



LOS ALAMOS

County of Los Alamos

Minutes

Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

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

Wednesday, January 17, 2018

5:30 PM

1000 Central Avenue
Council Chambers

REGULAR SESSION

1. CALL TO ORDER

The regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, January 17, 2018 at 1000 Central Ave., Council Chambers. Board Chair, Jeff Johnson, called the meeting to order at 5:30 p.m.

Present 5 - **Board Member Johnson, Board Member McLin, Board Member Frederickson, Board Member Taylor and Board Member Glasco**

Absent 1 - **Board Member Burgess**

Remote 1 - **Board Member Walker**

Ms. Walker joined the meeting via teleconference at approximately 5:36 p.m.

2. PUBLIC COMMENT

Mr. Johnson noted that item 8.A to consider an agreement for Advanced Metering Infrastructure (AMI) equipment and services would be removed because staff was still reviewing the agreement with the vendor. During a future meeting, staff will present information about the AMI project and there will be opportunity for public comment. Mr. Johnson opened the floor for public comment on items 8.A, items on the Consent Agenda and for those topics not otherwise included on the agenda. There were no comments.

3. APPROVAL OF AGENDA

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

Yes: 4 - **Board Member Johnson, Board Member McLin, Board Member Frederickson and Board Member Taylor**

Absent: 1 - **Board Member Walker**

4. BUSINESS ITEM

4.A. [10305-18](#) Future Energy Resources Implementation Plan Update

Presenters: Steve Cummins

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

At the request of the Board, staff presented status updates on three recommendations from the Strategic Policy for Electrical Energy Resources and the Distributed Energy Resources and Rate Structures documents, addressing the feasibility of a community solar garden, dispatchable loads, energy storage and generation assets.

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) Mr. Ed Birnbaum, 926 Circle Drive - Mr. Birnbaum noted that Taos has many parking lot solar gardens; therefore, Kit Carson Electric must feel this is a viable option. He does not understand how the Electric Coordination Agreement with Los Alamos National Lab (LANL) would affect the County's ability to implement a community solar garden or how LANL would participate.

5. BOARD BUSINESS

5.A. Chair's Report

Mr. Johnson reported on the following items:

1) There will be a joint Board and Council meeting on January 25th to discuss the Carbon Free Power Project. The public meeting portion will begin at 6:00 p.m.

5.B. Board Member Reports

Board members had nothing to report.

5.C. Utilities Manager's Report

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

5.D. County Manager's Report

Mr. Burgess was not in attendance. No report was given.

5.E. Council Liaison's Report

Ms. Christine Chandler reported on the following items:

1) Ms. Chandler requested clarification on what the Board would like to hear about during her reports. Mr. Johnson explained that generally, the Board would like to know about issues Council is wrestling with, especially as it pertains to utilities issues. There has been a lot of discussion about communication between the Board and Council. If there are areas where there is a communication shortfall, the Board would be interested in hearing about that.

2) The Board/Council subcommittee has had several meetings and some of those communication issues are beginning to be aired. The first few meetings were more focused on the transfer of gas reserves to the wastewater fund to assist in the

construction of the White Rock Waste Water Treatment Plant and allow the County to retire some debt to be able to proceed more quickly. Ms. Chandler will try to remember to bring issues discussed at these meetings to the Board. Board Member McLin is also on that subcommittee. They've been having some good discussion on other issues the subcommittee will start looking at, including ambiguities in some of the utilities ordinances. At the last joint Board/Council meeting they discussed the gas sunset clause and perhaps having a sunset clause to review rates on a periodic basis so that an update can be brought to Council regularly to determine whether they are still appropriate.

3) With regards to rooftop solar, Ms. Chandler pointed out as an option the Pajarito Cliffs buildings, which are very large.

4) Ms. Chandler recalled that about a year-and-a-half ago, the Board developed some procedures or protocols relating to the Council Liaison. Ms. Chandler requested a copy of this so that she could have a better understanding of her role. A copy of the Board's Policies and Procedures Manual will be sent to her.

