



LOS ALAMOS

**County of Los Alamos**  
**Minutes**  
**Board of Public Utilities**

1000 Central Avenue  
Los Alamos, NM 87544

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

Wednesday, February 21, 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, February 21, 2018 at 5:30 p.m. at 1000 Central Ave., Council Chambers. In the absence of the Board Chair, Vice-chair Carrie Walker called the meeting to order at 5:30 p.m.

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

**Absent** 1 - **Board Member Johnson**

**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**

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**Mr. McLin moved to accept the agenda as modified by removing item 6.D. until it is presented, probably next month. The motion passed by the following vote:**

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

**Absent:** 1 - **Board Member Johnson**

**4. BOARD BUSINESS**

**4.A. Chair's Report**

Aside from item 4.A.1., Ms. Walker had nothing to report.

**4.A.1 [10372-18](#)**

**Reminder for Upcoming Boards & Commissions Luncheon**

**Presenters:** Board of Public Utilities

The month prior to a Boards & Commissions luncheon, the attendee schedule will be

included in the agenda packet as a reminder during the Chair's report. Mr. Frederickson was reminded that he is scheduled to attend the March 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.

**4.D. County Manager's Report**

Mr. Burgess reported on the following items:

1) On March 1st, there is going to be a Forest Service scoping meeting with respect to the environmental analysis for the water line on Camp May Road. It is the first step in their process for considering this project from an environmental standpoint. They will be looking for input from the public on issues of concern. It begins at 6:00 p.m. at UNM-LA in Bldg. #2, which is typically where they have their large gatherings in the conference room there.

**4.E. Council Liaison's Report**

Ms. Christine Chandler had nothing to report.

**4.F. Environmental Sustainability Board Liaison's Report**

Ms. Susan Barns was not present. No report was given.

**4.G. General Board Business**

**4.G.1 [10315-18](#) Review of Department of Public Utilities Quarterly Report**

**Presenters:** Tim Glasco

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

The Board requested that the quarterly report be presented each quarter, with salient features explained.

The Board discussed this item and requested clarification where necessary.

**4.H. Approval of Board Expenses**

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**Ms. Taylor moved that the Board approve any expenses for the trip to Oregon [on March 8th] to visit the Carbon Free Power Project Facilities. The motion passed by the following vote:**

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

**Absent: 1 - Board Member Johnson**

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

4.I.1 [10435-18](#) Tickler File for the Next 3 Months

**Presenters:** Board of Public Utilities

No new items were added to those already listed in the tickler provided in the agenda packet.

**5. PUBLIC HEARING(S)**

There were no public hearings scheduled for this meeting.

**6. CONSENT AGENDA**

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**Mr. McLin moved that the Board of Public Utilities accept the items on the Consent Agenda as presented, with the exception noted earlier that item 6.D. has been pulled. The motion passed by the following vote:**

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

**Absent: 1 - Board Member Johnson**

6.A [10433-18](#) 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 January 17th, 2018 as presented.**

6.B [10340-18](#) Approval of the Transfer of Profit from Electric and Gas Funds to the General Fund for Operations During Fiscal Year 2017.

**Presenters:** Bob Westervelt

**I move that the Board of Public Utilities approve the transfer of revenues from the electric and gas funds to the general fund for electric and gas operations during fiscal year 2017 in accordance with Incorporated County of Los Alamos Resolution 97-07 and forward to the County Council for their approval.**

6.C [10393-18](#) Award of Bid No. IFB18-22 for the Purpose of Otowi Well #2 Transmission Line Improvements with General Hydronics Utilities, Inc. in the Amount of \$181,775.88, plus Applicable Gross Receipts Tax

**Presenters:** James Alarid

**I move that the Board of Public Utilities approve the Award of Bid No. 18-22 for the Purpose of the Otowi Well #2 Transmission Line Improvements with General Hydronics Utilities, Inc. in the Amount of \$181,775.88 and a contingency in the amount of \$25,000.00, for a total of \$206,775.88, plus Applicable Gross Receipts Tax and forward to Council for approval.**

**ITEM 6.D. WAS PULLED FROM THE AGENDA.**

6.D 10299-18 Approval to Establish San Juan Generating Station Decommissioning Agreement Trust Fund

Presenters: Bob Westervelt

**7. BUSINESS**

7.A [10402-18](#) Board of Public Utilities Discussion on the Carbon Free Power Project

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.

Los Alamos County became a member of the Utah Associated Municipal Power Systems (UAMPS) and specifically a participant in the Resource Project on April 16, 2014. DPU staff has been following the development of the Carbon Free Power Project (CFPP), which is a projected 600MW small modular reactor (SMR) facility. As it is being designed, the facility would house up to twelve NuScale nuclear power modules, each capable of generating up to fifty megawatts of electric power for a total plant capacity of 600MW. The CFPP is under consideration by LAC as a potential replacement base load power resource after retirement of the County's coal generation assets as early as 2022 and as a step towards meeting the goal of being a carbon neutral electric utility by 2040. On January 25th DPU and UAMPS staff presented the latest information on the CFPP to gain a clear understanding of public, Board and County Council concerns with continuing participation. On January 26, DPU staff initiated an Open Forum on the County website giving customers another opportunity to express their opinions on the CFPP. This item was added to the agenda so that Board members could have an open discussion about the concerns raised at the January 25th public meeting, which was then followed by a joint Board and County Council meeting. Prior to making a decision, which is currently scheduled for the March 21, 2018 regular meeting, having further discussion about the CFPP will help the Board gain a better understanding of the cost exposure and risks of participating.

