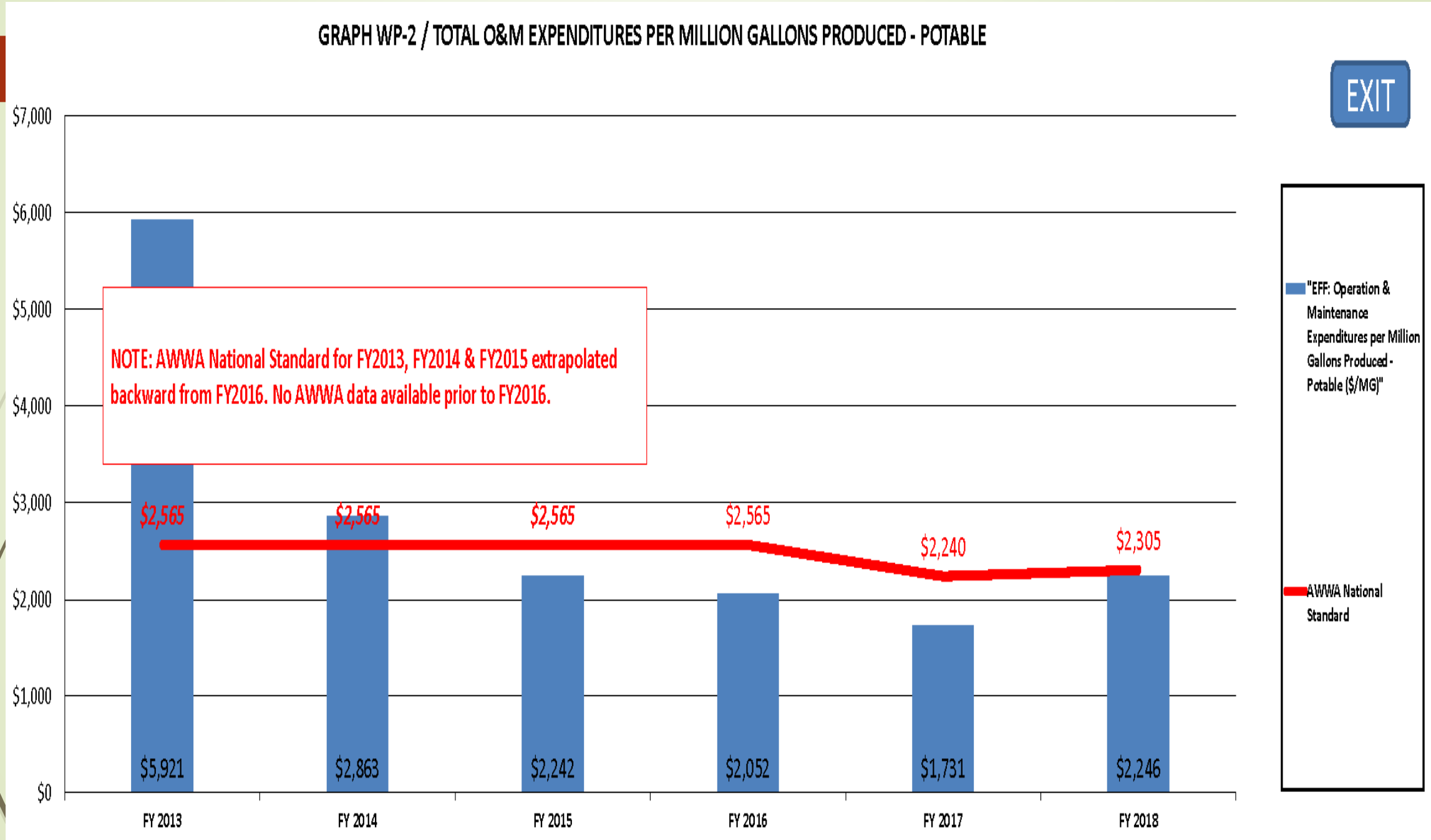
WP – DASHBOARD ANALYSES – 1 of 2

- Abbreviated summary of dashboard data for Water Production.
  - WP-1: Primary/Outstanding long term historic compliance record.
  - WP-2: Primary/Good 6-year trend downward. Good comparison to national standard.
  - WP-3: Primary/Limited early year data. So far, good comparison to national standard.
  - WP-4: Primary/GPCD Goals re-established between FY16 & FY17. Long term trend is upward while long term trends for national standard and DPU conservation goal is downward.
  - WP-5: Primary/Projected sales revised down in FY16 and again in FY17. Actual vs projected sales now match. This will help end over-estimating of projected revenue.

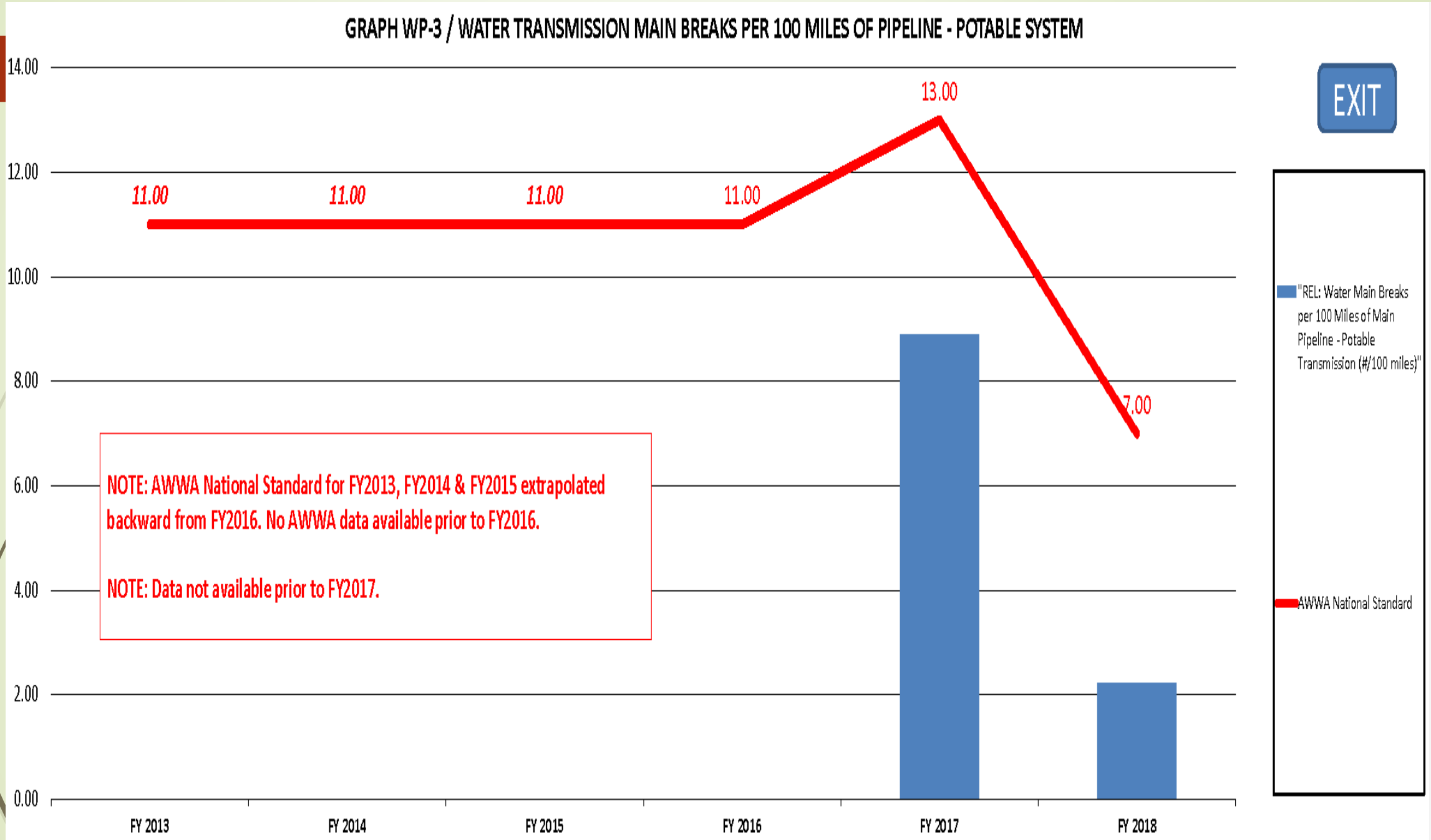
Water Production – Primary Key Organizational Performance Measure



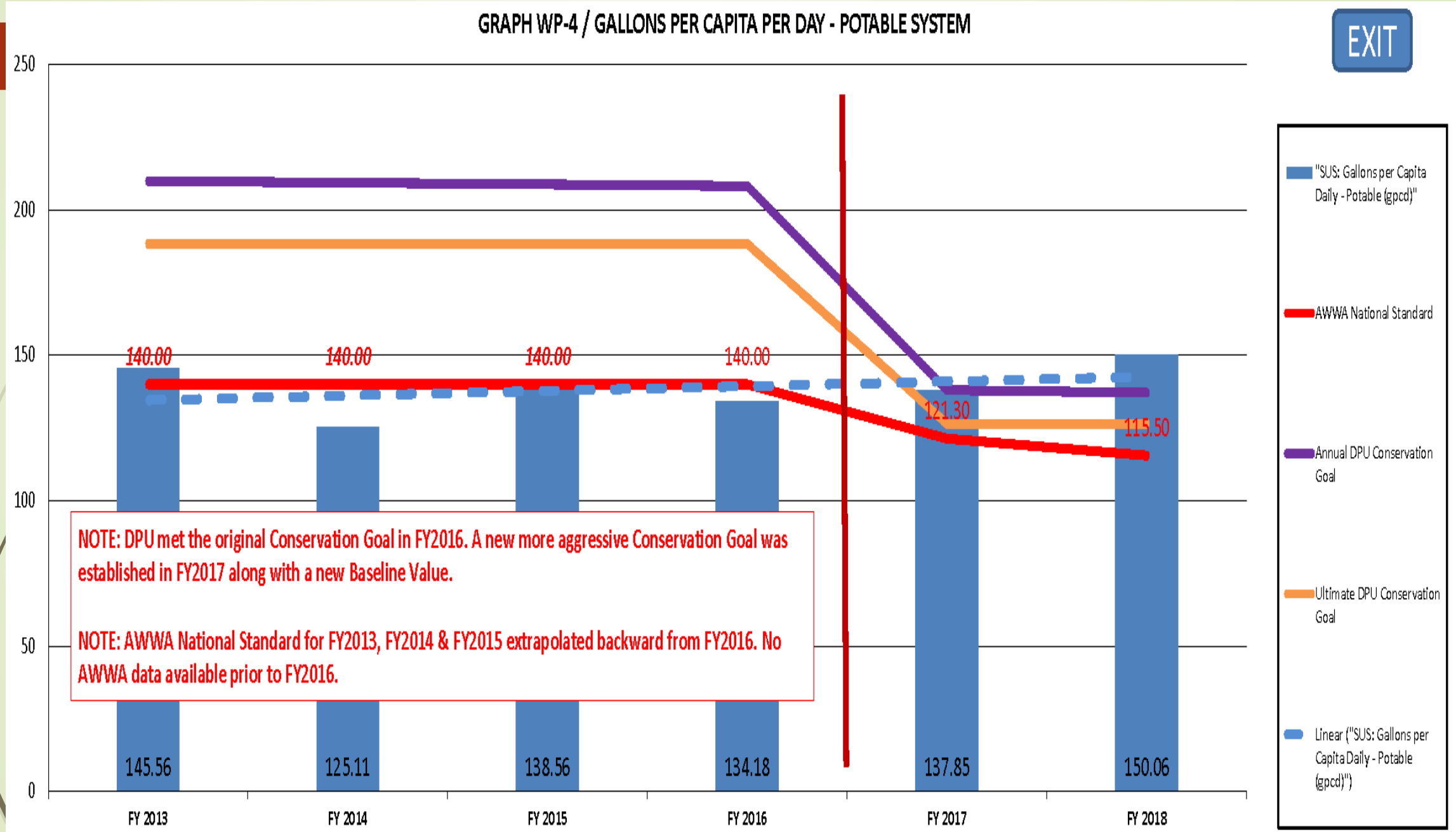
Water Production – Primary Key Organizational Performance Measure



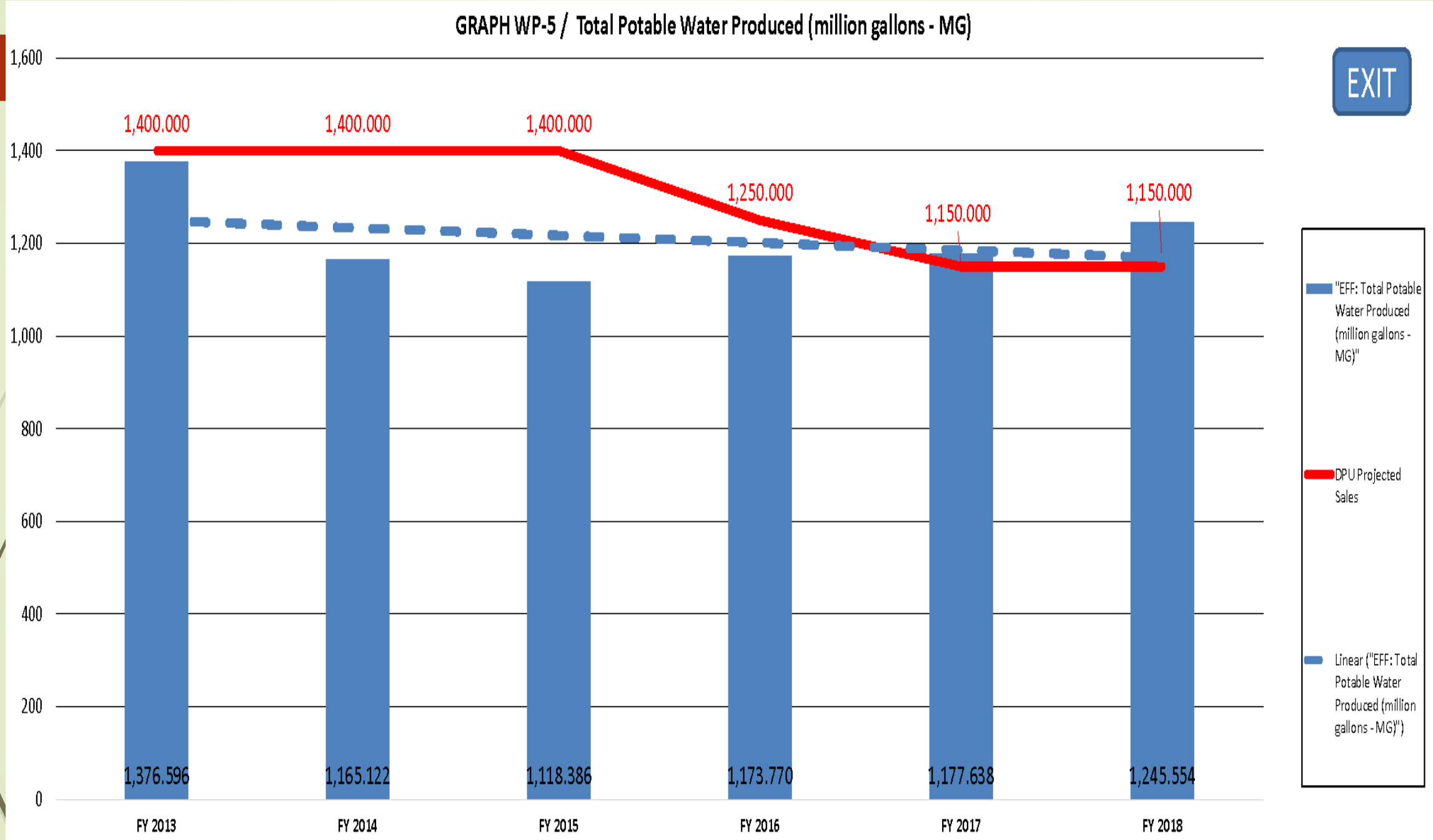
Water Production – Primary Key Organizational Performance Measure



Water Production – Primary Key Organizational Performance Measure



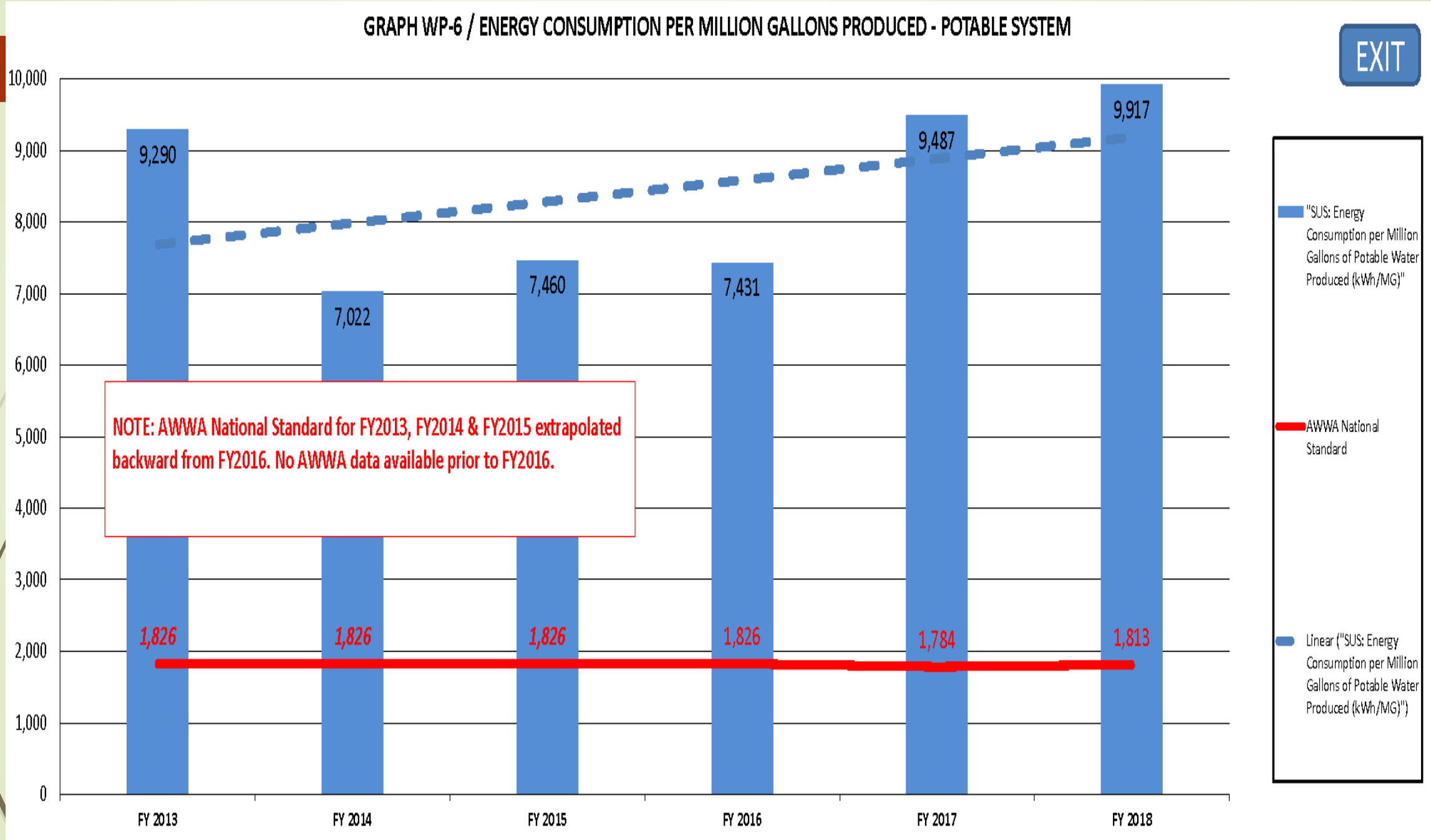
Water Production – Primary Key Organizational Performance Measure



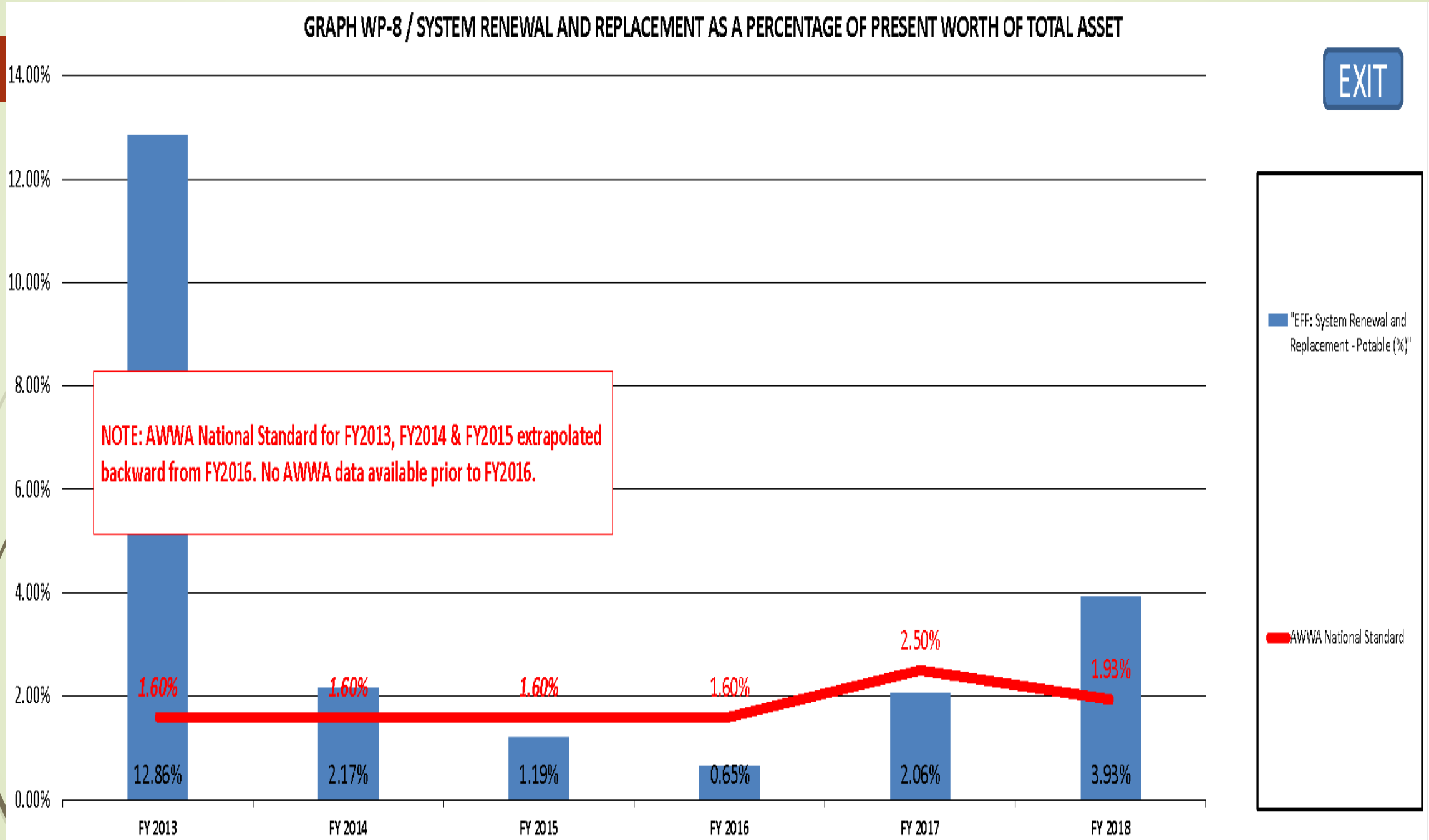
WP – DASHBOARD ANALYSES – 2 of 2

- Abbreviated summary of dashboard data for Water Production.
  - WP-6: Secondary/Long term trend is upward – not good. Will never meet national standard because our system has many facilities (wells, boosters, tanks), lots of elevation and small population/volume produced relative to national standard comparable utilities.
  - WP-8: Secondary/Last 5 years (post FY13) show decreased annual CIP expenses relative to historic trends. Should be at least equal to the national standard to avoid future older facilities needing more than usual O&M/R&R work.
  - WP-9: Secondary/Similar to WP-5 – except showing breakout between bulk/wholesale sales to DOE and bulk/wholesale sales to Water Distribution. Good that we are now matching actual to projected sales volumes.
  - WP-10: Secondary/Revenue exceeds expenses – but only because CIP is significantly below national standards and historic trend. Proposed multi-year rate increases should help.