5.F. Environmental Sustainability Board Liaison's Report

Ms. Susan Barns was not in attendance, but the written report she provided to the Board is included in the minutes as an attachment.

5.G. General Board Business

5.G.1 [10304-18](#) Complete 2017 Board of Public Utilities Annual Self-evaluation

Presenters: Jeff Johnson

Board Chair Mr. Jeff Johnson presented this item. The following is the substance of the item being considered.

On January 16th, the Board completed its annual self-evaluation at a special meeting. This agenda item was a placeholder if the Board wished to continue discussion or take any action as a follow-up to the special meeting. Action items from the self-evaluation were recorded in the minutes of that meeting. Mr. Johnson briefly recapped those action items. No additional action was taken by the Board at the January 17th meeting.

5.G.2 [10309-18](#) Approval of Board of Public Utilities Meeting Calendar for 2018

Presenters: Jeff Johnson

In accordance with Incorporated County of Los Alamos Resolution No. 18-01 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.

Ms. Taylor moved the Board of Public Utilities approve the proposed Board meeting calendar for 2018. The motion passed by the following vote:

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

5.G.3 [10310-18](#) Approval of Meeting Agenda Outline for 2018

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. McLin moved that the Board of Public Utilities approve the meeting agenda outline for 2018 as presented. The motion passed by the following vote:

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

5.G.4 [10311-18](#)

Schedule and Selection of Members to Attend Boards & Commissions Luncheons for 2018

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 18 - Mr. McLin
Thursday, March 15 - Mr. Frederickson
Thursday, May 17 - Mr. Johnson
Thursday, September 20 - Ms. Walker
Thursday, November 15 - Ms. Taylor

At the meeting a month prior to these luncheons, staff will include a reminder in the Chair's report portion of the agenda.

5.G.5 [10312-18](#)

Appointment of Board Member to Audit Committee for 2018

Presenters: Jeff Johnson

Ms. Taylor was appointed to serve on the Audit Committee for 2018.

5.G.6 [10313-18](#)

Affirmation of the Incorporated County of Los Alamos Open Meetings Resolution No. 18-01

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. 17-21; 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 - Board Member Johnson, Board Member McLin, Board Member Frederickson, Board Member Taylor and Board Member Walker

5.G.7 [10308-18](#)

Election of Board of Public Utilities Chair and Vice-chair for 2018

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 Taylor nominated Member Johnson

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

Member Johnson: 5 - Member Frederickson, Member Johnson, Member McLin, Member Taylor, Member Walker

ELECTION OF BOARD VICE-CHAIR

Member Taylor nominated Member Walker

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

Member Walker: 5 - Member Frederickson, Member Johnson, Member McLin, Member Taylor, Member Walker

Mr. Johnson will return at a future meeting with an agenda item to discuss possible changes to the election process.

5.G.8 [10303-18](#)

Quarterly Update on Utility System - Water 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 water system.

The Board discussed this item and requested clarification where necessary.

5.H. Approval of Board Expenses

Mr. McLin moved that the Board of Public Utilities approve the expense for Board members to register for any of the American Public Power Association webinars or complete their certificate programs. The motion passed by the following vote:

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

5.I. Preview of Upcoming Agenda Items

5.I.1. [10298-18](#) Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

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

- 1) TBD - Consideration of a Revised Procedure for Annually Electing a Chair and Vice-chair (Jeff Johnson)
- 2) TBD - Possible Updates to the Board's Policies and Procedures Manual in Response to Action Items from the Board's 2017 Self-evaluation (Jeff Johnson)
- 3) 02/21/2018 - Discussion about Advanced Metering Infrastructure (Bob Westervelt)
- 4) 02/21/2018 - Amendment to the Electric Coordination Agreement Modification 20 (Bob Westervelt)
- 5) 02/21/2018 - Profit Transfer from Electric and Gas Funds to the General Fund for Operations During Fiscal Year 2017 (Bob Westervelt)

6. **PUBLIC HEARING(S)**

There were no public hearings scheduled for this meeting.

