



LOS ALAMOS

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

1000 Central Avenue  
Los Alamos, NM 87544

*Kathleen Taylor, Chair; Carrie Walker, Vice-chair; Jeff Johnson, Stephen McLin and Steve  
Tobin Members*  
*Philo Shelton, Ex Officio Member*  
*Harry Burgess, Ex Officio Member*  
*Randall Ryti, Council Liaison*

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Wednesday, February 19, 2020

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, February 19th, 2020 at 5:30 p.m. at 1000 Central Ave., Council Chambers. Board Chair Kathleen Taylor called the meeting to order at 5:30 p.m.

**Present 7 - Board Member Johnson, Board Member McLin, Board Member Tobin, Board Member Walker, Board Member Taylor, Board Member Shelton and Board Member Burgess**

**2. PUBLIC COMMENT**

Ms. Taylor 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. Johnson moved that the agenda be approved as amended with item 6.D being moved to 7.C. and rearranging the Business section so that 7.B. can be presented first. The motion passed by the following vote:**

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

**4. BOARD BUSINESS**

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

Ms. Taylor reported on the following items:

1) Ms. Taylor thanked Ms. Walker and Mr. Johnson for their efforts as Chair and Vice-chair the previous year and appreciates any help they can give.

**4.B. Board Member Reports**

Board members reported on the following items:

1) Mr. Tobin - Mr. Tobin attended the Boards and Commissions luncheon in January with Mr. Shelton. At that meeting, they discussed the development on DP Road and noted that will be unique from an energy standpoint in that they do not plan to have gas going to it.

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

Mr. Shelton 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) The Legislature ends tomorrow at noon. The Bill that affects the Utilities Department the most was the PERA Solvency Bill, which passed both Houses. It includes a variety of changes depending upon the specific account, but most specific to Utilities employees, Mr. Burgess anticipates that there will be an increase to rates for both the employees and employers. However, those rates will take effect two years from July 1st. There were a number of different measures attempted to shore up the fund, but the municipal employee fund was one of the most solvent of the various funds, which is why the change was delayed. They also made some minor plan changes that applied to cost of living adjustments and added an earnings cap of 90%.

2) There are a number of items on Council February 25th meeting agenda with respect to the 5% profit transfer issue.

3) Mr. Burgess noted that when bidding projects, the County has experienced either receiving no bids or very high bids. He fears this will be an issue for both the County and Utilities. He recalled seeing a similar type of cost escalation in 2005 when every bid came back quite expensive. It limited the number of projects the County was able to do. Many of the trades in New Mexico are being utilized for the Facebook data center or the planned Google center, and the County will have to compete for those resources.

4) The County recently completed a salary market study. The results came in a few weeks ago. The Senior Management Team discussed it this morning, and it is going before the Personnel Board next week. It will go to Council at their work session on March 17th. Some preliminary recommendations will be given to Council, but until the study goes to both bodies Mr. Burgess doesn't know exactly what the final recommendations will be. This is something that is done every four years to maintain market viability in terms of how the County pays its employees compared to others in the region. Ten other cities and counties were surveyed in New Mexico and Colorado to develop the plan. 125 job positions were benchmarked against those other 10 communities. A recommendation will be made during the April budget hearings for any adjustments. There are recommended salary changes both upwards and downwards.

5) Mr. Burgess and three Councilors will be traveling to Washington, DC the third week of March. In the past, they have supported the Carbon Free Power Project and will continue to do so. He would appreciate any information that Mr. Shelton and Mr. Johnson could bring back from their trip to attend the American Public Power Association (APPA) 2020 Legislative Rally and Utah Associated Municipal Power Systems (UAMPS) meetings in February.

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

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

**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 [12722-20](#) Appointment of Board Member to Audit Committee for 2020**

**Presenters:** Kathleen Taylor

Ms. Walker was appointed to serve on the Audit Committee for 2020.

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

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Ms. Taylor moved that the Board of Public Utilities approve travel expenses for members to attend the American Public Power Association (APPA) 2020 Legislative Rally and Utah Associated Municipal Power Systems (UAMPS) meetings. The motion passed by the following vote:

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Yes: 3 - Board Member Tobin, Board Member Walker and Board Member Taylor

Abstain: 1 - Board Member Johnson

No: 1 - Board Member McLin

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

**4.I.1 [12808-20](#) 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) 03/18/2020 - Modification to Department of Public Utilities Rules & Regulations GR-13 (Bob Westervelt)

2) 03/18/2020 - Presentation of the Quality New Mexico Site-visit Feedback Report (Philo Shelton)

**5. PUBLIC HEARING(S)**

There were no public hearings scheduled for this meeting.