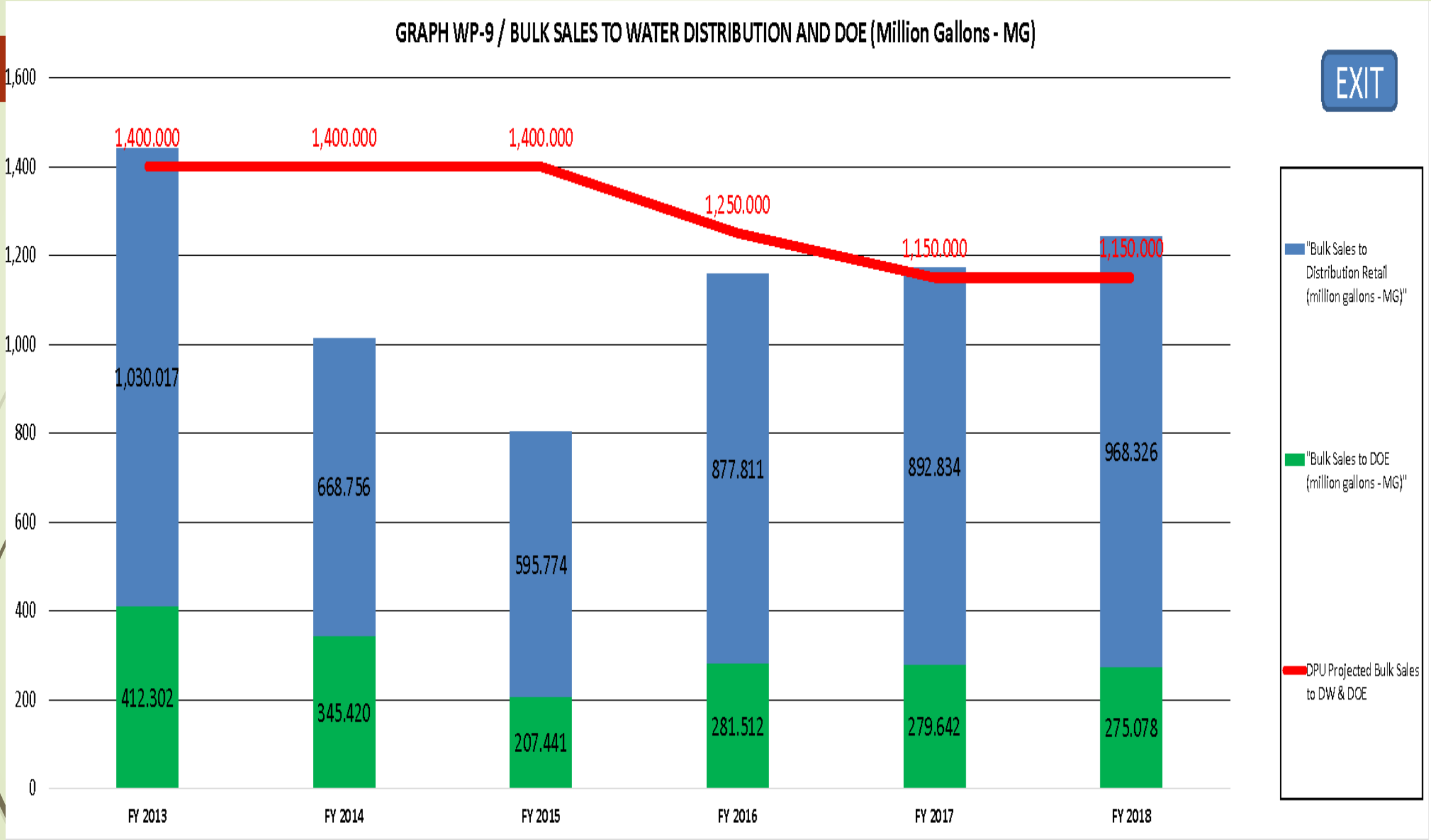
Water Production – Secondary Key Organizational Performance Measure



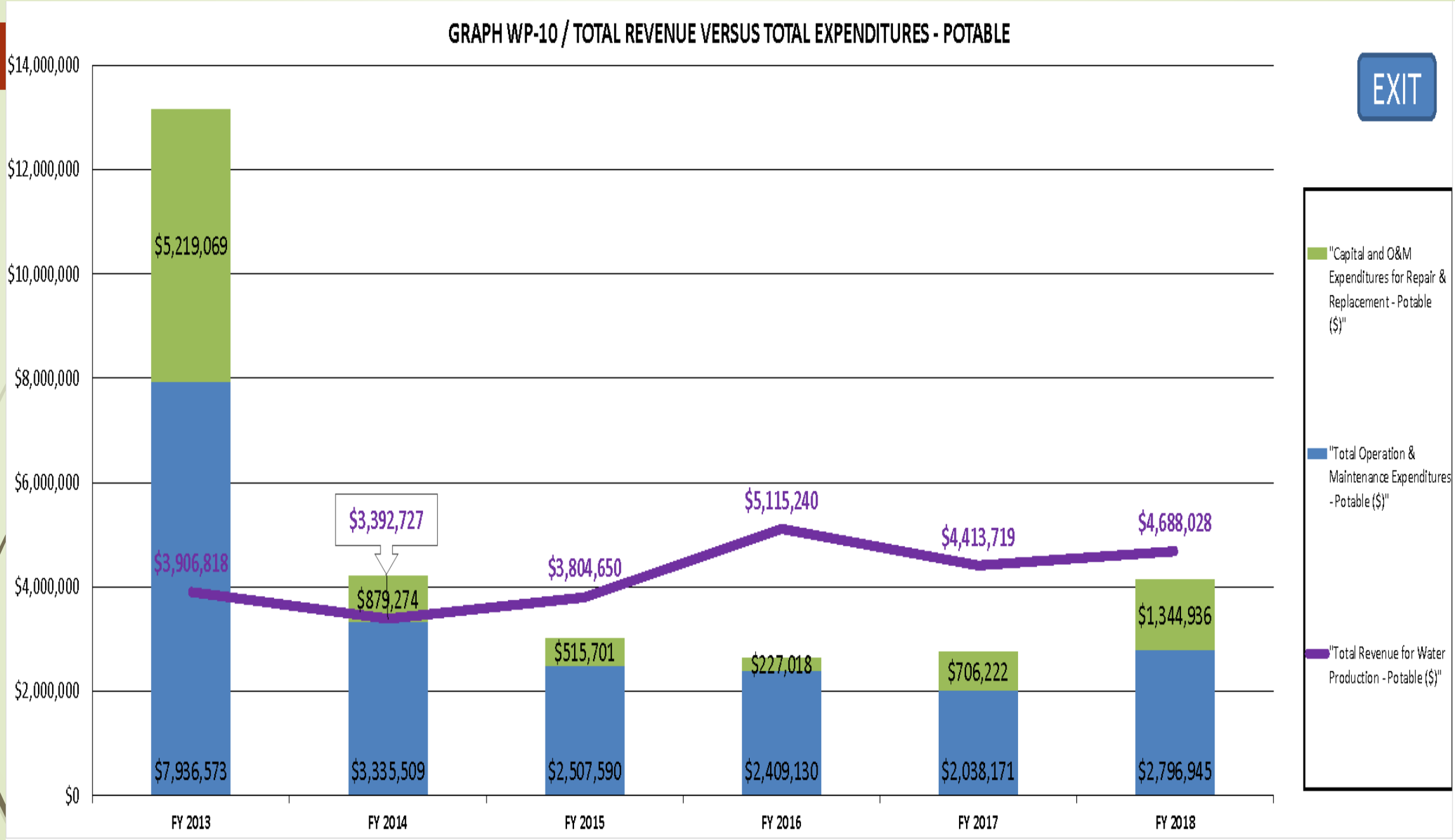
Water Production – Secondary Key Organizational Performance Measure



Water Production – Secondary Key Organizational Performance Measure



Water Production – Secondary Key Organizational Performance Measure



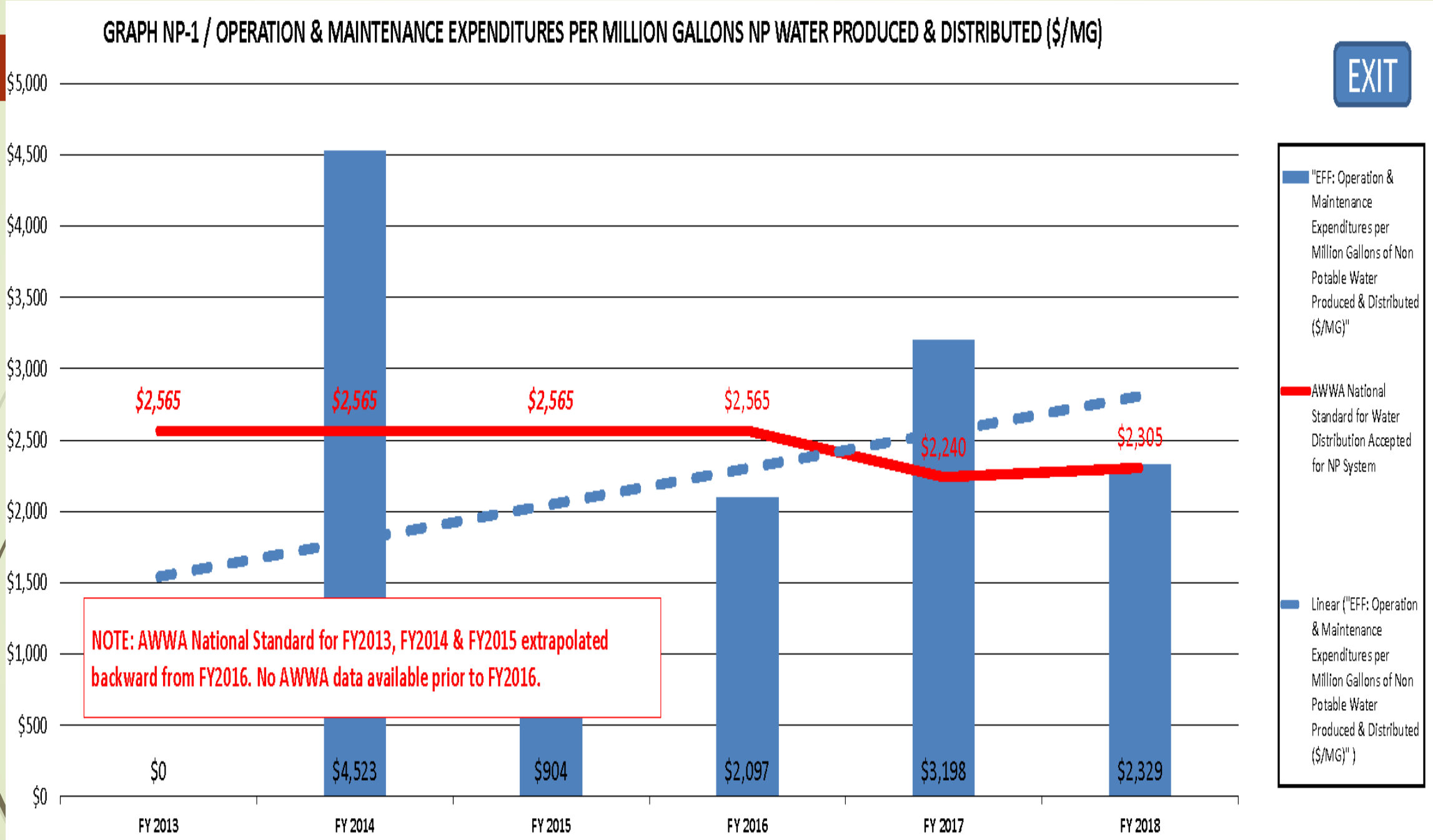
Measures/Targets/Benchmarks for Tracking Non Potable Water System O&M

- ❖ **PRIMARY KEY ORGANIZATIONAL PERFORMANCE MEASURES**
- ► **O&M Expenditures per Million Gallons Produced & Distributed ($/MG)**
- ► **Main Pipeline Breaks per 100 Miles of Pipeline (#/100 miles)**
- ► **Gallons per Capita Daily Water Produced (GPCD)**
- ► **Total Gallons Produced & Distributed vs DPU Projected Sales**
- ❖ **SECONDARY KEY ORGANIZATIONAL PERFORMANCE MEASURES**
- ► **Percent Gallons to Reuse vs Gallons Treated (%) – White Rock WWTP & LA WWTP**
- ► **Energy Consumption per Million Gallons Produced & Distributed (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 Gas System) (%)**
- ❖ **PERFORMANCE MEASURES WITH TARGETS OR BENCHMARKS**
- ► **National Standard Performance Measures for Potable systems accepted as viable for NP system comparison (AWWA)**
- ► **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**

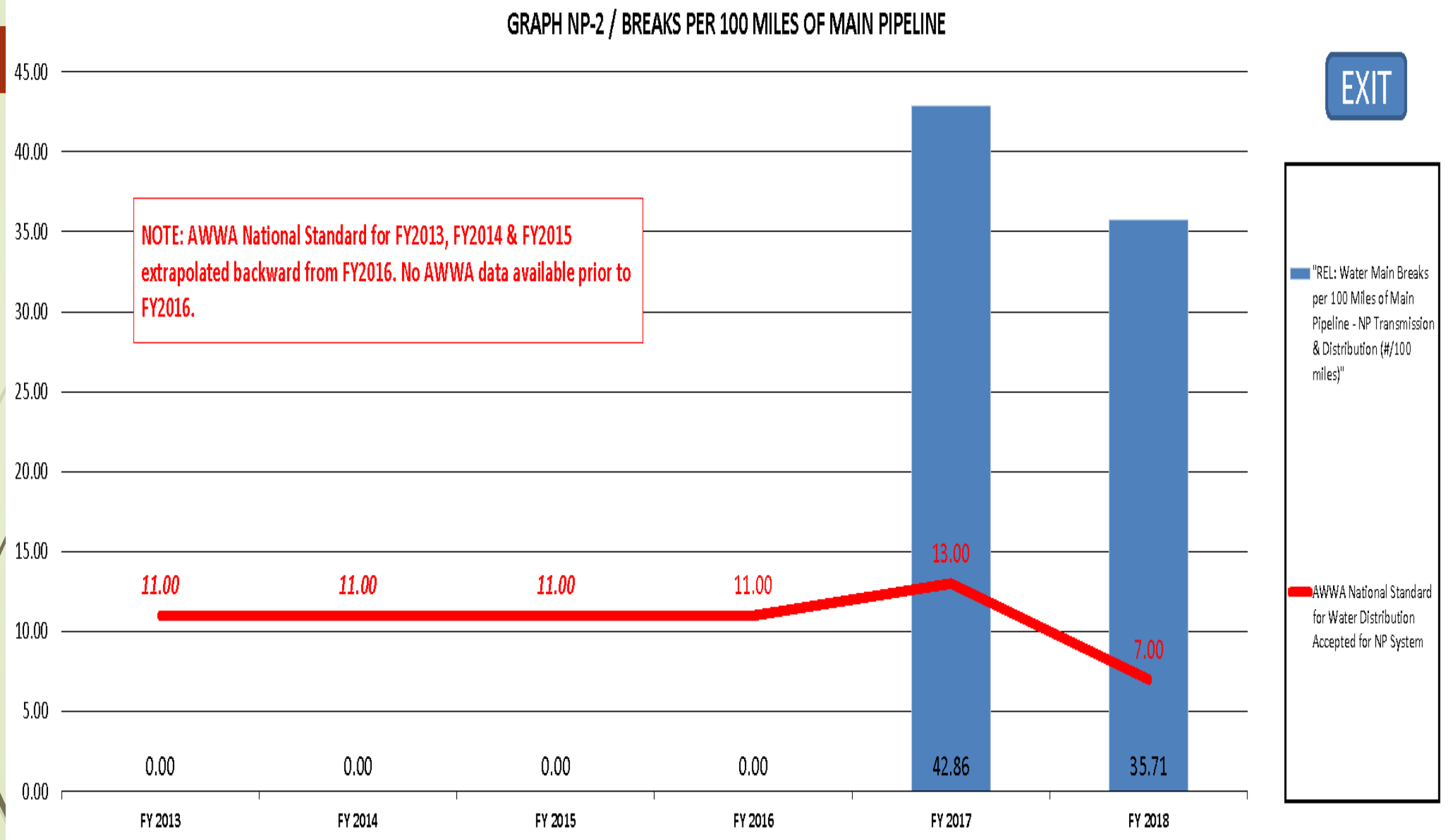
NP – DASHBOARD ANALYSES – 1 of 2

- Abbreviated summary of dashboard data for Non Potable Water System.
  - NP-1: Primary/Long term trend is upward – not a good look. However, recent expenses needed to over the past 6 years in order to bolster the system's operability. Better cost accounting helping to develop rates so NP specific revenue covers NP specific expenses – instead of being subsidized by WP.
  - NP-2: Primary/Limited early year data. Much of the NP system was older poorly constructed pipeline which experiences significantly more breaks than usual (Ex: golf course). Also, new pipeline constructed in FY16 & FY17 has experienced multiple breaks also (Ex: Arizona Ave) (Contractor warrantied – but counted as breaks.)
  - NP-3: Primary/Long term trend is upward – good. No known national standard for GPCD for NP systems.
  - NP-4: Primary/Compares projected sales to actual sales. Weather dependent variable – however, excellent sales the past 2 years.

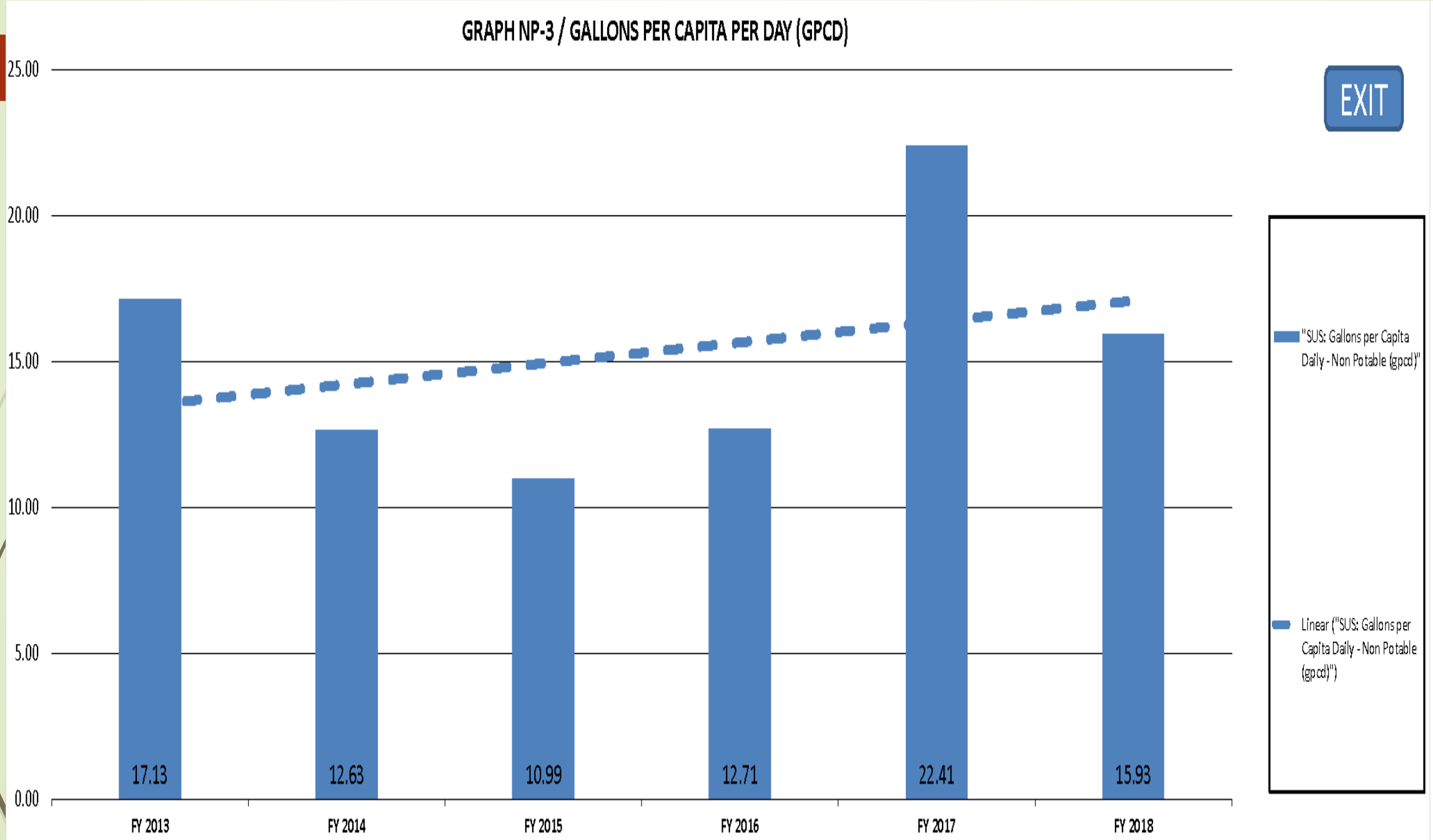
NP System – Primary Key Organizational Performance Measure



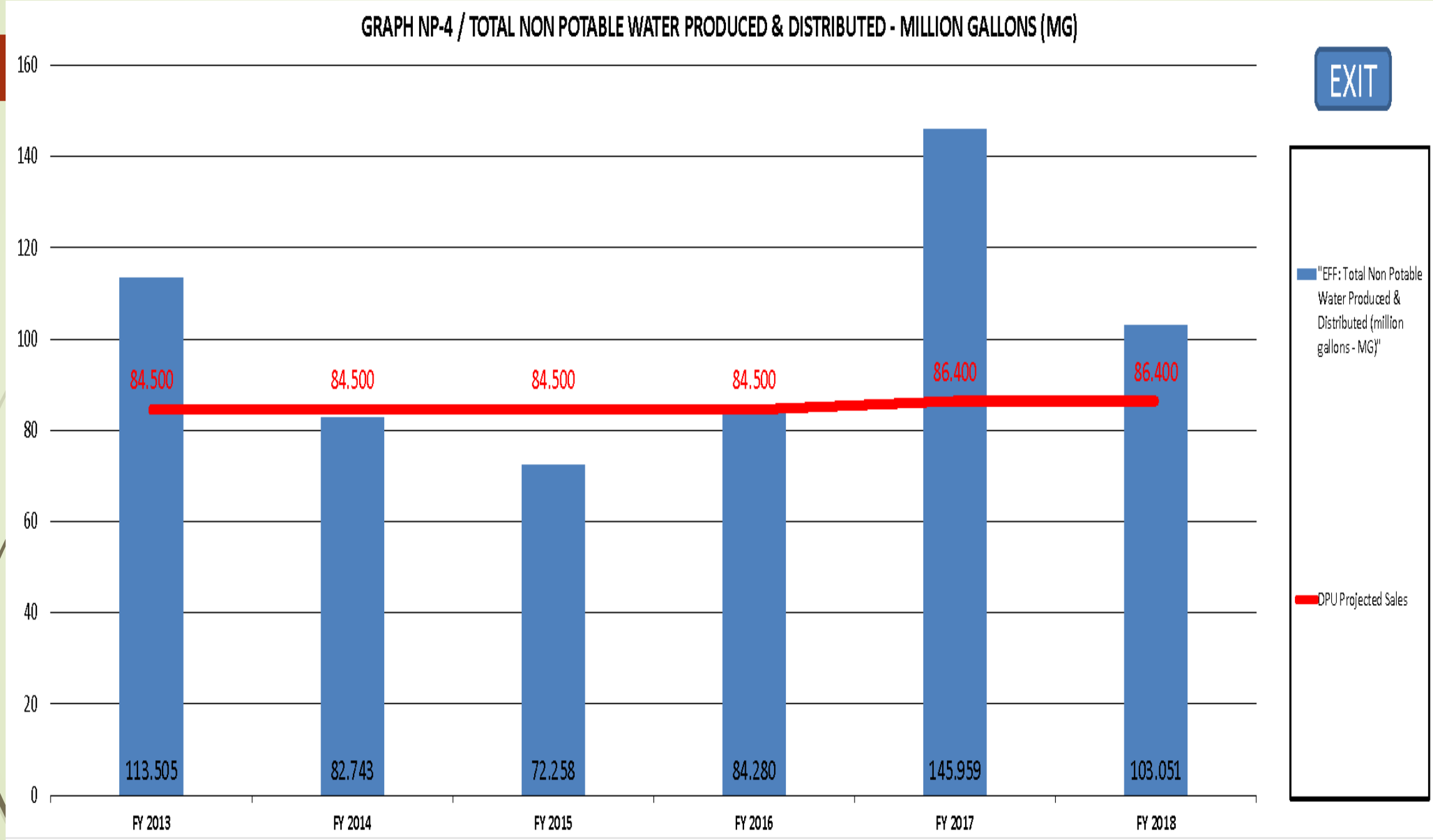
NP System – Primary Key Organizational Performance Measure



