



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, October 16, 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, October 16, 2019 at 5:30 p.m. at 1000 Central Ave., Council Chambers. Ms. Walker called the meeting to order at 5:33 p.m.

Present 6 - Board Member Walker, Board Member Johnson, Board Member Tobin, Board Member McLin, Board Member Taylor and Board Member Burgess

Absent 1 - Board Member Shelton

Deputy Utility Manager for Engineering Mr. James Alarid attended for Mr. Shelton.

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

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

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

4. PRESENTATION

4.A 12312-19 Los Alamos National Laboratory's Chromium Project Update

Presenters: Philo Shelton

Mr. Danny Katzman, the Groundwater Remediation Manager for N3B Los Alamos, presented this item. The following is the substance of the item being considered.

Approximately ten years ago, hexavalent chromium was detected in a monitoring well in the regional aquifer below the Pajarito Plateau at levels above Environmental Protection

Agency and New Mexico Environmental Department groundwater standards. Mr. Katzman presented an update related to ongoing activities to monitor and address this issue.

The Board discussed this item and requested clarification where necessary.

5. BOARD BUSINESS

5.A. Chair's Report

Other than reminding the Board of the upcoming Boards and Commissions luncheon, Ms. Walker had nothing to report.

5.A.1 [11762-19](#) Reminder for Upcoming Boards & Commissions Luncheon

Presenters: Carrie Walker

The month prior to a Boards & Commissions luncheon, the attendee schedule is included in the agenda packet as a reminder during the Chair's report. Ms. Walker reminded the Board that Ms. Taylor is scheduled to attend the November 14th luncheon.

5.B. Board Member Reports

Board members had nothing to report.

5.C. Utilities Manager's Report

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

Mr. McLin asked if there were any alternatives to putting a lift station on DP Road. Mr. Alarid responded that there were not, and a lift station is necessary to accommodate the new growth in that area.

5.D. County Manager's Report

Mr. Burgess reported on the following items:

1) Mr. Burgess thanked staff for assisting the County with the sewer lift station failure issue on DP Road. This is something the County has been working on to plan for the two affordable housing developments that were designed to be feed into the lift station.

5.E. Council Liaison's Report

Mr. Pete Sheehey reported on the following items:

1) At the previous evening's Council meeting, Kelly Beierschmitt, Triad National Security's Deputy Director of Operations, presented information about the Lab's expansion plans for the next five to ten years. Mr. Beierschmitt had explained for Mr. Sheehey that the \$5 billion planned for capital improvement at the Lab does not include plans for additional future pit production but is earmarked for replacing old facilities that are beyond their useful life and continuing with their ongoing operations. Mr. Sheehey reported that the Lab plans to continue to hire 1000 new employees per year for the next few years just to continue with their stockpile stewardship, research and other national security missions. The impact this continued growth will have on County services and utilities remains to be seen. Mr. Sheehey discussed the potential need for improved roads, traffic control and housing. He noted that the Department of Energy has talked to the County about

transferring land for new housing. However, road upgrades and projects outside the Lab are under federal and state jurisdiction and must go through their processes. Mr. Sheehey asked Mr. Beierschmitt if the Lab could help with some short-term building needs, such as helping with a NM State Road 4 traffic abatement problem. Mr. Beierschmitt told Mr. Sheehey that the Lab could work with the County, but often those types of issue are under federal or state control.

2) Mr. Sheehey reported that the Council voted to approve an ordinance to proceed with an economic development project to build a hotel and conference center on 20th street. It was a 5-2 vote. A lot of information had been provided to the public, and he tried to make it clear at the meeting that the County was not giving anything away but was offering something to get something of greater value in terms of additional business and tax revenues. After considering the criticisms and looking at the financial analysis, Mr. Sheehey felt that the gain over fifteen years justified moving forward.

Mr. Burgess left the meeting at 6:49 p.m.

5.F. Environmental Sustainability Board Liaison's Report

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

5.G. General Board Business

5.G.1 [12050-19](#) Approval of Department of Public Utilities Mission, Vision and Values, Strategic Goals and Objectives

Presenters: Board of Public Utilities

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

The Utilities Manager is expected to annually develop strategic objectives and long-term goals and present them to the Board for approval. DPU senior staff held their annual strategic planning meeting on October 10th, 2019. At a special meeting on October 2nd, the Board was asked to provide input to incorporate into planning efforts to ensure alignment of focus areas, strategic objectives and goals with the Board and County priorities. The changes suggested by the Board were included in the agenda packet for approval. Staff did not suggest any additional changes at their strategic planning meeting. Objectives 5.2, 5.3 and 5.4 related to electric, water and gas conservation as modified will be carried forward into the Request for Proposals (RFP) for the 2020 DPU Energy and Water Conservation Plan update. Staff will return once the RFP is prepared for Board review and consideration of a potential sub-committee to be formed for input and recommendations on this plan update.

