



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; Stephen McLin, Kathleen Taylor and Steve Tobin Members
Philo Shelton, Ex Officio Member
Harry Burgess, Ex Officio Member
Pete Sheehey, Council Liaison

Wednesday, September 18, 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, September 18th, 2019 at 5:30 p.m. at 1000 Central Ave., Council Chambers. Ms. Walker called the meeting to order at 5:30 p.m.

Present 4 - Board Member Walker, Board Member Tobin, 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

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

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

Absent: 1 - Board Member Johnson

4. BOARD BUSINESS

4.A. Chair's Report

Ms. Walker moved that the Board of Public Utilities approve the following statement for inclusion in the minutes: The matters discussed in the closed session held on September 6th, 2019 at 11:30 a.m. were limited only to those topics specified in the notice of the closed session, and no action was taken on any matter in that closed session. The motion passed by a show of hands:

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

Absent: 1 - Board Member Johnson

Ms. Walker reported on the following items:

1) Ms. Walker suggested that members watch the presentations from the previous night's BPU/Council joint meeting when it is available online.

4.B. Board Member Reports

There were no reports.

4.C. Utilities Manager's Report

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

Ms. Taylor asked if the solar panels at the landfill had to be ballasted. Mr. Shelton reported that all the panels are ballasted, and some along the canyon edge needed additional ballasting.

Mr. Tobin asked if the loss of the NaS battery had any impact on regulating an oscillating 2MW of solar power. Mr. Shelton reported that that battery has not been operational for some time, so there was no impact.

4.D. County Manager's Report

Mr. Burgess reported on the following items:

1) Conversations and planning efforts have begun for the installation of utilities to address expanded uses along DP Road. He appreciates Utilities staff meeting with County staff to move the projects forward. The pressing issue is pending construction of the first of the affordable housing units along DP Road.

2) The County is attempting to obtain additional land from Los Alamos National Lab for additional housing. He anticipates that a request will be submitted by the County by the end of the week for a potential transfer of several units near the Lucinda area. There are two parcels that could potentially be closest to existing utilities and would have available land that would not have mission critical needs. If accepted, that would be a long-term project to consider.

4.E. Council Liaison's Report

Mr. Sheehey reported on the following items:

1) Council received an excellent report the previous evening on electric production plans and future modeling, followed by Chair Walkers report on the Board's previous year's activities. He felt the Council was appropriately impressed with the complexity of the issues the Board and Department deals with. He thinks Council was grateful for their efforts.

2) October 15th is a tentative date for Los Alamos National Lab to meet with the Council and publicly give their report for a \$13 billion expansion on Lab property over the next 10 years, along with additional infrastructure work outside the Lab to accommodate additional traffic and people. Mr. Sheehey believes these plans can change as politics

change, but the need for national security never goes away, and the County should be prepared to handle possible growth at the Lab.

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 [11701-19](#) 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 and discussed the upcoming plan to begin updating the Conservation Plan.

4.H. Approval of Board Expenses

There were no Board expenses.

4.I. Preview of Upcoming Agenda Items

4.I.1 [12310-19](#) 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) 10/16/2019 - The gas system presentation scheduled for this meeting will be moved to the meeting on 11/20/2019.

5. PUBLIC HEARING(S)

There were no public hearings scheduled for this meeting.

6. CONSENT AGENDA

Ms. Taylor 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: 4 - Board Member Walker, Board Member Tobin, Board Member McLin and Board Member Taylor

Absent: 1 - Board Member Johnson

6.A [12307-19](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Department of Public Utilities

I move that the Board of Public Utilities approve the meeting minutes of August 22nd, 2019 as presented.

6.B [AGR0644-19](#) Approval of Services Agreement No. AGR20-912 with SmartPhone Meter Reading, L.L.C. in the amount of \$52,439.20, plus Applicable Gross Receipts Tax, for the Purpose of Smart Phone Meter Reading System (SPMRS) Agreement

Presenters: Jack Richardson

I move that the Board of Public Utilities approve Services Agreement No. AGR20-912 with SmartPhone Meter Reading, L.L.C. in the amount of \$52,439.20 and a contingency in the amount of \$10,488.00 for a total of \$62,927.20 plus applicable gross receipts tax, for the purpose of purchasing and installing a smart phone meter reading system.

6.C [RE0423-19](#) Incorporated County of Los Alamos Resolution No. 19-24: A Resolution Authorizing the County Council Chair or Los Alamos County Utilities Manager to Approve Submission of Completed Applications and Necessary Documents for 2020 Applications to the Water Trust Board for Funding Non-Potable Water System Projects

Presenters: James Alarid

I move that the Board of Public Utilities approve Resolution 19-24; A Resolution Authorizing the County Council Chair or Los Alamos County Utilities Manager to Approve Submission of Completed Applications and Necessary Documents for 2020 Applications to the Water Trust Board for Funding Non-Potable Water System Projects, and forward to Council for approval.