NP System – Primary Key Organizational Performance Measure



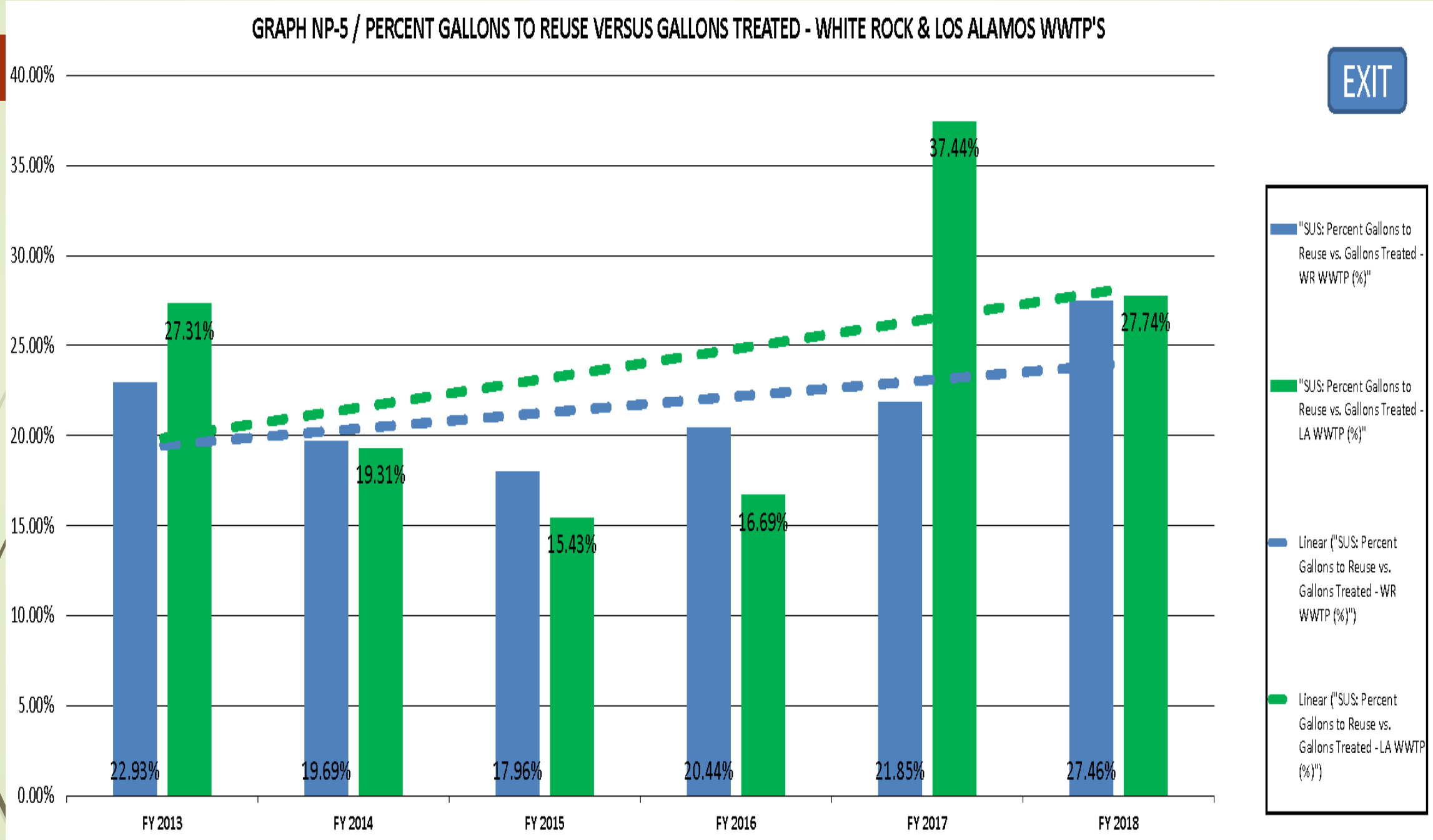
NP System – Primary Key Organizational Performance Measure



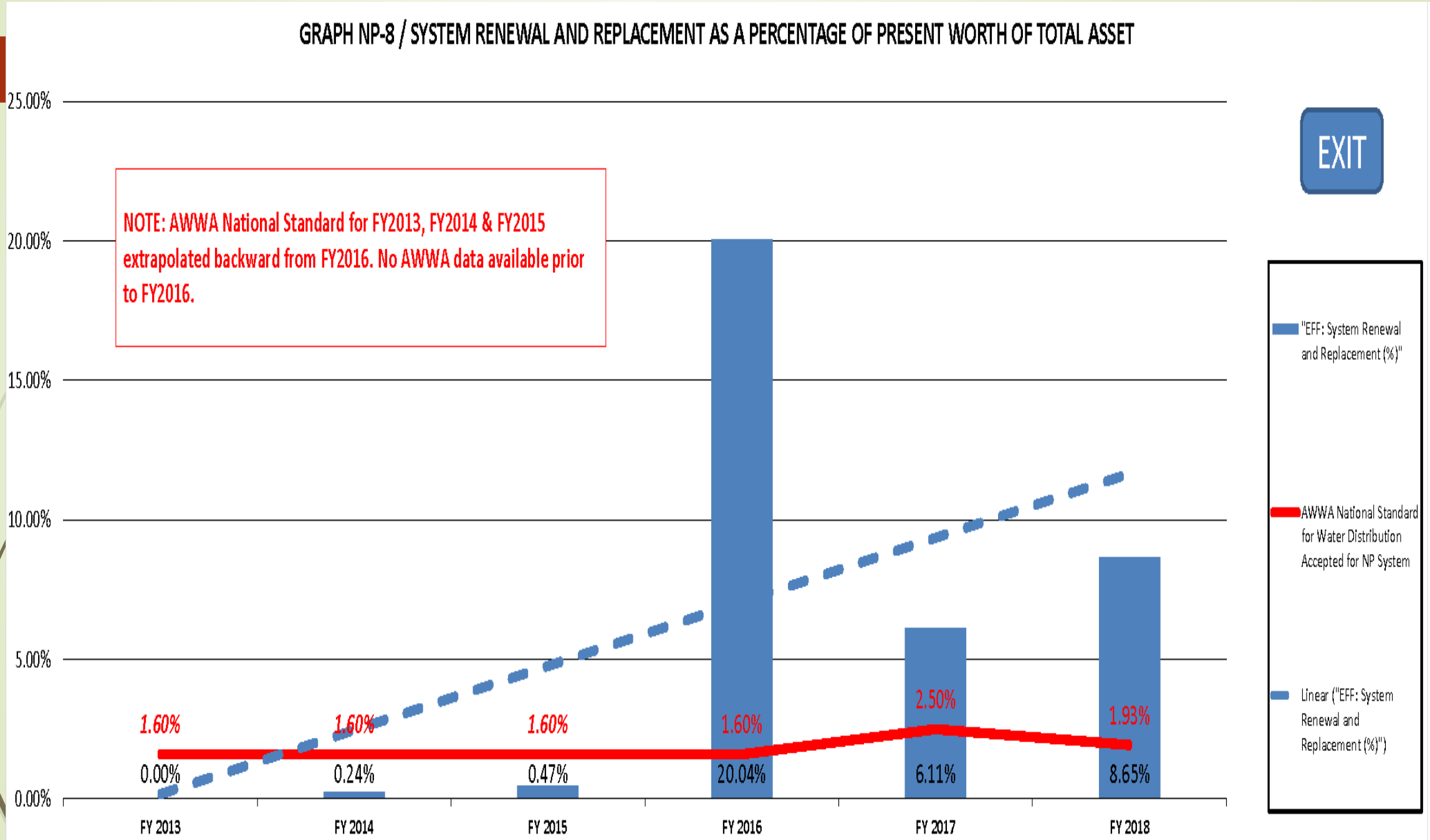
NP – DASHBOARD ANALYSES – 2 of 2

- Abbreviated summary of dashboard data for Non Potable Water System.
  - NP-5: Secondary/Long term trend is upward – good. Shows the two main systems: Town site area (Bayo Booster Station) & White Rock-Overlook Park area (Overlook Booster Station). Does not show Ski Hill system data.
  - NP-8: Secondary/All NP system CIP projects are dependent on approved Water Trust Board (or FEMA) financing. Long term trend is upward – good. Good comparison to national standard (adopted from potable water system standards).
  - NP-9: Secondary/Terrible history (pre-FY16) of specific NP revenue not covering actual NP specific expenses. Difficult to mine early year's data. 117% rate increase in FY18 shows NP revenue now beginning to cover NP expenses – but CIP debt service expenses still not covered. If NP sales volumes continue to increase then more debt service coverage with NP revenue is expected to occur.

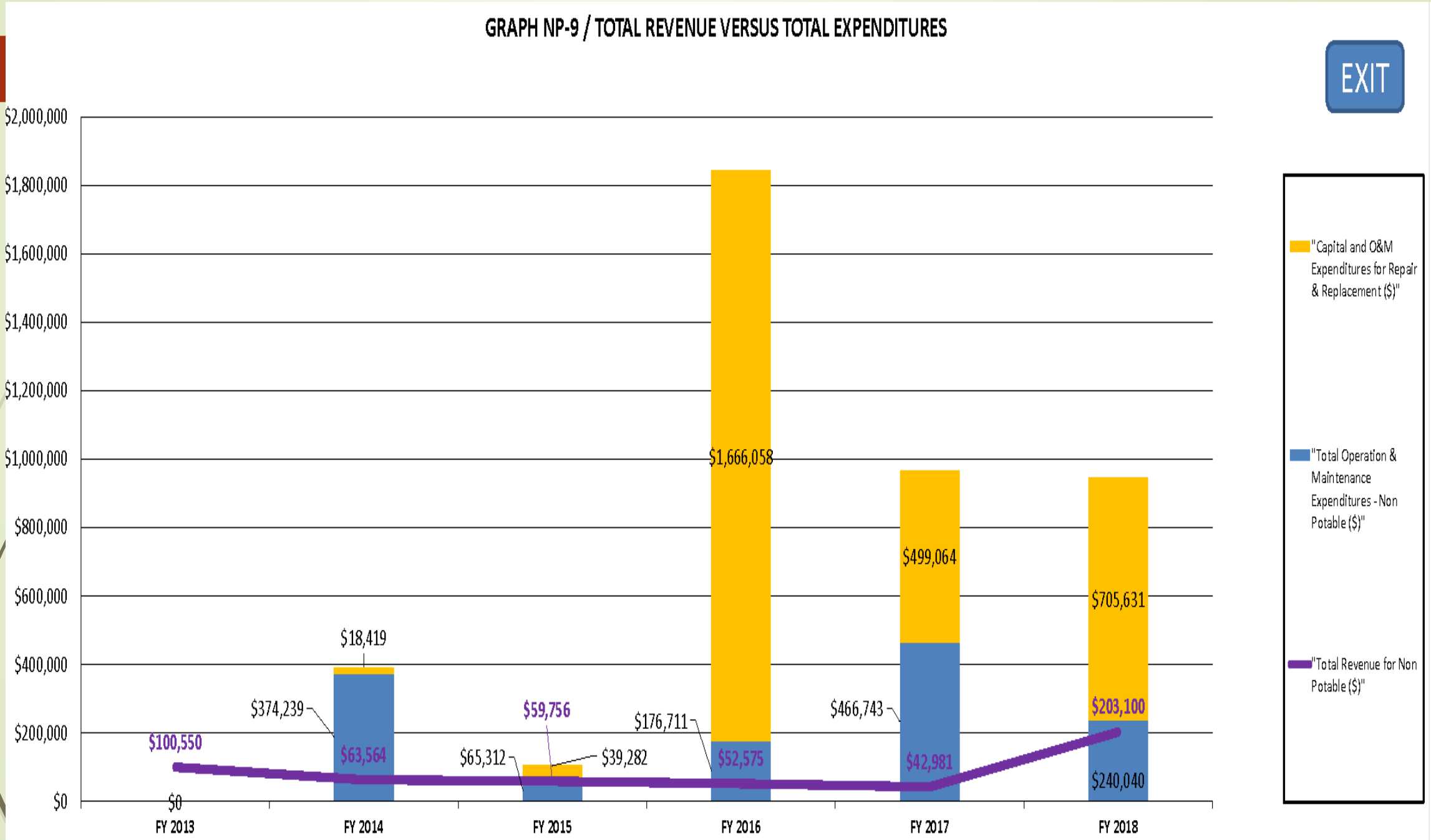
NP System – Secondary Key Organizational Performance Measure



NP System – Secondary Key Organizational Performance Measure



NP System – Secondary Key Organizational Performance Measure



Water Distribution Variance Between FY19 Budget Presentation & FY 20 Budget Presentation / 20-Year Revenue – Expenditure - Cash Balance Graph

CIP PORTION OF WATER DISTRIBUTION 20-YEAR FORECAST MODEL SPREADSHEET EXPLAINING VARIANCE BETWEEN ORIGINAL PROPOSED FY16 CIP BUDGETAND ACTUAL FY16 THRU FY20 CIP EXPENSES

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Capital - DW CIP & R&R		-	-	-	947,905	947,905	50,000
Capital (Carry Over from Previous FY) - DW		443,092	1,335,851	12,444	65,880	58,883	-
Total Capital - DW		443,092	1,335,851	12,444	1,013,785	1,006,788	50,000

FY 2016 = Carry Over from FY 2015 Western Area Phase 3 @ $520,000 Budget & $443,092 Actual.

FY 2017 = Carry Over from FY 2016 Western Area Phase 4 @ $300,000 Budget & $ 421,025 Actual, plus

FY 2017 = Carry Over from FY 2013 - FY 2016 NM 502 Project (DW Portion) Expensed in FY 2017 for $914,826.

FY 2018 = Carry Over from FY 2017 Misc CIP Expenses.

FY 2019 = Carry Over from FY 2018 Misc CIP Expenses, plus

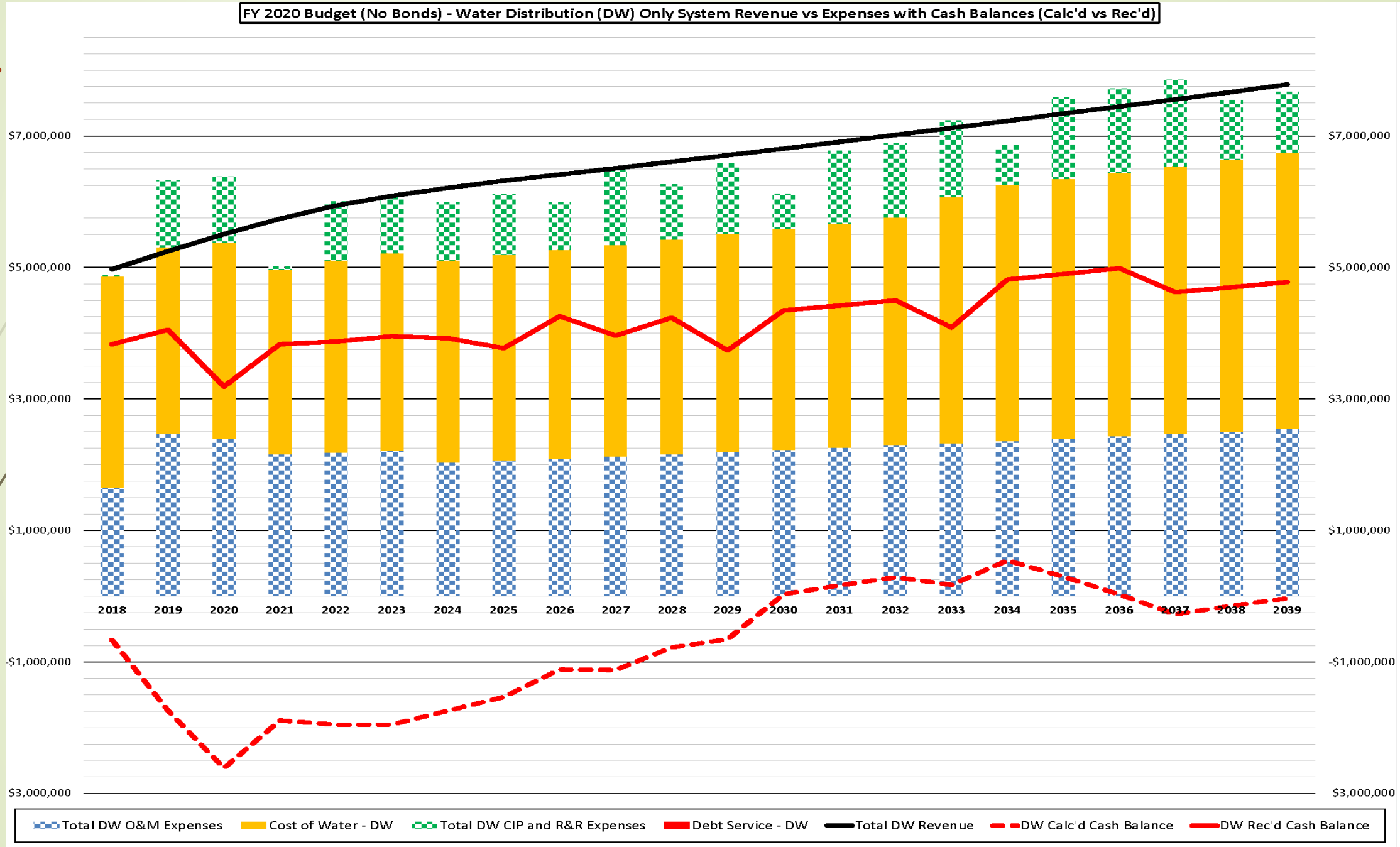
FY 2019 = 50% of Water Distribution Portion of AMI Project.

FY 2020 = 50% of Water Distribution Portion of AMI Project, plus

FY 2020 = Actual Bid Costs Over Preliminary Estimate for DW Portion of NM 502 Project Expensed in FY 2020 for $58,883.

FY 2021 = Return to Original DW CIP Budget Proposed in FY 2016. Proposed FY 2016 CIP Plan called for $0.00 CIP Budget FY 2017 thru FY 2020.

Water Distribution / 20-Year Revenue – Expenditure - Cash Balance Graph



Water Production Variance Between FY19 Budget Presentation & FY 20 Budget Presentation / 20-Year Revenue – Expenditure - Cash Balance Graph

- **FY 19 & FY 20 - Otowi Well No. 2 – Drilling and Equipping Costs**

- Well (Drilled, Tested, Complete): $ 3,000,000 (budget) / Expected Final Cost: $ 4,078,953
- Well House & Equipment: $ 1,500,000 (budget) / Expected Final Cost: $ 2,210,000
- Total Original Budget: $ 4,500,000 / Expected Final Cost: $ 6,288,953
- Variance = $ 1,788,953

- **FY 19 - Unplanned Replacement of Natural Gas Engine at Pajarito Well No. 4**

- $800,000 to Replace this Piece of Equipment. Needed during High Water Use Periods. Capable of Pumping Through Peak Power demand Period Without Additional Demand Charges.

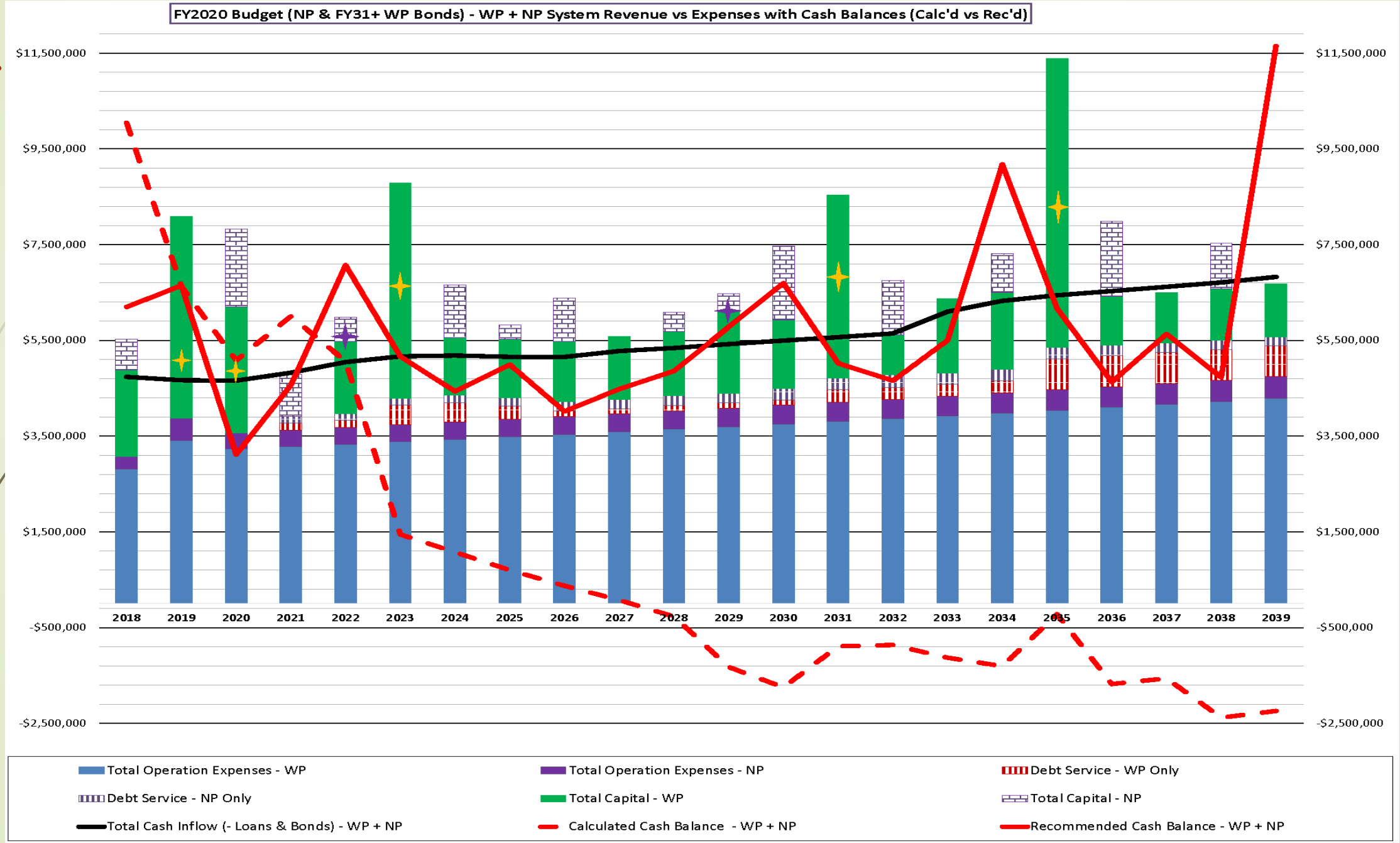
- **FY 20 - Replacement of Chlorination Building & Equipment at Tsankowi Meter/ Pajarito Well No. 1**

- $750,000 to Replace this Building & Aging Equipment. Needed in order to place the New Otowi Well No. 2 On Line and also to place the Existing Otowi Well No. 1 On Line. Also provide for New Pipeline Across NM Hwy 4 Prior to Roadway Improvements by DOE & NMDOT.

- **FY 23 – Revised Cost for Replacement of Guaje Well No. 1A**

- New Estimate = $4,500,000 Replaces Previous estimate = $3,000,000.