The Board discussed this item and requested clarification where necessary.

Mr. Johnson moved that the Board of Public Utilities approve the Mission, Vision and Values statements and the FY2021 Strategic Goals and Objectives as presented. The motion passed by the following vote:

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

No: 1 - Board Member McLin

5.H. Approval of Board Expenses

There were no Board expenses.

5.I. Preview of Upcoming Agenda Items

5.I.1 [12406-19](#) 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) 11/20/2019 - Approval of Ordinance for Water Trust Board Grant/Loan (James Alarid)

6. PUBLIC HEARING(S)

6.A [12225-19](#) Incorporated County of Los Alamos Code Ordinance No. 02-298; An Ordinance Amending Chapter 40, Article III, Sections 40-201 and 40-202 of the Code of the Incorporated County of Los Alamos Pertaining to the Sewage Service Rate Schedule and Determination of Charges

Presenters: Bob Westervelt

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

The ten-year forecast for the sewer utility presented with the FY2020 budget included a series of incremental rate increases to generate revenues needed for current operations and to build cash reserves necessary for future infrastructure needs. In 2016, several alternative long-term scenarios were prepared by staff and presented for Board consideration. After discussion, scenarios were selected that represent the most reasonable balance between increased rates and necessary system expenditures and have been the foundation upon which the ten-year budgetary projections have been based. Included in the agenda packet were rate comparisons with neighboring and similar communities, costs as a percentage of median household income and long-term utility cost projections normally presented with proposed rate adjustments. These continue to demonstrate that even with the challenges of our complicated system and mountainous terrain, consumer costs for sewer services remain competitive and reasonable for our community. The proposed rates should restore cash flow to an acceptable level in the sewer systems and provide adequate funding for necessary repairs and replacements and continuing operations and provide for movement toward long-term cash reserve goals.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

- 1) Staff will explore additional ways to make the "Liquid Assets, The Story of Our Water Infrastructure" video available to the public, including possibly making it available at the library.

Mr. Johnson moved that the Board of Public Utilities approve Incorporated County of Los Alamos Code Ordinance No. 02-298; An Ordinance Amending Chapter 40, Article III, Sections 40-201 and 40-202 of the Code of the Incorporated County of Los Alamos Pertaining to the Sewage Service Rate Schedule and Determination of Charges, and forward to Council for adoption. The motion passed by the following vote:

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

6.B [12226-19](#)

Incorporated County of Los Alamos Code Ordinance No. 02-299; An Ordinance Amending Chapter 40, Article III, Sections 40-171, 40-173 and 40-175 of the Code of the Incorporated County of Los Alamos Pertaining to Potable and Non-Potable Water Rates and Bulk Delivery Rates

Presenters: Bob Westervelt

Mr. Richardson and Mr. Westervelt presented this item. The following is the substance of the item being considered.

The ten-year forecast for the water utility presented with the FY2020 budget included a series of incremental rate increases to generate revenues needed for current operations and to build cash reserves necessary for future infrastructure needs. In 2018 several alternative long-term scenarios were prepared by staff and presented to Board consideration. After discussion, scenarios were selected that represent the most reasonable balance between increased rates and necessary system expenditures and have been the foundation upon which the ten-year budgetary projections have been based. Included in the agenda packet were rate comparisons with neighboring and similar communities, costs as a percentage of median household income and long-term utility cost projections normally presented with proposed rate adjustments. These continue to demonstrate that even with the challenges of our complicated system and mountainous terrain, consumer costs for water services remain competitive and reasonable for our community. The proposed rates should restore cash flow to an acceptable level within the projected time frame in the water system. While it may take some additional time to reach target levels in the Water Utility overall, this plan will provide adequate funding for necessary repairs and replacements and continuing operations and provide for movement toward our long-term cash reserve goals.

The Board discussed this item and requested clarification where necessary.