**6. CONSENT AGENDA**

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Mr. Johnson moved that the Board of Public Utilities approve the items on the Consent Agenda as amended 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 Johnson, Board Member McLin, Board Member Tobin, Board Member Walker and Board Member Taylor**

**6.A      [12806-20](#)      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 January 15th, 2020 as presented.**

**6.B      [AGR0660-20](#)      Approval of Services from HSQ Technology as per Quote No. 2001-0002-MP in an Amount Not to Exceed \$58,410.00, plus Applicable Gross Receipts Tax, for the Purpose of Programming Auto-Controls for the Guaje Well Field**

**Presenters:**      James Alarid

**I move that the Board of Public Utilities Approve Services from HSQ Technology as per Quote No. 2001-0002-MP in an Amount Not to Exceed \$58,410.00, plus Applicable Gross Receipts Tax, for the Purpose of Auto Controls for the Guaje Well Field.**

**6.C      [12764-20](#)      Approval of Modifications to the Board of Public Utilities Procedural Rules**

**Presenters:**      Kevin Powers

**I move that the Board of Public Utilities approve modifications to the Board of Public Utilities Procedural Rules as presented.**

**7.      BUSINESS**

**ITEM 7.B. WAS MOVED TO BE HEARD PRIOR TO ITEM 7.A.**

**7.B      [12748-20](#)      Presentation of the White Rock Wastewater Treatment Plant Value Engineering Report**

**Presenters:**      Engineering Project Manager Clay Moseley

Engineering Project Manager, Mr. Clay Moseley, presented this item. The following is the substance of the item being considered.

Mr. Moseley gave a brief overview of some of the improvements and evaluations that have been done on the White Rock Water Resource Recovery Facility since its construction in 1966. Mr. Moseley then introduced Mr. Todd Burke from Bohannon Huston and Mr. Justin Logan from Aqua Engineering who gave the rest of the presentation. This report represents the continuation of efforts started in previous studies: the 2010 Souder Miller and Associates Preliminary Engineering Report (PER) and the subsequent 2016 Molzen Corbin PER updates. The main focus of this report was to further define process and equipment design criteria identified and recommended in previous studies, and through value engineering, provide improved function while minimizing the costs. As such, this report evaluates in detail potential upgrades to various wastewater treatment processes to the White Rock Water Resource Recovery Facility. The evaluation discusses the purpose of each upgrade, design considerations in selecting options and describes options for each process that was considered. Recommendations for each process were provided based on the options identified to have the greatest value.

The Board discussed this item and requested clarification where necessary.

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

1) Mr. Galen Gisler, 4730 Sandia Drive - Mr. Gisler thought the report was nice but was disappointed that there was no mention of methane or how to mitigate it. He appreciates that this plan minimizes the anaerobic portion of the treatment, but the biosolids that are an end product of the process will result in methane emissions. He noted that methane is a potent greenhouse gas, but is also a potent fuel that could be captured to reduce the load on the power requirements.

Mr. Burgess left the meeting at 7:02 p.m.

7.A [12513-19](#)

Department of Public Utilities FY2021-2022 Budget Presentation

**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.

This year is a two-year budget cycle with a proposed budget for the first year and a projected budget for the second year. Two years were presented to assist with analysis of trends and spending. Next year, that projected budget for FY22 will be updated and presented for approval. Direction from Council and the ordinance proposed for approval in February calls for the Department to budget for the five percent profit transfer in the electric and gas sub funds and to propose infrastructure projects that would be funded by return of those funds to the Department. Those projects were included in the presentation as "Budget Options" in accordance with Council guidance. Comparing to the final FY20 approved budget before revisions and carryovers, the proposed FY21 budget represents a 33.95 percent increase. This is due primarily to the inclusion of \$14,800,856 for the White Rock Treatment Plant, scheduled for construction in FY21 and FY22 and funded with state loan financing; and \$6,831,060 for several water projects funded by loan/grant funds or other external funding sources. Excluding these items, the budget for Department funded activities represents a 0.37% increase over the approved FY20 budget, including the projected wage and benefit increases. 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.

The following actions were identified for follow-up:

1) Mr. McLin would like to be updated in the future on the condition of the Northern Rio Arriba Electric Cooperative (NORA) transmission line.

Mr. Burgess left the meeting at 7:02 p.m.

**ITEM 6.D. WAS PULLED FROM CONSENT AND MOVED TO BUSINESS**

6.D      [12769-20](#)      Recommendation for Council to Approve a Pole Attachment License Agreement with Comcast of Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC.

