



County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

Agenda - Final Board of Public Utilities

*Carrie Walker, Chair; Jeff Johnson, 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, May 15, 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**

There are no agenda items under this section.

4.H. Approval of Board Expenses**4.I. Preview of Upcoming Agenda Items****5. PUBLIC HEARING(S)**

There are no public hearings scheduled for this meeting.

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The following items are presented for Board approval under a single motion unless any item is withdrawn by a member for further Board consideration in the "Business" section of the agenda.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 [11957-19](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Board of Public Utilities

PG. 1-10

- 6.B** [AGR0623-19](#) Approval of Amendment No. 1 to Services Agreement No. AGR18-20 with Intellibind Technologies, LLC in the amount of \$300,000.00 for a Total Contract Amount of \$800,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Critical Infrastructure Protection Version 5 Comprehensive Patch Management Services

Presenters: James Alarid, Deputy Utilities Manager - Engineering

PG. 11-14

- 6.C** [AGR0627-19](#) Approval of Services Agreement No. AGR20-905 with Kutak Rock, LLP in the amount of \$150,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Legal Services

Presenters: Tim Glasco, Utilities Manager

PG. 15-24

- 6.D** [11933-19](#) Approval of Contract No. 19-WC-40-727 with the United States Bureau of Reclamation for Lease of the 2019 Allocation of San Juan/Chama Project Water

Presenters: Jack Richardson, Deputy Utilities Manager - GWS Services

PG. 25-37

7. BUSINESS

- 7.A** [AGR0625-19](#) Consideration of Change Order No. 6 to Services Agreement AGR17-30 for the Otowi Well #2 Design, Drilling and Development Project

Presenters: James Alarid, Deputy Utilities Manager - Engineering

PG. 38-49

8. STATUS REPORTS

- 8.A** [11958-19](#) Status Reports

Presenters: Board of Public Utilities

PG. 50-63

9. PUBLIC COMMENT

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

10. ADJOURNMENT

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



County of Los Alamos

Staff Report

May 15, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.A
Index (Council Goals): BCC - N/A
Presenters: Board of Public Utilities
Legislative File: 11957-19

Title

Approval of Board of Public Utilities Meeting Minutes

Recommended Action

I move that the Board of Public Utilities approve the meeting minutes of April 17th, 2019 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.

The following changes were incorporated into the minutes presented for approval:

1. Jaime Kephart - A statement regarding recent closed sessions was added to the beginning of the minutes after the attendance.
2. Kathleen Taylor - In item 4.C., "Ms. Walker asked Mr. Glasco to discuss the reasons behind the Customer Care Center Change of hours from 8:00 a.m. - ~~4:00~~ 5:00 p.m. to 8:00 a.m. - 4:00 p.m."

Attachments

A - Draft BPU Regular Session Minutes - April 17th, 2019



LOS ALAMOS

County of Los Alamos
Minutes
Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

*Carrie Walker, Chair; Jeff Johnson, 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, April 17, 2019

5:30 PM

1000 Central Avenue
Council Chambers

REGULAR SESSION

1. CALL TO ORDER

The regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, April 17th, 2019 at 5:30 p.m. at 1000 Central Ave., Council Chambers. Board Chair Carrie Walker called the meeting to order at 5:30 p.m.

Present 7 - Board Member Walker, Board Member Johnson, Board Member Frederickson, Board Member McLin, Board Member Taylor, Board Member Glasco and Board Member Burgess

Ms. Walker reported to staff that as authorized by §10-15-1 (H)(2) of the New Mexico Open Meetings Act, NMSA 1978, the Board of Public Utilities met in closed session on March 6th and March 14th, 2019 to discuss information pertaining to limited personnel matters - Utilities Manager hiring process. She reported that the matters discussed were limited only to those specified in the meeting notice.

2. PUBLIC COMMENT

Ms. Walker 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

Ms. Taylor moved that the agenda be approved as presented. The motion passed by the following vote:

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

4. BOARD BUSINESS

4.A. Chair's Report

Ms. Walker reported on the following items:

1) Ms. Walker attended a town hall meeting on the topic of infrastructure that Councilors Sheehey, Robinson and Schmidt held. She found it to be interesting and thought there was a good turnout. There seemed to be a lot of interest in the water distribution system

and putting electric lines underground. There seemed to be some support for temporarily returning some revenues to put more money into infrastructure. Perhaps it was a bias of that type of meeting, but she noted that people seemed to be concerned about infrastructure more so than rates.

4.A.1 [11760-19](#) **Reminder for Upcoming Boards & Commissions Luncheon**

Presenters: Board of Public Utilities

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. Johnson is scheduled to attend the May 16th luncheon.

4.B. Board Member Reports

Board members had nothing to report.

4.C. Utilities Manager's Report

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

Ms. Walker asked Mr. Glasco to discuss progress on any continuing billing issues since the implementation of the County's new Enterprise Resource System.

Mr. Johnson asked for an update on the condition of and work being done on the Los Alamos Canyon Reservoir road, and he asked for an update on the recent water main breaks.

Ms. Walker asked Mr. Glasco to discuss the reasons behind the Customer Care Center change of hours from 8:00 a.m. - 5:00 p.m. to 8:00 a.m. - 4:00 p.m.

4.D. County Manager's Report

Mr. Burgess reported on the following items:

1) Mr. Burgess attended the Council budget hearings the previous two evenings. Utilities was scheduled for the end of the evening on Tuesday, but Council was not able to get to the Utilities budget as planned. The next hearing is scheduled for Monday, April 22nd at 6:00 p.m. Council is scheduled to review the Utilities budget during that meeting.

4.E. Council Liaison's Report

Mr. Pete Sheehey reported on the following items:

1) Mr. Sheehey expressed concern about the Customer Care Center change of hours. He doesn't think the public takes kindly to that. If it is temporary, he is glad to hear that. He suggested that rather than shutting it down entirely, perhaps schedules could be phased so that at least one person is available to talk to the public between 4:00 and 5:00. He understands the need if there is a short-term issue but would like to see the windows open until 5:00. He noted that for some people, that is the only time they can come in, and people don't like it when they are having problems and hours of service are cut back. However, he also understands that the Department must manage the staff they have, and it's not right that they should have to work overtime every night.

2) Mr. Sheehey reported that at the recent town hall meeting, and virtually everywhere else it has been discussed, there has been very strong public support for keeping the 5%

revenue transfer in Utilities for Utilities use. There is already a mechanism in place to transfer funds from one fund to another. A resolution change would be necessary to legally make the transfer of "profit" back to the Utilities an option for the Board. He personally thinks that should be done and doesn't see any other way to catch up on the backlog of sewer and water distribution expenses. He thinks that since the general County has such good revenues, it doesn't need that additional revenue in the general fund. He will work with the County Attorney to come up with a proposal. Whether it is a resolution or ordinance, it would be a revision to the existing County law. He has been told this can be done without changing the County Charter; however, some citizens have expressed support of changing the Charter if necessary. The first step would be to bring the proposal to the Board, and if recommended, it would then go to Council. Before the annual transfer comes up again next year, he would like to see things changed. That would be at least be a half million dollars per year that could potentially go into water or sewer work without having to raise rates additionally. He believes there is both good public and Council support.

As a follow-up action item, Mr. Johnson asked if staff could prepare a presentation for a future meeting to discuss possible mechanisms to reverse the revenue transfer. Mr. Sheehey believes a presentation would be at least two to three months out, perhaps longer.

4.F. Environmental Sustainability Board Liaison's Report

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

4.G. General Board Business

4.G.1 [11554-19](#) Briefing from County Manager on the County Strategic Objectives

Presenters: Harry Burgess

County Manager Mr. Harry Burgess presented this item. The following is the substance of the item being considered.

During the 2015 Board of Public Utilities Self-evaluation, the Board suggested that the County Manager present the County's goals and objectives to the Board and discuss overlap with the Department of Public Utilities. In December 2015, this was added to the Board's Policies and Procedures manual under the County Manager's responsibilities. Mr. Burgess presented the recently revised Los Alamos County Strategic Leadership Plan 2019 Update.

The Board discussed this item and requested clarification where necessary.

4.G.2 [11555-19](#) Quarterly Update on Utility System - Wastewater System

Presenters: Jack Richardson

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

The Board has requested a quarterly system assessment on a different utility each quarter. This quarter, Mr. Richardson presented an update on the wastewater system.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

1) Mr. Johnson requested an update on the status of the Departments adopted Financial Policies.

4.H. Approval of Board Expenses

There were no Board expenses.

4.I. Preview of Upcoming Agenda Items

4.I.1 [11889-19](#) 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) 05/15/2019 - Change Order to Agreement with Wilson & Company for Otowi Well 2 (James Alarid)

1) 05/15/2019 - Update on the Department of Public Utilities Financial Policies (Bob Westervelt)

3) TBD - Possible Mechanisms to Reverse the Revenue Transfer to the General Fund (Pete Sheehey)

5. PUBLIC HEARING(S)

There were no public hearings scheduled for this meeting.

6. CONSENT AGENDA

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

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

6.A [11887-19](#) 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 March 20th, 2019 as presented.

6.B [RE0400-19](#) Incorporated County of Los Alamos Resolution No.19-05; A Resolution Relating to the Natural Gas Supply Agreement Between the Incorporated County of Los Alamos and the New Mexico Municipal Energy Acquisition

Authority, As Amended by a First Amendment; Authorizing Action Necessary or Advisable to Obtain a Gas Discount Pursuant to the Supply Agreement, As Amended, Including the Execution and Delivery of Certificates and Agreements Relating to the Foregoing; Ratifying, Approving and Confirming Prior Action Taken Related to the Foregoing; and Repealing Action Inconsistent Herewith

Presenters: Bob Westervelt

I move that the Board of Public Utilities approve Incorporated County of Los Alamos Resolution No.19-05; A Resolution Relating to the Natural Gas Supply Agreement Between the Incorporated County of Los Alamos and the New Mexico Municipal Energy Acquisition Authority, As Amended by a First Amendment; Authorizing Action Necessary or Advisable to Obtain a Gas Discount Pursuant to the Supply Agreement, As Amended, Including the Execution and Delivery of Certificates and Agreements Relating to the Foregoing; Ratifying, Approving and Confirming Prior Action Taken Related to the Foregoing; and Repealing Action Inconsistent Herewith, and forward to the Los Alamos County Council with a recommendation for adoption.

- 6.C [AGR0622-19](#) Approval of Task Order No. 52 Under Services Agreement No. AGR16-044 with Paul Parker Construction in the amount of \$78,575.68, plus Applicable Gross Receipts Tax, for the Purpose of TA-21 LANL Electric Line Extension

Presenters: Department of Public Utilities

I move that the Board of Public Utilities approve Task Order No. 52 Under Services Agreement No. AGR16-044 with Paul Parker Construction in the amount of \$78,575.68 and a contingency in the amount of \$7,000.00, for a total of \$85,575.68, plus Applicable Gross Receipts Tax, for the Purpose of TA-21 LANL Electric Line Extension.

7. BUSINESS

There were no items on this Business section of the agenda.

8. STATUS REPORTS

- 8.A [11888-19](#) 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

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

1) Mr. Greg White, 600 San Ildefonso Rd. - Mr. White does not think it is right that Utilities, who interacts so much with the community, is catching so much public criticism for the problems stemming from the County's transition to the new Munis Enterprise Resource System. He believes the blame lies with the purchasing department. He cited examples where other cities have implemented the same system and had to spend millions of dollars to fix problems. He discussed how the lack of the budget billing option for a while negatively impacted him. Mr. White disclosed that he has applied for the advertised Board vacancy. He notified the Board that he e-mailed the Council on the topic of the revenue transfer discussed earlier and will provide it for the Board via e-mail. He then went on to discuss the information from that e-mail.

10. ADJOURNMENT

The meeting adjourned at 7:13 p.m.