Ms. Taylor moved that the Board of Public Utilities approve Incorporated County of Los Alamos Code Ordinance No. 02-299; An Ordinance Amending Chapter 40, Article III, Sections 40-171, 40-173 and 40-175 of the Code of the Incorporated County of Los Alamos Pertaining to Potable and Non-Potable Water Rates and Bulk Delivery Rates, and forward to Council for adoption. The motion passed by the following vote:

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

No: 1 - Board Member McLin

6.C [12282-19](#) **Modification of Department of Public Utilities Rules & Regulations - Rule GR-18 Utilities Assistance Program (UAP)**

Presenters: Bob Westervelt

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

As Utilities costs increase, the burden on lower income households becomes increasingly difficult to manage. The "energy assistance program" was originally intended to provide heating assistance to low income customers through the winter months. In 2015, the program was expanded to provide year-round assistance to senior citizens, to add water to eligible services and add one-time assistance to households demonstrating unusual and unanticipated hardship. Accordingly, the program was renamed the "Utilities Assistance Program (UAP)." While the revised criteria addresses the most critical needs, staff believes there is still room in the program and needs in the community for some broader assistance. The Utilities Board and the County Council have also expressed a desire to assess the practicality of expanding the UAP. The UAP is funded entirely through voluntary contributions from customers. Funding has been relatively static for several years. The fund has a significant balance, but current contributions roughly equal current assistance payments, so any expansion of the program would diminish the balance in the fund unless additional contributions are collected. It is staff's opinion that with minimal publicity about the program and the need, additional contributions sufficient to fund the proposed changes would be available.

The Board discussed this item and requested clarification where necessary.

Mr. Tobin moved that the Board of Public Utilities approve Resolution No. 19-25, a resolution authorizing the Los Alamos County Utilities Manager to submit an application to the New Mexico Environment Department for funding for Light Duty Electric Vehicle Supply Equipment projects, and forward to Council for approval. The motion passed by the following vote:

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

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 Walker, Board Member Johnson, Board Member Tobin, Board Member McLin and Board Member Taylor

7.A [12404-19](#) **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 September 18th, 2019 and October, 2nd 2019 as presented.

8. BUSINESS

- 8.A [RE0425-19](#) Incorporated County of Los Alamos Resolution No. 19-25; A Resolution Authorizing the Los Alamos County Utilities Manager to Submit an Application to the New Mexico Environment Department for Funding for Light Duty Electric Vehicle Supply Equipment Projects

Presenters: Steve Cummins

Engineering Associate Mr. Ben Olbrich presented this item. The following is the substance of the item being considered.

The Department of Public Utilities (DPU) plans to install electric vehicle charging stations at four sites in the County. These charging stations will support the replacement of petroleum-fueled motor vehicles with all-electric vehicles. DPU intends to submit applications to the New Mexico Environmental Department for grant funding of these charging stations. Grant applications are due November 15, 2019. The charging stations will be operated for at least 10 years. They will offer configurable pricing and communications over cellular networks for handling payments, status and metrics. DPU will analyze the metrics to identify opportunities for future electric vehicle charging needs in the County.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

- 1) Based on the grant selection results, staff will return to the Board with a recommended project scope, budget and an anticipated schedule for construction in the 2nd and 3rd quarter of 2020.

Ms. Taylor moved that the Board of Public Utilities approve Resolution No. 19-25, a resolution authorizing the Los Alamos County Utilities Manager to submit an application to the New Mexico Environment Department for funding for Light Duty Electric Vehicle Supply Equipment projects, and forward to Council for approval. The motion passed by the following vote:

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

Abstain: 1 - Board Member McLin

9. STATUS REPORTS

- 9.A [12405-19](#) 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

10. **PUBLIC COMMENT**

Ms. Walker opened the floor for public comment on any items. There were no comments.

11. **ADJOURNMENT**

The meeting adjourned at 8:44 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

October 16, 2019

1. The site visit by Quality New Mexico examiners has been scheduled for November 18 & 19, 2019. A team of examiners will be onsite interviewing employees, reviewing procedures and clarifying items in our Zia application. We expect to find out if we received the Zia award and receive our feedback report in early December.
2. Two open house public meetings on the water and sewer rate increases were held on October 7, 2019 in White Rock and October 10, 2019 in Los Alamos. Only one customer attended. On behalf of DPU, PAC-8 showed the full length version of the video "Liquid Assets" 6 times over a two week period.
3. DPU has been notified by LANL/Triad of a planned expansion of the firing range along the truck route. The expansion will impact access to Pajarito Well #3. LANL/Triad has requested that access to the well be restricted periodically based on their scheduled training. DPU is evaluating the request.
4. On Thursday, October 17, 2019, county staff will hold an internal coordination meeting to review input received from the DOE/NNSA on the draft water right lease.
5. As a cooperative initiative with county economic development staff, DPU has taken the lead and designed a replacement DP Road sewer lift station to accommodate a number of new development projects. Coincidentally the existing DP Road lift station failed and there is now urgency to replace the lift station. The procurement manager has authorized use of emergency procurement protocol to expedite the replacement. We provide this notification to the Utility Board of a DPU managed project which will go directly to the Council for approval since the funding source is county economic development funds and to expedite construction. DPU staff had to truck sewage for three weeks and temporary repairs have been made to keep the existing lift station operational until the replacement is complete.