7. **CONSENT AGENDA**

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

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

7.A [10297-18](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Board of Public Utilities

I move that the Board of Public Utilities approve the meeting minutes of December 11th, 2017 as presented.

- 7.B [AGR0546-18](#) Approval of Services Agreement No. AGR18-17 with HPI, LLC in the amount of \$312,195.00, plus Applicable Gross Receipts Tax, for the Purpose of Abiquiu Hydroelectric Plant Controls Upgrade

Presenters: James Alarid

I move that the Board of Public Utilities approve Services Agreement No. AGR 18-17 with HPI. LLC in the amount of \$312,195.00 and a contingency in the amount of \$62,000.00, for a total of \$374,195.00, plus applicable gross receipts tax, for the Purpose of the Abiquiu Hydroelectric Plant Controls Upgrade Project, and forward to Council for approval.

- 7.C [AGR0547-18](#) Approval of Services Agreement No. AGR18-20 with Intellibind Technologies, LLC in the amount of \$500,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Electric SCADA Comprehensive Patch Management Services

Presenters: James Alarid

I move that the Board of Public Utilities approve Services Agreement No. AGR18-20 with Intellibind Technologies, LLC in the amount of \$500,000.00, plus applicable gross receipts tax, for the purpose of Electric SCADA Comprehensive Patch Management Services, in a form acceptable to the county attorney, and forward to Council for approval.

8. BUSINESS

- 8.A [AGR0545-18](#) Approval of Services Agreement No. AGR17-32 with Anixter Incorporated in the amount of \$4,974,717.00, plus Applicable Gross Receipts Tax, for the Purpose of Advanced Metering Infrastructure (AMI) Equipment and Services

Presenters: Bob Westervelt

This item was pulled from the agenda.

- 8.B [10307-18](#) Approval of the Long Range Water Supply Plan

Presenters: James Alarid

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

DPU contracted with Daniel B. Stephens & Associates, Inc. (DBS&A) to revise the Long-range Water Supply Plan. Using the original format and data from the Council-adopted 2006 plan as a starting point, DBS&A updated the Plan to: reflect current population and water demand projections; evaluate potential climate change impacts; and assess various water supply options, including the timing for development of the County's San Juan-Chama water rights. The revised plan was presented in a series of meetings with the public, Board of Public Utilities and Council in 2017. The current version of the plan incorporates input received from public comment, Council recommendations and inclusion of 2015 and 2016 water use data. This plan revision was presented to the community in a public meeting held on November 13, 2017. No public input was received during the public meeting.

The Board discussed this item and requested clarification where necessary.

Mr. McLin moved that the Board of Public Utilities approve the revised Long Range Water Supply Plan and forward to Council for approval. The motion passed by the following vote:

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

8.C [10306-18](#)

Transfer of Funds from the Gas Fund to the Wastewater Fund

Presenters: Tim Glasco

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

The Department of Public Utilities faces the cost of replacement of the White Rock Wastewater Treatment Plant while still paying debt service on construction of the Los Alamos Wastewater Treatment Plant. In order to be able to pay the debt of both plants, estimated at approximately \$2.1 million per year, sewer rates for customers would have to be increased significantly, or alternatively, construction of the White Rock plant delayed until 2029 when the LA Plant debt is retired. In previous BPU meetings, numerous scenarios of debt restructuring, alternative financing, and delay of construction have been examined. The final recommendation of the Board was to pursue immediate construction of the White Rock plant, refinance existing debt, phase in a series of small rate increases and transfer excess funds from the gas fund to the wastewater fund in order to pay down the debt. Staff have evaluated the existing status of the gas reserves, requirements to comply with the financial reserves policy, future capital and operational needs, and the long-range forecast of gas demand and have determined that \$2.5 million dollars could be transferred to the wastewater fund without compromising the gas fund.