The Board discussed this item and requested clarification where necessary.

Ms. Walker opened the floor for public comments. Members of the public gave the following summarized comments:

1) Mr. Ed Birnbaum, 926 Circle Drive - Mr. Birnbaum had sent questions to Mr. Glasco, which were then forwarded to NuScale. He received answers to all but one of his questions. The question was, "What happens to the \$65 guarantee if they don't sell enough nuclear reactors to make it feasible?" It seems to Mr. Birnbaum that it is a huge risk that they will not sell enough of the reactors to make it profitable. If they don't, who pays and absorbs the risk? We should know the answer to that question before moving forward.

The following actions were identified for follow-up:

- 1) The slides from the January 25th public meeting will be sent to the Board Members.
- 2) At the August 2017 UAMPS annual meeting, NuScale presented a comparison of the recently failed V.C. Summer AP1000 large nuclear power plant construction project in South Carolina. In their presentation, they noted the main reasons for the Summer plant

failure and detailed how they are different and/or things that happened there that do not apply to the CFPP. Mr. Glasco will try to get a copy of these slides for the Board.

**7.B**     [10339-18](#)     Discussion About Advanced Metering Infrastructure (AMI)

**Presenters:**     Bob Westervelt

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

Mr. Westervelt gave a brief background on the history and status of the AMI project, but the discussion this evening was intended to provide the Board with additional information on the business case for the project and the project benefits and objectives, which are summarized in the staff report. An RFP was issued in late 2016 for system wide deployment of AMI. Staff is expecting to bring a contract to the Board for approval within the next several months.

The Board discussed this item and requested clarification where necessary.

Ms. Walker called for a recess at 8:00 p.m. The meeting reconvened at 8:10 p.m.

**7.C**     [10314-18](#)     Department of Public Utilities FY2019 & FY2020 Budget Presentation

**Presenters:**     Bob Westervelt

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

Staff presented the proposed budget for FY2019 & FY2020. Mr. Westervelt presented an overall budget summary for the department and each division, and each Deputy Utility Manager gave a briefing on initiatives, cost savings measures implemented, and resource commitments for his own division. Overall the FY19 expenditure budget as presented is a reduction of 10% from the fiscal year 2018 budget, attributable primarily to low cost of power in the electric fund, low cost of gas in the gas fund, and completion or delay of certain projects that are not being re-budgeted. FY2020's projected expenditure budget represents a 4% increase over 2018, and a 15% increase over the proposed FY19 budget, due primarily to planned construction of the White Rock Wastewater Treatment Facility in that year. The budget presented is a preliminary draft, some inputs are still being finalized and some numbers are likely to change between this presentation and the final presentation given to the Board for approval in March.

The Board discussed this item and requested clarification where necessary.

**8.**     **STATUS REPORTS**

**8.A**     [10434-18](#)     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 (Including the 2017 OSHA Incident 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. McLin - Mr. McLin noted the recent passing of Reverend Billy Graham and urged others to keep his family and loved ones in their thoughts and prayers.

**10. ADJOURNMENT**

The meeting adjourned at 10:16 p.m.

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APPROVAL

\_\_\_\_\_  
Board of Public Utilities Chair Name

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Board of Public Utilities Chair Signature

\_\_\_\_\_  
Date Approved by the Board

ATTACHMENT  
OFFICER REPORTS  
SUBMITTED AT THE MEETING

## **MANAGER'S REPORT**

**February 21, 2018**

1. There have been numerous break-ins recently at the Pajarito Cliffs site resulting in the theft of equipment from the DPU. This past week, the LAPD had a stake-out and intercepted the thieves in the act of breaking in. Shots were fired very near where our Standby crew were sleeping, although building 5 was not hit. The thieves escaped, but LAPD is hopeful of catching them soon.
2. At the monthly meeting of the Project Management Committee for the Carbon Free Power Project a resolution was adopted setting a hold point at the \$6 million spend level. To proceed past that point the project must achieve full subscription and/or further DOE cost sharing or it provides an exit point for participants.
3. Over the past month we have received resignations from customer service representative Marty Leal, SCADA Technician Rico Caballero and Environmental Compliance Specialist Katelyn Mahoney. All three are taking jobs at LANL.
4. Voith, the original equipment provider for the El Vado hydroelectric plant was on site this week to inspect the oil leak and apparent scoring of the interior of the turbine housing. Their opinion is that the oil leak appears to be a leaking O-ring that can be repaired in place without having to remove the entire turbine. After inspection of the suspected O-ring, a further determination will be made.
5. In preparation for the vote on participation in the next phase of the CFPP by the Board on March 21<sup>st</sup>, we would like to offer one-on-one meetings with Board and Council members to answer any remaining questions before members are asked to vote.
6. Our Safety Employee of the Quarter is Gary Trujillo, water production system electrician. Gary works on the water production equipment, wastewater treatment plant equipment and also sewer lift stations. He must be versed in current as low as 24V DC up to 4160V AC power, including a substantial amount of 3-phase 480V systems that are considered the most dangerous current to work with. He models close attention to safety and job planning.