BOARD OF PUBLIC UTILITIES

ADDITIONAL MEETING DOCUMENTS

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	10/16/2019
AGENDA ITEM	6.C Modification of Department of Public Utilities Rules & Regulations – Rule GR18 Utilities Assistance Program
DOCUMENT TITLE(S)	Revised Rule GR-18
FROM	Bob Westervelt
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.	<u>The recommended motion as presented in the staff report is sufficient. No changes to the recommended motion are required.</u>
ADDITIONAL INFORMATION Please VERY BRIEFLY explain the purpose of this information or document.	Certain clarifying language was added. The changes are highlighted in blue on the revised redline of the rule, which is attached herewith.

**RULES AND REGULATIONS
GENERAL RULES (GR)
RULE GR-18
UTILITIES ASSISTANCE PROGRAM (UAP)**

GR-18.01 GENERAL

The purpose of the UAP is to provide assistance to qualified low income residential customers of the Utility during the ~~months-periods~~ of October 1 through March 31, or year-round for ~~Senior-C~~ citizens over age 65 or account holders qualified through the Social Security Administration for Supplemental Security Income (SSI), or one-time assistance to account holders who demonstrate need due to unforeseen and unusual circumstances. Funding is provided voluntarily from customers.

To qualify for monthly assistance, the household income of the applicant must be below 50% of the median household income for the ~~Santa Fe Metropolitan Statistical Area (MSA)~~Los Alamos Census Designated Place (CDP), which includes ~~both Santa Fe and all of~~ Los Alamos ~~County~~counties. The Department will verify income levels by requesting either copies of tax returns, ~~or~~ pay stubs, or other suitable documentation. Applicants should be aware that documents submitted may be subject to release under the inspection of public records act (IPRA). Personal Identifier Information and tax information will be redacted to the extent allowable under IPRA Regulations before release.

GR-18.02 AMOUNT OF ASSISTANCE PROVIDED

Assistance is always limited by the amount of contributions. The Utility shall attempt to distribute assistance based on need. Assistance provided will be up to 30% of the customer's average bill for consumption of water, gas, ~~and~~ electric and sewer during the previous winter months of October through March, with a maximum of \$125.00 assistance per month and a minimum of \$15.00 assistance per month for those who qualify. The monthly credit will be limited by the customers total bill for utilities services for each individual month. If the customer does not have previous winter use history at the subject residence staff will estimate appropriate assistance based on relevant comparative information.

GR-18.03 ONE-TIME PAYMENTS FOR IMMEDIATE FINANCIAL HARDSHIP

A single lump sum assistance credit may be applied to a qualified customer's bill if they have a demonstrated need due to unforeseen circumstances (e.g., layoff, illness, major household repairs, etc.) and are in danger of their utility services being turned off for non-payment. A brief statement of income and anticipated expenses, a statement of need or hardship as to why available resources are not sufficient to pay the utilities bill and, and details of other assistance resources sought or expended will be required. Lump sum payments will generally only be granted once per incident and only after all other assistance programs have been ~~exhausted~~ pursued. The maximum amount will be \$350.00. Each individual case will be judged on its own merit. Staff will make a recommendation for final approval by the Deputy Utilities Manager for Finance and Administration after review of the hardship documentation provided to ensure compliance with the requirements stated in this provision.-

GR-18.04 PROCEDURE FOR ALLOCATING ASSISTANCE

The annual assistance period will be October 1 through the following March 31 of each year, or October 1 through the following September 30 for year-round assistance. A new application will be required each year. In September the Utility will determine eligibility for winter or year-round assistance and calculate the maximum allocation for each applicant. One-time assistance payments will be considered as applications are received, if funds are available. Applications received during an annual assistance period will be considered for the remainder of the current assistance period if funds are available. Each month the Utility will compute the maximum allocation for each applicant. If the total allocation thus calculated exceeds projected funds available, the allocations will be reduced on a pro-rata basis. In no case will assistance payments exceed contributed funds available at the time the assistance payment is

| credited to the customer's account.