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board

ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

**Utility Manager's Report
April 17, 2019**

1. The County Council did not get to the Utilities Budget in the first two nights of hearings. It is expected that our budget will be heard on Monday, April 22. In years past the Council has wanted to have a Board member present to comment on the Utilities budget.
2. We received a letter this week from the US EPA containing an Administrative Order concerning discharge violations at the Los Alamos wastewater treatment plant. Two recurring violations were cited; total residual chlorine (TRC) and pH. The pH violations were from mistakes in reading the pH meter by untrained staff. This situation has been remedied. The TRC violations were traced back to an industrial customer in Los Alamos who was using large amounts of concentrated chlorine solution for disinfection related to some of their processes. We sent a letter to the customer in January warning them to cease discharge of chlorine, and at a subsequent meeting with the customer, we were informed that they would no longer be using chlorine in their process. We have since had TRC violations in February and March. We are working with the County Attorney's office on the next steps to be taken. We have 30 days from receipt of the AO to respond to EPA.
3. We are anticipating the first draft of our Zia Application from our Contractor, Human Strategies, LLC, on or before the end of April. We will then submit comments and the final copy is scheduled for delivery in mid-June. This application, together with the QNM feedback report, will constitute the Charter-required 5-year management audit.
4. Pumping for well development was completed at Otowi Well No. 2, and we were preparing to do the test pumping to establish the well's expected production capacity when the New Mexico Environment Department halted the project. Sampling of the groundwater together with analysis of a long list of compounds was required before we would be allowed to discharge the test pump water to the canyon. All required data was submitted to the NMED last week and this week we received permission to commence test pumping. The Contractor had to demobilize off the site and will not be ready to begin pumping until Monday, April 22. A change order is expected to reimburse the contractor for the delays associated with this unexpected testing and some additional unresolved issues from earlier in the project.
5. AMI contract pre-kick off meeting was held today with Sensus/Ferguson. The formal kick-off meeting is planned for June 10, after which the contractor will begin mobilizing crews. It is not expected that meters will be installed until August at the earliest.
6. We filled our GIS Specialist position that has been open for the past several months. James Naranjo has accepted the position and will be starting in early May.
7. We received 9 applications for the open BPU position. Jaime is setting up the meetings to begin interviews. The interview committee will be submitting a maximum of six candidates for council consideration at their May 28 meeting.
8. The posting for the Utilities Manager position will close this Friday, April 19.

Environmental Sustainability Board (ESB) liaison report

Susan Barns, ESB Liaison 3/20/2019

Last month's activities include:

- Appointment of Amanda MacDonald as new board member
- Discussion and approval of the ESB Work Plan for FY20
- Review of 2018 report to NMED
- Discussion of Environmental Services FY19 Quarter 2 financial report
- Discussion of tiered rates for residential trash collection, and appointment of a Save As You Throw Research Subcommittee
- An awards ceremony for the winners of the 2018 October EcoChallenge
- A presentation on food waste composting at Reunity Resources in Santa Fe
- Presentation on Identification of Regional Composting Facility Sites and Costs

Tomorrow night's ESB meeting will include:

- Discussion of commercial trash rates
- Presentations on climate change and solutions, a waste audit done by Barranca School students, and food waste source reduction



County of Los Alamos

Staff Report

May 15, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.B
Index (Council Goals): BCC - N/A
Presenters: James Alarid, Deputy Utilities Manager - Engineering
Legislative File: AGR0623-19

Title

Approval of Amendment No. 1 to Services Agreement No. AGR18-20 with Intellibind Technologies, LLC in the amount of \$300,000.00 for a Total Contract Amount of \$800,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Critical Infrastructure Protection Version 5 Comprehensive Patch Management Services

Recommended Action

I move that the Board of Public Utilities approve Amendment No. 1 to Services Agreement No. AGR18-20 with Intellibind Technologies, LLC in the amount of \$300,000.00 for a Total Contract Amount of \$800,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Critical Infrastructure Protection Version 5 Comprehensive Patch Management Services and forward to Council for approval.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

In July of 2016 new cyber security regulations, North American Electric Reliability Corporation Critical Infrastructure Protection Version 5 (CIP-5), were implemented that apply to the operators of electric transmission lines. The Los Alamos Power Pool comprised of DOE/LANL and Los Alamos County share responsibilities in operating "pool assets". LANL/DOE owns approximately 21 miles of transmission line, triggering the CIP-5 regulations, and the DPU owns and operates the electric Supervisory Controls and Data Acquisition (SCADA) system supporting the pool's electric infrastructure. The CIP-5 regulations apply to the DPU SCADA system.

When the RFP was issued for these services the plan was to transfer the Electric SCADA System to LANL by January 2019. Since then the schedule has moved out by two years. LANL will not be ready to take over the system until 2021. We will remain contractually responsible for performing the Patching of the SCADA system until LANL takes over the system and we will need the services of Intellibind until then. Additional funding is needed to maintain the services for the lengthened term and to adjust for higher than estimated spending. Within a month of advertising the RFP for these services, two major occurrences took place that greatly increased the volume of work by Intellibind from what was anticipated.

First, our SCADA Technician who had worked for nearly two years in upgrading our SCADA system to comply with new cyber security regulations resigned. This resulted in a large amount

of effort on the part of Intellibind to gather information, assess our system requirements and baseline our system to prepare a Patching program to meet regulatory requirements.

Second, we were audited by our regulating agency for compliance with the recently implemented cyber security regulations. Intellibind, as the subject matter expert on the Critical Infrastructure Protection regulations, proved support addressing the various non-compliant findings of the audit. Again, the loss of our SCADA technician and his institutional knowledge impaired our ability to address audit findings so we engaged Intellibind to assist and develop corrective actions.

Alternatives

If the contract amount is not increased the support services provided by Intellibind will not be available beyond May 2019. We will not have adequate staff or expertise to meet the regulatory requirements.

Fiscal and Staff Impact

The services are budgeted in the Electric Production fund. The cost of these services is split between the County and DOE/LANL with the County paying 20% and DOE/LANL paying 80%.

Attachments

A - AGR18-20 Amendment No. 1

**AMENDMENT NO. 1
INCORPORATED COUNTY OF LOS ALAMOS
SERVICES AGREEMENT NO. 18-20**

This **AMENDMENT NO. 1** is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **Intellibind Technologies, LLC**, a Nevada limited liability corporation ("Contractor"), to be effective for all purposes May 29, 2019.

WHEREAS, County and Contractor entered into Agreement No. AGR18-20 dated January 31, 2018 for Critical Infrastructure Protection ("CIP") Version 5 Comprehensive Patch Management Services; and

WHEREAS, When the RFP was issued for these services the plan was to transfer the Electric Supervisory Control and Data Acquisition ("SCADA") System to Los Alamos National Laboratory ("LANL") by January 2019, however, the schedule has moved out by two (2) years; and

WHEREAS, LANL will not be ready to take over the system until early 2021; and

WHEREAS, County will remain contractually responsible for performing the Patching of the SCADA system until LANL takes over the system, therefore, County will need the services of Contractor until then; and

WHEREAS, both parties wish to amend the Agreement to extend the term and adjust compensation as allowed for under the Agreement; and

WHEREAS, the Board of Public Utilities approved this Amendment at a public meeting held on May 15, 2019; and

WHEREAS, the County Council approved this Amendment at a public meeting held on May 28, 2019.

NOW, THEREFORE, for good and valuable consideration, County and Contractor agree as follows:

I. Delete **SECTION B. TERM** in its entirety and replace it with the following:

SECTION B. TERM: The term of this Agreement shall commence January 31, 2018 and shall continue through January 31, 2021, unless sooner terminated, as provided herein. At County's sole option the Agreement may be renewed for up to two (2) consecutive one-year periods, unless sooner terminated, as provided therein.

II. Delete **SECTION C. COMENSATION** in its entirety and replace it with the following:

1. Amount of Compensation. County shall pay compensation for performance of the Services in an amount not to exceed **EIGHT HUNDRED THOUSAND DOLLARS (\$800,000.00)**, which amount does not include applicable New Mexico gross receipts taxes ("NMGRT"), but does include compensation for reimbursable expenses.

Compensation shall be paid in accordance with the rate schedule set out in Exhibit "A," attached hereto and made a part hereof for all purposes.

- 2. Monthly Invoices.** Contractor shall submit itemized monthly invoices to County's Project Manager showing amount of compensation due, amount of any NMGR, and total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after County's receipt of the invoice.

Except as expressly modified by this Amendment, the terms and conditions of the Agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

INCORPORATED COUNTY OF LOS ALAMOS

NAOMI D. MAESTAS
COUNTY CLERK

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

Approved as to form:



J. ALVIN LEAPHART
COUNTY ATTORNEY

**INTELLIBIND TECHNOLOGIES, LLC, A NEVADA
LIMITED LIABILITY CORPORATION**

BY: _____
BILL ADDINGTON
CEO
DATE



County of Los Alamos

Staff Report

May 15, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.C
Index (Council Goals): BCC - N/A
Presenters: Tim Glasco, Utilities Manager
Legislative File: AGR0627-19

Title

Approval of Services Agreement No. AGR20-905 with Kutak Rock, LLP in the amount of \$150,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Legal Services

Recommended Action

I move that the Board of Public Utilities approve Services Agreement No. AGR20-905 with Kutak Rock, LLP in the amount of \$150,000.00, plus applicable gross receipts tax, for the purpose of legal services related to utilities issues.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

The general County as well as the DPU have used the services of Kutak Rock for a variety of issues, mostly related to interface with the DOE/NNSA for several decades. DPU's existing 5-year contract, which is about to expire, is for \$110,000, and has approximately \$30,000 remaining unspent. Several issues are looming that will require more utilization of Kutak Rock services than the past 5 years. Among the upcoming issues are renewal of the water rights lease with the NNSA, renewal of the water sales contract and negotiations for the modification and/or renewal of the Energy Coordination Agreement. Staff expects to be heavily relying on Kutak Rock during these negotiations, so the ceiling amount of the contract is being raised to \$150,000. Kutak Rock has also performed work related to the Small Modular Reactor project for both the DOE and UAMPS, so they are uniquely qualified to assist in the County's upcoming deliberations related to participation in this project. The general County has a separate contract with Kutak Rock for advice and assistance with a variety of other DOE-related issues. This proposed contract however, is strictly for utilities-related services. The selection of legal services is exempt from competitive procurement under the County Procurement Code.

Alternatives

Staff could use a different law firm or rely entirely on in-house attorneys for the upcoming negotiations with NNSA. Kutak Rock, due to their long association with Los Alamos County DPU in dealing with these agreements is well suited to provide expert advice and assistance. Another law firm would have to come up to speed on our issues and may or may not have the expertise with NNSA to give the best assistance.

Fiscal and Staff Impact

Up to \$150,000 expenditure over the next five years.

Attachments

A - AGR20-905



INCORPORATED COUNTY OF LOS ALAMOS PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (this "Agreement") is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **Kutak Rock, LLP**, a Limited Liability Partnership ("Contractor"), to be effective for all purposes on July 1, 2019.

WHEREAS, Contracts for legal services are exempt from the competitive solicitation requirements of County's Procurement Code; and

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

WHEREAS, the Board of Public Utilities approved this Agreement at a public meeting held on May 15, 2019.

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 legal advice and counsel to County in matters as requested by the County Attorney or Utilities Manager on matters affecting electric, gas, water or sewer utilities, including financial assessment agreements, contracts, conveyances, leases, bonds or other legal issues. Contractor shall provide County with all related and support services required to furnish such legal advice and counsel.

SECTION B. TERM: The term of this Agreement shall commence July 1, 2019, and shall continue through June 30, 2024, unless sooner terminated, as provided herein.

SECTION C. COMPENSATION:

1. **Amount of Compensation.** County shall pay compensation for performance of the Services in an amount not to exceed ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00) which amount does not include applicable New Mexico gross receipts taxes ("NMGRT"). Compensation shall be paid in accordance with the rate schedule set out in Exhibit "A," attached hereto and made a part hereof for all purposes.
2. **Monthly Invoices.** Contractor shall submit itemized monthly invoices to the County Attorney showing the 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.

- 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. **Professional Liability Insurance.** TEN MILLION DOLLARS (\$10,000,000.00) per claim; TEN MILLION DOLLARS (\$10,000,000.00) aggregate in professional liability insurance that shall provide coverage for Services provided hereunder during the term of this agreement and for a period of at least five (5) years thereafter.
4. **Automobile Liability Insurance for Contractor and its Employees:** An amount at least equal to the minimum required by state law 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: Contractor acknowledges that it is subject to federal and state laws which prohibit discrimination 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. Contractor further acknowledges that such discriminatory conduct would constitute grounds for the County to terminate this Agreement.

SECTION M. INDEMNITY: Contractor agrees to indemnify County for any liability which may be imposed upon or asserted against County, as well as its officials, employees and agents acting in their official capacity for County, to the extent such liability is caused by the tortious acts, omissions or negligence of Contractor. Contractor shall not be obligated to indemnify County for liability caused by or resulting from negligence of County or any County official, employee or agent.

