



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*

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Wednesday, March 20, 2019

5:30 PM

1000 Central Avenue  
Council Chambers

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**REGULAR SESSION**

**1. CALL TO ORDER**

The regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, March 20, 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 6 - Board Member Walker, Board Member Johnson, Board Member Frederickson, Board Member McLin, Board Member Taylor and Board Member Glasco**

**Absent 1 - Board Member Burgess**

Deputy County Manager Mr. Steve Lynne attended for Mr. Burgess.

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

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**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 had nothing to report.

**4.B. Board Member Reports**

Board members reported on the following items:

1) Mr. McLin - Mr. McLin attended the March Boards and Commissions Luncheon. He informed the Board that his written update of Board activities will be included in the minutes of that luncheon should any members wish to view it.

**4.C. Utilities Manager's Report**

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

Mr. Glasco briefly explained for Mr. Johnson the Quality New Mexico award structure and clarified that the Department will be applying for the Zia level award in the summer.

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

Mr. Lynne reported on the following items:

1) There is a NM 502 project public meeting happening at Fuller Lodge at the same time as this Board meeting. Mr. Burgess is at that meeting, which is why he could not attend the Board meeting.

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

Mr. Pete Sheehey was not present. No report was given.

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

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

Ms. Barns asked the Board if they would like her to continue to give monthly reports. Mr. Glasco gave a brief history of why the Environmental Sustainability Board (ESB) Liaison gives a monthly report of ESB activities to the BPU. The Board decided through general consensus that they would like for her to continue her monthly reports.

**4.G. General Board Business**

**4.G.1 [11698-19](#) Quarterly Conservation Program Update**

**Presenters:** James Alarid

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

Upon approval of the Energy and Water Conservation Plan in March 2015, the Board requested that staff provide quarterly updates on the Conservation Program and on progress towards the goals and actions identified in the plan. Mr. Alarid presented a summary of recent conservation activities.

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

There were no expenses.

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

**[11806-19](#) Tickler File for the Next 3 Months**

**Presenters:** Board of Public Utilities

No additional items were identified for the tickler.

**5. PUBLIC HEARING(S)**

There were no public hearings.

**6. CONSENT AGENDA**

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**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:**

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

**6.A [11804-19](#) 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 February 20th, 2019 as presented.**

**6.B [AGR0614-19](#) Approval of Services Agreement No. AGR19-39 with Wagner Equipment in the amount of \$748,075.00, plus Applicable Gross Receipts Tax, for the Purpose of Pajarito Well No. 4 Natural Gas Engine Replacement and consideration of Budget Revision 2019-33.**

**Presenters:** James Alarid

**I move that the Board of Public Utilities approve Services Agreement No. AGR19-39 with Wagner Equipment in the amount of \$748,075.00 and a contingency in the amount of \$50,000.00, for a total of \$798,075.00, plus applicable gross receipts tax, for the purpose of the Pajarito Well No. 4 Natural Gas Engine Replacement Project, and forward to Council for approval. I further move that the Board of Public Utilities Approve Budget Revision 2019-33 in the amount of \$856,435.00 and forward to Council for approval.**

**7. BUSINESS**

**7.A [11756-19](#) Approval of Department of Public Utilities FY2020 Budget**

**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.

Staff presented the proposed budget for FY2020. The FY20 proposed expenditure budget is 2.48% less than the FY19 approved budget and 19.96% less than the FY19 projected actuals, which includes carryovers and budget adjustments for several large projects

discussed previously, including the design of the White Rock treatment plant, the drilling and equipping of the new Otowi Well, the new Pajarito Well Motor, and the Advanced Metering Infrastructure Project. Mr. Westervelt presented changes from the previous meeting and highlighted important additional information not presented in February.

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. Nicholas Seat, 4283 Walnut Street - Mr. Seat thanked crews for dealing with the recent power outages. Mr. Seat discussed the recent meeting on March 3rd hosted by Kit Carson Electric Coop along with renewable Taos. Representatives from Los Alamos County attended. The purpose of the meeting was to discuss what Taos did to buy their way out of their coal power contract and move to full solar power. He encouraged the Board to read the full write up of the meeting in the Los Alamos Daily post and watch the meeting online. He informed the Board that a group called Renewable Los Alamos was also launched, which is designed to be an interface between the community and the Board. A letter was sent to the Board offering assistance or information in general. This group has been working with the Deputy Utility Manager for Power Supply, Mr. Steve Cummins and hopes to be able to assist the Board as it evaluates all of the various renewable energy options of Los Alamos.

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**Ms. Taylor moved that the Board of Public Utilities approve the Fiscal Year 2020 budget presented, adjusted for the salary package adjustments adopted by Council at its meeting of March 19, 2019, and forward to Council for adoption. The motion passed by the following vote:**

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

**No: 1 - Board Member Frederickson**

## **8. STATUS REPORTS**

### **8.A 11805-19 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) Ms. Susan Barns, 3406 Ridgway Drive - With regards to the item on the tickler titled "Power Purchase Agreement for Solar Power," she feels the wording is vague given that it will also encompass topics like a community solar garden. She suggested that those

kinds of things be included in the titles in the tickler to encourage more public comments on topics that are of great interest to the community.

**10.**    **ADJOURNMENT**

The meeting adjourned at 7:00 p.m.

