



LOS ALAMOS

County of Los Alamos
Minutes
Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

*Jeff Johnson, Chair; Andrew Fraser, Vice-chair; Paul Frederickson Stephen McLin and
Kathleen Taylor, Members
Tim Glasco, Ex Officio Member
Harry Burgess, Ex Officio Member
Susan O'Leary, Council Liaison*

Wednesday, January 18, 2017

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, January 18, 2017, at 5:30 p.m. at 1000 Central Ave., Council Chambers. Board Chair, Jeff Johnson, called the meeting to order at 5:30 p.m.

Present 7 - Chair Johnson, Vice-chair Fraser, Board Member Frederickson, Board Member McLin, Board Member Taylor, Board Member Glasco and Board Member Burgess

2. PUBLIC COMMENT

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

3. APPROVAL OF AGENDA

Mr. Fraser moved to amend the agenda to move the Environmental Sustainability Board presentation before public hearings. The motion passed by the following vote:

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

Mr. Fraser moved that the agenda be approved as amended. The motion passed by the following vote:

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

8.F. Environmental Sustainability Board Liaison's Report

Item 8.F. was moved out of the Board Business section and taken up prior to item 4. Public Hearings.

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

4. PUBLIC HEARING(S)

4.A. 8979-17 Public Hearing for Modification of Department of Public Utilities Rules & Regulations - Fee Schedule

Presenters: James Alarid

Deputy Utility Manager of Engineering, Mr. James Alarid, presented this item. The following is the substance of the item being considered.

Staff annually reviews the Department of Public Utilities Fee schedule and proposes changes if necessary.

The Board discussed this item and requested clarification where necessary.

Mr. Johnson opened the floor for public comments. Members of the public gave the following summarized comments:

1) Ms. Karen Paramanandam, resident and owner of Positive Energy Solar, 150 Central Park Square - Ms. Paramanandam asked that before the proposed net metering fees are implemented, a study be conducted to compare fees charged across the state. She stated she has verifiable proof showing that Los Alamos has the highest solar installation costs in the state.

Mr. Fraser moved the Board of Public Utilities approve the modifications to the Department of Public Utilities Rules and Regulations - Fee Schedule. The motion passed by the following vote:

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

5. CONSENT AGENDA

Mr. Fraser 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 - Chair Johnson, Vice-chair Fraser, Board Member Frederickson, Board Member McLin and Board Member Taylor

5.A. 8983-17 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 December 22nd, 2016.

5.B. AGR0487-17 Approval of Services Agreement No. AGR17-01 with Diversified Data

Processing & Consulting Inc., dba DivDat, for a Total Contract value of \$500,000.00, Plus Applicable New Mexico Gross Receipts Taxes

Presenters: Bob Westervelt

I move that the Board of Public Utilities approve agreement AGR17-01 with Diversified Data Processing and Consulting Inc, dba DivDat, for a total contract value of \$500,000.00, plus applicable New Mexico Gross Receipts Taxes, as discussed in the staff report, and forward to Council for consideration with a recommendation for approval.

- 5.C. [AGR0488-17](#) Approval of Services Agreement No. AGR17-12 with Crown Technical System, a California Company, in the amount of \$1,403,455.43, plus Applicable Gross Receipts Tax, for the Purpose of the Los Alamos New Substation Switchgear Facility ("LASS").

Presenters: Rafael De LaTorre

I move that the Board of Public Utilities approve, in a form acceptable to the County Attorney, Services Agreement AGR17-12 with Crown Technical Systems, a California Company, in the amount of \$1,403,455.43 and a contingency in the amount of \$75,000.00, for a total of \$1,478,455.43, plus applicable gross receipts tax, for the purpose of Los Alamos New Substation Switchgear Facility, "LASS", and forward to Council for approval.

6. BUSINESS

- 6.A. [8944-17](#) Presentation of Los Alamos Integrated Resource Plan Preliminary Portfolio Construction

Presenters: Steve Cummins

Deputy Utility Manager for Power Supply, Mr. Steve Cummins, presented this item. The following is the substance of the item being considered.