Subject to the terms of Contractor's professional liability insurance, and to avoid any coverage issues which this indemnity might otherwise create, it is agreed that no portion of this indemnity shall be deemed to broaden or expand Contractor's liability for professional negligence beyond that provided by applicable law, or deprive Contractor of any protection provided by the applicable law or to impose liability on Contractor where no negligence or malpractice is proven.

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:

County Attorney
Incorporated County of Los Alamos
1000 Central Avenue, Suite 340
Los Alamos, New Mexico 87544

Contractor:

Kutak Rock, LLP
1625 Eye Street, NW
Suite 800
Washington, D.C. 20006

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 is attached as Exhibit "B". Contractor must submit this form with this Agreement, if applicable and in accordance with Chapter 81 of the laws of 2006 of the State of New Mexico.

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

ATTEST

INCORPORATED COUNTY OF LOS ALAMOS

NAOMI D. MAESTAS
COUNTY CLERK

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

Approved as to form:

J. ALVIN LEAPHART
COUNTY ATTORNEY

KUTAK ROCK, LLP

By: _____
SETH D. KIRSHENBERG **DATE**
PARTNER

Exhibit "A"
COMPENSATION RATE SCHEDULE
AGR20-905

Fees for Services shall be based on time actually spent rendering Services satisfactory to the County, exclusive of travel time, at the following hourly rates (through December 2020) and thereafter the rates shall raise at 3% per year:

George Schlossberg	\$350.00
Barry Steinberg	\$350.00
Walt Griffiths	\$325.00
David Karnes	\$350.00
Eric Bergquist	\$325.00
Naomi Barnes	\$350.00
Richard Butterworth	\$325.00
Seth D. Kirshenberg	\$350.00
Joseph Fuller	\$325.00
Hilary Jackler	\$325.00
Associates	\$285.00

Reimbursable expenses shall be limited to and paid at the following rates:

- Commercial Messenger/Delivery Services – Actual Charge
- Facsimile – Actual Phone Charge
- Photocopies - .10 per copy or actual costs for large copying projects completed outside the Contractor's Office
- LEXIS, WESTLAW, DIALOG, NM Legal Net Computerized Legal Research – Actual cost with approval of the County Attorney
- Long Distance Telephone Calls – Actual Cost
- Postage – Actual out-of-the ordinary postage costs (i.e., federal express or similar express mail)
- Travel Costs – Actual Cost

Exhibit “B”
AGR20-905
CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to Chapter 81, Laws of 2006, any prospective contractor seeking to enter into a contract with any state agency or local public body must file this form with that state agency or local public body. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two (2) years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two (2) years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds TWO HUNDRED FIFTY DOLLARS (\$250.00) over the two (2) year period.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

“Applicable public official” means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

“Campaign Contribution” means a gift, subscription, loan, advance or deposit of money or other things of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official’s behalf for the purpose of electing the official to either statewide or local office. “Campaign Contribution” includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

“Contract” means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

“Family member” means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

“Pendency of the procurement process” means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

“Person” means any corporation, partnership, individual, joint venture, association or any other private legal entity.

“Prospective contractor” means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

“Representative of a prospective contractor” means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS: (Report any applicable contributions made to the following
- COUNTY COUNCILORS: David Izraelevitz; Antonio Maggiore; James Robinson; Randal Ryti; Katrina Schmidt; Sara Scott and Pete Sheehey.)

Contribution Made by: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

Signature Date

Title (position)

—OR—

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250.00) WERE MADE to an applicable public official by me, a family member or representative.

Signature Date

Title (position)



County of Los Alamos

Staff Report

May 15, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.D
Index (Council Goals): BCC - N/A
Presenters: Jack Richardson, Deputy Utilities Manager - GWS Services
Legislative File: 11933-19

Title

Approval of Contract No. 19-WC-40-727 with the United States Bureau of Reclamation for Lease of the 2019 Allocation of San Juan/Chama Project Water

Recommended Action

I move that the Board of Public Utilities approve Contract No. 19-WC-40-727 between the Incorporated County of Los Alamos and the United States Bureau of Reclamation for lease of the County's 2019 allocation of San Juan/Chama Project water.

Staff Recommendation

Staff recommends approval of the lease agreement per the motion as presented.

Body

Since taking over the Contract for the San Juan-Chama Project from the Department of Energy in 1998, the County has leased its annual allocation back to the Bureau of Reclamation. The Bureau has used this water to augment the total water supply to the Middle Rio Grande Valley (endangered minnow habitat low flows and/or irrigation needs) at its discretion.

The Department of Public Utilities has developed a cost effective plan to develop facilities and use the County's allotment, but until facilities are put in place to actually divert the water, we cannot claim it for use. We have leased storage space in Abiquiu Reservoir to store slightly less than one year's allocation of water but that space is currently subleased to the City of Santa Fe. Contractually, the water can only be released to a downstream user, so merely letting it go down the river is not a legal option for the County. If the water is not used by December 31st each year we must forgo the delivery but still pay for it. The Bureau this year has offered \$61.00 per acre-foot for the water which totals \$73,200 for the entire 1,200 acre-foot allocation for 2019. Furthermore, to give the Bureau maximum flexibility in the use of the water, there is a waiver included in the contract deferring the release date from 31 December 2019 until 30 September 2020. The per acre-foot payment offered by the Bureau is based on previous recent years' costs for operation and maintenance of the system with previous annual payments varying between \$47.00 and \$54.00 per acre-foot.

Upon approval of the contract, the Bureau will make a non-refundable payment of \$7,320.00 for 10% of the full County allotment of 1,200 acre-feet. The remaining 90% will be paid at the end of the water delivery year and after a full accounting of all deliveries. If at the end of the year the full allotment has not been released then the final payment for this leased water will be reduced to that percentage actually released. The contract allows for this flexibility.

Alternatives

The County's contract with the Bureau of Reclamation gives the Bureau first right of refusal for any third party lease of San Juan-Chama Project water, plus the Bureau must approve any such leases. The County is also not allowed to make a profit from leasing its allotment of San Juan-Chama Project water to a third party. The practical alternatives are that the County must either put our 2019 allocation into storage at Abiquiu lake, which would require a contract renegotiation with the City of Santa Fe and the elimination of the annual storage fee the City of Santa Fe pays to the County for that storage (10-year average = \$2,198.00), or forgo delivery if we elect to not lease to the Bureau. Foregoing delivery but not leasing back to the Bureau would result in the loss of the lease back payments pursuant to this contract while still being contractually required to pay the Bureau for the allotment water released in 2019. The County has been approached in the past by various entities asking the County to lease the County's allotment to them, however, these entities were not able or willing to cover the cost equivalent to the Bureau's costs and eventually rescinded their request.

Fiscal and Staff Impact

Unbudgeted income of between \$7,320 guaranteed minimum to \$73,200 contractual maximum.

Attachments

A - Contract No. 19-WC-40-727

SAN JUAN-CHAMA PROJECT
NEW MEXICO

SUBCONTRACT
Between the
UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
and the
INCORPORATED COUNTY OF LOS ALAMOS

TO LEASE THE USE OF
SAN JUAN-CHAMA PROJECT WATER

THIS SUBCONTRACT (Subcontract), made this _____ day of _____, 2019, between the UNITED STATES OF AMERICA, hereafter styled the United States, acting through the Secretary of the Interior (Secretary), Bureau of Reclamation (Reclamation), acting pursuant to the Act of June 17, 1902 (ch. 1093, 32 Stat. 388) and Acts amendatory thereof or supplementary thereto, particularly the authority granted the Secretary under Section 14 of the Reclamation Project Act of August 4, 1939 (ch. 418, 53 Stat. 1197; 43 U.S.C. § 389), and the Act of June 13, 1962 (76 Stat. 96), and the Act of December 28, 1973 (87 Stat. 884), particularly Section 1536 (a) (1) (16 U.S.C. §§ 1531-1543), more commonly known as the Endangered Species Act, and the INCORPORATED COUNTY OF LOS ALAMOS, a municipal corporation in the State of New Mexico, herein styled "County."

WITNESSETH THAT:

EXPLANATORY RECITALS

WHEREAS, the Colorado River Storage Project was authorized by the Act of April 11, 1956 (70 Stat. 105), as amended and supplemented by, among other statutes, the Act of June 13, 1962 (76 Stat. 96), which authorized the San Juan-Chama Project ("SJCP") as a participating project in the Colorado River Storage Project as set out in 43 U.S.C. §615pp, and the Act of December 29, 1981 (PL. 97-140, 95 Stat. 1717); and

WHEREAS, on January 10, 1977, the Department of Energy entered into Contract No. 7-07-51-X0883 (also known as Department of Energy Contract No. EY-77-A-32-3856) with the United States Department of the Interior, as amended, for a permanent water supply from the SJCP, to be measured at the outlet of Heron Reservoir in the delivery of up to 1,200 acre-feet per year; and

WHEREAS, the Department of Energy has assigned that contract to the County and said assignment was approved by Reclamation on August 28, 1998; and

WHEREAS, the County, on September 27, 2006, entered into Contract No. 05-WC-40-560 (“Repayment Contract”) with the United States, Department of the Interior, which supersedes Contract No. 7-07-51-X0883 in its entirety; and

WHEREAS, the County has SJCP water available in Heron Reservoir in excess of its current needs which can be made available to Reclamation for beneficial use under terms and conditions further described herein, all consistent with applicable State and Federal law; and

WHEREAS, the Rio Grande silvery minnow (“Minnow”) has the status of a federally-listed endangered species and can be found in a reach of the Rio Grande between Cochiti Dam and San Marcial, New Mexico, which is prone to critically low flows during the irrigation season lasting from March 1 through October 31 each year; and

WHEREAS, until permanent strategies for managing the existing limited water supply to meet the needs of the Middle Rio Grande water users can be effectuated, minnow recovery efforts need to be made by meeting flow targets contained in the December 2, 2016 Biological Opinion; and

WHEREAS, it is Reclamation’s and the County’s understanding that the Middle Rio Grande Conservancy District (District) intends to operate its irrigation and drainage system to meet required flow targets with native Rio Grande water; and

WHEREAS, the District’s intended operation would likely result in a need for an additional water supply to meet the irrigation needs of its water users; and

WHEREAS, Reclamation desires to augment the District’s water supply by leasing up to 1,200 acre-feet of the County’s 2019 SJCP water allocation remaining in Heron Reservoir for the purpose of irrigation within the District.

WHEREAS, “CONTRACTING OFFICER” shall mean the Secretary of the United States Department of the Interior or their duly authorized representative, who is, as of the date of execution of this contract, the Regional Director, Upper Colorado Region, Bureau of Reclamation.

NOW, THEREFORE, it is agreed as follows:

THE COUNTY’S DELIVERABLES

1. a) The County agrees to lease to Reclamation the use of up to 1,200 acre-feet of its 2019 SJCP water released from Heron Reservoir.

b) The County concurs with the terms of the Waiver described below in subarticle 5, that the carryover water is to be used to augment the total water supply to the Middle Rio Grande Valley and that the carryover water is expected to be released from Heron Reservoir by September 30, 2020.

c) The County agrees that no liability shall accrue to the United States should it become necessary for Reclamation to terminate the Waiver so that Reclamation can take prudent action to ensure that the Project's ability to store water is not impacted, as provided for under the terms and conditions of the Waiver.

d) The County agrees that Reclamation will call for the release of water from Heron Reservoir as necessary, and that it will cooperate with Reclamation as may be needed to facilitate such releases. The points of measurement for deliveries to Reclamation pursuant to this Subcontract will be at the outlet works of Heron Reservoir. The parties agree that the water leased pursuant to this Subcontract is not subject to evaporation losses until it is released from Heron Reservoir.

e) All previous contracts between the County and the United States shall remain in full force and effect during the term of this Subcontract.

RECLAMATION DELIVERABLES

2. a) Reclamation will pay the County \$61.00 per acre-foot up to a maximum of 1,200 acre-feet of water released from Heron Reservoir pursuant to this Subcontract. Reclamation will pay the County only for water it calls for and releases for beneficial use, under terms and conditions pursuant to this Subcontract.

b) As consideration for the water provided under the terms of this Subcontract, Reclamation will pay the County, upon execution of this Subcontract, advance payment of \$7,320.00, which is ten percent (10%) of the total payment described under subarticle 3(a). The advancement of funds is made in good faith to assist the County with any administrative and legal costs it may incur. Should Reclamation not call for the release of any water, under this Subcontract, advanced funds will not be recovered by Reclamation.

c) Within 30 days of the final release of water under the terms of this Subcontract, Reclamation will provide the County an accounting of the amount of leased water released under this Subcontract. Reclamation's accounting and Summary of Release provide both parties with the total quantity used in final calculation of payment as described below in subarticle 3(b).

d) Reclamation will not make any further payment for any leased water spilled from Heron Reservoir, or any water that may revert to the firm yield pool, should Reclamation find it necessary to take prudent action to ensure that the Project's ability to store water does not become impacted; as such, the Waiver and this Subcontract granted to the County will be terminated. The County agrees that no liability shall accrue to the United States as a result of such termination and that every effort will be made on Reclamation's behalf to notify the County prior to any action being taken.

e) National Environmental Policy Act (NEPA) compliance for this Subcontract action is by the 2016-2021 Supplement to the Rio Grande Supplemental Water Programmatic Final Environmental Assessment and Finding of No Significant Impact.