Water Production & Non Potable / 20-Year Revenue – Expenditure - Cash Balance

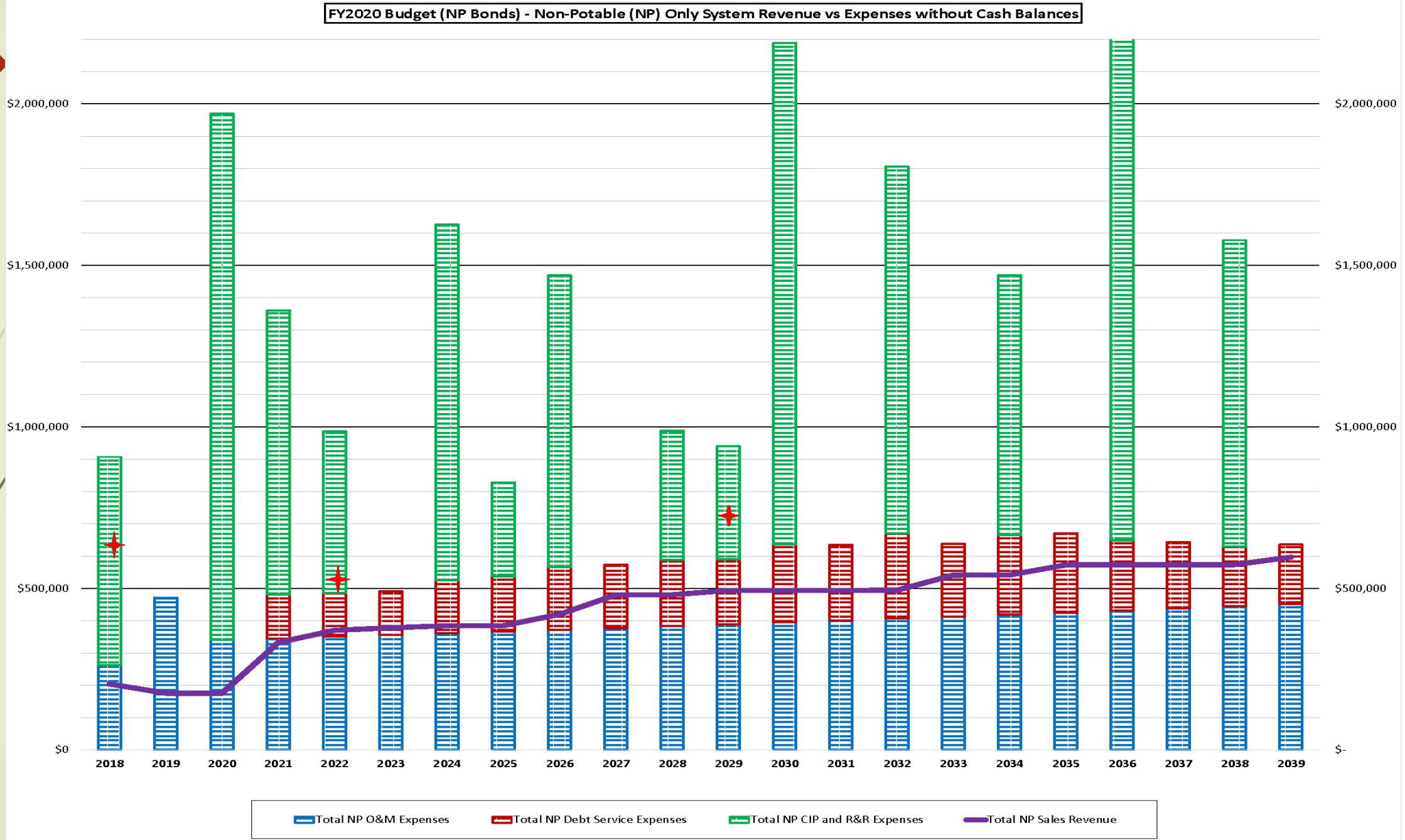


Non Potable Water (NP) Variance Between FY19 Budget Presentation & FY 20 Budget Presentation / 20-Year Revenue – Expenditure – (But Not Cash Balance) Graph

- **CIP Project Expenses and Revised Debt Service Added to the Graph Beginning in FY 21**

- Due to the Small Size of the NP System and Its Historic and Continued Embedment Within the WP Sub-Fund – It is Difficult to Develop an Independent Cash Balance 20-Year Forecast for a Separate NP Sub-Fund at this Time.
- The Red Stars in CIP Projects for FY 18, FY 22 & FY 29 Indicate NP Projects that are Not Water Trust Board Grant/Loan Funded Due to Eligibility Concerns: Camp May Tank Freeze Protection (FY 18 Deferred Until Ski Hill Pipeline (Now Assumed FY 22); FY 22 White Rock Reuse Pond Upgrades; FY 29 SCADA Upgrades. These Projects May Still be WTB Eligible – to be Determined in the Future – and if so, Then the NP System Graph Will Look Even Better.
- The RE(but not CB) Graph for the NP System Indicates that as the System is Expanded the Sales Volumes and Revenues Increase and the Financial Health of the NP System Improves.
- NP Sales Revenues Projected Based on NP Rates Increasing to Match DW Rate Increases.

Non Potable Water System / 20-Year Revenue – Expenditure – (But Not Cash Balance) Graph



Water Fund (WP + NP + DW) Variance Between FY19 Budget Presentation & FY 20 Budget Presentation / 20-Year Revenue – Expenditure - Cash Balance Graph and Potential Approaches

- **Graphs Shown in this Presentation Include Previously Proposed CIP and O&M Budgets for All Sub-Systems (WP & NP & DW) Remain in Place; Except as Previously Noted.**
- WP CIP Plan proposed at $ 712,106 (uninflated) per Year for 20 years. Equal to 2.06% of WP System Present Worth. Does not Include Replacement but Does Include Repair of Well & Booster Stations.
- DW CIP Plan proposed at $ 658,493 (uninflated) per Year for 20 years. Equal to 3.54% of DW System Present Worth. Exceeds AWWA 75th Quartile. Still Over 20 Years to Reach "Modern Acceptable".
- NP CIP Plan proposed at $ 449,877 (uninflated) per Year for 20 years. Equal to 5.46% of NP System Present Worth. AWWA Value Assumed Equal to WP Sub-System. CIP = Growth = Increased Revenue.
- FY 2019 AWWA National Standard for R&R for Each System is Listed Below:

AWWA FY19 National Standard for Repair & Replacement (R&R) per Present Worth Value (PWV)

System	FY19 DPU System PWV	AWWA 75th Quartile / $ Value	AWWA Median / $ Value	AWWA 25th Quartile / $ Value
Water Production	$ 34,550,402	8.03% / $ 2,774,397	2.57% / $ 887,945	0.57% / $ 196,937
Water Distribution	$ 18,617,275	2.80% / $ 521,284	1.70% / $ 316,494	0.70% / $ 130,321
Non Potable	$ 8,241,773	8.03% / $ 661,814	2.57% / $ 211,814	0.57% / $ 46,978

Water Fund (WP + NP + DW) Variance Between FY19 Budget Presentation & FY 20 Budget Presentation / 20-Year Revenue – Expenditure - Cash Balance Graph and Potential Approaches

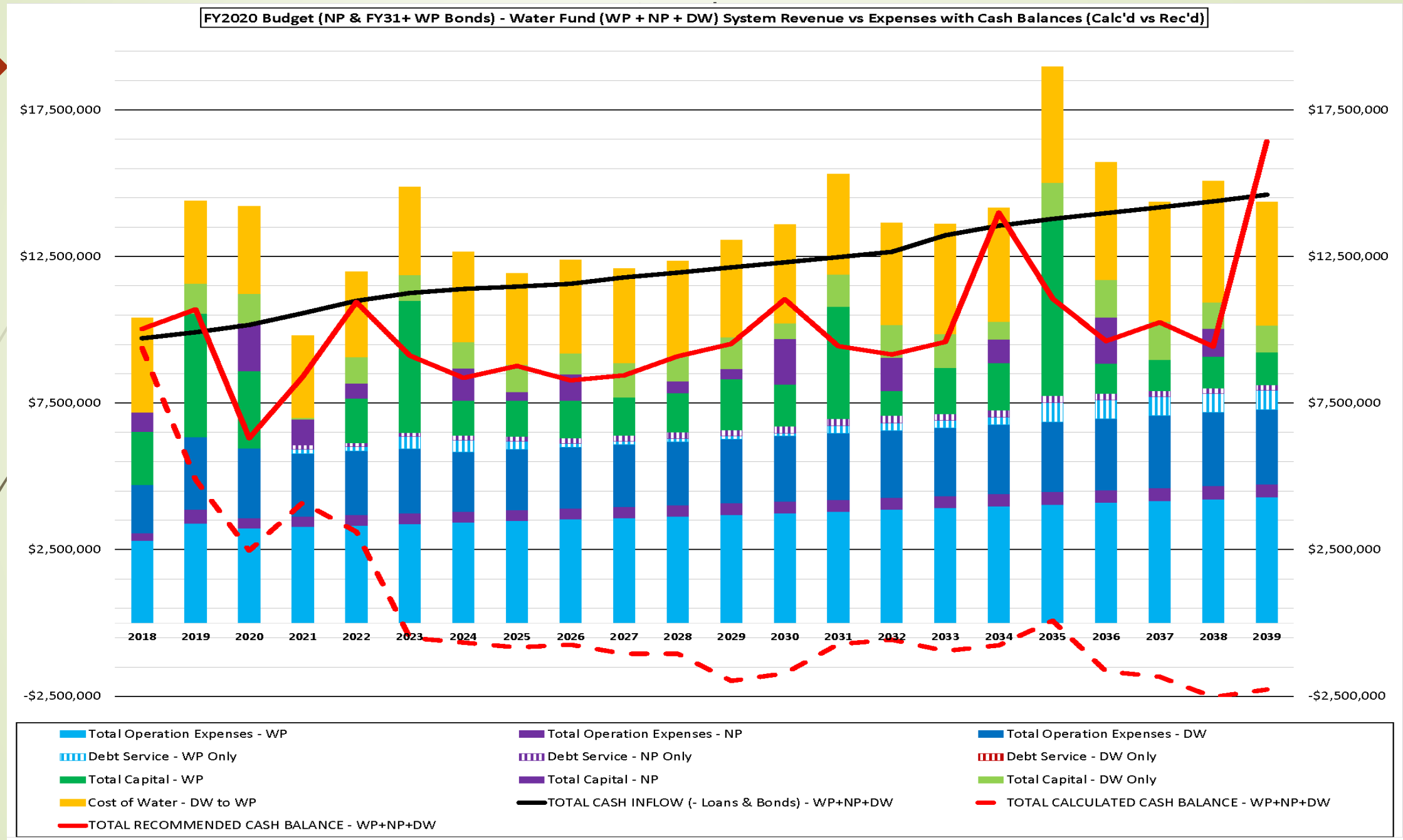
- **Revise Planned CIP Expenditures {Some Combination of These Proposals}**

- WP – Add Additional Years (Estimated 3 Years) of Zero CIP. Restart WP CIP Projects in FY 25 (2 Years of OW2 & GW1B Well CIP Projects are Not Deferred). Total 4 Years of $0.00 CIP (FY 21 Thru FY 24). Financial Goal for WP Sub-Fund Then Met in FY 2030 (10 Years). If WP CIP Projects Deferred as Proposed Herein, Then Leaving DW CIP Plan to Restart in FY 22 Enables the Entire Water Fund to Meet Financial Goal in FY 38 (18 Years).
- DW – Add an Additional 3 Years of Zero CIP. Restart DW CIP Projects in FY 25. Total 8 Years of $0.00 CIP (FY 17 Thru FY 24). Financial Goal for DW Then Met in FY 2030 (10 Years).
- NP – Remain as-is Due to Approach that 100% of NP CIP Projects are Water Trust Board Grant/Loan Funded. Plus, Expansion of the NP System Actually Provides for Additional Sales and Revenues Which Actually Improves the Financial Health of the NP System.

- **Begin Bonding for Major Projects Immediately (FY 19) and Rebalance Sub-Fund Cash Reserves**

- Bond Finance (3.00% for 20 Years) All Major CIP Projects (As Done Now in WT) Starting in FY 19: WP = OW2 Completion & All Future Well and Booster Station Replacements; DW = AMI Project.
- Rebalance $2.5 Million (+/-) from the WP Sub-Fund Cash Reserves to the DW Sub-Fund Cash Reserves.
- Keep All Sub-Fund CIP Plans on the Original Schedule: WP & NP Continue as Originally Proposed and WP & DW CIP Projects Restart in FY 22.
- The WP Sub-Fund (WP + NP) and the DW Sub-Fund Cash Reserves Meet Financial Goals Starting in FY 19.

Total Water Fund (WP + NP + DW) / 20-Year Revenue – Expenditure - Cash Balance



Water System Rates

- **Water Rates Originally Proposed in FY 16 to Meet Long Range (10 & 20 Year) O&M and CIP System Needs**

- Variance of $ 1,778,943 in FY 16 & FY 17 CIP Expenses Carried Over from Previous FY's (Budgeted at Zero) not Being Factored into the Original 20-Year Forecast Budget Models Caused the Original Models' Output to be Excessively Optimistic.
- Adding $ 1,895,810 Split 50/50 Between FY 19 & FY 20 for the AMI Project to the DW Sub-System was not Factored into the Original Budget Models and Caused the Original Models' Output to be Excessively Optimistic.
- Current Proposed Rates and CIP Programs, plus Carried Over & AMI CIP Expenses, Now Factored into the 20-Year Forecast Models Predict Extreme Negative Cash Balances in both the WP & DW Sub-Funds and an Actual Negative Cash Balance in the Total Water Fund (Combined DW + WP + NP).

- **Paths Forward to Meet Water Fund (and Sub-Fund) Financial Health and Cash Balance Financial Goals**

- Multiple Paths Forward are Available. The Goal for All Paths is to Try and Keep Rates as Close as Possible to Those Rates Originally Proposed in FY 16.
- Path 1: Significantly Expand the CIP Project Deferral Process to Both the WP & DW Sub-Systems for Many Years. Possibly 7 Additional Years of Deferral for Both the WP & DW Sub-Systems. Equates to 8 Years Worth of Deferral for WP and 11 Years Worth of Deferral for DW. Multiple Deferral Periods May be Developed. One Possible Variation of this Path is to Reduce Annual WP CIP Expenses by 50% and Extend the CIP "Completion" Period from 25 to 50 Years. Originally Proposed Rates Would Likely be Increased, Probably Slightly More Than for Other Paths (Depending on the Length off Deferrals), for Multiple Years. Financial Goals Met Eventually: 20 Years +/-.
- Path 2: A Lesser Expansion of the Current CIP Project Deferral Process to Both the WP & DW Sub-Systems for 3 Years. This Equates to 4 Years Worth of Deferral for WP and 8 Years Worth of Deferral for DW. Multiple Varying Deferral Periods for Each of WP & DW May be Developed. Rates as Originally Proposed May Include Minor Increased Rate Adjustments of Less than 1.00% per Year for a Few Years. Financial Goals Met in 10 to 18 Years +/-.
- Path 3: Implement Major CIP Project Bond Financing 10 Years Sooner than Anticipated (FY 19). Re-Balance WP & DW Sub-Fund Cash Reserves so Both Sub-Funds Immediately Meet Financial Goals. Rates as Originally Proposed May Include Minor Increased Rate Adjustments of Less than 1.00% per Year for a Few Years.

Water System Rates Comparison / FY 16 Original vs. FY19 Proposed

ANNUAL WATER RATES & PERCENT INCREASE COMPARISON - ORIGINAL FY16 ALTERNATE FORTY VS. FY19 PROPOSAL													
	Sub-System	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
PROPOSED ANNUAL PERCENT INCREASE													
FY16 Original Alt 40	WP	8.00%	6.75%	5.50%	4.50%	4.00%	3.25%	3.00%	2.50%	2.25%	2.00%	1.50%	1.50%
	DW	8.00%	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	1.75%	1.50%	1.50%	1.50%	1.50%
	NP	117.00%	8.00%	7.00%	6.50%	6.25%	6.00%	5.50%	5.00%	4.50%	4.00%	3.50%	3.00%
FY19 Current Proposal	WP	0.00%	6.25%	5.00%	4.25%	4.00%	3.00%	2.00%	1.75%	1.50%	1.50%	1.50%	1.50%
	DW	8.00%	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	1.75%	1.50%	1.50%	1.50%	1.50%
	NP	117.00%	6.25%	5.00%	4.25%	4.00%	3.00%	2.00%	1.75%	1.50%	1.50%	1.50%	1.50%
PROPOSED ANNUAL RATES													
FY16 Original Alt 40	WP	$3.43	$3.66	$3.86	$4.03	$4.20	$4.33	$4.46	$4.57	$4.68	$4.77	$4.84	$4.91
	DW	$4.98	$5.29	$5.55	$5.79	$5.99	$6.14	$6.26	$6.37	$6.47	$6.57	$6.67	$6.77
	NP	$2.50	$2.70	$2.89	$3.08	$3.27	$3.47	$3.66	$3.84	$4.01	$4.17	$4.32	$4.45
FY19 Current Proposal	WP	$3.12	$3.31	$3.48	$3.62	$3.77	$3.88	$3.96	$4.03	$4.09	$4.15	$4.21	$4.28
	DW	$4.98	$5.29	$5.55	$5.79	$5.99	$6.14	$6.26	$6.37	$6.47	$6.57	$6.67	$6.77
	NP	$2.50	$2.66	$2.79	$2.91	$3.02	$3.11	$3.18	$3.23	$3.23	$3.23	$3.23	$3.23

DW Sub-System Summary – January 2019 Water Distribution Physical Condition Assessment

- The current physical condition of the water distribution system overall is fair to good.
- Last year the physical condition was also rated fair to good.
- Known portions in poor condition, pipelines that have been in the ground for 50 to 60 years, have not been reduced because the system is currently in a CIP project deferred status. Various paths forward may decrease or increase the CIP deferral period.
- Greatest weakness = PRV Station valve & pipe condition due to excessive rust. GWS crews are currently acquiring equipment and supplies in preparation for a major overhaul of all PRV stations in FY19-FY20.
- New more accurate meters continue to be installed at a rapid pace – anticipated FY16 thru FY23. The AMI project is expected during FY19-FY20.
- The GIS upgrade project, with the anticipated condition assessment reporting, is expected to be completed in FY19-FY20.
- Dashboards have been upgraded and implemented into standard practice condition assessment discussions.

WP Sub-System Summary – January 2019 Water Production
Physical Condition Assessment

- The current physical condition of the water production system overall is fair to good.
- Last year the physical condition was rated good – with limited known portions in poor condition.
- Known portions in poor condition, pipelines that have been in the ground for 50 to 60 years, have not been reduced because the system is currently in a pipeline CIP project deferred status. Various paths forward may increase the CIP deferral period.
- Greatest weakness = the age of the 12 existing wells, well pumps & well equipment. DPU has temporarily lost the use of 4 wells for a period of time over the past 2 years. Putting the new OW2 & the existing OW1 wells on-line in FY22 will help to reinforce against this weakness.
- A system wide isolation valve exercise and R&R program is scheduled for FY19-FY20.
- **The GIS upgrade project, with the anticipated condition assessment reporting, is expected to be completed in FY19-FY20.**
- **Dashboards have been upgraded and implemented into standard practice condition assessment discussions.**

NP System Summary – January 2019 Non Potable Water Physical Condition Assessment

- The current physical condition of the NP water system overall is good.
- Last year the physical condition was also rated good.
- Known poor infrastructure is the irrigation pump station at Overlook Park and the older pipeline across portions of the golf course.
- Greatest weakness = Overlook Park Irrigation Pump Station. Water Trust Board funding has been requested to replace this station in FY21 – if funding approval is received.
- The LA Reservoir pipeline replacement project has been completed. The use of LA Reservoir water to again flow into the NP system will restart in FY19.
- New meters and pressure control/flow control valves have been installed at all NP customers points of use (except the ski hill). FY19 will be the first year that NP meter reading for water use will be automated.
- The GIS upgrade project, with the anticipated condition assessment reporting, is expected to be completed in FY19-FY20.
- Dashboards have been upgraded and implemented into standard practice condition assessment discussions.

DW Sub-Fund Summary – January 2019 Water Distribution Financial Condition Assessment

- The current financial condition of the water distribution system is poor.
- Last year the financial condition was rated as fair.
- The cash balance reserves of the water distribution sub-system are negative. This is due in part to previous years (ending FY16) of optimistic projections of water sales (water revenues) with a pipeline CIP R&R program matching those revenue projections. Additional stress on the DW cash reserve account occurred due to CIP costs carried over into the 20-year forecast model from pre-model FY's and the AMI project; both totaling $3,674,753.
- The 20-year forecast models have been revised to ensure that previous year CIP carry over expenses are no longer unexpected additional costs to the sub-system.
- The GIS upgrade project, with the anticipated financial asset management reporting, is expected to be completed in FY19-FY20.
- The various paths forward are all anticipated to improve the financial health of the DW sub-system. All paths reach the financial goals for cash reserves; however, with significantly different lengths of time to reach that goal.
- DW Water Rates are anticipated to increase annually at the rates, plus or minus, previously discussed in earlier presentations.

WP Sub-Fund Summary – January 2019 Water Production Financial Condition Assessment

- The current financial condition of the water production system is fair – trending poor.
- Last year the financial condition was rated as good.
- The cash balance reserves of the water production system are above the financial policy goals; however, after completion of the existing OW2 and the planned GW1B well projects the WP cash reserves will be negative. This is due to using the pay as you go philosophy for all CIP, including major, projects. Current rates, and previously proposed rate increases, are not adequate to sustain the pay as you go philosophy for the WP sub-fund.
- The 20-year forecast models have been revised to ensure that previous year CIP carry over expenses are no longer unexpected additional costs to the sub-system. The WP model has also been revised to begin bond financing of major CIP projects in FY31 and beyond.
- The GIS upgrade project, with the anticipated financial asset management reporting, is expected to be completed in FY19-FY20.
- Various paths forward are anticipated to improve the financial health of the WP sub-fund. All paths reach the financial goals for cash reserves; however, with significantly different lengths of time to reach that goal.
- WP Water Rates are anticipated to increase annually at the rates, plus or minus, previously discussed in earlier presentations.

NP System Summary – January 2019 NP Water System Financial Condition Assessment

- The current financial condition of the non potable water system system is fair.
- Last year the financial condition was rated as poor.
- No separate cash balance reserves are tracked for the NP system because it is embedded into the WP sub-fund. However, whether or not NP system revenues cover expenses (O&M and debt service) does have an effect on the financial health of the combined (WP + NP) sub-fund.
- The 20-year forecast models have been revised to ensure that previous year CIP carry over expenses are no longer unexpected additional costs to the sub-system. The NP model has also been revised to include debt service and better show how NP revenues are covering both O&M and debt service expenses.
- The GIS upgrade project, with the anticipated financial asset management reporting, is expected to be completed in FY19-FY20.
- Various paths forward are anticipated to improve the financial health of the NP sub-fund. All paths reach the financial goals for cash reserves; however, the NP system is projected to be many years before revenues meet 100% of expenses as currently projected.
- NP Water Rates are anticipated to increase significantly less than earlier projected in FY16; annually at the rate equivalent to that of WP & DW rates. This will maintain the current difference between potable (DW) rates and NP rates at approximately 50%.

Overall Water Fund Summary – January 2019 Combined DW, WP & NP Water Systems Financial Condition Assessment

- The current financial condition of the entire Water Fund, that includes both sub-funds of Water Distribution and Water Production (including the NP Water System) is fair.
- Last year the financial condition of the overall Water Fund was rated as good.
- The cash balance reserves of the Water Fund are above the financial policy goals; however, after completion of the existing OW2 and the planned GW1B well projects in WP and the AMI project in DW the Water Fund cash reserves will be negative.
- The NP System finances are relatively small and do not significantly affect the annual cash flow or cash balance of the overall Water Fund.
- The 20-year forecast models have been revised to ensure that previous year CIP carry over expenses are no longer unexpected additional costs to the fund. The WP model has also been revised to begin bond financing of major CIP projects in FY31 and beyond.
- The GIS upgrade project, with the anticipated financial asset management reporting, is expected to be completed in FY19-FY20.
- Various paths forward are anticipated to improve the financial health of the Water Fund. All paths reach the financial goals for cash reserves; however, with significantly different lengths of time to reach that goal.
- Water Rates, for all sub-systems (DW, WP & NP) are anticipated to increase annually more or less equally at the rates, plus or minus, previously discussed in earlier presentations.

Agenda No.:	4.I.1
Index (Council Goals):	BCC - N/A
Presenters:	Board of Public Utilities
Legislative File:	**11551-19**

Title

Tickler File for the Next 3 Months

Attachments

A - Tickler File for the Next 3 Months

County of Los Alamos

Tickler

Los Alamos, NM 87544
www.losalamosnm.us

Criteria: Agenda Begin Date: 2/1/2019, Agenda End Date: 4/30/2019, Matter Bodies: Board of Public Utiliti

File Number	Title

Agenda Date: 02/20/2019

11308-18 **Briefing/Report (Dept,BCC) - Action Requested** **04G General Board Business**

Schedule and Selection of Members to Attend Boards & Commissions Luncheons for 2019

Department Name: DPU
Length of Presentation: Apx. 5 Min.
Drop Dead Date:
Sponsors: Jeff Johnson, Chair of the Board of Public Utilities

CO0544-18 **Code Ordinance** **05 Public Hearings**

(Public Hearing) - Water Rate Adjustment

Department Name: DPU
Length of Presentation: Apx. 30 Min.
Drop Dead Date:
Sponsors: Bob Westervelt

11470-18 **Budget Item** **06 Consent**

Approval of the Transfer of Profit from Electric and Gas Funds to the General Fund for Operations During Fiscal Year 2018.

Department Name: DPU
Length of Presentation: N/A
Drop Dead Date:
Sponsors: Bob Westervelt

11556-19 **Briefing/Report (Dept,BCC) - Action Requested** **06 Consent**

Approval of Amendment No. 2 to Task Order No. 2 Under Services Agreement No. AGR17-16b with Santa Fe Engineering Consultants, LLC, in the amount of $[amount], plus Applicable Gross Receipts Tax, for the Purpose of Los Alamos Canyon Road Stabilization Project.