The Board of Public Utilities approved a contract to Pace Global in October 2016 for the development of an Integrated Resource Plan (IRP). The IRP is being developed to assist the County in the decision-making process on new or replacement generation resources. The IRP will compare the different generation resources available to meet load demands on a levelized cost of energy basis. The IRP will also address the adopted BPU policies with the primary goal of being a carbon neutral electricity provider by 2040. At the October meeting, the Board asked staff to share the preliminary generation portfolio construction prior to proceeding with the in-depth analysis. Mr. Cummins introduced Ms. Fengrong Li from Pace Global, who gave the presentation.

The Board discussed this item and requested clarification where necessary.

Mr. Johnson opened the floor for public comments. Members of the public gave the following summarized comments:

1) Ms. Sue Barnes, 3406 Ridgeway Drive - Ms. Barnes asked if the thermal energy resources in the portfolios were considered to be renewable and if not, how those fit in with the carbon neutral goal?

The following actions were identified for follow-up:

- 1) The Board directed staff through general consensus to consider two additional portfolios in the IRP:
 - a. a portfolio with no carbon neutral goal constraints (least cost option)
 - b. a portfolio using power purchase agreements vs. owning generation resources

Mr. Johnson called for a recess at 7:04 p.m. The meeting reconvened at 7:15 p.m.

Mr. Burgess left the meeting at 7:04 p.m.

6.B. [8971-17](#)

Presentation on the Survey Results Regarding the Public Interest in a Community Solar Garden

Presenters: Steve Cummins

Deputy Utility Manager for Power Supply, Mr. Steve Cummins, presented this item. The following is the substance of the item being considered.

DPU released a short survey to the public for one month to gauge the public's interest in a community solar garden in Los Alamos. The concept of a solar garden is to provide customers the opportunity to invest in solar energy regardless of where they live in the community. The survey results showed there were at least 170 citizens interested in investing in solar energy totaling approximately 300 kW of capacity. Staff will share these results with potential bidders on the development of a community solar garden in Los Alamos County.

The Board discussed this item and requested clarification where necessary.

Mr. Johnson opened the floor for public comments. Members of the public gave the following summarized comments:

- 1) Ms. Karen Paramanandam, resident and owner of Positive Energy Solar, 150 Central Park Square - Ms. Paramanandam asked several questions.
 - a. - Would storage requirements of a solar array be added to the requirements of the request for proposals (RFP)?
 - b. - Who would benefit from the 20% tax credit given to those who install solar on their homes?
 - c. - Would businesses be able to buy into the solar garden?
 - d. - Is USDA funding being sought for building the solar garden?
 - e. - Could a person sell their share in the solar garden?
 - f. - When will the RFP be coming out?

6.C. [8980-17](#)

Approval of Amended and Restated Southwest Reserve Sharing Group (SRSG) Participation Agreement

Presenters: Steve Cummins

Deputy Utility Manager for Power Supply, Mr. Steve Cummins, presented this item. The following is the substance of the item being considered.

The Southwest Reserve Sharing Group (SRSG) is a group of energy providers and Utilities who work together to meet certain requirements of the North American Electric Reliability Corporation (NERC). Specifically SRSG works together to meet contingency reserve, which is the required generation capacity held in reserve to cover an unexpected loss of generation or a transmission constraint. Los Alamos County joined the group in 1998 to

reduce contingency reserve requirements by sharing reserves with the other participants, resulting in a more efficient use of generation resources. SRSG administers the requirements of NERC compliance through the participation agreement. NERC modified the standard "Contingency Reserve for Recovery from a Balancing Contingency Event" known as Standard BAL-002-2 in September of 2015. The new standard changed the calculation for determining the amount of contingency reserves required. These changes required an amendment to the participation agreement. The participants of SRSG took this opportunity to not only change the calculation as required by NERC but to also update miscellaneous provisions of the agreement as recommended and agreed to by the participants.

The Board discussed this item and requested clarification where necessary.