PAYMENT

3. a) Payment under this Subcontract shall not exceed \$73,200.00 for the term of this Subcontract. If Reclamation does not call for the release of any of the 1,200 acre-feet during the term of this Subcontract, the County shall not be entitled to any further payment from Reclamation beyond the \$7,320.00 non-refundable advance payment described under subarticle 2(b). In order to be issued timely payment according to the terms of this Subcontract, the County must register for and maintain an active sam.gov account.

b) Upon execution of the Subcontract and based upon Reclamation's accounting of all the water actually released from Heron Reservoir, Reclamation will make payment to the County via electronic funds transfer under the terms of this Subcontract at a cost of \$61.00 per acre-foot. Reclamation will not require an invoice from the County.

c) Correspondence related to this Subcontract should be submitted to Reclamation must be delivered to the following address:

Regional Director
Upper Colorado Region
Attention: UC-445
125 South State Street
Room 8100
Salt Lake City, UT 84138-1102
Facsimile number: (801) 524-3847

with a copy sent by electronic correspondence to bmendoza@usbr.gov or delivered to:

Bureau of Reclamation
Albuquerque Area Office
Attention: ALB-623
555 Broadway NE, Suite 100
Albuquerque, NM 87102

d) Any correspondence from Reclamation to the County must be directed to the following address:

Incorporated County of Los Alamos
Department of Public Utilities

1000 Central Ave., Suite 130
Los Alamos NM 87544

TERM OF SUBCONTRACT

4. This subcontract is subject to all governing provisions of Repayment Contract No. 05-WC-40-560. This Subcontract shall be effective from the date of execution and expire upon final payment by Reclamation, under terms and conditions described herein, pursuant to this Subcontract.

WAIVER OF CARRYOVER PROVISIONS

5. a) It is agreed by both parties that all water released under this Subcontract will be in accordance with all applicable State and Federal laws.

b) All provisions of Repayment Contract, except as provided below, between the County and Reclamation, shall remain in full force and effect, and the agreements entered herein shall not be interpreted in any manner to amend, modify, or affect that contract, or relieve either the County or Reclamation from any obligations or requirements agreed to therein.

c) Reclamation has determined it would benefit the Minnow to temporarily waive the annual water carryover prohibition in subarticle 6(c) of the Repayment Contract ("Waiver"). Waiver of this provision allows the County to keep any of its remaining 2019 allocation of SJCP water in Heron Reservoir until September 30, 2020, contingent upon the Project's ability to store such water.

d) Should natural events occur that could potentially impact the Project's ability to store spring runoff, the release of water carried over pursuant to the Waiver from Heron Reservoir according to subarticle 5(c) may need to occur prior to September 30, 2020, and would be released in a manner consistent with State and Federal law. As such, Reclamation will make every effort to notify the County in advance prior to the release of any carryover water. The County agrees to assume all risk of any lost water under said Waiver if Reclamation is not able to make beneficial use of the leased water under the terms of this Subcontract.. Any losses incurred will be charged to the County after releases are made from Heron Reservoir.

e) This extension of storage time is applicable to the 2019 water year allocation only and should not be construed in any way to affect any future allotments, nor shall it be considered to be a permanent change to the above Repayment Contract.

WATER QUALITY

6. The County makes no warranty or representation regarding, and Reclamation assumes all responsibility for, the quality of water released by the County to Reclamation hereunder.

WATER RIGHTS PROTECTION

7. No party hereto shall assert that any activity under this Subcontract shall affect the validity of any existing water rights or rights to water held by any other party.

WAIVER OF THIS SUBCONTRACT

8. Waiver of enforcement of any provision of this Subcontract by any party hereto shall not constitute a continuing waiver or a waiver of any breach of the same or another provision of this Subcontract.

ASSIGNMENT LIMITED-- SUCCESSORS AND ASSIGNS OBLIGATED

9. The provisions of this Subcontract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this Subcontract or any right of interest therein by either party shall be valid until approved in writing by the other party.

CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

10. The expenditure or advance of any money or the performance of any obligation of the United States under this Subcontract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the County from any obligations under this Subcontract. No liability shall accrue to the United States in case funds are not appropriated or allotted.

OFFICIALS NOT TO BENEFIT

11. No Member or Delegate to Congress, Resident Commissioner, or Federal or State Official, shall be admitted to any share or part of this Subcontract, or to any benefit that may arise therefrom.

PROTECTION OF WATER AND AIR QUALITY

12. (a) The United States will care for, operate and maintain reserved works in a manner that preserves the quality of the water at the highest feasible level as determined by the Contracting Officer. The United States does not warrant the quality of the water delivered to the County and is under no obligation to furnish or construct water treatment facilities to maintain or improve the quality of water delivered to the County.

(b) The County will comply with all applicable water and air pollution laws and regulations of the United States and the State of New Mexico; and will obtain all required permits or licenses from the

appropriate Federal, State, or local authorities necessary for the delivery of water by the County; and will be responsible for compliance with all Federal, State, and local water quality standards applicable to surface and subsurface drainage and/or discharges generated through the use of Federal or the County facilities or project water provided by the County within its Project Water Service Area.

(c) This article will not affect or alter any legal obligations of the Secretary to provide drainage or other discharge services.

WATER CONSERVATION

13. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the County shall develop a water conservation plan, as required by subsection 210(b) of the Reclamation Reform Act of 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations).

EQUAL EMPLOYMENT OPPORTUNITY

14. During the performance of this contract, the County agrees as follows:

(a) The County will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The County will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The County agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(b) The County will, in all solicitations or advancements for employees placed by or on behalf of the County, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(c) The County will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the County's legal duty to furnish information.

(d) The County will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the County's commitments under section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) The County will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(f) The County will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by Reclamation and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(g) In the event of the County's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the County may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(h) The County will include the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subCounty or vendor. The County will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the County becomes involved in, or is threatened with, litigation with a subCounty or vendor as a result of such direction, the County may request the United States to enter into such litigation to protect the interests of the United States.

CERTIFICATION OF NONSEGREGATED FACILITIES

15. The County hereby certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments and that it will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. It certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments and that it will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The County agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains,

recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, disability, or otherwise. The County further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontractors exceeding \$10,000 which are not exempt from the provisions of the Equal Employment Opportunity clause; that it will retain such certifications in its files; and that it will forward the following notice to such proposed subcontracts (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. § 1001.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

16. (a) The County shall comply with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title III; 42 U.S.C. § 6101, et seq.), [Title II of the Americans with Disabilities Act of 1990 (Pub. L. 101-336; 42 U.S.C. § 12131, et seq.)] [Title III of the Americans with Disabilities Act of 1990 (Pub. L. 101-336; 42 U.S.C. § 12181, et seq.)], and any other applicable civil rights laws, and with the applicable implementing regulations and any guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

(b) These statutes prohibit any person in the United States from being excluded from participation in, being denied the benefits of, or being otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By executing this contract, the County agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

(c) The County makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the County by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The County recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article and that the United States reserves the right to seek judicial enforcement thereof.

(d) Complaints of discrimination against the County shall be investigated by the Contracting Officer's Office of Civil Rights.

CONSTRAINTS ON THE AVAILABILITY OF WATER

17. (a) In its operation of the Project, the Contracting Officer will use all reasonable means to guard against a condition of shortage in the quantity of water to be made available to the County pursuant to this Contract. In the event the Contracting Officer determines that a condition of shortage appears probable, the Contracting Officer will notify the County of said determination as soon as practicable.

(b) If there is a condition of shortage because of inaccurate runoff forecasting or other similar operational errors affecting the Project; drought and other physical or natural causes beyond the control of the Contracting Officer; or actions taken by the Contracting Officer to meet current and future legal obligations, then no liability shall accrue against the United States or any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom.

NOTICES

18. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the County, when mailed, postage prepaid, or delivered to Reclamation according to subarticle 3(c), and on behalf of the United States, when mailed, postage prepaid, or delivered to the County according to subarticle 3(d). The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

CONTRACT DRAFTING CONSIDERATIONS

19. This Contract has been, negotiated and reviewed by the parties hereto, each of whom is sophisticated in the matters to which this Contract pertains. Articles 1 through 5 of this Contract have been drafted, negotiated, and reviewed by the parties, and no one party shall be considered to have drafted the stated articles.

IN WITNESS WHEREOF, the parties hereto have hereunto affixed their names, the date and year first above written.

APPROVED:

UNITED STATES OF AMERICA

Office of the Regional Solicitor

Regional Director
Upper Colorado Region
Bureau of Reclamation

ATTEST:

INCORPORATED COUNTY OF LOS ALAMOS

LOS ALAMOS COUNTY CLERK

Utilities Manager

APPROVED AS TO FORM:

Office of the The County Attorney



County of Los Alamos

Staff Report

May 15, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 7.A
Index (Council Goals): BCC - N/A
Presenters: James Alarid, Deputy Utilities Manager - Engineering
Legislative File: AGR0625-19

Title

Consideration of Change Order No. 6 to Services Agreement AGR17-30 for the Otowi Well #2 Design, Drilling and Development Project

Recommended Action

I move that the Board of Public Utilities approve Change Order No. 6 to AGR 17-30 for the Otowi Well #2 Design, Drilling and Development Project in the amount of \$399,587.64 and forward to Council for approval.

Staff Recommendation

Staff recommends approval of the motion as presented.

Body

The drilling of Otowi Well #2 began on January 16, 2018. The drilling operation was originally scheduled to take 60 days to complete the drilling and install the screen and casing. The original construction schedule is provided as Attachment A. The driller was using the reverse rotary mud drilling method and encountered a fissured basalt geological formation at about 50 feet below ground level. The fissures in the basalt caused the drilling mud to be lost into the formation and drilling was stopped since the cuttings could not be removed from the bore hole due to the loss of circulation. Through February and March 2018 the contractor and the DPU negotiated the project's first change order that modified the drilling equipment to change the drilling technique to a dual pipe rotary air drilling methodology. This was a high cost change due to the need to custom fabricate some equipment, re-tool the drilling rig and increase the number of air compressors to drive the air circulation process. Beginning on April 1, 2018 work continued using a combination of the dual pipe rotary air and reverse rotary mud methodologies. Drilling fluid and recirculated air continued to be lost to the formation. The contractor proceeded to use a number of additives to the drilling fluids to attempt to re-establish circulation, but the only effective solution was to install cement into the bore hole to attempt to seal up the fractures in the formation, then drill through the cement. Several iterations of cementing the bore hole and re-drilling through the cement were performed between April and August 2018. The cost for applying the cement, re-drilling through the cement and the time to perform this work through this 300 foot layer of fissured basalt were the subject of Change Orders 2 and 3. On August 9, 2018 a 28" steel surface casing was successfully installed to a depth of 700 feet below ground surface. This stabilized the bore hole through this problematic basalt layer. Another fractured basalt layer was encountered from 740 feet to 880 feet below ground level. This 140 foot layer of fissured basalt caused similar difficulties but the hole was stabilized with cement. The costs associated with stabilizing this second 140 foot layer of basalt is the subject of Change Order

No. 4. Change Order No. 5 included additional payment for the costs of labor, fuel and equipment from April 1, 2018 to August 2, 2018 which period represents the timeframe where drilling occurred in the fractured basalt. The fissured basalt geological formations encountered in drilling of the well was an unforeseen condition and the justification for executing Change Orders 1 through 5.