The Board discussed this item and requested clarification where necessary.

Ms. Taylor moved the Board of Public Utilities approve transfer of \$2.5 million from the gas fund to the wastewater fund. I further move the Board of Public Utilities approve Budget Revision 2018-10 for the fund transfer and for expenditure of \$2.5 million from the wastewater fund for the purpose of advance payment on the Los Alamos Wastewater Treatment plant construction debt and forward to the County Council for their approval. The motion passed by the following vote:

Yes: 4 - Board Member McLin, Board Member Frederickson, Board Member Taylor and Board Member Walker

No: 1 - Board Member Johnson

9. STATUS REPORTS

9.A [10296-18](#)

Status Reports

Presenters: Board of Public Utilities

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

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

10. PUBLIC COMMENT

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

- 1) Mr. McLin - Both Mr. McLin and Mr. Johnson expressed concern during item 8.C. that there was not enough detail in the staff report for the public or for future reference to outline the benefits of transferring funds from the gas to the waste water fund and why that was chosen as the best financial option for waste water treatment plant replacement funding. Mr. McLin asked Mr. Glasco to clarify if additional information would, in fact, be provided in the agenda documentation to Council. Mr. Glasco confirmed that he would work with staff to review and summarize the extensive amount of supporting information that had been provided in past meeting agendas and would include that in the Council agenda packet.

11. ADJOURNMENT

The meeting adjourned at 9:29 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 17, 2018

1. AMI solicitation is in doubt at this point, as we are unable to come to agreement with selected vendor on contract terms. We will likely be contacting the second place offeror to begin contract negotiations.
2. The U. S. Bureau of Reclamation is holding an informational meeting for affected stakeholders on their plans and timing for repairs on the El Vado dam. The meeting will be held in Albuquerque on January 31.
3. The public meeting for the Carbon Free Power Project is scheduled in the Council Chambers for Thursday, January 25, 2018 at 6:00 PM, followed by a joint Council/BPU meeting to discuss the Power Sales Contract and project costs. Representatives of UAMPS will be present.
4. Drilling began on Otowi Well No. 2 this week. We are setting up a tour for BPU and County Council members tentatively the first week of February. Need a rough estimate of interest from Board members.
5. The Los Alamos Switchgear Substation equipment is nearing the end of manufacturing. A factory acceptance test will be performed on or about February 7. Rafael de la Torre will be traveling to Fontana, CA to observe the test.
6. New employee Ben Olbrich started work in the Electric Production division the last week of December. Ben is a communications expert and will be helping us on SCADA and AMI projects, as well as his regular duties related to power prescheduling and marketing.

Environmental Sustainability Board (ESB) liaison report

Susan Barns, ESB Liaison 1/17/2018

At our December, 2017 meeting, the ESB:

- Approved the updated LAC Environmental Sustainability Plan. This plan sets goals for several sustainability indicators such as greenhouse gas emissions; electricity, gas and water usage in County facilities; recycling and solid waste; and public transit ridership.
- Reviewed the ESB FY18 Work Plan.
- Discussed implementation of the new yard trimmings roll cart program, to begin this summer. An Open Forum poll will be done to assess residents' preferred schedule for yard trimmings and recycling pick-ups.
- Discussed the presentation by the Tourism Work Group to the County Council, and potential impacts of increased tourism on LAC sustainability.
- Discussed Ski Hill land transfer and water line construction.
- Discussed new housing projects at A-19, LASO site and A-9 (DP Road).
- Heard an update on Environmental Services staff collaboration with Chamisa School Green Team students on progress of "Zero Waste Lunch" video and curriculum. Video should be ready in February, and start showing at the Reel Deal theatre—watch for it!

Tomorrow night's ESB meeting includes:

- Finalization of Open Forum survey questions regarding collection schedule for the new yard trimmings roll carts
- Discussion of ESB FY19 Work Plan, to be approved at Feb. 15, 2018 meeting.