7. BUSINESS

7.A [12147-19](#) Approval of AGR20-917 Water Sales Agreement for Water Services to Los Alamos National Laboratory - 89233119CNA000103

Presenters: Philo Shelton

Mr. Shelton presented this item. The following is the substance of the item being considered.

The current Water Sales Agreement for Water Services to Los Alamos National Laboratory was a 10-year agreement that expires on September 30, 2019. DPU is also working with NNSA on a water rights agreement, and by doing this one-year bridge agreement for Water Sales to Los Alamos National Laboratory, the goal is to bring both agreements in alignment to have the same contract renewal periods so one does not expire before the other. The estimated amount of water sales over this one-year bridge term is \$1,166,460.00.

The Board discussed this item and requested clarification where necessary.

Ms. Taylor moved the Board of Public Utilities approve Bridge Agreement No. 89233119CNA000103 - Water Sales Agreement for water services to Los Alamos National Laboratory, and forward to Council for approval. The motion passed by the following vote:

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

Absent: 1 - Board Member Johnson

7.B [12223-19](#) Preliminary Discussion - Water and Sewer Rate Adjustments

Presenters: Jack Richardson

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

For this preliminary discussion of proposed FY20 rate ordinances, both sewer and water rate adjustments were presented together. The long-range plan for both systems incorporates a series of modest rate increases over several fiscal years. This approach helps consumers adjust to increasing costs over time but provides adequate funding for planned initiatives in each year. The rate trajectory was considered in the long-range proposals discussed in 2016 and 2018, and has been reviewed each year since. There have been some opportunities taken advantage of, such as the refinancing of existing debt in the sewer utility and the one-time transfer of excess funds from the gas utility to the sewer utility. The long-range projections have been adjusted as appropriate to account for these actions and to reflect actual operational experience since first implemented. Staff now feels confident the short to mid-term rate trajectory proposed in the FY2020 budget are appropriate for the three-year horizon and is thus proposing a multi-year rate adjustment at this time. This and future proposed rate actions should restore cash flow to an acceptable level in both systems. The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

- 1) Staff will present to the public these proposed rate increases with one meeting in White Rock on October 7th and one in Los Alamos on October 10th.
- 2) Staff will plan to present the ordinances for approval at a public hearing during the October regular meeting.
- 3) The effective dates of the increases scheduled for subsequent years will be changed to September 30th in those years.

8. STATUS REPORTS

8.A [12309-19](#) 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) County Attorney Mr. Alvin Leaphart reminded the Board of the need to schedule a closed session to discuss pending litigation related to the Public Service Company of New Mexico's abandonment of San Juan Generating Station. He polled the Board to get their availability for a meeting with Council on September 23rd at noon. All present noted that they were able to attend, except Mr. McLin, who would try to call in.

10. ADJOURNMENT

The meeting adjourned at 7:22 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
September 18, 2019**

1. Attended the UAMPS board meeting by telephone on September 17th and 18th. UAMPS is gathering three years of members' comprehensive financial audits in preparing documents to finance the next phase of the project. The annual board retreat and strategic planning meeting is scheduled for Monday, October 14th until Wednesday, October 16th. This meeting is being held in Corvallis, OR, where the one-third scale of the small modular nuclear reactor is located. Unfortunately, given the board meeting is on Wednesday morning, I am not able to fly in time to get back in time for the BPU board meeting on Wednesday, October 16th. Does the board wish to schedule a tour of this facility?
2. Finalized the water sales agreement with NNSA. The existing agreement expires on September 30, 2019.
3. The BPU Strategic Planning meeting is scheduled for October 2nd and DPU's Staff is scheduled for October 10th.
4. Held several meetings with staff in preparing for the proposed rate increases for the water and wastewater funds. See attached press release for additional details on the department's outreach activities. We have comment cards and will develop a frequently asked questions information page as part of this public outreach process.
5. Continued to review job descriptions with staff in preparation of the next salary survey. The first round of the Wastewater Superintendent recruitment did not result in a hire. To date for this second recruitment, we have received a few qualified applicants, who will be interviewing next week.
6. Budget Billing is now available and has been reinstated to existing customers who were enrolled in this program in the past. Letters were sent to these existing customers notifying them that they have been reinstated into the Budget Billing Program.
7. We were notified this week that DOE is not able to energize the LASS until February 2020. Staff will continue to get the conduits in place to allow for the eventual connection to this new sub-station.
8. The NM 502 project has completed the installation of water services on the south half of Trinity Drive. The gas line is installed and in the process of being pressure tested. The electric and communication conduits on south half of the road are also completed. The sewer crossing at Trinity and DP Road with two manholes are completed. This next month, detour paving will be installed on the south half of the road and then the crossings on the north half of the road can be completed for each utility.
9. The White Rock Wastewater Treatment Plant Project held its design kickoff meeting. In October, staff will tour three different wastewater treatment facilities to see different design alternatives in operation. By December, the risk and value engineering report will be completed and there will be a recommendation for the most efficient and effective design alternative.