On February 11, 2019 the well construction was completed and the final testing of the well took place on May 2, 2019. Change Order 6 includes payment for adjustment of final as-constructed quantities, additional work to meet unforeseen regulatory requirements, additional engineering services and payment for difficult drilling conditions associated with fractured basalt. A description of the additional costs included in Change Order No. 6 are as follows:

\$117,303.00 payment for adjustment of final quantities. The major cost overrun is for payment of per diem for the well drillers crews for 189 days above the scheduled 60 days onsite. The additional days are due to complications due to the unforeseen fractured basalt. The second major overrun was in the number of loads of heavy fluids that were produced and required to be collected and disposed of offsite. 19 additional loads were produced due to the large amount of lost circulation material (LCM) required to stabilize the bore hole. LCM includes various additives that are added to the drilling fluids to prevent drilling fluid loss to the formation.

\$138,641.65 payment for difficult drilling through basalt. As the drilling progressed though the fractured basalt, the drill string began to veer out of alignment at 500 feet depth. Corrective actions could not be made immediately to correct the alignment due to the loss of drilling mud circulation at depths between 500 feet to 700 feet depth. Once the bore hole was stabilized the driller spent three weeks performing corrective actions to keep the bore hole within the alignment specifications. Correcting the alignment deviation would have taken minimal effort if the corrective actions could have been made when the deviation was first detected.

\$60,478.73 payment for 10 day period where drilling mud circulation was lost in January 2019. The cost incurred included were labor, fuel and LCM to stabilize the bore hole.

\$21,020.00 payment for reconciliation of final quantity of dual tube rotary air drilling.

\$20,000.00 payment for construction of erosion control measures required by LANL/DOE in preparation of discharging water produced from pump testing of well. The work included installation of rock berms and lining 150 feet of channel.

\$24,068.00 payment for demobilizing and remobilizing test pump equipment and rental of two 22,000 gallon storage units. Just days before the pump testing was scheduled to be completed we were notified by the New Mexico Environment Department, Ground Water Quality Bureau that we could not discharge water until we demonstrated the water was free of contaminants. This required rental of storage tanks to purge the well prior to sampling and the contractor demobilize the crew until approval was granted.

\$18,076.26 payment for addition engineering services to administer the project for a year beyond the scheduled completion.

Change Order #6 is presented as Attachment B. A summary of all change orders is provided below, including proposed Change Order No. 6.

Original Contract \$2,583,694.07
Change Order #1 \$345,660.70
Change Order #2 \$87,000.00
Change Order #3 \$252,632.79
Change Order #4 \$61,351.44
Change Order #5 \$446,490.16
Change Order #6 \$399,587.64
Total Project \$4,176,416.80

Preliminary data from the well testing indicate the well will produce over 1,000 gallons per minute. The final engineering report is pending, which will provide the final well production. The next step will be to issue a request for proposals to design the well house, pump and associated equipment. We are scheduled to place the well into production by the summer of 2020.

Alternatives

If Council does not approve Change Order No. 6 the contractor will likely pursue payment through the dispute resolution provisions in the contract.

Fiscal and Staff Impact

Total costs of change orders to date is \$1,193,135.09. If Change Order No. 6 is approved, the cost of total change orders will be \$1,592,722.73. The additional monies to fund Change Order No. 6 will be from approved FY20 water production capital funds.

Attachments

A - Original Construction Schedule January 9, 2018
B - Change Order No. 6

ID	Task Name	Start	Finish	% Complete	Jan 7, '18	Jan 14, '18	Jan 21, '18	Jan 28, '18	Feb 4, '18	Feb 11, '18	Feb 18, '18	Feb 25, '18	Mar 4, '18	Mar 11, '18	Mar 18, '18	Mar
					S M W F S S T T S M W F S S T T S M W F S S T T S M W F S S											
1	Conductor	Mon 12/18/17	Tue 12/19/17	100%												
2	Site Preparation & Spot Equipment	Wed 1/3/18	Wed 1/10/18	75%	<div></div>											
3	Submittal Review Intermediate Casing	Thu 1/4/18	Thu 1/4/18	100%	<div></div>											
4	Order & Receive Intermediate Casing	Thu 1/4/18	Mon 1/15/18	50%	<div></div>											
5	Challenger 280 Mobilization & Rig Up	Tue 1/9/18	Fri 1/12/18	50%	<div></div>											
6	Intermediate Casing	Sat 1/13/18	Mon 1/22/18	0%	<div></div>											
7	Drill 17.5" Pilot to 700'	Sat 1/13/18	Mon 1/15/18	0%	<div></div>											
8	34" Ream	Tue 1/16/18	Thu 1/18/18	0%	<div></div>											
9	Caliper Log	Thu 1/18/18	Thu 1/18/18	0%	<div></div>											
10	Install LCS Intermediate Casing	Fri 1/19/18	Fri 1/19/18	0%	<div></div>											
11	Grout Intermediate Casing & Cure	Fri 1/19/18	Mon 1/22/18	0%	<div></div>											
12	Complete Pilot Hole to 2520'	Mon 1/22/18	Mon 1/29/18	0%	<div></div>											
13	Geophysical Logging	Mon 1/29/18	Mon 1/29/18	0%	<div></div>											
14	Well Design & Procure Materials	Mon 1/29/18	Fri 2/16/18	0%	<div></div>											
15	Finalize Well Design & Submittal Review	Mon 1/29/18	Tue 1/30/18	0%	<div></div>											
16	Order & Receive Materials	Tue 1/30/18	Fri 2/16/18	0%	<div></div>											
17	26" Ream	Mon 1/29/18	Thu 2/8/18	0%	<div></div>											
18	Caliper Log	Thu 2/8/18	Thu 2/8/18	0%	<div></div>											
19	Install Production Casing	Fri 2/16/18	Mon 2/26/18	0%	<div></div>											
20	Install Production Casing & Screen	Fri 2/16/18	Sun 2/18/18	0%	<div></div>											
21	Install Gravel Pack	Mon 2/19/18	Fri 2/23/18	0%	<div></div>											
22	Install Annular Seal & Cure	Fri 2/23/18	Sun 2/25/18	0%	<div></div>											
23	Airlifting	Mon 2/26/18	Mon 3/5/18	0%	<div></div>											
24	Open End Airlifting	Mon 2/26/18	Mon 2/26/18	0%	<div></div>											
25	Dual Swab Airlifting	Tue 2/27/18	Mon 3/5/18	0%	<div></div>											
26	Rig Down & Demobilize	Tue 3/6/18	Thu 3/8/18	0%	<div></div>											
27	Gyroscopic Survey	Tue 3/6/18	Tue 3/6/18	0%	<div></div>											
28	Test Pumping	Wed 3/7/18	Sat 3/24/18	0%	<div></div>											
29	Install Test Pump & Disinfection w/ 100 mg/l Spray Solution	Tue 3/6/18	Fri 3/9/18	0%	<div></div>											
30	Test Pump Development	Mon 3/12/18	Fri 3/16/18	0%	<div></div>											
31	Well Disinfection	Fri 3/16/18	Fri 3/16/18	0%	<div></div>											
32	Video Survey	Mon 3/19/18	Mon 3/19/18	0%	<div></div>											
33	Cap Well	Tue 3/20/18	Tue 3/20/18	0%	<div></div>											

Project: Otowi -2 Estimated Time
Date: Tue 1/9/18

Task

Split

Milestone

Summary

Project Summary

External Tasks

External Milestone

Inactive Task

Manual Summary Rollup

Manual Summary

Start-only

Finish-only

Deadline

Progress

↓

Change Order
Page 1 of 3

Change Order No. 6

Agreement Date: May 29, 2019

Name of Project: Otowi 2 Well Design Drilling and Development

Contractor: Wilson & Company, Inc., Engineers & Architects

Revisions Hereby Made to the Contract Documents:

The parties, through this Change Order, hereby agree to amend the contract AGR 17-30 ("contract") to increase the contract price by an amount of \$399,587.64 plus applicable NMGR.

JUSTIFICATION:

Change Order 6 includes payment for adjustment of final as-constructed quantities, additional work to meet unforeseen regulatory requirements, additional engineering services and payment for difficult drilling conditions associated with fractured basalt. Attached to this change order is detailed description of the costs associated with this change order. A summary of the additional costs included in Change Order No. 6 are as follows:

1. \$117,303.00 payment for adjustment of final quantities.
2. \$138,641.65 payment for difficult drilling through basalt. As the drilling progressed through the fractured basalt, the drill string began to veer out of alignment at 500 feet depth. Corrective actions could not be made immediately to correct the alignment due to the loss of drilling mud circulation at depths between 500 feet to 700 feet depth. Once the bore hole was stabilized the driller spent three weeks performing corrective actions to keep the bore hole within the alignment specifications. Correcting the alignment deviation would have taken minimal effort if the corrective actions could have been made when the deviation was first detected.
3. \$60,478.73 payment for 10 day period where drilling mud circulation was lost in January 2019. The cost incurred included were labor, fuel and LCM to stabilize the bore hole.
4. \$21,020.00 payment for reconciliation of final quantity of dual tube rotary air drilling.
5. \$20,000.00 payment for construction of erosion control measures required by LANL/DOE in preparation of discharging water produced from pump testing of well. The work included installation of rock berms and lining 150 feet of channel.
6. \$24,068.00 payment for demobilizing and remobilizing test pump equipment and rental of two 22,000 gallon storage units. Just days before the pump testing was scheduled to be completed we were notified by the New Mexico Environment Department, Ground Water Quality Bureau that we could not discharge water until we demonstrated the water was free of contaminants. This required rental

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7. of storage tanks to purge the well prior to sampling and the contractor demobilize the crew until approval was granted.
8. \$18,076.26 payment for addition engineering services to administer the project for a year beyond the scheduled completion.

CHANGE TO CONTRACT PRICE:

Original Price	<u>\$ 2,583,694.07</u>
Current Contract Price adjusted by previous Change Order	<u>\$ 3,776,829.16</u>
The Contract Price due to this Change Order will be increased by:	<u>\$ 399,587.64</u>
The new Contract Price, including this Change Order will be	<u>\$ 4,176,416.80</u>

CHANGE TO CONTRACT TIME:**FINAL COMPLETION:**

End of Original Contract Time	<u>December 31, 2019</u>
Current Contract time adjusted by previous Change Order(s)	<u>NA</u>
The Contract Time will remain unchanged:	<u>0 calendar days</u>
The date for work's final completion will be	<u>December 31, 2019</u>

APPROVALS REQUIRED:

To be effective, this order must be approved by the County Utilities Manager; or the Los Alamos County Council if the contract modification, change order, or contract price adjustment exceeds the funding budgeted and specifically appropriated for this project, or as may otherwise be required by the General Conditions.

The adjustment in Contract price and/or Contract time stated in this Change Order shall constitute the total price and/or time adjustment due or owed the Contractor for the work or changes ordered by the Change Order. By executing the Change Order, the Contractor acknowledges and agrees that the stipulated price and/or time adjustments represent full compensation for all adjustments in the cost or the time required to perform the Contract as a whole arising directly or indirectly from the Change Order, including costs and delays associated with the interruption of schedules, extended overheads, delay, and cumulative impacts or ripple effect on all other non-affected work under Contract not changed by the

Page 3 of 3

Change Order. Signing of the Change Order constitutes full and mutual accord and satisfaction for adjustments in contract price and/or time, subject to the current scope of the entire work as set forth in the Contract Documents. Acceptance of this Change Order constitutes an agreement between Owner and Contractor that the Change Order represents an equitable adjustment to the Contract, and that the Contractor will waive all rights to file a claim on this Change Order after it is properly executed.

Requested by Project Manager: _____
James Alarid PE Date

Approved by County/Owner: _____
Timothy A Glasco PE, Utilities Manager Date

Approved by the County Council on the 28th day of May, 2019.

**COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS**

Sara Scott, Council Chair

ACCEPTANCE OF CHANGE ORDER

(Contractor name)

By: _____

Print Name _____

Title _____

(Corporate Seal)

Attest:

Print Name: _____

Title: _____

Date: _____

May 3, 2019

Mr. James Alarid
Deputy Director of Utilities
Los Alamos County
1000 Central Avenue, Suite 130
Los Alamos, NM 87544
Sent Via Email

Re: Otowi Well #2 – Final and Adjusting Change Order (Change Order 6 Proposal)

James,

This letter serves as the final and adjusting change order to the Otowi Well #2 project. The well has been completed and test pumped. The total depth of the well is 2320' with an estimated production rate above 1,000-gpm. While we still need to complete contract close-out, at this point and time we have identified the final costs of the project. The breakdown of this change order is as follows:

1. Adjustment of Quantities within the Contractors detailed breakdown of the unit costs. Final quantities and prices are based upon the unit prices used to develop the original bid. The included additions and deductions in quantities are as follows:
 - a. Item 7 – 17.5" Pilot Hole, Quantity reduced by 275 feet that was drilled by dual tube rotary air. The cost underrun of Item 7 is \$19,250.00.
 - b. Item 12 – Nominal 26" borehole reaming, Quantity reduced by 200' due to reduction in the final depth of the well. The cost underrun of Item 12 is \$23,600.00
 - c. Item 17 – Furnish and Install 16" LCS casing, Quantity increased by 42' to extend below the final cemented upper zone. The cost overrun of Item 17 is \$2,268.00
 - d. Item 19 – Furnish/install 16" sst screen (wwr), Quantity reduced by 250' due to reduction in the final depth of the well. The cost underrun of Item 19 is \$85,750.00.
 - e. Item 20 – Furnish/install gravel pack, Quantity reduced by 205' due to reduction in the final depth of the well. The cost underrun of Item 20 is \$14,555.00.
 - f. Item 22 – Heavy Fluids Disposal, Quantity increased by 19 loads due to the LCM and cement used during drilling and the associated increased disposal of drilling fluids. The cost overrun of Item 22 is \$38,950.00
 - g. Item 25 – Drill Crew Per Diem, Quantity increase by 189 days due to the unforeseen subsurface and difficult drilling conditions associated with the well. The cost overrun of Item 25 is \$219,240.00.
 - i. Prior Change Orders 4 and 5 used estimates for the projected billings and payments for additional work. The quantities of Per Diem days are now finalized.
 - ii. The projected billings in Change Orders 4 and 5 for Per Diem were not accurate.
 - iii. The Per Diem days included in this change order represent the actual work completed, and the associated costs represent the final cost adjustment based upon the schedule of values provided.

2. Change Order Items – The change order items include added costs associated with items not quantifiable in the contractors detailed breakdown of the unit costs presented under the response to the RFP including added costs associated with:
 - a. Loss of circulation at 972’
 - b. Difficult drilling conditions at 890’ to 1191’
 - c. Pay Application Reconciliation – Final quantity adjustment of Dual Tube Drilling depths previously approved in Change Order 1.
 - d. Installation of BMP’s for development and testing discharge.
 - e. Added Labor and Tank Costs to assist with sampling.
3. Additional Engineering Effort – Design and project management efforts associated with the design of the BMP’s and added time for project coordination and management associated with the contract duration.
4. Additional Hydrogeologist Effort – Additional time for on-site during the project.

ADJUSTMENT OF THE QUANTITIES WITHIN UNIT COST BREAKDOWN:

As is normally done with unit cost, not to exceed, contracts, we have prepared a final and adjusting cost spreadsheet (Exhibit A) that quantifies the changes in the construction costs as described under items 1 and 2, above. Exhibit A shows four deductive items for a total of \$143,155.00 savings on the Contract, and three additive cost items totaling \$260,458.00. **The net change of the scheduled items is +\$117,303.00.**

CHANGE ORDER ITEMS:

Since restarting drilling of the well on January 7, 2019, Layne has encountered unknown subsurface conditions that have added costs to the project associated with the following:

1. Loss of Circulation at 926’ – The loss of circulation required the use of additional LCM. The loss of circulation is attributed to the vesicular fractured basalt described in the February 22, 2019 letter from John Shomaker & Associates (Exhibit F.)
2. Difficult drilling conditions between 890’ and 1191’ during the widening of the bore hole to correct deviations of the bore hole alignment that precipitated from the fractured basalt around a depth of 500’ bgl (see Exhibit F.)
3. Construction of BMP’s as required by LANL to mitigate erosion into Los Alamos Canyon.
4. Rental of holding tanks and additional time provided by the Contractor to collect water quality samples under heightened sampling requirements mandated by NMED.

The total added costs for these items are \$264,208.38. Detailed explanation of costs associated with loss of circulation and difficult drilling are itemized in Exhibit B. Cost items are attached in Exhibit B (Items 1 and 2 above), and Exhibit C (Item 3 above.) Item 3 has previously been approved via email prior to construction of the BMP’s.

ADDITIONAL ENGINEERING EFFORT:

During the course of construction Wilson & Company has actively been involved in the coordination, and management of the construction contract. Throughout the course of the project we have managed our time and efforts to achieve a successful project for both Los Alamos County and the Wilson & Company team. As a result of the additional effort to coordinate with Los Alamos County in meeting the needs of LANL to design the BMP’s, and the extended period of construction, Wilson & Company has incurred \$9,751.26 in cost overruns on the project to date. We are estimating that an

additional \$5,325.00 will be required to complete the project. **The total requested amount for engineering services is \$15,076.26**

ADDITIONAL HYDROGEOLOGIST EFFORT:

John Shomaker & Associates, Inc. (JSAI) has been careful to manage field oversight services being mindful of the budget. They have been on-site at all critical phases of the project. Due to the extended duration of the project, field oversight services during lost circulation, additional meetings, and assistance during the additional pumping and sample collection required by NMED, **JSAI is requesting and additional \$3,000.00 for Hydrogeologic services.**

Summary of Cost Changes:

Item:	Amount:	Total:
Schedule of Value Adjustments:		
- Deductive Total:	-\$ 143,155.00	
- Additive Total:	+\$ 260,458.00	
Net Change:		+\$ 117,303.00
Change Order Adjustments:		
- Change Order 6 Items:		+\$ 264,208.38
Additional Engineering (See Exhibit E):		
- Cost Overrun	+\$ 9,751.26	
- Anticipated Effort to Finish	+\$ 5,325.00	
- Difference		+\$ 15,076.26
Additional Hydrogeology		+\$ 3,000.00
Total Change Order Amount:		\$ 399,587.64

JUSTIFICATION UNDER TERMS OF THE CONTRACT:

Per AGR17-30 paragraph 5, on page 1, design and construction of the well was to be based upon the Construction Approach as presented in the Contractor's Response to the RFP, dated February 23, 2017. The Construction Approach was based upon the Hydrogeological Assessment of the Proposed Otowi 2 Well Site Los Alamos County, New Mexico report prepared by John Shomaker & Associates, Inc. (JSAI,) February 6, 2017 and provided to bidders during the RFP process. This report provides geological information collected during the drilling of adjacent wells Otowi 1 and Otowi 4 and was used to infer what types of geological conditions would be encountered at the Otowi 2 well site. Based upon the February 22, 2019 letter from JSAI, the actual geology at the Otowi 2 Well site differs from both Wells Otowi 1 and Otowi 4, specifically pertaining to the fractured nature of the basalt. Per paragraph A.1.f of AGR17-30, the contractor shall not be responsible for unknown geological conditions that cannot be reasonably anticipated. The fractured nature of the Basalt was not reasonably anticipated and resulted in loss of circulation and difficult drilling.



CONCLUSION:

We trust that through the information provided within this letter and its attachments that we have supported our position that the costs incurred and requested under this change order are due to the unknown subsurface geological conditions specific to the Otowi 2 Well site. The well is complete, and constructed within the parameters and specifications of the design. The County's consideration of this change order proposal is greatly appreciated to make this a successful project for all parties.

WILSON & COMPANY

A handwritten signature in blue ink, appearing to read "Brian J. Ambrogi".

Brian J. Ambrogi, P.E.

New Mexico Water and Wastewater Manager

Cc: Steve Costello – Layne
Andrew Seiden – Layne
Dan Aguirre – Wilson & Company

Attachments

Exhibit A – Final and Adjusting Schedule of Values

EXHIBIT A

Los Alamos County Otowi Well 2

Final and Adjusting Schedule of Values

#	ITEM	UNITS	BID	UNIT	\$/UNIT	TOTAL BID	UNITS PREV.	\$ PREV. APPLIC.	UNITS THIS	\$ THIS APPLIC	TOTAL UNITS	TOTAL DOLLARS	% COMPLETE	Final Quantities	Quantity Difference	Underrun	Overrun
1	Mobilization of drill rig	1	LS		\$119,438.00	\$119,438.00	1	\$119,438.00	0	\$0.00	1	\$119,438.00	100.00%	1	0	\$	-
2	Site work	1	LS		\$157,325.00	\$157,325.00	1	\$157,325.00	0	\$0.00	1	\$157,325.00	100.00%	1	0	\$	-
3	36" surface casing	55	PF		\$538.00	\$29,590.00	44	\$23,672.00	0	\$0.00	55	\$29,590.00	100.00%	55	0	\$	-
4	Water storage/hauling	3	Per Month		\$11,760.00	\$35,280.00	3	\$35,280.00	0	\$0.00	3	\$35,280.00	100.00%	3	0	\$	-
5	SWPP/NOI	1	LS		\$26,371.00	\$26,371.00	1	\$26,371.00	0	\$0.00	1	\$26,371.00	100.00%	1	0	\$	-
6	Rig up	1	EA		\$8,915.00	\$8,915.00	1	\$8,915.00	0	\$0.00	1	\$8,915.00	100.00%	1	0	\$	-
7	17.5" pilot hole	2465	PF		\$70.00	\$172,550.00	2190	\$153,300.00	0	\$0.00	2190	\$153,300.00	88.84%	2190	-275	\$ (19,250.00)	\$
8	Geophysical logging	1	LS		\$11,957.00	\$11,957.00	1	\$11,957.00	0	\$0.00	1	\$11,957.00	100.00%	1	0	\$	-
9	28" intermediate surface casing	700	PF		\$246.00	\$172,200.00	700	\$172,200.00	0	\$0.00	700	\$172,200.00	100.00%	700	0	\$	-
10	Caliper log	1	LS		\$5,810.00	\$5,810.00	1	\$5,810.00	0	\$0.00	1	\$5,810.00	100.00%	1	0	\$	-
11	Water watch for well design	1	LS		\$43,012.00	\$43,012.00	1	\$43,012.00	0	\$0.00	1	\$43,012.00	100.00%	1	0	\$	-
12	Nominal 26" borehole reaming	1820	PF		\$118.00	\$214,760.00	0	\$0.00	1620	\$191,160.00	1620	\$191,160.00	89.01%	1620	-200	\$ (23,600.00)	\$
13	Mud cleaning system/centrifuge	1	LS		\$109,715.00	\$109,715.00	1	\$109,715.00	0	\$0.00	1	\$109,715.00	100.00%	1	0	\$	-
14	Caliper log	1	LS		\$5,810.00	\$5,810.00	0	\$0.00	1	\$5,810.00	1	\$5,810.00	100.00%	1	0	\$	-
15	Furnish/install gage lines	1040	PF		\$12.00	\$12,480.00	0	\$0.00	1040	\$12,480.00	1040	\$12,480.00	100.00%	1040	0	\$	-
16	Furnish/install di-electric couplings	1	LS		\$11,175.00	\$11,175.00	0	\$0.00	1	\$11,175.00	1	\$11,175.00	100.00%	1	0	\$	-
17	Furnish/install 16" lcs casing	660	PF		\$54.00	\$35,640.00	0	\$0.00	660	\$35,640.00	702	\$37,908.00	106.36%	702	42	\$	2,268.00
18	Furnish/install 16" sst casing	400	PF		\$180.00	\$72,000.00	0	\$0.00	400	\$72,000.00	400	\$72,000.00	100.00%	400	0	\$	-
19	Furnish/install 16" sst screen (wwr)	1460	PF		\$343.00	\$500,780.00	0	\$0.00	1460	\$500,780.00	1210	\$415,030.00	82.88%	1210	-250	\$ (85,750.00)	\$
20	Furnish/install gravel pack	2520	PF		\$71.00	\$178,920.00	0	\$0.00	2520	\$178,920.00	2315	\$164,365.00	91.87%	2315	-205	\$ (14,555.00)	\$
21	Air development with drill rig	180	PH		\$375.00	\$67,500.00	0	\$0.00	0	\$0.00	180	\$67,500.00	100.00%	180	0	\$	-
22	Heavy fluid disposal	20	Per Load		\$2,050.00	\$41,000.00	13	\$26,650.00	0	\$0.00	39	\$79,950.00	195.00%	39	19	\$	38,950.00
23	Rig down	1	LS		\$10,030.00	\$10,030.00	0	\$0.00	0	\$0.00	1	\$10,030.00	100.00%	1	0	\$	-
24	Demobilization of drill rig	1	LS		\$26,281.00	\$26,281.00	0	\$0.00	0	\$0.00	1	\$26,281.00	100.00%	1	0	\$	-
25	Drill crew per diem (per day per crew)	60	Per Day		\$1,160.00	\$69,600.00	188	\$218,080.00	0	\$0.00	249	\$288,840.00	415.00%	249	189	\$	219,240.00
26	Mobilization/demobilization of pump rig	1	LS		\$22,649.00	\$22,649.00	0.5	\$11,324.50	0	\$0.00	1	\$22,649.00	100.00%	1	0	\$	-
27	Furnish/install/remove test pump	1	LS		\$50,798.00	\$50,798.00	0	\$0.00	0	\$0.00	1	\$50,798.00	100.00%	1	0	\$	-
28	Test pumping (development, step, constant)	92	PH		\$855.00	\$78,660.00	0	\$0.00	0	\$0.00	92	\$78,660.00	100.00%	92	0	\$	-
29	TV Survey/Plumbness and alignment testing	1	LS		\$9,995.00	\$9,995.00	0	\$0.00	0	\$0.00	1	\$9,995.00	100.00%	1	0	\$	-
30	NMGRT	0	LS		\$168,205.12	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	#DIV/0!	0	0	\$	-
31	100% Performance/Payment bond	1	LS		\$19,747.57	\$19,747.57	1	\$19,747.57	0	\$0.00	1	\$19,747.57	100.00%	1	0	\$	-
	Sub-Total:															\$ (143,155.00)	\$ 260,458.00