Mr. McLin moved that the Board of Public Utilities approve the Amended and Restated Southwest Reserve Sharing Group (SRSG) Participation Agreement as presented and forward to Council with a recommendation for approval. The motion passed by the following vote:

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

7. STATUS REPORTS

7.A. [8992-17](#) Status Reports

Presenters: Department of Public Utilities

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

- 1) Electric Reliability Update
- 2) Accounts Receivables Report

Mr. Glasco gave a brief verbal Safety Report update.

8. BOARD BUSINESS

8.A. Chair's Report

Mr. Johnson reported on the following items:

- 1) Mr. Johnson agreed at the recent Board self-evaluation special meeting to revisit the issue of long meetings and discuss what could possibly be done to streamline meetings. He made one recommendation. Staff reports for agenda packets are due by close of business the Monday the week prior to the meeting. Mr. McLin had stated previously that if packets were available to members earlier, that might help give them more time to read and digest the information. Mr. Johnson recommended it might help if the packets were published the Thursday prior to the meeting rather than Friday. After discussion, the Board decided that receiving the packet one day early might not actually be that beneficial and did not opt to change the agenda packet publication date. The ideas of having an additional monthly meeting or a brown bag luncheon type of meeting were also not acted upon.

8.B. Board Member Reports

Board members reported on the following items:

1) Mr. Frederickson - In the Mojave Desert near Las Vegas, there is a large area covered with mirrors with a solar tower. During the day it pumps phase change liquid into storage, and at night it uses that to produce electricity for Las Vegas. He would be interested in seeing an analysis of what it would take to recreate that sort of facility closer to Los Alamos and Albuquerque. The engineering feasibility analysis might include factors such as the climate and topography of the land here compared to that of the Mojave Desert. It might predict a fairly low-cost source of carbon neutral energy. If there was an engineer in DPU who would be interested in taking on that analysis, he felt it might produce a useful byproduct. After discussion, it was decided that if Mr. Frederickson wished to pursue this further as a possible future agenda item, he could meet with staff to get more information about how something like this might fit into the integrated resource plan currently in development.

8.C. Utilities Manager's Report

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

8.D. County Manager's Report

Mr. Burgess was not present. No report was given.

8.E. Council Liaison's Report

Ms. O'Leary reported on the following items:

1) Council will hold its strategic planning session on Tuesday, January 24th at 6:00 p.m. at the Pajarito Cliffs Site large conference room in building one. Ms. O'Leary invited the Board to attend. She looks forward to reporting at the next Board meeting the Council's strategic priorities for the upcoming year.

8.G. General Board Business

8.G.1. [8974-17](#) Approval of Board of Public Utilities Meeting Calendar for 2017

Presenters: Jeff Johnson

In accordance with Incorporated County of Los Alamos Resolution No. 17-01 regarding Open Meetings, notice of regular meetings of all county boards, commissions and policymaking bodies shall be given ten days in advance of the meeting date. Each County board, commission and policymaking body may adopt a schedule of its regular meetings for the present calendar year or the balance thereof.

Mr. Fraser moved the Board of Public Utilities approve the proposed Board meeting calendar for 2017. The motion passed by the following vote:

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

8.G.2. [8977-17](#) Approval of Meeting Agenda Outline for 2017

Presenters: Jeff Johnson

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

Mr. Fraser moved that the Board of Public Utilities approve the meeting agenda outline for 2017 as presented. The motion passed by the following vote:

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

8.G.3. [8973-17](#)

Schedule and Selection of Members to Attend Boards & Commissions Luncheons for 2017

Presenters: Jeff Johnson

Regular County Boards & Commissions luncheons are scheduled to give these groups an opportunity to work with one another and with Council representatives. Only one representative from each board or commission is asked to attend.

Board members volunteered for the following dates:

Thursday, January 19 - Mr. Frederickson

Thursday, March 16 - Mr. Fraser

Thursday, May 18 - Mr. Johnson

Thursday, September 21 - Ms. Taylor

Thursday, November 16 - Mr. McLin

8.G.4. [8975-17](#)

Appointment of Board Member to Audit Committee for 2017

Presenters: Jeff Johnson

Mr. McLin was appointed to serve on the Audit committee for 2017.