10. The AMI project continues to receive meters for the conversion and to date three radio base stations have been received. Staff is in the process of getting these base stations installed.
11. Otowi Well #2 Request for Proposals (RFP) for design is advertised with a preproposal conference scheduled for next week.
12. Next week, the LAC Economic Development project for the DP Road lift station will go out to bid to support affordable housing at Canyon Walk apartments and the Bluffs senior apartments.
13. Power was lost to the sodium sulfur (NaS) battery that resulted in the battery being cooled down. Since the NaS battery has not been utilized for operations, its shutdown will save operating expenses. Staff is in the process of issuing RFP for the disposition of these batteries.

NEWS RELEASE

Julie Williams-Hill
Public Relations Manager
Los Alamos Department of Public Utilities
505.662.8002
julie.williams@lacnm.us



Department of Public Utilities
Electric, Gas, Water, and Wastewater Services
1000 Central Avenue, Suite 130
Los Alamos, NM 87544
P 505.662.8333 F 505.662.8005
losalamosnm.us

Date: September 12, 2019

FOR IMMEDIATE RELEASE

Water and Sewer Infrastructure and Rates

Los Alamos, New Mexico—Los Alamos Department of Public Utilities (DPU) will ask its board (the Board of Public Utilities) for multi-year increases to water and sewer rates at an October 16 public hearing. Prior to the hearing, DPU officials invite Los Alamos citizens to the September BPU meeting for preliminary discussions with board members; view a documentary on the condition of the nation's infrastructure; and then attend a public meeting in either White Rock or the townsite.

"These complex infrastructure systems are essential to the economic prosperity and public health of our community," advised Utilities Manager Philo S. Shelton, III. "We need to ensure that we are properly updating and maintaining the system now, taking preventive measures, rather than waiting when corrective repairs are more expensive."

Shelton encourages the public to attend the Wednesday, Sept. 18 board meeting at 5:30 p.m. in Council Chambers located at 1000 Central Ave. when initial discussions will take place. DPU staff will explain the need for the rate increases and recommend they be structured for yearly increases over the next three years. Specifically, staff is advocating that water rates would increase each year 5, 4.25 and 4 percent respectively. Sewer rates would increase each year 6, 3, and 2 percent respectively.

To highlight the critical role water and sewer infrastructure plays in safeguarding quality of life across the United States, DPU staff has arranged for the county's public access channel to air a documentary produced by Penn State Public Broadcasting: **Liquid Assets, The Story Of Our Water Infrastructure**. Though largely out of sight and out of mind, the film warns that many of these complex systems are aging, neglected, and in need of immediate national and local attention. Citizens can view the trailer on the county website at

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Press Release: Infrastructure and Rates
September 12, 2019
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<https://ladpu.com/2019Infrastructure-Rates> and will have six opportunities to watch the full-length documentary on Los Alamos' PAC 8 on the following days and times:

Sunday, Sept. 22 @ 6PM
Wednesday, Sept. 25 @ 6PM
Thursday, Sept. 26 @ noon

Sunday, Sept. 29 @ 6PM
Wednesday, Oct. 2 @ 6PM
Thursday, Oct. 3 @ noon

In addition, Shelton urges citizens to attend one of two public meetings to discuss the more specific topics of Los Alamos' water and sewer infrastructure and necessary rates to meet the community's needs. The meetings are scheduled as follows:

Monday, Oct. 7 at 6 p.m.
White Rock Library
10 Sherwood, White Rock
Thursday, Oct. 10 at 6 p.m.
The Nature Center
2600 Canyon Rd, Los Alamos

The Board of Public Utilities will consider approval of DPU's proposed rate ordinances at a public hearing on Wednesday, Oct. 16 at 5:30 p.m. in Council Chambers, 1000 Central Ave., Los Alamos, NM. If approved, the County Council will consider adoption in November.

For more information contact the Customer Care Center, Monday through Friday from 8 a.m. to 4 p.m. at 505 662 8333 or CustomerCare@lacnm.us.

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The Department of Public Utilities (DPU) operates the county-owned electric, gas, water & wastewater systems under the jurisdiction of the Board of Public Utilities. The Board meets in Council Chambers at 1000 Central Ave., Los Alamos, NM every third Wednesday of the month at 5:30 p.m. The DPU is funded by rates paid for electric, gas, water and wastewater services and auxiliary fees, and has provided the community with these services for more than 50 years. CustomerCare@lacnm.us | [505.662.8333](tel:505.662.8333) | www.losalamosnm.us/government/departments/UTILITIES.

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Environmental Sustainability Board (ESB) liaison report

Susan Barns, ESB Liaison 9/18/2019

July and August meeting activities included:

- A presentation from Robert Gibson on Los Alamos County Energy Use and Green House Gas Emissions.
- Updates from the Save As You Throw Research Subcommittee.
- Reports on the zero waste efforts at the Summer Concert Series

Tomorrow night's ESB meeting will include:

- An informational update from the Save-As-You-Throw Research Subcommittee on estimated rates under different scenarios of SAYT, summary of comments, and request for recommendation on next steps.
- An update on Environmental Services Business and Operations
- Summary information and discussion of the Summer Concert Series zero waste program