ORIGINAL TOTALS	\$2,319,988.57	\$	1,142,797.07	\$	1,007,965.00	\$	2,437,291.57	0	0	\$	117,303.00
Net Change (+ is Increase / - is Deduct)											

CHANGE ORDERS										Bid Qty		Units		\$/Unit		Total Units		\$/Unit		%Complete		Final Qty		Qty Difference		Change Order Amt			
CO1	Rotary Air Drilling		0	LS													1	\$	314,237.00		100%		1	1	\$	-	\$	314,237.00	
CO2	Cementing Jobs 1-4		0	LS													1	\$	87,000.00		100%		1	1	\$	-	\$	87,000.00	
CO3	Cementing Jobs 5-8		0	LS													1	\$	252,632.79		100%		1	1	\$	-	\$	252,632.79	
CO4	Difficult Drilling Adjustment #1		0	LS													1	\$	50,401.44		100%		1	1	\$	-	\$	50,401.44	
CO5	Difficult Drilling Adjustment #2		0	LS													1	\$	446,490.16		100%		1	1	\$	-	\$	446,490.16	
CO6	CO #6 - Difficult Drilling, Loss of Circulation, & BMP's		0	LS													1	\$	264,208.38		100%		1	1	\$	-	\$	264,208.38	
	Difficult Drilling Through Basalt 890' to 1191'																		\$	138,641.65		100%		1	1	\$	-	\$	138,641.65
	Loss of Circulation																		\$	60,478.73		100%		1	1	\$	-	\$	60,478.73
	Pay Application Reconciliation																		\$	21,020.00		100%		1	1	\$	-	\$	21,020.00
	Installation of BMP's (Previously Verbally Approved)																		\$	20,000.00		100%		1	1	\$	-	\$	20,000.00
	Added Labor and Tank Costs to assist with sampling																		\$	24,068.00		100%		1	1	\$	-	\$	24,068.00

Sub-Total Change Orders \$ 1,414,969.77

GRAND TOTALS

Original Contract Amount
Previously Approved Change Orders
Current Approved Contract Amount:

Outstanding Change Orders:
Underruns/Overruns (Net)

Subtotal Outstanding Adjustments:

Final Contract Amount (w/ all additions/deducts):

\$ 3,852,261.34



County of Los Alamos

Staff Report

May 15, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 8.A
Index (Council Goals): BCC - N/A
Presenters: Board of Public Utilities
Legislative File: 11958-19

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

May 15, 2019

Stephen Marez
Electrical Engineering Manager

Electric Distribution Reliability Study
Twelve Month Outage History

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

Date	Call Rcd.	Circuit	Cause	Start Time	End Time	Duration	Customers Affected (Meters)	Combined Customer Outage Durations	Total Outage H:M:S	Running SADI
5/27/2018	Utilities	16	URD Failure	12:00	13:30	1:30	30	45:00:00	45:00:00	0:00:18
5/30/2018	Utilities	WR2	Planned	9:05	11:05	2:00	8	16:00:00	61:00:00	0:00:24
6/3/2018	Utilities	WR2	URD Failure	15:00	16:00	1:00	50	50:00:00	111:00:00	0:00:44
6/3/2018	Utilities	WR2	URD Failure	15:00	16:45	1:45	27	47:15:00	158:15:00	0:01:03
6/3/2018	Utilities	WR2	URD Failure	15:00	17:45	2:45	21	57:45:00	216:00:00	0:01:26
6/12/2018	Utilities	13	URD Failure	20:45	9:30	12:45	15	191:15:00	407:15:00	0:02:42
6/17/2018	Utilities	16	URD Failure	18:30	20:00	1:30	2	3:00:00	410:15:00	0:02:43
7/15/2018	Utilities	14	URD Failure	23:30	5:30	6:00	30	180:00:00	590:15:00	0:03:55
7/20/2018	Utilities	WR2	URD Failure	10:10	11:30	1:20	12	16:00:00	606:15:00	0:04:01
8/7/2018	Utilities	13	URD Failure	20:00	1:00	5:00	50	250:00:00	856:15:00	0:05:41
8/19/2018	Utilities	WR2	URD Failure	19:00	23:00	4:00	24	96:00:00	952:15:00	0:06:19
9/1/2018	Utilities	WR2	URD Failure	5:00	8:30	3:30	21	73:30:00	1025:45:00	0:06:48
9/3/2018	Utilities	WR1	OH Failure	13:30	16:30	3:00	15	45:00:00	1070:45:00	0:07:06
9/4/2018	Utilities	WR1	Weather	17:50	19:30	1:40	15	25:00:00	1095:45:00	0:07:16
9/13/2018	Utilities	WR1	HUMAN	14:45	15:15	0:30	14	7:00:00	1102:45:00	0:07:19
9/13/2018	Utilities	WR2	URD Failure	9:30	11:15	1:45	24	42:00:00	1144:45:00	0:07:36
10/3/2018	Utilities	WR2	URD Failure	8:00	11:30	3:30	7	24:30:00	1169:15:00	0:07:45
11/13/2018	Utilities	13	SAFETY	9:45	15:00	5:15	87	456:45:00	1626:00:00	0:10:47
11/23/2018	Utilities	13	URD Failure	11:45	12:00	0:15	7	1:45:00	1627:45:00	0:10:48
11/30/2018	Utilities	13	TREE	19:00	20:52	1:52	15	28:00:00	1655:45:00	0:10:59
11/30/2018	Utilities	13	TREE	19:00	0:00	5:00	15	75:00:00	1730:45:00	0:11:29
2/4/2019	Utilities	WR2	HUMAN	9:30	9:34	0:04	961	64:04:00	1794:49:00	0:11:54
2/8/2019	Utilities	WR2	URD Failure	15:57	17:15	1:18	25	32:30:00	1827:19:00	0:12:07
2/14/2019	Utilities	WR1	URD Failure	4:00	6:00	2:00	30	60:00:00	1887:19:00	0:12:31
3/3/2019	Utilities	EA4	OH Failure	14:41	17:45	3:04	15	46:00:00	1933:19:00	0:12:49
3/12/2019	Utilities	WR2	OH Failure	14:30	14:58	0:28	13	6:04:00	1939:23:00	0:12:52
3/12/2019	Utilities	13	TREE	3:00	9:40	6:40	104	693:20:00	2632:43:00	0:17:28
3/12/2019	Utilities	13	TREE	3:00	0:00	21:00	12	252:00:00	2884:43:00	0:19:08
3/12/2019	Utilities	13	TREE	14:30	17:10	2:40	1541	4109:20:00	6994:03:00	0:46:24
3/12/2019	Utilities	13	TREE	14:30	17:30	3:00	114	342:00:00	7336:03:00	0:48:40
3/12/2019	Utilities	13	TREE	16:30	20:30	4:00	2	8:00:00	7344:03:00	0:48:43
3/12/2019	Utilities	15	TREE	15:00	17:10	2:10	10	21:40:00	7365:43:00	0:48:52
4/15/2019	Utilities	16	OH Failure	7:00	9:30	2:30	7	17:30:00	7383:13:00	0:48:59

Twelve Month History	April 2019	
Total # Accounts	9045	
Total # Interruptions	33	
Sum Customer Interruption Durations	7383:13:00	hours:min:sec
# Customers Interrupted	3323	
SAIFI(APPA AVG. = 1.0)	.37	int./cust.
SAIDI (APPA AVG. = 1:00)	00:48	hours:min
CAIDI	2:13	hours:min/INT
ASAI	99.9996%	% available

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

A measure of interruptions per customer (Per Year)

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

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

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

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

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

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

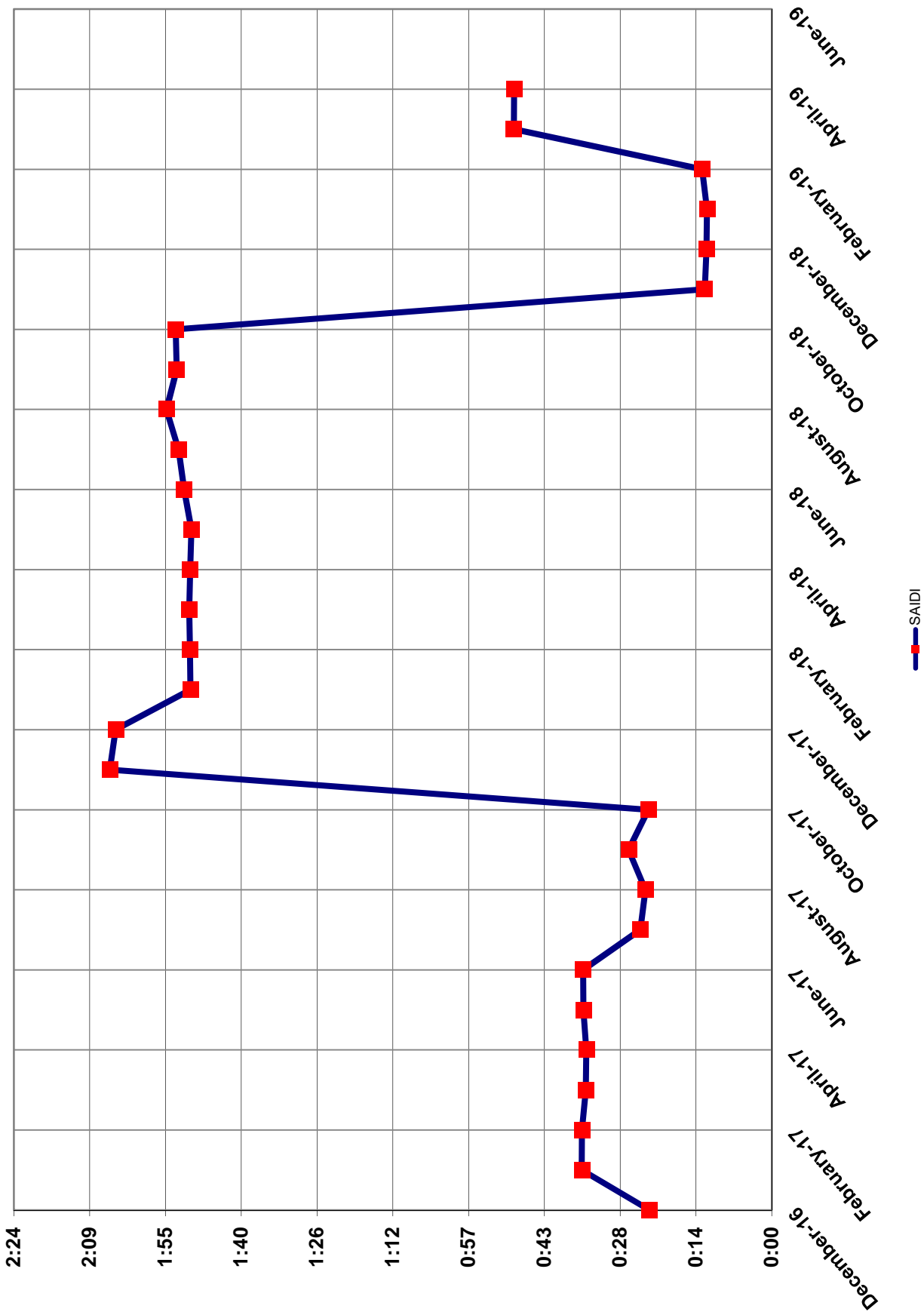
$$\text{CAIDI} = \frac{(\text{Sum of all customer outage durations})}{(\text{Total number of customer interruptions})} = \frac{\text{SAIDI}}{\text{SAIFI}}$$