Department Name: DPU
Length of Presentation: N/A
Drop Dead Date:
Sponsors: James Alarid, Deputy Utilities Manager - Engineering

11419-18 **Budget Item** **07 Business**

Department of Public Utilities FY2020 Budget Presentation

Department Name: DPU
Length of Presentation: Apx. 30 Min.
Drop Dead Date:
Sponsors: Bob Westervelt, Deputy Utilities Manager - Finance/Admin

11539-19 **Briefing/Report (Dept, BCC) - No action requested** **07 Business**

Carbon Free Power Project (CFPP) Update

Department Name: DPU
Length of Presentation: Apx. 20 Min.
Drop Dead Date:
Sponsors: Steve Cummins, Deputy Utilities Manager - Power Supply

File Number	Title	
11473-18	**Briefing/Report (Dept,BCC) - Action Requested**	**07 Business**

(TENTATIVE) Extension of the Western Area Power Administration (WAPA) Agreement

Department Name: DPU
Length of Presentation: Apx. 10 Min.
Drop Dead Date:
Sponsors: Steve Cummins, Deputy Utilities Manager - Power Supply

Agenda Date: 03/20/2019

11471-18 **Report** **04G General Board Business**

Quarterly Conservation Program Update

Department Name: DPU
Length of Presentation: Apx. 10 Min.
Drop Dead Date:
Sponsors: James Alarid, Deputy Utilities Manager - Engineering

11474-18 **Briefing/Report (Dept,BCC) - Action Requested** **07 Business**

Power Purchase Agreement for Solar Power

Department Name: DPU
Length of Presentation: Apx. 20 min.
Drop Dead Date:
Sponsors: Steve Cummins, Deputy Utilities Manager - Power Supply

11472-18 **Budget Item** **07 Business**

Approval of Department of Public Utilities FY2020 Budget

Department Name: DPU
Length of Presentation: Apx. 30 Min.
Drop Dead Date:
Sponsors: Bob Westervelt, Deputy Utilities Manager - Finance/Admin

Agenda Date: 04/17/2019

11554-19 **Briefing/Report (Dept, BCC) - No action requested** **04G General Board Business**

Briefing from County Manager on the County Strategic Objectives

Department Name: DPU
Length of Presentation: Apx. 20 Min.
Drop Dead Date:
Sponsors: Harry Burgess, County Manager

11555-19 **Briefing/Report (Dept, BCC) - No action requested** **04G General Board Business**

Quarterly Update on Utility System - Wastewater System

Department Name: DPU
Length of Presentation: Apx. 30 Min.
Drop Dead Date:
Sponsors: Jack Richardson, Deputy Utilities Manager - GWS Services

County of Los Alamos

Staff Report

January 16, 2019

Agenda No.:	6.A
Index (Council Goals):	
Presenters:	Department of Public Utilities
Legislative File:	**11550-19**

Title

Approval of Board of Public Utilities Meeting Minutes

Recommended Action

I move that the Board of Public Utilities approve the meeting minutes of December 19th, 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. No changes were requested.

Attachments

A - Draft BPU Regular Session Minutes - December 19th, 2018

DRAFT - The Board of Public Utilities has not yet approved these minutes.

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, December 19, 2018 **5:30 PM** **1000 Central Avenue Room 110**

REGULAR SESSION

1. CALL TO ORDER

The regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, December 19th at 5:30 p.m. at 1000 Central Ave., Room 110. Board Chair, Jeff Johnson, called the meeting to order at 5:34 p.m.

Present 4 - **Board Member Johnson, Vice-chair Walker, Board Member Frederickson and Board Member McLin**

Absent 1 - **Board Member Taylor**

Deputy Utility Manager for Engineering Mr. James Alarid attended for Mr. Glasco.

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 that the agenda be approved as presented. The motion passed by the following vote:
****

Yes: 4 - **Board Member Johnson, Vice-chair Walker, Board Member Frederickson and Board Member McLin**

Absent: 1 - **Board Member Taylor**

4. BOARD BUSINESS

4.A. Chair's Report

Aside from the reminder for the upcoming Boards & Commissions Luncheon, Mr. Johnson had nothing to report.

4.A 10376-18 Reminder for Upcoming Boards & Commissions Luncheon

Presenters: Board of Public Utilities

DRAFT - The Board of Public Utilities has not yet approved these minutes.

The month prior to a Boards and Commissions luncheon, the attendee schedule will be included in the agenda packet as a reminder during the Chair's report. Mr. McLin is scheduled to attend the January 17th luncheon.

4.B. Board Member Reports

Board members had nothing to report.

4.C. Utilities Manager's Report

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

4.D. County Manager's Report

Mr. Burgess reported on the following items:

1) The orientation and swearing-in for the newly elected Councilors happened today. They will be taking their seats on January 1st. With Councilor Chandler going to the State Legislature, there will be a process to replace that position. Advertising for that will start on January 2nd. The new Councilor will be appointed on January 29th.

2) On the Council's State Legislative agenda last evening, Council approved a capital request for monies to promote infrastructure for affordable and/or workforce type housing. If awarded, discussions would begin with Utilities on installations for two potential projects. One is a second affordable housing project on DP Road across the street from the current project. The other is on North Mesa east of the middle school. There are 29 acres of school owned property being considered. The County has had conversations with the School Board about potentially turning that into a housing project. Utilities has weighed in preliminarily on what would be necessary to loop some of the systems to support such a potentially large development. Mr. Burgess will return with more information as he knows more.

4.E. Council Liaison's Report

A Council Liaison was not present. No report was given.

4.F. Environmental Sustainability Board Liaison's Report

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

4.G. General Board Business

4.G.1 11313-18 Quarterly Conservation Program Update

Presenters: James Alarid

Deputy Utility Manager of Engineering Mr. James Alarid 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. Alarid presented a summary of recent conservation activities.

The Board discussed this item and requested clarification where necessary.

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4.H. Approval of Board Expenses

There were no Board expenses.

4.I. Preview of Upcoming Agenda Items

4.I.1 11475-18 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 - Follow-up Meeting to Finish the Board Self-Evaluation (Jeff Johnson)

5. PUBLIC HEARING(S)

There were no public hearings scheduled for this meeting.

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: 4 - Board Member Johnson, Vice-chair Walker, Board Member Frederickson and Board Member McLin

Absent: 1 - Board Member Taylor

6.A 11468-18 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 November 20th, 2018 as presented.

7. BUSINESS

7.A 11464-18 Annual Board of Public Utilities Self-evaluation for 2018

Presenters: Board of Public Utilities

The Board conducted its annual self-evaluation using the same questionnaire from the 2017 evaluation. Rather than scoring, prioritizing and assigning action for every question, the Board focused only on those questions where action or improvements might be necessary. The members identified those questions they wished to discuss. If a question was not discussed, it was assumed that the members felt the Board was already doing well in those areas.

Prior to conducting the evaluation, the Board discussed whether the questionnaire format was still useful in its current form and if the questions were still valid. The Board also

DRAFT - The Board of Public Utilities has not yet approved these minutes.

discussed whether or not they should have solicited more staff input. After discussion, it was decided that the Board would conduct the evaluation as planned, but a follow-up meeting would be scheduled to discuss ways to possibly improve the self-evaluation and get more input. Mr. Johnson will also document the comments and possible actions and will discuss with Mr. Glasco when staff might be able to provide more input.

The following questions were discussed and actions identified for follow-up:

1) QUESTION I.E Is the length of Board meetings appropriate?

ACTION - Some members felt that some meetings are still too long, but overall, the efficiency and length of the meetings has improved. The Board considered if some of the routine agenda items could be removed to save more time, but none were specifically identified for removal. Perhaps when setting the agenda, the Chair and Utilities Manager could consider which items are flexible and could be moved when agendas are long. The Board could also consider scheduling more special meetings as necessary.

2) QUESTION I.G. - Does the Board receive sufficient information to make good decisions?
QUESTION I.H - Are decisions made in a timely manner?

ACTION - A member felt that sometimes they do not receive sufficient information to make informed decisions, even after requesting it several times. The member also felt that sufficient time is not always given to digest information on complex issues before being asked to make a decision or gather adequate public input. Other members acknowledged that this does happen in some cases; however, they did not necessarily feel that this is always a pervasive problem. It was recommended that when members feel they have not received sufficient information or time to make a decision at a meeting, they should move to table the item until the requested information is provided, and if the other members concur, more time can be given. The Utilities Manager will be asked to provide input.

3) QUESTION II.A.1 - Does the Board understand its obligation to see the organization acts in the best interests of DPU customers and citizens of the County?

ACTION - This discussion was also related to #2. A member felt that some requests and arguments made by the Department don't always demonstrate that they are acting in the best interest of the customers and citizens, especially if data is lacking to justify a course of action. While it was acknowledged that this could appear to be true in some cases, no other members expressed a concern in this general area.

4) QUESTION II.B.2 - Do Board members understand the difference between their policy role and management's administrative role?

ACTION - No specific examples have been identified, but the Board wants to continue to ensure that it does not inadvertently set policy in violation of the Charter. For a time, two Board members and two Councilors were meeting regularly to discuss issues of mutual concern and would report back to their respective bodies. Members felt this was very constructive, and it was recommended that the Board reach out to Council to revive that practice. It was also suggested by the Assistant County Attorney that it might be helpful to think about what is actually called a policy and what is called a procedure, such as the Board's Policies and Procedures Manual.

DRAFT - The Board of Public Utilities has not yet approved these minutes.

5) QUESTION II.C.2 - Does the Board give clear directions to management on the mission and goal of the organization?

ACTION - A member felt that while the Board does guide the Department through policy decisions, the direction to the department through the mission and goals is a little more ambiguous. The Utilities Manager will be asked to provide input.

6) QUESTION II.C.3 - Does the Board spend an appropriate time on policy consideration and direction versus operational issues?

ACTION - A member felt that the Board did well in this area, but wanted to know how others felt. There were no comments or concerns.

7) QUESTION II.D.2 - Are there systems for corrective action where performance is below standard or reward when performance is above standard?

ACTION - A member did observe that the Department does well commending people for good performance, but the Utilities Manager will be asked to provide input.

8) QUESTION II.D.3 - Are organizational goal setting and achievements taken into account during the DPU Manager's evaluation?

ACTION - It was felt that the Board does this in general, although the evaluations have recently been more of an assessment of the Utilities Manager's leadership across broad goals, which seems to be more appropriate for such a position. The Utilities Manager will be asked to provide input.

9) QUESTION II.E.2 - Does the Board communicate the value of the organizations to its stakeholders.
QUESTION II.E.5 - Does the Board communicate effectively with the County.

ACTION - This discussion was also related to #4. Several members felt that communication with Council had improved this last year and it was pointed out that they seem to appreciate it when members attend Council meetings. Overall, members felt that the Department does a very good job with communication and outreach and the Board's role should be to ensure that the Department continues to do a good job of public outreach on key issues.

10) QUESTION II.E.3 - Does the Board seek input and involve its stakeholders in policy considerations and decisions.

ACTION - Members felt that the Board generally does well in this area, especially through joint meetings with Council on important issues, but perhaps there is some room for improvement. There are some opportunities coming up in the near future for the Board to assess what kind of public and stakeholder input tools are available and how to filter the feedback to make decisions that are in the best interest of the whole County. The Utilities Manager will be asked to provide input.

11) QUESTION III.C.3 - Do Board members usually attend annual DPU strategy and planning meetings?

ACTION - Direction is given by the Board through the course of the year, which is always

DRAFT - The Board of Public Utilities has not yet approved these minutes.

considered during Department strategic planning. The Board considered assigning two members to attend those meetings as the dates get closer.

12) QUESTION III.D.9 - Does the Board provide overall human resources direction to the DPU Manager without becoming involved in specific personnel matters?

ACTION - The Board is involved in human resources direction in terms of monitoring staffing levels and approving collective bargaining agreements; however, it was felt that the Board has a very limited role in dealing with human resource issues and perhaps this question should be changed.

13) QUESTION III.D.10 - Is the Board explicit about the information it needs from the DPU Manager to fulfill its governance function?

ACTION - The Utilities Manager will be asked to provide input.

14) QUESTION III.F.1 - Do Board members participate in educational opportunities recommended and offered by the DPU or other entities that enhance their effectiveness as a Board member?

ACTION - One member expressed a hesitance to go on travel to learn more about Utilities related programs or projects because of public perception of possible travel abuse. No other members expressed this same concern, but discussed the importance of traveling or completing training when necessary to better serve the County. Members were asked to consider whether or not some sort of minimal training requirement should be imposed on members, and if so, how that might be enforced. This will be discussed again at the follow-up meeting.

8. STATUS REPORTS

8.A 11469-18 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

9. PUBLIC COMMENT

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

10. ADJOURNMENT

The meeting adjourned at 6:56 p.m.

****

APPROVAL

_____

DRAFT - The Board of Public Utilities has not yet approved these minutes.

Board of Public Utilities Chair Name

_____

Board of Public Utilities Chair Signature

_____

Date Approved by the Board

ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

DRAFT - The Board of Public Utilities has not yet approved these minutes.

Utility Manager's Report
December 19, 2018

1. AMI Project was approved in the December 18, 2018 County Council meeting. The council placed the condition that the contract cannot be executed until the council approves the policy allowing customers to opt-out of having AMI installed at their home or establishment.

2. Rafael De La Torre, Deputy Manager for Electric Distribution, has submitted his resignation. After over ten years with the DPU, Rafael will be leaving on January 11, 2019.

3. Pajarito Well #4 engine replacement needed. The engine is a large diesel unit installed in 1981 and rebuilt in 2002. The engine is now obsolete and parts are no longer available. The goal is to have the engine replaced in early summer of 2019.

4. On December 13, 2018 the 2019 DPU management audit kick-off meeting was held. The consultant was onsite for the day. A series of meetings will occur in January, February and March to gather information and draft the contents of what will become either a Zia application to Quality New Mexico or a stand-alone management audit adhering to the Malcolm Baldridge Quality Management Criteria for Performance Excellence.

Environmental Sustainability Board (ESB) liaison report

Susan Barns, ESB Liaison 12/19/2018

Tomorrow night's ESB meeting will include:

- Discussion of the ESB Work Plan for FY20
- Presentation on options for at-home composting systems
- Election of Chair and Vice Chair, and the 2019 meeting schedule

Other items to note:

- Due to James Robinson's election to County Council, the ESB will have an opening starting in January. If you have any family, friends or co-workers who might be interested in joining our Board, please encourage them to apply!
- Yard trimmings roll cart collection has stopped until March. Curbside Christmas tree collection will begin the week of January 7.
- Corrugated cardboard dumpsters have been placed at additional collection sites around LA and WR to accommodate holiday cardboard generation. Additional sites include North Mesa Ball Fields, Ice Rink, four Fire Stations, and Municipal Building. We encourage you to unstuff your recycle cart and save the County some cash by dropping off your cardboard at one of these sites!

Agenda No.:	6.B
Index (Council Goals):	BCC - N/A
Presenters:	Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File:	**AGR0609-19**

Title
Approval of Services Agreement AGR19-27 with Los Alamos National Bank in the amount of 142,800.00, plus New Mexico Gross Receipts Tax, for the Purpose of Lock Box Services.

Recommended Action
I move that the Board of Public Utilities approve agreement AGR19-27 with Los Alamos National Bank in the amount of 142,800.00, plus New Mexico Gross Receipts Tax, for the Purpose of Lock Box Services.

Staff Recommendation
Staff recommends that the Board approve the agreement as presented.

Body
In early fiscal year 2012 the Utilities department solicited for “lockbox payment processing services”, whereby a vendor would receive mailed in payments and provide local payment options for Utilities Department customers to pay their utilities bills. Property tax payments are also received on behalf of the County Assessor’s office through the lockbox agreement. Los Alamos National Bank was the successful bidder and has been providing services since February 1, 2012. That contract expires January 30, 2019 and all available extensions have been exercised. In November the department solicited in open competition for lockbox services. Los Alamos National Bank (LANB) was the only offeror, but the evaluation committee has determined that their proposal was responsive. There is no cost escalation from the existing fee in this new proposal, and no escalation for the term of the proposal.

In fiscal year 2016 46,114 transactions were processed through the lockbox. While more recent statistics are not readily available, lock box activity has been fairly consistent for many years and this level of activity is still representative. At even only one minute per transaction, which is a very conservative estimate, it would take at least an additional ¼ FTE to process this volume, if that FTE did nothing else, uninterrupted, and without any errors or anomalies to stop and deal with. Realistically, staff feels it would take at least one full additional FTE, at a fully loaded and burdened cost of approximately $65,000/yr., to handle the tasks and workload currently covered through the Lock Box Agreement. At $20,400/yr, this contract is clearly economically beneficial to the Department.

In addition to the simple economics, there are several customer service and logistical benefits. Customers are able to make payments 24 hours a day at several automated teller machines in Los Alamos County or during normal business hours at staffed LANB locations. Payments are posted directly to our account when processed, instead of through a separate deposit made by staff the next day. Not only does the cash reach our bank account sooner, but risk of loss, theft, error, or fraud is substantially reduced.

The contract is for a four-year term with the option for three one year extensions.

Alternatives

Should the Board not approve this agreement the existing services will terminate January 31, 2019. The Department would need to resolicit for the services in hopes of getting additional or different proposals or make a decision to perform the services with County staff and resources, which may require additional staff.

Fiscal and Staff Impact

There is no fiscal or staff impact as this service has been ongoing and is already incorporated into our budget and work plan.

Attachments

A - AGR19-27

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
SERVICES AGREEMENT

This **SERVICES AGREEMENT** ("Agreement") is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **Los Alamos National Bank**, locally owned and operated by Trinity Capital Corporation, a New Mexico corporation ("Contractor" or "LANB"), to be effective for all purposes February 1, 2019.

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. 19-27 (the "RFP") on October 28, 2018, requesting proposals for Lockbox Services, as described in the RFP; and

WHEREAS, Contractor timely responded to the RFP by submitting a response dated November 19, 2018 ("Contractor's Response"); and

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

WHEREAS, the Board of Public Utilities approved this Agreement at a public meeting held on January 16, 2019; and

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 Lock Box Services as follows:

1. **Contractor Services for Utilities and County Assessor.** Contractor shall provide Lockbox Services for the collection of monthly County utility customer payments and County Assessor semi-annual property tax payments (collectively, the "Payments") as follows:
    a. Maintain the existing lockbox at the Los Alamos Town Site U.S. Postal Service office where customers can mail in their payments and remittance slips. Rental fees for the Lock Box shall be paid by LANB, yet shall be reimbursable by County upon submission by LANB of a paid rental receipt from the Post Office. Such reimbursement is in addition to and is not included in the Compensation for this Agreement.
    b. Perform at least one (1) pickup of Payments from the Lock Box each business day and, before the beginning of the next business day, deposit Payments to County's designated bank account.
    c. Provide daily secure electronic reporting of collections and deposits to County in a format specified by County that includes, at a minimum, customer's Identification and Account numbers, and the total amount paid. In addition, Contractor shall

provide other data from the remittances as required and specified by County so that County may electronically post receipts to customer accounts.

d. Contractor shall receive Payments at all of Contractor's branch offices in Los Alamos and White Rock during normal business hours. During the following hours in the lobby and drive through facilities, Contractor tellers shall receive Payments from and provide Payment receipts to County customers:

Branch Office:	Location:	Lobby Hours:	Drive Through:
Los Alamos	1200 Trinity Drive	• Monday – Thursday, 9:00 a.m. to 5:00 p.m., local time; • Friday 9:00 a.m. to 6:00 p.m., local time; and • Saturday 9:00 a.m. to 12:00 p.m., local time.	• Monday – Friday, 7:30 a.m. to 6:00 p.m., local time; and • Saturday 9:00 a.m. to 12:00 p.m., local time.
White Rock	77 Rover Blvd.	• Monday – Thursday, 9:00 a.m. to 5:00 p.m., local time; and • Friday 9:00 a.m. to 6:00 p.m., local time.	• Monday – Friday, 9:00 a.m. to 6:00 p.m., local time.

e. In addition, Contractor shall receive Payments and provide receipts twenty-four (24) hours per day, seven (7) days per week at the following Contractor owned locations within Los Alamos County:

ATM	Address:
LANB Main Office Drive-Up ATM #1	1200 Trinity Drive, Los Alamos
LANB Main Office Drive-Up ATM #2	1200 Trinity Drive, Los Alamos
The Former Ed's Market ATM Location	1183 Diamond Drive, Los Alamos
Metzger's Hardware ATM Location	128 State Rd. 4, White Rock
Main Office Lobby ATM Location	1200 Trinity Drive, Los Alamos
Smith's Grocery ATM Location	31 Sherwood Blvd., White Rock
LANB White Rock Branch ATM	77 Rover Blvd., White Rock
LANL Otowi Bldg./TA-3 ATM Location	Otowi Building, Los Alamos
Los Alamos Medical Center ATM Location	3917 West Road, Los Alamos

*County understands and agrees that Contractor's ATMs may be out of service or be unavailable for servicing or from actions which are outside of the control of Contractor, or may be accessible only during normal operating hours of the independent location owner or operator, for locations not owned or operated by Contractor.

2. DELIVERABLES: Contractor shall provide daily secure electronic reporting of collections and deposits to County in a format specified by County that includes, at a minimum, the customer's Identification and Account numbers, and the total amount paid. In addition, Contractor shall provide other data from the remittances as required and specified by the County so that County may electronically post receipts to customer's accounts.

SECTION B. TERM: The term of this Agreement shall commence February 1, 2019, and shall continue through January 31, 2023 unless sooner terminated, as provided herein. At County's sole option the Agreement may be renewed for up to three (3) 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 ONE HUNDRED FORTY TWO THOUSAND EIGHT HUNDRED DOLLARS ($142,800.00), for the entire term of this Agreement including any renewals, and which amount does not include applicable New Mexico gross receipts taxes ("NMGRT") and does not include reimbursement of Lock Box rental fees paid by Contractor to the United Stated Postal Service. Compensation shall be paid monthly for services rendered in the amount of ONE THOUSAND SEVEN HUNDRED DOLLARS ($1,700.00) each month, and in accordance with the annual rate schedule set out in Exhibit "A," attached hereto and made a part hereof for all purposes. Should the Services Agreement terminate early for whatever reason, County shall remit compensation as specified only for months or partial months during which services were performed.
2. **Monthly Invoices**. Contractor shall submit itemized invoices to County's Utilities Deputy Manager referencing this Agreement, date of service, amount of compensation due, amount of any NMGRT, 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 NMGRT 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 will 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, binding 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 will 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 will 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.

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. 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 L. 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 M. 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 N. 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 O. NON-ASSIGNMENT: Contractor may not assign this Agreement or any privileges or obligations herein without the prior written consent of County.

SECTION P. 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 Q. 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 will 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 R. 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 S. 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 – Finance & Administration
Incorporated County of Los Alamos
1000 Central Avenue, Suite 130
Los Alamos, New Mexico 87544

Contractor:
Mark S. Pike, Vice President
Los Alamos National Bank
1200 Trinity Drive
Los Alamos, New Mexico 87544

SECTION T. 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 U. 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

_____
NAOMI D. MAESTAS
COUNTY CLERK

Approved as to form:

_____
J. ALVIN LEAPHART
COUNTY ATTORNEY

INCORPORATED COUNTY OF LOS ALAMOS

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

LOS ALAMOS NATIONAL BANK, LOCALLY OWNED AND OPERATED BY TRINITY CAPITAL, A NEW MEXICO CORPORATION

BY: _____
NAME: _____ **DATE**
TITLE: _____

Exhibit “A”
Compensation Rate Schedule
AGR19-27

Cost Category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Lockbox Annual Fee	$20,400.00	$20,400.00	$20,400.00	$20,400.00	$20,400.00	$20,400.00	$20,400.00

County of Los Alamos
Staff Report
January 16, 2019

Agenda No.:	6.C
Index (Council Goals):	BCC - N/A
Presenters:	Rafael De LaTorre, Deputy Utilities Manager - Electric Distribution
Legislative File:	**AGR0610-19**

Title
Approval of Services Agreement No. AGR19-18 with Transmission & Distribution Services, LLC in the amount of $195,000.00 plus Applicable Gross Receipts Tax, for the Purpose of On-call Services for Utility Power Distribution Electrical Engineering

Recommended Action
I move that the Board of Public Utilities approve Services Agreement No. AGR19-18 with Transmission & Distribution Services, LLC in the amount of $195,000.00 plus Applicable Gross Receipts Tax, for the Purpose of On-call Services for Utility Power Distribution Electrical Engineering

Staff Recommendation
Staff recommends that the Board approve as presented.

Body
The department performs the vast majority of the electrical engineering ("EE") design work in-house to operate, maintain, and expand its electrical distribution system. However, certain EE design services for large substation projects are best suited to a third party consulting electrical engineer. Consultants perform critical substation type work on a routine basis and are aware of the latest trends for commissioning new electrical distribution substations.