8.G.5 [8976-17](#)

Affirmation of the Incorporated County of Los Alamos Open Meetings Resolution No. 17-01

Presenters: Jeff Johnson

At the first County Council meeting of a new calendar year, Council passes an Open Meetings resolution that establishes minimum standards of reasonable notice to the public for all meetings of County boards, commissions and policy making bodies. After the resolution is passed, the Board of Public Utilities reviews the resolution at the next regularly scheduled meeting and affirms the standards, as per Section 2.12.C of the Board's Policies and Procedures Manual.

Ms. Taylor moved that the Board of Public Utilities affirm Incorporated County Of Los Alamos Resolution No. 17-01; A Resolution Establishing Minimum Standards Of Reasonable Notice To The Public For All Meetings Of The Council, The County Indigent Hospital And County Health Care Board And Of All County Boards, Commissions And Policymaking Bodies. The motion passed by the following vote:

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

8.G.6. [8970-17](#) Election of Board of Public Utilities Chair and Vice-chair for 2017

Presenters: Jeff Johnson

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

ELECTION OF BOARD CHAIR:

Member Frederickson nominated Member Johnson.

Member McLin nominated Member Taylor.

After a roll call vote, Member Johnson was appointed Board Chair.

Member Johnson: 4 - Member Fraser, Member Frederickson, Member Taylor and Member Johnson

Member Taylor: 1 - Member McLin

ELECTION OF BOARD VICE-CHAIR:

Member Taylor nominated Member McLin.

Member McLin nominated Member Frederickson.

After a roll call vote, Member McLin was appointed Board Vice-chair.

Member McLin: 4 - Member Fraser, Member Frederickson, Member Taylor and Member Johnson

Member Frederickson: 1 - Member McLin

8.H. **Approval of Board Expenses**

There were no expenses.

8.I. **Preview of Upcoming Agenda Items**

8.I.1. [8991-17](#) Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

No additional items were identified for the tickler.

9. PUBLIC COMMENT

There were no comments.

10. **ADJOURNMENT**

The meeting adjourned at 8:23 p.m.

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board

ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

MANAGER'S REPORT

JANUARY 18, 2017

1. Public Meeting for Carbon Free Power Project on January 12, 2017. Approximately 60 people attended. A representative from UAMPS was there to explain the project details and the power sales agreement, while a NuScale representative answered technical questions about the small modular reactor.
2. Continuing to negotiate a settlement with JR Merritt. Goal is to have an agreement by the end of January.
3. The DPU employee focus group completed their meeting, HR is drafting the results.
4. Asset Management Team annual meeting held on 1/13.
5. New Employee Orientation held today. 5 new employees, 2 newly-elected councilors and 4 other county employees attended.
6. County is now deploying the new PRISM system. DPU employees are working with the team on integration of our needs into the work order system. One coordination session has been held, with four more still to happen.
7. CAFR was approved by Council so we are working on our Annual Financial Report, which is due 45 days after CAFR approval, or February 24.

Environmental Sustainability Board liaison report

Susan Barns, ESB Liaison 1/18/2017

Note: Due to meeting schedules in December, my liaison report of 12/22/2016 covered the Nov. and Dec. 2016 ESB meetings.

Agenda items for January ESB meeting (1/19/2017):

- Review of FY2017 Work Plan and Development of FY18 ESB Work Plan draft
- Discussion of food waste diversion
 - Food waste makes up 17% of LAC solid waste, and is the largest category of potentially preventable/divertible/recoverable waste not yet addressed by LAC services.
 - Americans waste ca. 40% of US-grown food! Reduction of waste has potential to conserve resources, reduce GHGs (esp. methane), and save residents money.
 - Reduction approaches include consumer education and recovery/composting of food scraps

Also upcoming:

- Update of LAC Environmental Sustainability Plan
- Rate increases for FY18
- Presentations by Friedman Recycling and Solutions (composting)