- **ASAI – Average System Availability Index**

A measure of the average service availability (Per unit)

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

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



STATUS REPORTS

ACCOUNTS RECEIVABLES

Los Alamos County Utilities Department
Active Receivables Over 90 Days Past Due
May 1, 2019

Account	Customer ID	Acct Type	Comments	90 - 119	120 +
3004708	2063788	RS	Door Tag will be issued week of 5/13	103.44	-
3003910	2125258	RS	Door Tag will be issued week of 5/13	110.89	-
3006948	2125738	RS	Door Tag will be issued week of 5/13	114.15	-
3005410	2017537	CM	Notification sent to regarding past due balance	116.47	-
3003800	2011766	SC	Audit- Should be paid by end of May	119.24	-
3003788	2011749	SC	Audit- Should be paid by end of May	119.30	-
3003792	2011756	SC	Audit- Should be paid by end of May	119.30	-
3003795	2011761	SC	Audit- Should be paid by end of May	119.30	-
3003796	2138758	CM	Notification sent to regarding past due balance	119.30	-
3003801	2011767	SC	Audit- Should be paid by end of May	119.30	-
3003805	2138758	CM	Notification sent to regarding past due balance	119.30	-
3006516	2050658	RS	Door Tag will be issued week of 5/13	123.39	-
3002795	2122628	RS	Door Tag will be issued week of 5/13	133.99	-
3001845	2093278	RS	Door Tag will be issued week of 5/13	137.76	-
3009964	2038698	RS	Door Tag will be issued week of 5/13	145.13	-
3000068	2113668	RS	Door Tag will be issued week of 5/13	152.84	-
3006934	2134408	RS	Door Tag will be issued week of 5/13	181.08	-
3007047	2021698	CM	Notification sent to regarding past due balance	191.11	-
3000153	2135978	RS	Door Tag will be issued week of 5/13	193.39	-
3002477	2009142	RS	Door Tag will be issued week of 5/13	194.52	-
3000183	2105698	RS	Door Tag will be issued week of 5/13	198.07	-
3005476	2017734	RS	Door Tag will be issued week of 5/13	207.64	-
3008923	2094088	RS	Door Tag will be issued week of 5/13	219.32	-
3004764	2136348	RS	Door Tag will be issued week of 5/13	230.87	-
3004025	2094558	RS	Door Tag will be issued week of 5/13	252.18	-
3006092	2062068	RS	Door Tag will be issued week of 5/13	254.90	-
3006260	2135358	RS	Door Tag will be issued week of 5/13	255.61	-
3007360	2015299	RS	Payment arrangement on file, paid \$200 on 5/2	266.67	-
3002424	2032538	RS	Door Tag will be issued week of 5/13	292.43	-
3003701	2011615	SC	Audit- Should be paid by end of May	292.83	-
3004763	2128068	RS	Door Tag will be issued week of 5/13	313.16	-
3007269	2109718	RS	Door Tag will be issued week of 5/13	325.57	-
3007663	2008610	RS	Door Tag will be issued week of 5/13	353.28	-
3008465	2013898	RS	Door Tag will be issued week of 5/13	362.48	-
3002137	2007944	SC	Audit- Should be paid by end of May	385.50	-
3003698	2011615	SC	Audit- Should be paid by end of May	471.96	-
3006505	2020433	RS	Door Tag will be issued week of 5/13	535.37	-
3010273	2138308	CM	Notification sent to regarding past due balance	554.85	-
3006290	2061188	RS	Door Tag will be issued week of 5/13	593.07	-
3008040	2023776	RS	Door Tag will be issued week of 5/13	594.28	-
3007012	2029108	CM	Notification sent to regarding past due balance	988.08	-
3003704	2011615	SC	Audit- Should be paid by end of May	2,032.09	-
3003703	2011615	SC	Audit- Should be paid by end of May	3,055.56	-
3003335	2011004	SC	Audit- Should be paid by end of May	3,280.96	-
3006393	2020223	SC	Audit- Should be paid by end of May	4,911.30	-
3002472	2129338	RS	Door Tag will be issued week of 5/13	401.81	7.63
3005205	2016759	RS	Door Tag will be issued week of 5/13	18.32	8.84
3002756	2135128	RS	Door Tag will be issued week of 5/13	228.91	10.16
3003241	2203550	RS	Door Tag will be issued week of 5/13	210.51	18.82
3005508	2017823	RS	Door Tag will be issued week of 5/13	12.88	21.28

3003669	2011580	CM	Notification sent to regarding past due balance	-	23.61
3009736	2027737	RS	Door Tag will be issued week of 5/13	-	27.98
3003676	2011587	CM	Notification sent to regarding past due balance	-	28.37
3003789	2138758	SC	Audit- Should be paid by end of May	119.30	32.90
3007023	2021641	CM	Notification sent to regarding past due balance	647.97	35.39
3006238	2200183	RS	Door Tag will be issued week of 5/13	200.78	38.10
3002327	2129578	RS	Door Tag will be issued week of 5/13	37.60	42.17
3003694	2138758	CM	Notification sent to regarding past due balance	-	49.03
3004207	2012492	RS	Door Tag will be issued week of 5/13	319.02	72.14
3003806	2138758	CM	Notification sent to regarding past due balance	83.64	79.41
3003894	2069898	RS	Door Tag will be issued week of 5/13	255.59	88.27
3002354	2091608	RS	Door Tag will be issued week of 5/13	267.20	108.78
3003807	2138758	CM	Notification sent to regarding past due balance	104.76	124.35
3002813	2114338	RS	Door Tag will be issued week of 5/13	180.29	134.06
3003803	2138758	CM	Notification sent to regarding past due balance	119.30	134.73
3002303	2090608	RS	Door Tag will be issued week of 5/13	38.34	158.28
3006388	2020218	SC	Audit- Should be paid by end of May	101.28	160.63
3003804	2138758	CM	Notification sent to regarding past due balance	50.64	179.07
3008948	2008575	RS	Door Tag will be issued week of 5/13	220.63	183.64
3004702	2083378	RS	Door Tag will be issued week of 5/13	199.33	187.63
3000229	2030188	RS	Door Tag will be issued week of 5/13	221.17	189.74
3006123	2019390	RS	Door Tag will be issued week of 5/13	242.80	215.62
3004168	2094658	RS	Door Tag will be issued week of 5/13	320.38	216.68
3001795	2132098	RS	Door Tag will be issued week of 5/13	243.67	225.99
3006079	2041858	RS	Door Tag will be issued week of 5/13	352.48	257.13
3002435	2049258	RS	Door Tag will be issued week of 5/13	281.05	260.13
3007814	2117198	RS	Door Tag will be issued week of 5/13	349.63	271.68
3006387	2020217	SC	Door Tag will be issued week of 5/13	291.62	344.24
3003818	2066808	RS	Door Tag will be issued week of 5/13	228.83	347.02
3003664	2098538	CM	Notification sent to regarding past due balance	300.21	356.72
3003791	2138758	CM	Notification sent to regarding past due balance	59.90	382.71
3003668	2011579	CM	Notification sent to regarding past due balance	-	386.23
3003790	2138758	CM	Notification sent to regarding past due balance	13.02	405.48
3009369	2026665	RS	Door Tag will be issued week of 5/13	418.06	421.75
3001411	2126808	RS	Door Tag will be issued week of 5/13	266.92	424.87
3003798	2138758	CM	Notification sent to regarding past due balance	119.30	459.86
3000118	2128758	RS	Door Tag will be issued week of 5/13	137.98	479.57
3003797	2138758	CM	Notification sent to regarding past due balance	119.30	490.01
3003672	2011583	CM	Notification sent to regarding past due balance	-	534.27
3000096	2000380	RS	Door Tag will be issued week of 5/13	272.53	588.65
3005323	2055738	RS	Door Tag will be issued week of 5/13	238.72	595.87
3003808	2138758	CM	Notification sent to regarding past due balance	98.45	598.99
3005078	2016362	RS	Door Tag will be issued week of 5/13	473.66	752.39
3002334	2126448	RS	Door Tag will be issued week of 5/13	352.00	781.01
3006151	2019497	RS	Door Tag will be issued week of 5/13	193.31	821.90
3007573	2134368	RS	Door Tag will be issued week of 5/13	318.64	851.93
3005989	2019015	SC	Audit- Should be paid by end of May	-	893.92
3005461	2093888	RS	Door Tag will be issued week of 5/13	243.24	933.29
3000222	2129908	RS	Door Tag will be issued week of 5/13	352.94	1,003.14
3003508	2124208	RS	Door Tag will be issued week of 5/13	202.14	1,088.77
3005998	2019026	SC	Audit- Should be paid by end of May	-	1,208.71
3004060	2085918	RS	Door Tag will be issued week of 5/13	289.96	1,277.95
3001539	2005415	CM	Notification sent to regarding past due balance	-	4,120.14
3004823	2015382	SC	Audit- Should be paid by end of May	388.48	4,603.48
3010119	2074628	SC	Audit- Should be paid by end of May	-	6,454.71
3006378	2020208	CM	Notification sent to regarding past due balance	736.78	6,768.85
3005988	2019014	SC	Audit- Should be paid by end of May	-	7,786.95
3002136	2007943	SC	Audit- Should be paid by end of May	-	8,051.65
3006953	2053328	CM	Notification sent to regarding past due balance	1,458.99	8,945.85
3006304	2019990	SC	Audit- Should be paid by end of May	-	12,592.99
3005991	2019017	SC	Audit- Should be paid by end of May	-	23,753.46
				37,365.49	103,099.57
				Total	140,465.06

Los Alamos County Utilities Department
Receivables More than 60 Days Inactive
May 1, 2019

<i>YEAR</i>	<i>OUTSTANDING 5/1</i>	<i># OF ACCOUNTS</i>	<i>OUTSTANDING 4/1</i>	<i># OF ACCOUNTS</i>
FY15	21,443.26	80	21,443.26	80
FY16	18,111.27	72	18,111.27	72
FY17	26,448.39	68	26,448.39	68
FY18	74,938.57	345	70,632.45	354
FY19	22,995.11	137	20,405.09	142
TOTAL	\$ 163,936.60	702	\$ 157,040.46	716

STATUS REPORTS

SAFETY

DEPARTMENT OF PUBLIC UTILITIES CLAIMS

APRIL 2019

(Information provided by the County Risk Department)

TORT CLAIMS

None

WORKERS COMPENSATION

1. A lineman pinched his finger setting a vault cover.
2. A WWTP Operator cut his finger opening a package.

COUNTY PROPERTY DAMAGE

None

OSHA INCIDENT REPORT

Attached

	Hours Worked	Hours Worked	Hours Worked	Hours Worked	Hours Worked	Hours Worked	Hours Worked	Hours Worked
	ADMIN	EL DIST	EL PROD	GWS	WA PROD	WWTP		
MONTH								
Jan - 2019	3589.0	1793.0	2317.0	4119.0	1678.0	1139.0		
Feb - 2019	3221.0	1358.0	3244.0	3319.0	1132.0	1244.0		
Mar - 2019	2563.0	1941.0	2332.0	3955.0	1641.0	1281.0		
Apr - 2019	3592.0	1760.0	1890.0	3196.0	1199.0	1040.0		
May - 2018	3980.0	1279.0	1814.0	3331.0	1284.0	1093.0		
June - 2018	3523.0	1292.0	1586.0	3754.0	1155.0	1168.0		
July - 2018	3825.0	1292.0	1641.0	3553.0	1286.0	1420.0		
Aug - 2018	4982.0	1471.0	2240.0	3947.0	2456.0	2771.0		
Sept - 2018	3150.0	1168.0	1421.0	3242.0	1198.0	1059.0		
Oct - 2018	2499.0	1194.0	1270.0	3847.0	1181.0	1009.0		
Nov - 2018	3476.0	1416.0	1506.0	3398.0	1182.0	1201.0		
Dec - 2018	3204.0	1251.0	1372.0	3047.0	2427.0	946.0		
Total Hrs Worked ->	41604.0	17215.0	22633.0	42708.0	17819.0	15371.0		
Number of Recordable Injury and Illness Cases	0	1	0	1	0	1		
OSHA Recordable Injury & Illness Incidence Rate	0.00	11.62	0.00	4.68	0.00	13.01		
Number of OSHA Days Away Days Restricted (DART) cases	0	0	0	3	0	0		
OSHA Days Away Days Restricted (DART) Rate	0.00	0.00	0.00	7.00	0.00	0.00		