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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  
March 20, 2019**

1. At the County Council meeting last night, there was considerable discussion around the 5% revenue transfer from gas and electric funds. Council would like to set up a discussion on this topic to determine if the practice should be continued or altered.
2. Contractor has begun to set up traffic control signage on NM502 for the reconstruction project. The clock is now running on the project after delaying a couple of months because of the unexpectedly severe winter weather this year. It is anticipated to take two years to complete.
3. Staff met with our Contractor, Human Strategies, LLC, on March 14 and 15 completing the last elements of the 5-year management audit. We decided to complete and submit a Zia Award application to Quality New Mexico in July. We will therefore be receiving a QNM feedback report in the Fall of 2019. We are arranging with our contractor to appear before the Board and explain the salient findings of the feedback report and give prescriptive recommendations to correct the most important Opportunities for Improvement (OFIs).
4. The contractor is running a month behind on the A-19 development in White Rock. We anticipate connecting the gas, water and sewer lines to our system in about another month. They should start putting the first houses up in late May.
5. Otowi Well No. 2 drill rig has been demobilized and is gone from the site. The contractor is now setting up the erosion protection for the pump testing, which should begin in about another week. We still have not seen the change order from Wilson for final miscellaneous claims. We should be sending out an RFP for engineering design of the pump house and well pump in late May or early June. We must first get the results of the pump test to size the pump to the recommended well yield.
6. WRWWTP RFP for design engineer was issued on March 10. A mandatory pre-proposal meeting is scheduled for Wednesday, March 27. Should be at the BPU for approval of the engineering services contract in June. As State money is being utilized, we must use an NMED standard form contract and NMED construction programs bureau will be a co-signatory.
7. March Madness quarterly employee engagement social was held today.
8. AMI contract signed and will have the kick-off meeting by mid-April.
9. On Wednesday, March 13 Los Alamos experienced a high wind storm. Beginning at 3:00 AM linemen were called out to a power outage on Fairway. Multiple trees had fallen into the line. Over the course of the next 18 hours linemen responded to 25 calls for power outages, mostly from downed trees. Power was restored to all customers except the ski hill by 7:00PM. The crew was out again at 7:30AM and worked all day to restore power to the ski hill, which was accomplished by 4:00PM Thursday. During the height of the wind storm Wednesday afternoon, the Customer Care Center fielded over 250 calls. A tremendous effort was put forth by all the DPU staff during this emergency.

**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







# BOARD OF PUBLIC UTILITIES

## ADDITIONAL MEETING DOCUMENTS

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Additional or revised information or documents are often passed out to the Board at the meetings.  
Whenever possible, this informational cover page will accompany those documents.

**MAKE 20 COPIES OF ANY DOCUMENTS, INCLUDING THIS COVER SHEET, AND RETURN TO JAIME KEPHART PRIOR TO THE MEETING.**

MEETING DATE	03/20/2019
AGENDA ITEM	7.A. Approval of Department of Public Utilities FY2020 Budget
DOCUMENT TITLE(S)	Summary of Expenditure Budget
FROM	Bob Westervelt, Deputy Utility Manager for Finance & Administration
NEW OR REVISED?  Is this a revision that is different from what was in the agenda packet or is it something entirely new?	Revised
RECOMMENDED ACTION  If you have a new or revised recommended motion for the Board, enter it here.	<b>REVISED MOTION:</b> I move that the Board of Public Utilities approve the Fiscal Year 2020 budget presented, adjusted for the salary package adjustments adopted by Council at its meeting of March 19, 2019, and forward to Council for adoption.
ADDITIONAL INFORMATION  Please VERY BRIEFLY explain the purpose of this information or document.	Revision to budget to include raises that were approved by Council on March 19 <sup>th</sup> .

Los Alamos County Utilities Department  
Fiscal Year 2020 Budgets  
Summary Of Expenditure Budget

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Projected	FY 2020 Proposed	FY 2020 Proposed Adjusted for March 19, 2019 Council Action
Electric Production	35,092,654	39,108,336	40,661,012	40,373,670	40,437,440
Electric Distribution	12,957,522	14,284,001	16,740,757	13,091,609	13,135,889
Less Interdivision Electric Sales	(5,865,876)	(7,381,676)	(7,381,676)	(6,017,156)	(6,017,156)
Total Electric Fund	\$ 42,184,300	\$ 46,010,661	\$ 50,020,092	\$ 47,448,123	\$ 47,556,173
Gas	\$ 3,876,097	\$ 4,556,908	\$ 6,713,718	\$ 4,251,106	\$ 4,278,539
Water Production	5,436,210	6,616,951	11,271,627	5,475,048	5,520,759
Water Distribution	4,880,407	5,185,937	7,066,253	5,221,179	5,236,006
Less Interdivision Water Sales	(3,218,051)	(2,829,409)	(2,829,409)	(2,985,026)	(2,985,026)
Total Water Fund	\$ 7,098,566	\$ 8,973,480	\$ 15,508,471	\$ 7,711,201	\$ 7,771,739
Wastewater	\$ 6,801,910	\$ 6,015,412	\$ 6,848,974	\$ 4,517,480	\$ 4,554,928
<b>Total Expenditure Budget</b>	<b>\$ 59,960,873</b>	<b>\$ 65,556,460</b>	<b>\$ 79,091,255</b>	<b>\$ 63,927,910</b>	<b>\$ 64,161,379</b>
					233,469 Difference