The Los Alamos Switchgear Substation, ("LASS") is in place and has been temporarily powered by the department. The temporary power feed provides station service for all electronic devices and maintains the battery system fully charged. LASS will be fed with permanent power from LANL's new TA-3 substation; tentatively planned for late Spring, early Summer 2019. Prior to the seamless integration of LASS into the LAC DPU distribution grid, there are two critical EE tasks remaining:

1. The programming of ten (10) feeder relays and three (3) back-up bus & differential protection relays. The relays "protect" the $1.4 million substation and the multi-million distribution grid from essentially "melting down during short-circuits".
2. The commissioning or "start-up" of LASS is where each of (13) breaker bays and related electronic devices are methodically energized at 15,000 volts and tested to ensure each breaker bay, and related electronic devices, will function as intended.

For tasks related to item 1, the department has updated it's short-circuit analysis ("SCA") and the consultant will be asked to revisit and develop the new over-current device protection and

coordination (“OCDP”) scheme for the thirteen (13) LASS substation relays. This task has additional complexity because the LANL OCDP “relay scheme” comes into consideration as well. This means the DPU OCDP consultant may need to “coordinate” relays with the LANL OCDP consultant.

For tasks related to item 2, the consultant will support the department’s engineering and line operations staff during the energizing of LASS. After LANL provides the permanent source feeds, LAC Staff will energize the substation and the consultant will perform the on-site commissioning along with the LASS vendor, Crown Technical.

Finally, the department has other EE design service needs which the department may budget for in future years including:

- Design and installation of fiber optic, arc-flash protection at Townsite and White Rock substations. New technology has made these projects extremely worthwhile and not overly expensive. Basically a fiber optic ring is installed inside the substation buss and connected to a relay. When an arc-flash occurs, the high intensity light will trip the relay. This adds a level of protection to our substation gear and more importantly, a new safety level of protection to our line crews.
- New relaying scheme at Townsite substation which could avoid the issues related to the major power outage experienced on November, 2017. The new relay scheme would minimize operator interaction, respond faster and efficiently and improve the SAIDI.
- 115KV breaker design alternatives at White Rock Substation; i.e. LANL utilizes a 115KV “A-Frame” structure to OPEN/CLOSE the 115KV Norton Transmission line within the substation (1-2 times per year). LAC doesn’t particularly benefit from these switching activities and so it makes sense to explore to move these LANL switching activities outside of DPUs electrical substation.
- Etc.,

Alternatives

The Board could choose not to approve the recommendation at which time the department would bid electrical engineering services, as they relate to the LASS substation separately. Similarly, the department would bid electrical engineering services for other projects as they arise.

Fiscal and Staff Impact

The department will use funds from its FY 2020 budget for the LASS substation. The department will utilize its Engineering and Line Operations Staff as necessary and for the seamless integration of LASS into the DPU electrical distribution grid.

Attachments

A - AGR19-18

LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS
SERVICES AGREEMENT

This **SERVICES AGREEMENT** ("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 & Distribution Services, LLC**, a New Mexico limited liability company corporation ("Consultant"), to be effective for all purposes January 21, 2019.

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. 19-18 (the "RFP") on September 23, 2018, requesting proposals for On-Call Services for Utility Power Distribution Electrical Engineering, as described in the RFP; and

WHEREAS, Consultant timely responded to the RFP by submitting a response dated October 23, 2018, ("Consultant's Response"); and

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

WHEREAS, the Board of Public Utilities approved this Agreement at a public meeting held on January 16, 2019; and

WHEREAS, Consultant 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 Consultant agree as follows:

SECTION A. SERVICES:

1. **SCOPE OF SERVICES.** Consultant shall provide On-Call Electrical Engineering Services ("EE" or "Services"), which may consist of any or all of the following Services and deliverables as requested by County:
   - **a.** 115KV electrical transmission and 15KV distribution system engineering.
   - **b.** EE design that may include minor civil or structural engineering for electrical substation upgrade projects; i.e. concrete foundations for electrical substation components.
   - **c.** 15KV distribution system planning and modeling of: Electrical substations, overhead and underground power lines, etc., utilizing Milsoft's Windmil software. County shall provide its electrical distribution Windmil database model to Consultant and Consultant shall update the electrical model accordingly for: Voltage drop analysis, distribution feeder reconfigurations, or long range load planning. Consultant shall provide the revised Windmil database to County as part of the submittals.
   - **d.** Development of short-circuit analysis studies, over-current protection and coordination studies ("OCDP"), utilizing Milsoft's LightTable software. Similar to **1.c.** above, County

shall provide the Windmil database to Consultant and Consultant shall then update the electrical model accordingly with the new OCDP devices and settings. Consultant shall provide the revised Windmil & LightTable database model to County as part of the submittals.

e. Develop and upload the protection files from the OCDP studies onto County's SEL 787 and SEL 751 relays. SEL relays are utilized in County's 15KV distribution station switchgear for: Bus differential and back-up overcurrent protection to GE 750/760 substation feeder relays. County's 15KV distribution system 3PH feeder protection consists of ABB PCD 2000 reclosers for overhead; and S&C, SMU Type "E" fusing for underground. The 15KV distribution feeder single or v-phase lateral protection consists of McGraw Edison Type "L" reclosers and Kearney Type "T" fuses for overhead.

f. Consultant shall design arc-flash substation protection utilizing the SEL suite of relays for 15KV metal enclosed station switchgears in White Rock and Los Alamos.

g. Consultant shall prepare construction staking sheets, ("CSS") for 15KV overhead and underground distribution power lines. Design work for the CSS shall be based on the most recent Rural Utilities' Service, ("RUS") construction standards.

h. Consultant shall design, upgrade and install minor 115KV to 15KV electrical substations where the 15KV side is a metal enclosed switchgear station and NOT open bus. Typical 115KV side protection is candle stick circuit switcher.

i. Consultant shall support County staff with the commission or "start-up" of new electrical substations where the 15KV side is a metal enclosed switchgear station and NOT 15KV "open bus".

j. Consultant shall comply with all National Electric Safety Code, ("NESC") standards while present and within the County electrical distribution system and inside County's enclosed electrical substations.

2. **TASK ORDERS. All request for Services by Consultant shall be issued via a written Task Oder, as follows:**
   a. County shall provide all relevant information and scope of work to be accomplished to Consultant for a Task Order Request.
   b. County and Consultant shall agree on the Scope of Work for the Task Order Request.
   c. Consultant shall submit a not-to-exceed price for the Task Order based on the hourly pricing set forth in Exhibit "A."
   d. Before a Task Order is approved by County, County and Consultant shall mutually agree on the delivery dates and schedule of Services.
   e. Progress invoices shall be submitted by Consultant, based on the percentage completed, but not more than once per month unless authorized by County.
   f. Consultant shall produce project deliverables to the County as indicated in the Task Order including but not limited to: hard copies of reports and drawings in word, pdf, excel and in AutoCAD.

3. **COUNTY RESPONSIBILITIES.** As related to issued Task Orders, County shall provide relevant plans, documents, studies, reports, and drawings as requested by Consultant if

available. County plans, documents, studies, reports and drawings shall be "as is" and any inaccuracies are not the responsibility of County. Consultant shall be responsible for reviewing all related documents for accuracy. The failure or omission of Consultant to examine any document, form or instrument shall in no way relieve Consultant from any obligation with respect to this Agreement or any executed Task Order.

SECTION B. TERM: The term of this Agreement shall commence January 21, 2019 and shall continue through January 21, 2023, unless sooner terminated, as provided herein. At County's sole option this Agreement may be renewed for one (1) one-year period, unless sooner terminated, as provided therein.

SECTION C. COMPENSATION:

1. **Amount of Compensation**. County shall pay compensation for performance of the Services in accordance with the Rate Schedule set out as Exhibit "A," attached hereto and made a part hereof for all purposes. Compensation for any one Task Order shall not exceed the approved Task Order amount, which amount shall not include applicable New Mexico gross receipts taxes ("NMGRT"). Total compensation during the initial term of this Agreement and any extensions shall not exceed ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS ($195,000.00), which sum includes reimbursable expenses, but which amount does not include applicable NMGRT.
2. **Monthly Invoices**. Consultant shall submit itemized invoices to County's Project Manager showing amount of compensation due, amount of any NMGRT, 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: Consultant shall be solely responsible for timely and correctly billing, collecting and remitting all NMGRT levied on the amounts payable under this Agreement.

SECTION E. STATUS OF CONSULTANT, STAFF, AND PERSONNEL: This Agreement calls for the performance of services by Consultant as an independent contractor. Consultant is not an agent or employee of County and will not be considered an employee of County for any purpose. Consultant, 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 the County's name or logo. Neither Consultant nor any employee of Consultant shall be entitled to any benefits or compensation other than the compensation specified herein. Consultant shall have no authority to bind County to any agreement, contract, duty or obligation. Consultant shall make no representations that are intended to, or create the appearance of, binding County to any agreement, contract, duty, or obligation. Consultant 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 Consultant 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: Consultant agrees and represents that it has and will maintain the personnel, experience and knowledge necessary to qualify it for the particular duties to be performed under this Agreement. Consultant shall perform the Services described herein in accordance with a standard that exceeds 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; Consultant shall not use, sell, disclose, or obtain any other compensation for such works for hire. In addition, Consultant 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. Consultant shall not use deliverables in any manner for any other purpose without the express written consent of the County.

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

SECTION I. INSURANCE: Consultant 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. Consultant 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 Consultant shall not provide any Services under this Agreement unless and until Consultant has met the requirements of this Section. County requires Certificates of Insurance or other evidence acceptable to County that Consultant 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 will 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) 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 Consultant fails to comply with the Worker's Compensation Act and applicable rules when required to do so.
3. **Automobile Liability Insurance for Consultant 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:** 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 Consultant's negligent performance of work described herein.

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

SECTION M. INDEMNITY: Consultant 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 Consultant's performance hereunder or breach hereof and the performance of Consultant's employees, agents, representatives and subcontractors.

SECTION N. FORCE MAJEURE: Neither County nor Consultant 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.

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

SECTION Q. PROHIBITED INTERESTS: Consultant 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. Consultant further agrees that it will 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 R. TERMINATION:

1. **Generally**. County may terminate this Agreement with or without cause upon ten (10) days prior written notice to Consultant. Upon such termination, Consultant shall be paid for Services actually completed to the satisfaction of County at the rate set out in Section C. Consultant 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 the County Council. County shall make reasonable efforts to give Consultant at least ninety (90) days advance notice that funds have not been and are not expected to be appropriated for that purpose.

SECTION S. 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 Avenue Suite 130
Los Alamos, New Mexico 87544

Consultant:
Harry Barnes, Jr. – Managing Partner
Transmission & Distribution Services, LLC
9550 San Mateo Boulevard, NE, Suite G
Albuquerque, New Mexico 87113

SECTION T. 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 Consultant.

SECTION U. CAMPAIGN CONTRIBUTION DISCLOSURE FORM: A Campaign Contribution Disclosure Form was submitted as part of the Consultant'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

_____
NAOMI D. MAESTAS
COUNTY CLERK

INCORPORATED COUNTY OF LOS ALAMOS

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

Approved as to form:

_____
J. ALVIN LEAPHART
COUNTY ATTORNEY

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

BY: _____
DATE

Compensation Rate Schedule
AGR19-18

BILLING CLASSIFICATION	Year 1 Hourly Rate	Year 2 Hourly Rate	Year 3 Hourly Rate	Year 4 Hourly Rate	Year 5 Hourly Rate
Senior Engineer	$166	$170	$174	$179	$183
Engineer II	$128	$131	$134	$138	$141
Engineer I	$102	$105	$107	$110	$113
Project Manager	$153	$157	$161	$165	$169
Project Representative	$105	$108	$110	$113	$116
WO Review Technician	$105	$108	$110	$113	$116
Project Observer	$102	$105	$107	$110	$113
Designer II	$89	$91	$94	$96	$98
Designer I	$77	$79	$81	$83	$85
CADD III	$77	$79	$81	$83	$85
CADD II	$72	$74	$76	$78	$79
CADD I	$60	$62	$63	$65	$66
Office/Clerical/Admin II	$64	$66	$67	$69	$71
Office/Clerical/Admin II	$55	$56	$58	$59	$61

The above table includes an Annual Multiplier of 2.5%.

Reimbursable Expenses. The following are the only reimbursable expenses under this Agreement and which does not include annual increases:

Category	**Rate**
Vehicles	IRS Mileage rate + 10%
GPS Equipment	$400/day; $200 ½ day
Testing Equipment	$265/day; $140 ½ day
Utility Task Vehicle (“UTV”)	$350/day; $125 ½ day
All-Terrain Vehicle (“ATV”)	$160/day; 135 ½ day
Per Diem	$90/day/person
Motels	Cost + 10%
Meals	Cost + 10%
FedEx	Cost + 10%
Reproduction Costs	Cost + 10%
Other Costs	Cost + 10%

County of Los Alamos

Staff Report

January 16, 2019

Agenda No.:	6.D
Index (Council Goals):	BCC - N/A
Presenters:	Jack Richardson, Deputy Utilities Manager - GWS Services
Legislative File:	**11537-19**

Title

Approval of the Purchase of an Aerzen Blower from Advanced Process Technologies in the Amount of $114,365.00, plus Applicable Gross Receipts Tax

Recommended Action

I move that the Board of Public Utilities approve the purchase of an Aerzen Blower as outlined in quote E14-24118.R3, from Advanced Process Technologies in the amount of $114,365.00, plus applicable gross receipts tax.

Staff Recommendation

Staff recommends approval of the purchase as requested.

Body

The purchase of this Aerzen blower and controls is a duplication of a purchase and installation of the same blower and controls in 2015. These blowers and controls are very efficient, resulting in energy [electricity consumption bill] savings of approximately $100,000 (approximately $30k per year). The first purchase of the Aerzen blower and controls was executed through a competitive RFQ. To match O&M, quality, parts & supplies (standardization), this subsequent purchase is being executed via a sole source purchase upon review and advice of Los Alamos County Procurement Administration.

Installation will be performed by DPU utilities in-house staff from GWS, Wastewater Treatment, and Water Production divisions. This will include all electrical, pipe fitting & welding, replacement of the MCC equipment, and all other ancillary installation work.

One of the original, less efficient blowers will remain as a contingency backup unit.

Alternatives

The only alternative is to not purchase the blower equipment and continue using the less-efficient blowers, resulting in continued high energy consumption at the Los Alamos WWTP.

Fiscal and Staff Impact

Based on the cost savings already realized from the first Aerzen blower and controls, the payback of this duplicate unit will be realized in three to four years. The purchase of this duplicate blower and controls has been budgeted in FY2019 in the O&M budget under WT 2439 8369 “WW LA WWTF CORRECTIVE MAINTENANCE”, “Other Contractual Services”.

Attachments

A - E-Mail With Quoted Price from Aerzen Quote E14-24118.R3

(Note - The actual proposal referenced in the e-mail was marked Confidential & Proprietary by

Aerzen and could not be included in the agenda packet.)

Kephart, Jaime

From: Moseley, Clay
Sent: Monday, January 07, 2019 10:09 AM
To: Kephart, Jaime
Subject: Aerzen Blower Equipment Quote

This is the email in which the actual quoted amount was included…

From: Henry Hervol [mailto:hhervol8888@austin.rr.com]
Sent: Tuesday, November 06, 2018 4:07 AM
To: Ayers, Jeffery <jeffery.ayers@lacnm.us>
Cc: nstried8888@austin.rr.com
Subject: E14-24118.R2.Los Alamos County, NM -- Aerzen D 62S Scope
Importance: High

Dear Jeff,

Attached hereto is a currently dated copy of the Proposal for that additional ***Aerzen Hybrid Blower*** that we have discussing.

Please see Kevin Grant's email back to me immediately below, for information as to whom to address a Purchase Order and where it should be sent.

Per Kevin's email **Aerzen** is holding the pricing (exclusive of any taxes) at the **$ 114,365.00** number that was quoted to you back in June.

When a Purchase Order is forwarded to **Aerzen**, please also forward a copy of the scanned document to me at: hhervol8888@austin.rr.com

Jeff, if you have any questions or need any clarifications – please let me know.

Best and kindest regards.
Sincerely,

Henry J. Hervol, P.E.
President
Advanced Process Technologies
1188 Red Bud Lane
Round Rock, Texas 78664
Office phone: 512-218-8888 – Ext. 105
FAX: 512-218-8891
Cell Phone: 512-426-8483
E-mail: hhervol8888@austin.rr.com

Clay Moseley
Engineering Project Manager
Department of Public Utilities
1000 Central Ave., Ste. 130
Los Alamos, NM 87544
(505) 662-8271

Agenda No.:	7.A
Index (Council Goals):	BCC - N/A
Presenters:	Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File:	**11570-19**

Title
Board of Public Utilities (BPU) Policy Regarding Smart Meter Opt Outs

Recommended Action
I move that the Board of Public Utilities adopt the proposed policy regarding Smart Meter Opt Outs as presented and forward to the Council for review and approval.

Staff Recommendation
Staff recommends that the Board approve as presented.

Body
In November, 2018, the Board of Public Utilities approved Services Agreement AGR19-912 with Ferguson Incorporated for system wide deployment of Advanced Metering Infrastructure. During previous discussions on the project, some concern was raised by members of the Board and the public regarding potential public disclosure under New Mexico Sunshine laws of a customer's incremental usage data. As part of the approval motion, the Board revised its previously stated policy regarding opt outs, allowing customers to opt out if they desired to do so. It was stated that the details and procedure regarding that Opt Out policy would be developed, presented to, and approved by the Board before deployment of any meters.

At its regular meeting on December 18, 2018, the Los Alamos County Council approved the contract with the condition that the Opt Out policy be brought to them for review and approval before execution of the contract with Ferguson.

Metering, billing, and service procedures are normally established by a Rule of the Board. The Policy attached directs the Board to adopt a Rule with the parameters and features stated, which address the concerns and considerations that have previously been raised by the Board, Council, and members of the public.

Alternatives
The Board could elect to revise the policy, or direct staff to do so. Since Council approval of the contract is contingent on approval of an Opt Out Policy, the Board could also elect to cancel or postpone the project indefinitely until the Board and Council have reached consensus on the policy proposed. This later alternative would result in cancellation of the existing contract and

resoliciting of the project at a future time, which would significantly and negatively affect the economics of the project as well as delay realization of the numerous other benefits afforded by the project.

Fiscal and Staff Impact

The fiscal and staff impact of allowing for Opt Outs was discussed with consideration of the contract and depend significantly on the number of customers that choose to opt out. Analysis indicates the economic payback of the project falls somewhere between 5 years if minimal customers elect to opt out and we can realize the full reduction in staff positions planned, and 14 years if the number of opt outs results in no staff reductions at all. All indications are, based both on current customer feedback and historical experience with the prior AMI project in 2012, that we will see a minimal and manageable level of opt outs and realize fully the significant economic benefits previously indicated. There are no significant additional impacts resulting from approval of the policy suggested.

Attachments

A - Proposed BPU Policy Regarding Smart Meter Opt Outs

Policy regarding Smart Meter implementation for Los Alamos Department of Public Utilities

Background

The Los Alamos County Department of Public Utilities (DPU) is implementing system-wide deployment of Advanced Metering Infrastructure, consisting of "smart" electric meters which can record and securely transmit consumption data in specified time increments of fifteen minutes or less, and electronic modules connected to gas and water meters which have similar capabilities. Because the Utilities are municipally owned, and data collected or retained is subject to public disclosure under the New Mexico Inspection of Public Records Act (IPRA), some individuals have expressed concern over potential public disclosure of their incremental usage data. It is recognized that the most effective approach to addressing such concerns would be adoption, by the State of New Mexico legislature, of legislation exempting customer consumption data from municipally-owned utilities from disclosure. Until and unless such legislation, or other effective means of addressing the concern, is adopted, The DPU will establish rules by which customers may elect to "Opt Out" of participation in this program. If such election is made, the DPU customer's monthly consumption data of electricity, gas and water will still be subject disclosure under an IPRA request, but 15-minute incremental data collection will not occur.

Specific parameters of the rule will be as follow:

- DPU will take all reasonable efforts to notify every DPU customer that data collected by the DPU is subject to disclosure under IPRA, and if customers have concerns their incremental usage data may be disclosed, they will be allowed to "Opt Out" of the Advanced Metering program. Reasonable efforts will include public service announcements in the local media, bill inserts, and posters or flyers prominently displayed at the DPU Customer Service counters and other locations throughout the County where public service announcements are routinely posted.
- The "Opt Out" election will be offered to the account holder, regardless of ownership or occupancy of the particular location.
- A customer may "Opt Out" by submitting a completed "Election to Opt Out" form to the DPU Customer Care Center.
- Should a customer elect to "Opt Out", the functionality of the meters and modules to collect and transmit incremental usage data will be disabled, and no such data will be collected or retained by the DPU. Only monthly billing data will be collected and used for account management and billing purposes.
- Customers electing to "Opt Out" will not have access to their "real time" usage information, account management features enabled by the Advanced Metering, or alternative rate structures that may be implemented that utilize the detailed incremental consumption data that advanced metering can provide. Meters will be read monthly at the customer's location by DPU staff for billing or account management purposes.

- All new customers will be provided the same full disclosure regarding the possibility of public release of their incremental metering data and will be afforded the opportunity to “Opt Out” when establishing service should they choose to do so.
- If a customer does not elect to “Opt Out” when first advised of the opportunity to do so, but later decides they wish to “Opt Out”, they may do so by contacting the DPU Customer Care Center staff at 505-662-8333 and submitting the appropriate written request or form. The functionality of the metering equipment to record and transmit incremental usage data will be disabled within ten business days of receiving such request from the customer.
- If a customer does elect to “Opt Out” but later decides they wish to cancel their “Opt out” election, they may do so by contacting the Customer Care Center and retracting their previously executed ‘Opt Out’” form.
- If a customer that chose to “Opt Out” at a specific location moves the “opt out” election of the customer moving out will not automatically be transferred to a new location in the Department’s service area. The customer moving should submit a new election for the new location if that customer wishes to continue to “Opt Out” of participation in the advanced metering program.
- There will be no additional charges specifically for the election to “Opt Out”.

Agenda No.:	7.B
Index (Council Goals):	BCC - N/A
Presenters:	Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File:	**11569-19**

Title
Initial Discussion - Water Rate Adjustment

Recommended Action
N/A - Discussion item only

Staff Recommendation
N/A - Discussion Item Only

Body
The ten-year forecast for the water utility presented with the FY2019/20 budget includes a series of incremental rate increases to generate revenues needed for current operations and to build cash reserves necessary for future infrastructure needs. Over the course of several meetings of the Board of Public Utilities in the fall of 2016 several alternative scenarios were considered. After discussion, “scenario 40” was selected as the most reasonable balance between increased rates and necessary system expenditures, and was the foundation upon which the ten-year budgetary projection was based. A 6.25% increase in both retail and wholesale sales is proposed, plus an increase from $2.50 per 1000 gallons to $2.66 per 1000 gallons for non-potable water sales. The increase for water distribution was included in the FY2019 budget. Although included in “Scenario 40”, the increases proposed for water production and non-potable were not initially included in the 2019 budget. An 8% increase previously proposed for water production was never implemented, however, so it is proposed here to include Production and Non-Potable sub funds in the increase. The increases are proposed for implementation effective with our customer’s first billing period beginning after April 1st, 2019. The ten-year projections for Water Distribution and Water Production are attached as attachments B1 and B2, respectively.

The proposed draft water rate schedule is attached as Attachment A.

This and future proposed rate actions should restore cash flow to an acceptable level. While it may take some time to reach our target levels in the Water Utility overall, this plan will provide adequate funding for necessary repairs and replacements and continuing operations and provide for movement toward our long-term cash reserve goals.

While we have seen some significant rate increases in recent years, and additional more modest increases are projected in the long-range plan, Los Alamos remains affordable and competitive. Attachment C1 shows a comparison of Los Alamos' projected annual residential water bill with those of nearby communities, using 6,000 gallons as a representative consumption quantity. Attachment C2 shows a comparison of monthly bills with the same communities, but at various consumption quantities. Both show that after the proposed increase Los Alamos remains competitive with its neighboring communities.

Attachment D1 shows the longer-term rate projections included in the first ten years of "scenario 40" and includes the dollar amount of the projected annual increase per household. Total utilities costs is another important measure, and is displayed for the same time frame in attachment D2.

Alternatives

Several alternative financial scenarios were presented and discussed by the Board in 2016. In addition, Jack Richardson, Deputy Manager GWS, has updated some of that information previously presented for presentation to the Board here this evening. Any of those paths forward could be considered as an alternative to the proposal presented here. As noted above, in all the scenarios discussed a series of rate increases are going to be needed to fund necessary operations and replacement of facilities through rates. Other scenarios could be considered with more significant rate increases being implemented to fund more rapid system upgrades. If no action is taken, we would have to continue to curtail maintenance and replacements and system reliability would eventually suffer.

Fiscal and Staff Impact/Planned Item

The budgeted 6.25% increase is expected to generate $254,829 additional revenue in DW, $79,233 additional revenue for wholesale sales to external parties, and $14,464 additional Non-Potable revenue annually.

Attachments

- A Division_4__WATER_RATES
- B FY2019 Budget ten-year budget projections
  - 1 Water Distribution
  - 2 Water Production and Non-Potable
- C FY2019 Comparison to similar neighboring communities
  - 1 Annual, using 6,000 gallons average monthly consumption
  - 2 Monthly at various consumption quantities
- D Ten-year rate projections under "Scenario 40"
  - 1 Annual impact on average residential customer for Water only.
  - 2 Projected average residential utilities cost projections

DIVISION 4. - WATER RATES

Sec. 40-171. - Potable water rate schedule 8-A.

(a) *Applicability.* Potable water rate schedule 8-A is applicable to all classes of retail customers whether commercial, residential or otherwise. The rate shall consist of a service charge plus a water consumption charge.

(b) *Service charge.*

Water Meter Size	Service Charge Per Meter Per Month
1¼ inch and under	$ ~~9.42~~10.01
1½ inch	~~29.84~~31.71
2-inch	~~44.55~~47.33
2½ inch, 3-inch	~~87.91~~93.40
4-inch	~~149.69~~159.05
6-inch	~~316.01~~335.76
8-inch	~~522.13~~554.76

(c) *Water consumption charge.* The water consumption charge shall be charged to each customer billed under rate schedule 8-A according to the following schedule:

Consumption Oct—Apr (Non-Peak Season) Commodity Rate Per 1,000 Gallons				Consumption May—Sept (Peak Season) Commodity Rate Per 1,000 Gallons			
Monthly usage	<9,000 gal	9—15,000 gal	>15,000 gal	Monthly usage	<9,000 gal	9—15,000 gal	>15,000 gal
Residential	~~4.98~~5.29	~~4.98~~5.29	~~4.98~~5.29	Residential	~~4.98~~5.29	~~5.29~~5.62	~~6.32~~6.72
Multi-family	~~4.98~~5.29	~~4.98~~5.29	~~4.98~~5.29	Multi-family	~~4.98~~5.29	~~5.23~~5.56	~~5.35~~5.68

Commercial	~~4.98~~5.29	~~4.98~~5.29	~~4.98~~5.29	Commercial	~~4.98~~5.29	~~4.98~~5.29	~~4.98~~5.29
County/Schools	~~4.98~~5.29	~~4.98~~5.29	~~4.98~~5.29	County/Schools	~~4.98~~5.29	~~4.98~~5.29	~~4.98~~5.29

Note: Multi-family includes dwelling units and apartments as defined in section 40-201.

(Ord. No. 74-51, § 1, 1981; Ord. No. 74-68, § 1, 1982; Ord. No. 74-75, § 1, 1982; Ord. No. 74-85, § 1, 1983; Ord. No. 74-108, § 1, 1984; Ord. No. 85-26, § 1, 1985; Ord. No. 85-56, § 1, 1986; Ord. No. 85-83, § 1, 1988; Ord. No. 85-101, § 1, 1989; Ord. No. 85-130, § 1, 1990; Ord. No. 85-156, § 1, 1992; Ord. No. 85-223, § 1, 1995; Code 1985, § 13.16.010; Ord. No. 85-270, § 1, 1999; Ord. No. 02-106, § 1, 3-23-2010; Ord. No. 02-118, § 1, 7-5-2011; Ord. No. 02-242, § 1, 7-8-2014; Ord. No. 02-267, § 1, 9-27-2016; Ord. No. 02-275, § 1, 8-8-2017)

Sec. 40-172. - Special tax and assessment clause.

Billing under these potable water rate schedules may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act, NMSA 1978, § 7-9-1 et seq., and all other taxes, fees or charges (exclusive of ad valorem, state and federal income taxes) payable by the county utilities department and levied or assessed by any governmental authority on the water service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendering of the service.

(Ord. No. 74-85, § 2, 1983; Ord. No. 85-26, § 1, 1985; Code 1985, § 13.16.020)

Sec. 40-173. - Nonpotable water rate charge.

The water consumption rate for nonpotable water, including effluent reuse water, shall be $~~2.50~~2.66 per 1,000 gallons.

(Ord. No. 74-86, § 1, 1983; Ord. No. 85-26, § 1, 1985; Code 1985, § 13.16.030; Ord. No. 02-113, § 1, 1-25-2011; Ord. No. 02-277, § 1, 9-26-2017)

Sec. 40-174. - Reserved.

Editor's note— Ord. No. 02-113, § 2, adopted January 25, 2011, repealed § 40-174, which pertained to effluent water rate charge and derived from Ord. No. 85-186, § 1, 1993; Ord. No. 85-209, § 1, 1994; Ord. No. 85-243, § 1, 1997; Code 1985, § 13.16.040.

Sec. 40-175. - Bulk delivery rate schedule 8-D.

(a) Applicability. Schedule 8-D is applicable to all bulk water sold and delivered to bulk points of delivery. The rate shall consist of a service charge plus a water consumption charge.

(b) The bulk delivery rate for water sold and delivered to bulk points of delivery shall be $~~3.42~~3.63 per 1,000 gallons.

(c) The customer service charge for water sold and delivered to bulk points of delivery shall be $~~643.90~~684.14 per month per customer.

(Ord. No. 02-097, § 1, 9-9-2008; Ord. No. 02-118, § 2, 7-5-2011; Ord. No. 02-242, § 2, 7-8-2014; Ord. No. 02-267, § 2, 9-27-2016; Ord. No. 02-275, § 1, 8-8-2017)

Secs. 40-176—40-200. - Reserved.

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Distribution

1.50%	ACTUAL 2017	REV BUDGET 2018	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
Expenditure Forecast												
Supervision, Misc Direct Admin	185,613	184,778	227,392	230,673	234,133	237,645	241,210	244,828	248,501	252,228	256,012	259,852
Hydrants	-	60,645	-	-	-	-	-	-	-	-	-	-
Water Distribution	303,360	447,203	416,904	426,042	432,433	438,919	445,503	452,186	458,969	465,853	472,841	479,933
Water Meters	531,314	634,691	693,060	708,326	408,326	414,450	420,667	426,977	433,382	439,883	446,481	453,178
Capital Project Inspections & Support			6,074	6,295	6,389	6,485	6,582	6,681	6,781	6,883	6,986	7,091
Interdepartmental Charges	251,649	330,744	344,477	344,477	349,645	354,889	360,213	365,616	371,100	376,667	382,317	388,051
Administrative Division Allocation	416,010	805,686	668,621	674,478	684,595	694,864	705,287	715,866	726,604	737,503	748,566	759,794
Cost of Water	2,767,536	2,650,500	2,829,409	2,985,026	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750
Capital	1,786,142	1,335,115	-	-	51,005	1,075,000	870,000	896,000	922,000	823,000	1,174,000	1,041,000
Total Operation Expenses	4,455,481	5,180,125	5,185,937	5,375,317	4,944,271	4,976,003	5,008,212	5,040,904	5,074,086	5,107,767	5,141,952	5,176,650
Total Capital Expenditures	1,786,142	1,335,115	0	0	51,005	1,075,000	870,000	896,000	922,000	823,000	1,174,000	1,041,000
Total Expenditures	6,241,623	6,515,240	5,185,937	5,375,317	4,995,276	6,051,003	5,878,212	5,936,904	5,996,086	5,930,767	6,315,952	6,217,650
Revenue Forecast												
kgal Sales	755,656	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000
Revenue per kgal	$ 5.73	$ 6.33	$ 6.66	$ 6.99	$ 7.28	$ 7.54	$ 7.73	$ 7.88	$ 8.02	$ 8.14	$ 8.26	$ 8.39
Rate Increase Percentage	**10.00%**	**8.00%**	**6.25%**	**5.00%**	**4.25%**	**3.50%**	**2.50%**	**2.00%**	**1.75%**	**1.50%**	**1.50%**	**1.50%**
Total Sales Revenue	4,333,338	4,905,750	5,160,579	5,415,543	5,645,704	5,843,303	5,989,386	6,109,173	6,216,084	6,309,325	6,403,965	6,500,025
Interest on Utility Reserves	472	9,161	-	-	-	-	-	-	-	-	-	-
Revenue on Recoverable Work	22,389	30,450	15,000	15,000	15,225	15,453	15,685	15,920	16,159	16,402	16,648	16,897
Misc Service Revenues	35,410		15,000	15,000	15,225	15,453	15,685	15,920	16,159	16,402	16,648	16,897
Total Cash Inflow from Operations	4,391,609	4,945,361	5,190,579	5,445,543	5,676,154	5,874,210	6,020,756	6,141,014	6,248,403	6,342,129	6,437,261	6,533,819
R&R and Cash Flows												
Net Cash Flow	(1,850,014)	(1,569,879)	4,642	70,226	680,878	(176,793)	142,544	204,110	252,316	411,362	121,309	316,170
Cumulative Net Cash Flow	(1,850,014)	(1,569,879)	4,642	74,868	755,745	578,952	721,496	925,606	1,177,922	1,589,284	1,710,593	2,026,763
Cash Balance	(1,283,827)	(2,853,706)	(2,849,065)	(2,778,839)	(2,097,961)	(2,274,754)	(2,132,211)	(1,928,100)	(1,675,784)	(1,264,422)	(1,143,114)	(826,944)
Recommended Cash Balance	2,401,052	1,231,873	1,849,557	1,866,439	1,729,053	1,744,920	1,761,024	1,777,370	1,793,961	1,810,801	1,827,894	1,845,243

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Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Distribution

Rates											
Commodity rate per kgal											
Residential Tier 1 - < 9,000 gals	4.98	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67
Residential Tier 2 - 9 to 15,000 gals	5.29	5.62	5.90	6.15	6.37	6.53	6.66	6.78	6.88	6.98	7.08
Residential Tier 3 - > 15,000 gals	6.32	6.71	7.05	7.35	7.61	7.80	7.96	8.10	8.22	8.34	8.47
Multi-Family Tier 1 - < 9,000 gals	4.98	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67
Multi-Family Tier 2 - 9 to 15,000 gals	5.23	5.55	5.83	6.08	6.29	6.45	6.58	6.70	6.80	6.90	7.00
Multi-Family Tier 3 - > 15,000 gals	5.35	5.68	5.96	6.21	6.43	6.59	6.72	6.84	6.94	7.04	7.15
Commercial All Tiers	4.98	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67
County & Schools All Tiers	4.98	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67
Customer Charge per Meter Size											
= or < 1.25"	9.42	10.01	10.51	10.96	11.34	11.62	11.85	12.06	12.24	12.42	12.61
1.5"	29.84	31.71	33.30	34.72	35.94	36.84	37.58	38.24	38.81	39.39	39.98
2"	44.55	47.33	49.70	51.81	53.62	54.96	56.06	57.04	57.90	58.77	59.65
2.5" to 3"	87.91	93.41	98.08	102.25	105.83	108.48	110.65	112.59	114.28	115.99	117.73
4"	149.69	159.04	166.99	174.09	180.18	184.68	188.37	191.67	194.55	197.47	200.43
6"	316.01	335.76	352.55	367.53	380.39	389.90	397.70	404.66	410.73	416.89	423.14
8"	522.13	554.76	582.50	607.26	628.51	644.22	657.10	668.60	678.63	688.81	699.14

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Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Production

1.50%	ACTUAL 2017	REV BUDGET 2018	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
Expenditure Forecast												
Supervision and Operations	729,505	1,068,806	676,041	679,183	689,371	699,712	710,207	720,861	731,673	742,649	753,788	765,095
Pumping Power	560,399	800,000	810,500	821,157	833,474	845,976	858,666	871,546	884,619	897,889	911,357	925,027
Wells	155,664	135,631	129,025	132,200	134,183	136,196	138,239	140,312	142,417	144,553	146,721	148,922
Booster Pump Stations	79,395	123,587	128,025	130,800	132,762	134,753	136,775	138,826	140,909	143,022	145,168	147,345
Treatment	29,474	170,771	152,354	155,600	157,934	160,303	162,707	165,148	167,625	170,140	172,692	175,282
Storage Tanks	7,378	19,385	41,512	42,400	43,036	43,681	44,337	45,002	45,677	46,362	47,057	47,763
Transmission Lines	105,016	64,705	208,432	213,019	216,214	219,457	222,749	226,090	229,482	232,924	236,418	239,964
Capital Project Inspection & Support			13,671	14,100	14,311	14,526	14,744	14,965	15,190	15,418	15,649	15,884
Non Potable System	458,883	513,018	290,169	271,573	275,646	279,781	283,978	288,237	292,561	296,949	301,404	305,925
Ski Hill	14,935		67,253	68,625	69,654	70,699	71,760	72,836	73,929	75,038	76,163	77,306
Interdepartmental Charges	263,893	341,062	326,610	326,610	331,510	336,482	341,530	346,652	351,852	357,130	362,487	367,924
Administrative Division Allocation	539,018	678,114	684,926	672,687	682,778	693,019	703,415	713,966	724,675	735,545	746,579	757,777
State Water Tax	35,173	45,000	45,000	45,000	45,675	46,360	47,056	47,761	48,478	49,205	49,943	50,692
Debt Service	232,053	235,735	238,433	258,373	306,914	356,139	645,312	691,916	624,327	500,759	547,161	586,686
Capital	-	10,937,623	1,378,750	35,000	-	-	-	1,194,000	1,230,000	1,267,000	1,305,000	1,344,000
Capital Paid with Debt/Grants/Reimb			1,426,250	780,000	750,000	-	825,000	1,300,000	922,000	633,000	1,207,000	336,000
Capital Paid with Cash												
Total Operations Expenses	3,210,786	4,563,332	3,811,951	3,831,328	3,933,462	4,037,086	4,381,473	4,484,120	4,473,414	4,407,581	4,512,586	4,611,592
Total Capital Expenditures	0	10,937,623	2,805,000	815,000	750,000	0	825,000	2,494,000	2,152,000	1,900,000	2,512,000	1,680,000
Less Capital Paid by WTB/Other			(1,426,250)	(780,000)	(750,000)	-	(825,000)	(1,300,000)	(922,000)	(633,000)	(1,207,000)	(336,000)
Total Cash Outflow	3,210,786	15,500,955	5,190,701	3,866,328	3,933,462	4,037,086	4,381,473	5,678,120	5,703,414	5,674,581	5,817,586	5,955,592
Revenue Forecast												
Non-potable												
Non-potable production in kgals	63,702	86,400	90,400	90,400	94,500	94,500	108,600	136,500	136,500	136,500	136,500	136,500
Revenue per kgal	$ 0.74	$ 2.50	$ 1.70	$ 1.70	$ 1.70	$ 1.70	$ 1.70	$ 1.70	$ 1.70	$ 1.70	$ 1.70	$ 1.70
Non-potable rate per 1000 gallons	$ 1.15	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50
Rate Increase Percentage		**117%**										
Non-potable sales revenue	$ 47,043	$ 216,000	$ 153,680	$ 153,680	$ 160,650	$ 160,650	$ 184,620	$ 232,050	$ 232,050	$ 232,050	$ 232,050	$ 232,050

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Production

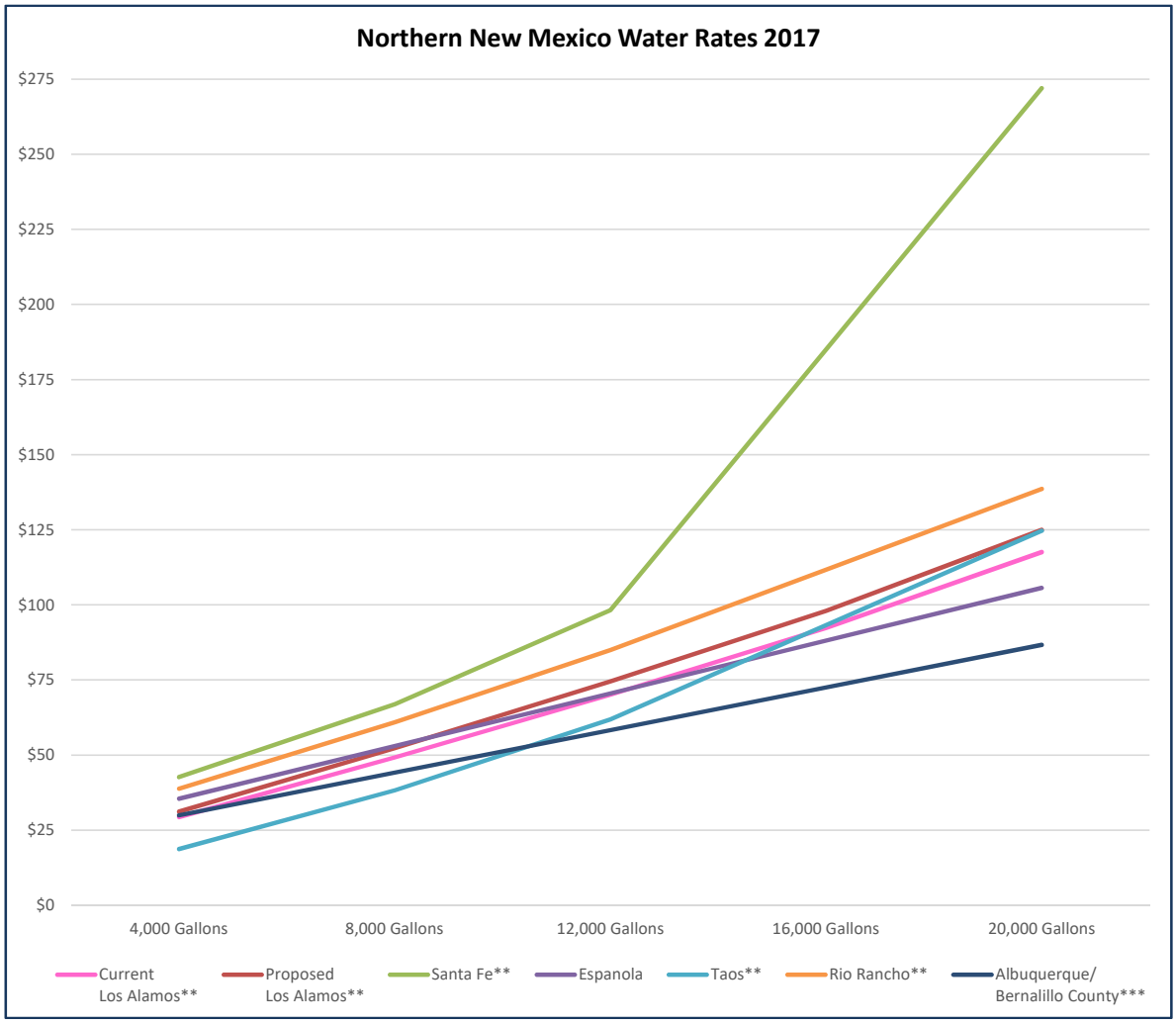
1.50%	ACTUAL 2017	REV BUDGET 2018	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
Potable												
Production in thousand gallons	1,035,301	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Revenue per thousand gallons	$ 3.46	$ 3.65	$ 3.65	$ 3.65	$ 3.65	$ 3.65	$ 3.65	$ 3.65	$ 3.65	$ 3.65	$ 3.65	$ 3.65
Rate Increase Percentage	**10.00%**	**8.00%**										
Potable sales revenue	$ 3,579,231	$ 4,197,500	$ 4,197,500	$ 4,197,500	$ 4,197,500	$ 4,197,500	$ 4,197,500	$ 4,197,500	$ 4,197,500	$ 4,197,500	$ 4,197,500	$ 4,197,500
Total Sales Revenue	**$ 3,626,274**	**$ 4,413,500**	**$ 4,351,180**	**$ 4,351,180**	**$ 4,358,150**	**$ 4,358,150**	**$ 4,382,120**	**$ 4,429,550**	**$ 4,429,550**	**$ 4,429,550**	**$ 4,429,550**	**$ 4,429,550**
Repayment & Interest on Inter-Utility Loans	187,569	187,569	187,569	187,569	187,569	187,569	187,569	187,569	93,784	-	-	-
Interest on Utility Reserves	332,598	109,233	79,426	71,251	89,840	112,035	121,759	139,197	145,190	143,721	136,853	136,318
Bond Federal Subsidy	25,673	27,576	27,576	27,576	27,576	27,576	27,576	21,338	14,940	10,459	8,496	8,496
Econ Dev Fund/Ski Hill Reimb		5,271,000	-	468,000								
Federal or State Grant/Loan	415,506	-	-	-	750,000	-	825,000	1,300,000	922,000	633,000	1,207,000	336,000
Total Cash Inflow	4,587,620	10,008,878	4,645,751	5,105,576	5,413,135	4,685,330	5,544,024	6,077,654	5,605,464	5,216,729	5,781,899	4,910,363
R&R and Cash Flows												
Net Cash Flow	1,376,835	(5,492,077)	(544,951)	1,239,249	1,479,673	648,244	1,162,551	399,534	(97,950)	(457,852)	(35,687)	(1,045,229)
Cumulative Net Cash Flow	1,376,835	(5,492,077)	(544,951)	694,298	2,173,971	2,822,215	3,984,766	4,384,300	4,286,350	3,828,498	3,792,811	2,747,582
Cash Balance	10,787,114	5,295,037	4,750,086	5,989,335	7,469,008	8,117,252	9,279,803	9,679,337	9,581,387	9,123,535	9,087,848	8,042,619
Recommended Cash Balance		3,000,775	4,200,622	4,231,699	4,332,049	4,420,238	4,748,958	4,835,703	4,808,857	4,726,642	4,815,019	4,897,147

Draft

IMPACT ON RATE PAYERS:
Los Alamos and Neighboring Communities

	Annual Water	median income	%age of income
Current Los Alamos	471.60	107,131	0.44%
Proposed Los Alamos	**501.00**	**109,707**	**0.46%**
Albuquerque/Bernalillo County	444.33	47,413	0.94%
Taos	318.36	32,076	0.99%
Rio Rancho	593.40	59,243	1.00%
Santa Fe	657.36	50,213	1.31%
Espanola	531.12	30,336	1.75%
NEIGHBORS' AVERAGES	**508.91**	**43,856**	**1.20%**

Los Alamos County Department of Public Utilities
Proposed Water Rate Increase
January 2019



SAMPLE RESIDENTIAL BILL - Assuming 5/8" Meter & PEAK Season*

Monthly Usage	Current Los Alamos**	**Proposed Los Alamos****	Santa Fe**	Espanola	Taos**	Rio Rancho**	Albuquerque/ Bernalillo County***
4,000 Gallons	29.34	**31.17**	42.66	35.49	18.69	38.81	29.94
6,000 Gallons	39.30	**41.75**	54.78	44.26	26.53	49.45	37.03
8,000 Gallons	49.26	**52.33**	66.90	53.03	38.31	60.97	44.12
12,000 Gallons	70.11	**74.48**	98.22	70.56	61.87	84.91	58.30
14,000 Gallons	80.69	**85.72**	141.66	79.33	77.57	98.33	65.39
16,000 Gallons	92.30	**98.06**	185.10	88.10	93.27	111.75	72.48
20,000 Gallons	117.58	**124.94**	271.98	105.63	124.67	138.59	86.66
30,000 Gallons	180.78	**192.14**	489.18	149.47	203.17	205.69	122.11

** For comparison purposes, August was used for all locations*

*** Tiered or seasonal rates apply for this jurisdiction*

**** Rates shown DO NOT include the surcharges for usage in excess of a citizen's water budget calculated by season and winter mean which can be up to 100% of commodity charge. Drought surcharges of up to 400 percent may also apply.*

Los Alamos County Department of Public Utilities
Proposed Water Rate Increase
January 2019

Projected Average Water Bill for Residential Customers

	6,000 Gallon per Month Water Bill	Rate Increase Percentage	Additional Annual Cost Over Previous Year	Los Alamos Median Household Income	Assumed Annual Income Increase	Percentage of Income Needed to Pay Water Bill
FY2017	$36.38			$105,989		**0.41%**
FY2018	$39.30	8.00%	$35.04	$108,639	2.5%	**0.43%**
FY2019	$41.76	6.25%	$29.48	$111,355	2.5%	**0.45%**
FY2020	$43.84	5.00%	$25.05	$114,139	2.5%	**0.46%**
FY2021	$45.71	4.25%	$22.36	$116,992	2.5%	**0.47%**
FY2022	$47.31	3.50%	$19.20	$119,917	2.5%	**0.47%**
FY2023	$48.49	2.50%	$14.19	$122,915	2.5%	**0.47%**
FY2024	$49.46	2.00%	$11.64	$125,988	2.5%	**0.47%**
FY2025	$50.33	1.75%	$10.39	$129,137	2.5%	**0.47%**
FY2026	$51.08	1.50%	$9.06	$132,366	2.5%	**0.46%**
FY2027	$51.85	1.50%	$9.19	$135,675	2.5%	**0.46%**

Projected Average Bill for Residential

	ELECTRIC 500 kwh	GAS 75 therms (assumes $0.30 variable)	WATER 6,000 gal	SEWER	Total (excludes refuse)	Total % annual Increase	Total cumulative % Increase
FY2018	$69.60	$49.25	$39.30	$47.45	$205.60		
FY2019	$69.60	$49.25	$41.76	$51.25	$211.85	3.04%	3%
FY2020	$69.60	$49.25	$43.84	$54.45	$217.14	2.50%	6%
FY2021	$69.60	$49.25	$45.71	$57.17	$221.73	2.11%	8%
FY2022	$69.60	$49.25	$47.31	$59.60	$225.76	1.82%	10%
FY2023	$69.60	$49.25	$48.49	$61.69	$229.03	1.45%	11%
FY2024	$69.60	$49.25	$49.46	$63.23	$231.54	1.10%	13%
FY2025	$69.60	$49.25	$50.33	$64.49	$233.67	0.92%	14%
FY2026	$69.60	$49.25	$51.08	$65.62	$235.55	0.81%	15%
FY2027	$69.60	$49.25	$51.85	$66.61	$237.30	0.74%	15%
FY2028	$69.60	$49.25	$52.62	$67.61	$239.08	0.75%	16%

Utility Expense as a Percentage of Income

	Total Bill for Average Household	Los Alamos Median Household Income	Assumed Annual Income Increase	Percentage Needed to Pay Utility Bill
FY2018	$205.60	$107,031	2.5%	2.31%
FY2019	$211.85	$109,707	2.5%	2.32%
FY2020	$217.14	$112,449	2.5%	2.32%
FY2021	$221.73	$115,261	2.5%	2.31%
FY2022	$225.76	$118,142	2.5%	2.29%
FY2023	$229.03	$121,096	2.5%	2.27%
FY2024	$231.54	$124,123	2.5%	2.24%
FY2025	$233.67	$127,226	2.5%	2.20%
FY2026	$235.55	$130,407	2.5%	2.17%
FY2027	$237.30	$133,667	2.5%	2.13%
FY2028	$239.08	$137,009	2.5%	2.09%

Agenda No.:	8.A
Index (Council Goals):	BCC - N/A
Presenters:	Board of Public Utilities
Legislative File:	**11552-19**

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

STATUS REPORTS

ELECTRIC RELIABILITY

Los Alamos County Utilities

Electric Distribution Reliability

January 16, 2019

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 SAIDI
1/16/2018	Utilities	18	HUMAN	8:30	8:34	0:04	213	14:12:00	14:12:00	0:00:06
2/3/2018	Utilities	13	Animal	1:30	2:30	1:00	8	8:00:00	22:12:00	0:00:09
2/14/2018	Utilities	14	Planned	9:00	10:30	1:30	7	10:30:00	32:42:00	0:00:13
3/8/2018	Utilities	WR2	Planned	9:30	11:00	1:30	7	10:30:00	43:12:00	0:00:17
3/9/2018	Utilities	15	Unknown	13:00	14:00	1:00	6	6:00:00	49:12:00	0:00:20
3/9/2018	Utilities	15	Animal	9:30	10:30	1:00	1	1:00:00	50:12:00	0:00:20
3/10/2018	Utilities	WR2	Unknown	14:11	15:11	1:00	1	1:00:00	51:12:00	0:00:20
3/16/2017	Utilities	WR1	Weather	16:30	17:30	1:00	5	5:00:00	56:12:00	0:00:22
3/18/2017	Utilities	WR1	Weather	14:00	16:00	2:00	1	2:00:00	58:12:00	0:00:23
3/12/2018	Utilities	13	OH Failure	12:30	15:07	2:37	22	57:34:00	115:46:00	0:00:46
4/17/2018	Utilities	16	URD Failure	17:00	20:00	3:00	2	6:00:00	121:46:00	0:00:48
4/26/2018	Utilities	WR1	Planned	9:50	12:20	2:30	7	17:30:00	139:16:00	0:00:55
5/27/2018	Utilities	16	URD Failure	12:00	13:30	1:30	30	45:00:00	184:16:00	0:01:13
5/30/2018	Utilities	WR2	Planned	9:05	11:05	2:00	8	16:00:00	200:16:00	0:01:20
6/3/2018	Utilities	WR2	URD Failure	15:00	16:00	1:00	50	50:00:00	250:16:00	0:01:40
6/3/2018	Utilities	WR2	URD Failure	15:00	16:45	1:45	27	47:15:00	297:31:00	0:01:58
6/3/2018	Utilities	WR2	URD Failure	15:00	17:45	2:45	21	57:45:00	355:16:00	0:02:21
6/12/2018	Utilities	13	URD Failure	20:45	9:30	12:45	15	191:15:00	546:31:00	0:03:38
6/17/2018	Utilities	16	URD Failure	18:30	20:00	1:30	2	3:00:00	549:31:00	0:03:39
7/15/2018	Utilities	14	URD Failure	23:30	5:30	6:00	30	180:00:00	729:31:00	0:04:50
7/20/2018	Utilities	WR2	URD Failure	10:10	11:30	1:20	12	16:00:00	745:31:00	0:04:57
8/7/2018	Utilities	13	URD Failure	20:00	1:00	5:00	50	250:00:00	995:31:00	0:06:36
8/19/2018	Utilities	WR2	URD Failure	19:00	23:00	4:00	24	96:00:00	1091:31:00	0:07:14
9/1/2018	Utilities	WR2	URD Failure	5:00	8:30	3:30	21	73:30:00	1165:01:00	0:07:44
9/3/2018	Utilities	WR1	OH Failure	13:30	16:30	3:00	15	45:00:00	1210:01:00	0:08:02
9/4/2018	Utilities	WR1	Weather	17:50	19:30	1:40	15	25:00:00	1235:01:00	0:08:12
9/13/2018	Utilities	WR1	HUMAN	14:45	15:15	0:30	14	7:00:00	1242:01:00	0:08:14
9/13/2018	Utilities	WR2	URD Failure	9:30	11:15	1:45	24	42:00:00	1284:01:00	0:08:31
10/3/2018	Utilities	WR2	URD Failure	8:00	11:30	3:30	7	24:30:00	1308:31:00	0:08:41
11/13/2018	Utilities	13	SAFETY	9:45	15:00	5:15	87	456:45:00	1765:16:00	0:11:43
11/23/2018	Utilities	13	URD Failure	11:45	12:00	0:15	7	1:45:00	1767:01:00	0:11:43
11/30/2018	Utilities	13	TREE	19:00	20:52	1:52	15	28:00:00	1795:01:00	0:11:54
11/30/2018	Utilities	13	TREE	19:00	0:00	5:00	15	75:00:00	1870:01:00	0:12:24

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
					0:04:00				JANUARY	0:00:06	14:12:00	
0:00:17												
	0:01:10								FEBRUARY	0:00:07	32:42:00	
								0:00:39				
		0:00:12										
		0:00:13										
								0:00:43				
							0:00:11					
							0:00:16		MARCH	0:00:10	25:30:00	0:00:03
0:02:23												
			0:00:12									
							0:00:56		APRIL	0:00:32	81:04:00	
			0:01:40									
								0:01:43	MAY	0:00:24	61:00:00	
								0:04:50				
								0:07:47				
								0:11:24				
0:09:19												
			0:01:46						JUNE	0:02:19	349:15:00	
	0:20:02											
								0:01:00	JULY	0:01:18	183:00:00	
0:18:22												
								0:07:00	AUGUST	0:02:18	346:00:00	
								0:11:35				
							0:02:38					
							0:03:35					0:00:10
							0:03:50					
								0:14:12	SEPTEMBER	0:01:17	49:00:00	
								0:15:44	OCTOBER	0:00:10	66:30:00	
0:34:56												
				0:00:30								
0:35:57												
0:38:40									NOVEMBER	0:03:43	561:30:00	
Circ 13	**Circ 14**	**Circ 15**	**Circ 16**	**Circ 17**	**Circ 18**	**Circ EA4**	**Circ WR1**	**Circ WR2**	**Total**	**0:12:24**		**0:00:13**
1655	**539**	**1875**	**1842**	**209**	**213**	**165**	**1586**	**961**	**9045**			

Twelve Month History	December 2018	
Total # Accounts	9045	
Total # Interruptions	32	
Sum Customer Interruption Durations	1870:01:00	hours:min:sec
# Customers Interrupted	769	
SAIFI(APPA AVG. = 1.0)	.09	int./cust.
SAIDI (APPA AVG. = 1:00)	00:12	hours:min
CAIDI	2:25	hours:min/INT
ASAI	99.9999%	% available

- **SAIFI - System Average Interruption Frequency Index**
  A measure of interruptions per customer (Per Year)

  SAIFI= (Total number of customer interruptions)
  (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)

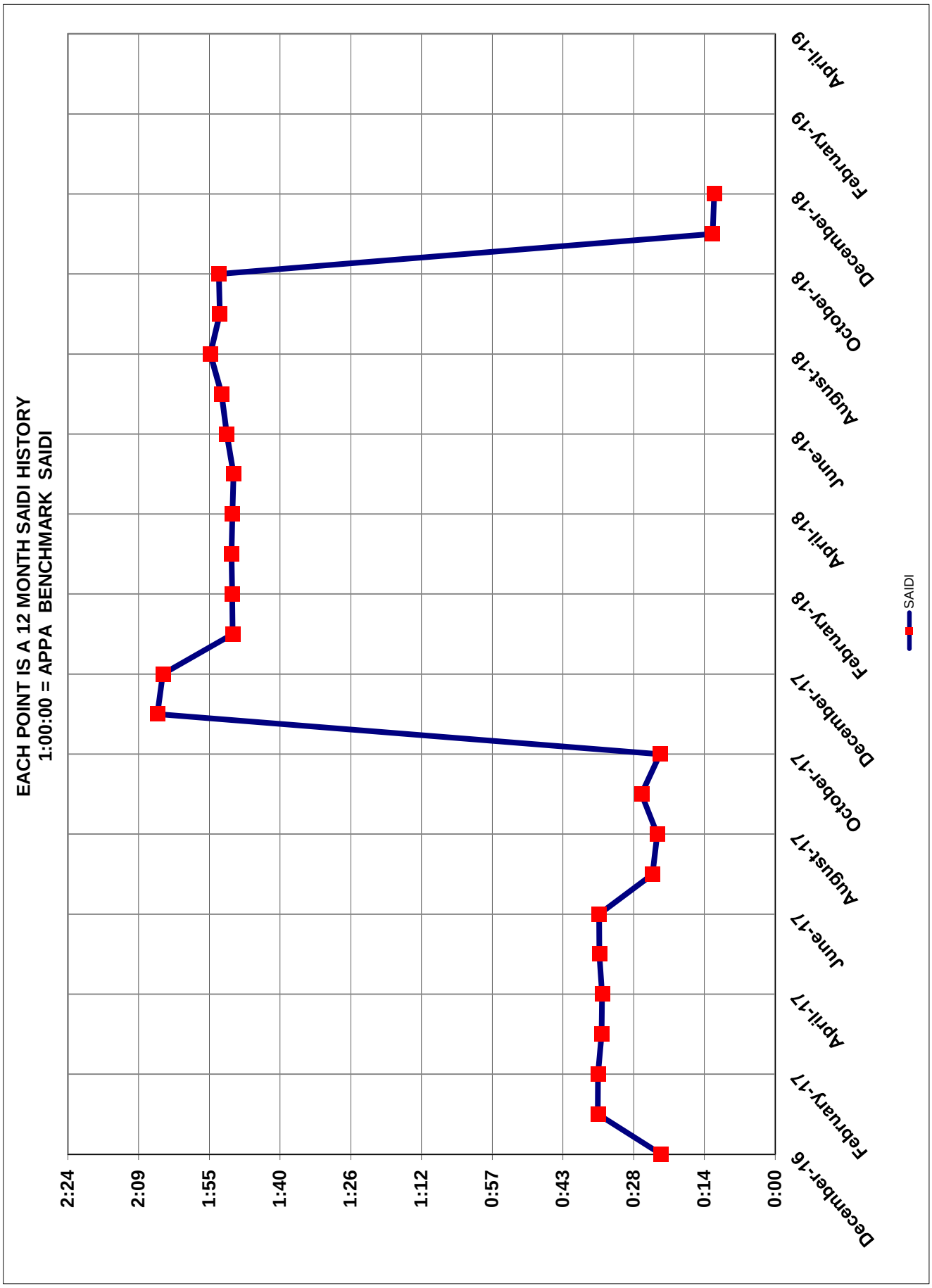
  SAIDI=(Sum of all customer outage durations)
  (Total number of customers served)

- **CAIDI – Customer Average Interruption Duration Index**
  A measure of the average outage duration per customer (hours per interruption)

  CAIDI=(Sum of all customer outage durations) = SAIDI
  (Total number of customer interruptions) SAIFI

- **ASAI – Average System Availability Index**
  A measure of the average service availability (Per unit)

  ASAI= (Service hours available) = 8760-SAIDI
  (Customer demand hours) 8760


EACH POINT IS A 12 MONTH SAIDI HISTORY
1:00:00 = APPA BENCHMARK SAIDI
2:24
2:09
1:55
1:40
1:26
1:12
0:57
0:43
0:28
0:14
0:00
December-16
February-17
April-17
June-17
August-17
October-17
December-17
February-18
April-18
June-18
August-18
October-18
December-18
February-19
April-19
SAIDI

STATUS REPORTS

ACCOUNTS RECEIVABLES

Los Alamos County Utilities Department
Active Receivables Over 90 Days Past Due
January 3, 2019

Account	Customer ID	Cycle	Comments	90 - 119	120 +
3000139	2034008	23	See notes in box below	41.44	-
3000145	2107458	23		3.80	-
3000189	2131678	23		9.00	-
3000240	2099308	23		20.68	-
3000417	2053168	22		228.44	-
3000613	2063208	21		361.43	-
3000618	2063208	21		335.23	-
3000666	2002399	20		931.25	-
3001808	2115758	22		26.58	-
3002297	2077688	40		31.67	-
3002308	2098078	40		48.11	-
3002354	2091608	41		123.50	-
3002362	2008831	41		227.29	-
3002396	2008941	41		12.92	-
3002764	2023913	41		128.95	-
3002813	2114338	41		140.64	-
3002814	2052048	41		85.39	-
3004032	2126238	34		82.43	-
3004175	2017834	34		244.12	-
3004182	2013181	34		102.40	-
3004207	2012492	34		74.86	-
3004255	2117138	34		86.68	-
3004292	2013614	34		64.58	-
3004702	2083378	33		32.32	-
3004924	2054718	35		174.55	-
3004945	2082208	35		94.32	-
3005299	2017148	32		96.74	-
3005388	2017512	22		189.99	-
3005390	2017512	22		296.82	-
3005737	2028518	30		93.21	-
3006245	2093278	23		27.08	-
3006260	2135358	23		10.73	-
3007814	2117198	15		241.13	-
3008261	2118808	11		23.06	-
3008266	2125238	11		126.04	-
3008278	2110108	11		320.25	-
3008372	2122608	11		386.99	-
3008804	2105358	41		2.42	-
3009003	2103928	14		215.59	-
3009170	2006040	22		154.82	-
3009436	2008564	22		16.66	-
3009806	2021364	31		122.35	-

3009964	2038698	32	251.51	-
3003933	2090978	34	247.37	0.70
3003563	2076548	43	163.00	1.05
3009452	2124088	22	78.52	1.19
3009430	2118568	22	31.67	2.89
3002285	2131068	40	34.76	10.05
3005292	2017130	32	15.23	13.75
3002807	2081408	41	133.35	14.00
3008008	2104158	11	11.98	19.51
3000627	2111978	21	154.22	20.53
3003669	2011580	51	-	23.61
3000067	2055408	23	-	24.37
3004213	2103178	34	178.36	25.48
3004257	2009984	34	239.20	27.25
3010244	2139748	54	-	28.34
3003676	2011587	51	-	28.37
3005810	2132968	35	212.88	28.71
3008295	2024235	11	193.39	31.41
3002306	2112518	40	38.59	35.45
3006485	2020379	12	-	39.14
3010128	2114898	40	13.50	53.76
3009360	2200125	22	-	54.24
3000621	2111978	21	61.34	61.34
3004509	2102258	33	14.23	65.90
3003969	2012357	34	171.09	68.26
3007160	2085178	13	-	77.77
3000628	2111978	21	50.17	79.84
3005468	2017711	30	185.65	91.66
3005078	2016362	32	404.99	101.03
3006831	2069208	12	-	101.74
3000635	2111978	21	258.84	104.49
3002202	2034638	40	12.88	110.34
3003894	2069898	34	218.69	113.08
3004866	2134538	32	161.85	117.48
3002375	2127058	41	262.50	121.24
3005024	2016194	32	264.28	127.22
3005323	2055738	32	220.29	131.34
3008793	2110268	41	38.60	142.85
3000096	2000380	23	94.14	146.45
3001651	2062808	22	35.53	157.43
3004190	2101908	34	184.13	159.54
3006941	2135958	12	-	161.91
3009446	2121678	22	95.09	162.47
3002822	2093218	41	107.30	162.90
3006101	2019330	23	-	163.76
3006151	2019497	23	148.42	163.98
3002424	2032538	41	223.05	164.98
3007663	2008610	14	298.94	165.13

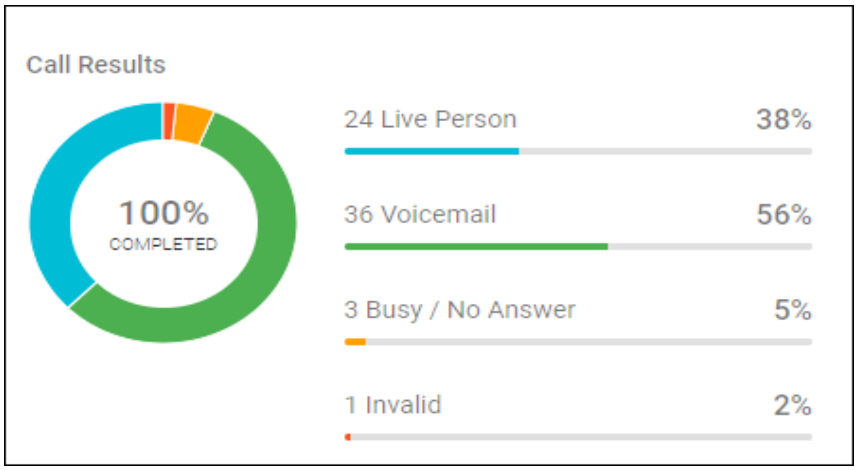
3001411	2126808	21	166.94	165.45
3005439	2138828	30	158.04	166.74
3008792	2121088	41	49.48	169.11
3005569	2093008	30	177.69	176.68
3008846	2025446	41	154.06	184.19
3007023	2021641	12	-	185.08
3002412	2003472	41	167.06	192.15
3008948	2008575	14	230.62	192.63
3010032	2047968	51	-	203.05
3009146	2026060	22	-	204.36
3000118	2128758	23	44.16	208.37
3005461	2093888	30	186.21	222.36
3000166	2066168	23	183.53	224.83
3004280	2029758	34	233.42	241.09
3008923	2094088	14	212.91	242.52
3004153	2038008	34	414.03	248.23
3000157	2099898	23	72.79	257.72
3009369	2026665	22	223.19	260.08
3008229	2102718	11	265.71	275.05
3002756	2135128	41	137.35	276.14
3009448	2128228	22	122.04	286.06
3000068	2113668	23	125.21	296.13
3006505	2020433	12	-	320.55
3008370	2125228	11	174.59	330.91
3002477	2009142	41	173.17	332.60
3000529	2106068	20	103.34	344.40
3000222	2129908	23	150.90	347.68
3005247	2120668	32	169.75	364.93
3009005	2039248	14	289.59	375.28
3003668	2011579	51	-	386.23
3004678	2014731	33	195.83	403.59
3006079	2041858	23	231.67	415.63
3004423	2130778	33	165.56	425.76
3006123	2019390	23	188.97	429.03
3003818	2066808	34	159.97	443.51
3002769	2009914	41	134.27	457.65
3004459	2063338	32	392.84	461.12
3000229	2030188	23	159.30	479.73
3006822	2107658	12	-	488.56
3009159	2085388	22	229.16	520.39
3002344	2008640	41	173.65	534.18
3003672	2011583	51	-	534.27
3004060	2085918	34	158.35	536.17
3010101	2065138	55	-	539.18
3003508	2124208	42	196.61	607.91
3006296	2019976	10	690.69	618.74
3005372	2030808	32	97.02	677.82
3007573	2134368	15	349.21	684.94

3007360	2015299	14	292.51	704.36
3007272	2074278	10	231.67	711.74
3008040	2023776	11	393.17	726.24
3002334	2126448	41	283.17	733.33
3007049	2021703	12	-	745.74
3006803	2094548	12	-	763.94
3004458	2063338	32	17.20	890.49
3005989	2019015	23	-	893.92
3004234	2120468	34	232.69	1,035.45
3002482	2068968	41	275.51	1,150.48
3005998	2019026	23	-	1,208.71
3000622	2111978	21	29.98	1,221.45
3007047	2021698	12	-	1,224.93
3010119	2074628	20	604.79	1,338.80
3004823	2015382	32	-	1,477.37
3010273	2138308	12	-	1,696.51
3003335	2011004	42	-	2,020.53
3006393	2020223	12	-	2,094.53
3007010	2021618	12	-	2,498.75
3001539	2005415	20	1,263.43	2,856.71
3001509	2136448	20	1,454.58	4,215.31
3005988	2019014	23	3,059.94	4,727.01
3006953	2053328	12	-	5,911.30
3007881	2023503	15	3,354.15	7,491.98
3006304	2019990	11	4,552.54	8,040.45
3002136	2007943	40	-	8,051.65
3005991	2019017	23	7,203.19	12,588.21
			42,703.39	97,666.60
			Total	**140,369.99**

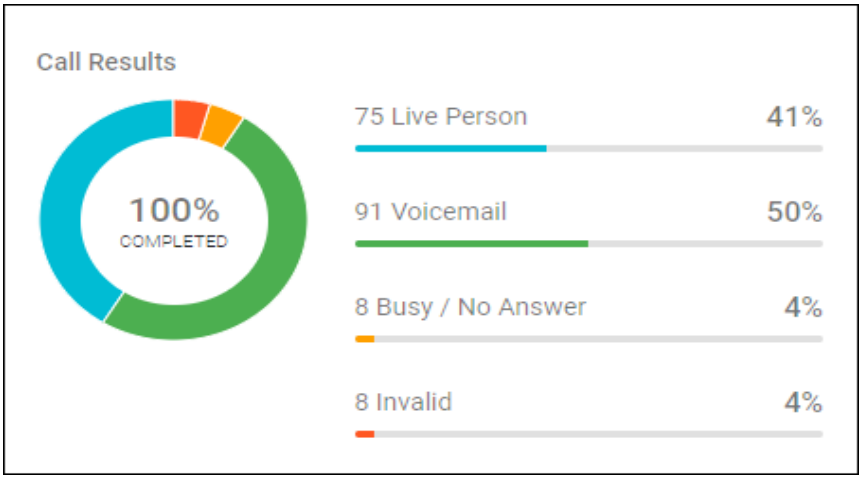
Notes:

1) Letters for accounts over 120 days were mailed on 12/5/18, 69 customers.
2) Letters for accounts over 90 days were mailed on 12/10/18, 86 customers.
3) Letters for accounts over 60 days were mailed on 12/13/18, 108 customers.
4) Phone Call - "Resuming Late Fees as of 1/1/19" customers were called on 12/17/18 and 12/19/2018, 246 customers.
5) On 12/20/18, staff personally attempted to reach 18 of the customers we were unable to reach through Call-Em All.
6) Letters for accounts over 30 days were mailed on 12/27/2018, 193 customers.
7) Press Release 12/12/18: Issued to KRSN radio, LA Monitor, LA Daily Post, LA Reporter, DPU website. Shared on Facebook, DPU and Customer Care and Twitter.
8) Shared on County Line on 12/14/18, ~1,700 subscribers

Call-Em All Results from 12/17/18 (64 Customers)



Call-Em All Results from 12/19/18 (182 Customers)



Los Alamos County Utilities Department
Receivables More than 60 Days Inactive
January 3, 2019

YEAR	*OUTSTANDING*	*# OF ACCOUNTS*	*OUTSTANDING*	*# OF ACCOUNTS*
FY14				
FY15				
FY16				
FY17				
FY18				
TOTAL	**$ -**	**-**	**$ -**	**-**

At this time collections for inactive accounts has not been done. Will resume collections on inactive accounts this month, Janauary 2019

STATUS REPORTS

SAFETY

The County Risk Department provides all the Safety Status Reports included in the agenda packet. The following information was received from the Risk Department:

TORT CLAIMS:
Claimant stepped on defective meter can lid; leg entered can; liability probable; minor injury.

COUNTY PROPERTY DAMAGE;
Utilities at Abiquiu broke taillight plowing snow.

WORKERS' COMPENSATION
None

The OSHA Incidence Rate report was not available at the time of agenda publication.