**Presenters:**      Electrical Engineering Manager Stephen Marez

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

The County, through the Department of Public Utilities Electrical Distribution Division, has worked over the last 4 years to finalize a pole attachment agreement (PAA) with Comcast of Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC (Comcast). After lengthy negotiations and numerous revisions and edits by both parties, as well as the need to address recent U.S. Federal Communications Commission (FCC) rule changes, the parties have now reached a tentative agreement. The PAA is necessary to ensure the safe and reliable connection of Comcast cable signal transmission lines and infrastructure to the County's power distribution poles. The PAA provides for the methods to locate and relocate attachments, price per attachment, payment terms and conditions, audits, and procedures to remove or relocate the Comcast attachments to County power distribution poles for various needs. This PAA does not include the right to attach to County light poles or traffic signals. Those must be negotiated separately.

The Board discussed this item and requested clarification where necessary.

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**Mr. Johnson moved that the Board of Public Utilities recommend that the County Manager, Harry Burgess, execute a Pole Attachment License Agreement with Comcast of Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC. The motion passed by the following vote:**

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

**8.      STATUS REPORTS**

8.A      [12807-20](#)      Status Reports

**Presenters:**      Department 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. Taylor opened the floor for public comment on any items. There were no comments.

**10.     ADJOURNMENT**

The meeting adjourned at 8:15 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  
February 19, 2020**

1. Held a half day orientation for newly hired DPU employees on January 23<sup>rd</sup> and an all hands meeting with the department on February 12<sup>th</sup>.
2. At yesterday's project management committee meeting, UAMPS is proposing to budget 2.56 full time equivalent members of staff to work on this project and has hired a PR Firm to assist with promoting and positively messaging the project. It was projected that about half of the \$3 million budget amendment will be spent by March 31<sup>st</sup> and UAMPS is projecting the next budget amendment request will be sometime this summer with giving members 60-day notice. NuScale proposed to Fluor approximately \$600 million in value engineering savings and Fluor agreed with \$490 Million of this savings. Next, Burns and McDonald, independently hired by UAMPS, is reviewing Fluor cost estimates for accuracy. DOE has yet to contract for the JUMP module project participation. The design certification is still progressing ahead of the January 2021 schedule, and may be completed as early as September 2020. Jeff Johnson and I are attending the Legislative Rally sponsored by APPA to help gain bipartisan support for the CFPP. We have scheduled meetings with Congressman Lujan, and Senators Udall and Heinrich.
3. Staff continues to work with NMED to cleanup an area of the soil containing the oil of approximately 1.2 cubic yards of soil located next to Otowi Well #4 at DP Los Alamos Canyons confluence. NMED has provided two letters of response where one addresses the operations of the pump house that requires staff to implement preventative oil spill measures and the other letter addresses the cleanup of the oil spill in Los Alamos Canyon. Staff attended a meeting last week with NMED and NNSA and discussed a path forward and the Los Alamos Canyon initial spill cleanup is scheduled for next week with follow up confirmation samples to prove it was properly cleaned.
4. Attended the County's Legislative Dinner and the County's position is to monitor any bills regarding the closure of San Juan Generating Station. To date only a presentation was done to the senate budget finance committee on Farmington's Enchant Carbon Sequestration Project and no bills were introduced.
5. Two follow up calls were held with members of the ECA and PNM regarding their allowable costs to be in the 2019 transmission formula rate annual update. Resolution of these costs are planned for March 13<sup>th</sup> by the parties. These allowable costs assumptions will also carry forward in 2020 transmission formula rates.
6. Farmington and Enchant held an all-day meeting with the owner's and non-extender's regarding the San Juan Generating Station. They presented a clean break option with the owner's and non-extender's by using a combination of two different surety bonds to cover

the mine closure and reclamation, and the plant closure costs. Next, a meeting was set up in April for the Farmington/ Enchant team to make a formal proposal for consideration.

7. Continued to monitor the PRC hearing and interrogatories regarding the San Juan Generating Station decommissioning. Richard Virtue attended the additional testimony hearings from January 22 until the 29<sup>th</sup>. We are in the process of preparing a position statement to submit to the PRC supporting the SJGS decommissioning and will consider Farmington's proposal in good faith should it be determined to be feasible.
8. Attended a few meetings on the White Rock Water Resource Recovery Facility Improvements, Draft Design Analysis Report.
9. Held a two-hour phone conference with QNM to discuss the feedback report we received. Next month, I will provide an update on what we learned from this process as well as provide a copy of the feedback report.
10. Attended several meetings with staff in preparing the department's budget. Prepared a proposed staffing plan with SMT as part of the budget process that includes a plan for succession as meter readers are transitioned into new or difference job duties as AMI is implemented. This staffing plan is considering the housing and retail development boom over the next five years, transitioning existing staff to gain experience and certifications as a plan for succession, and restoring a conservation and work procedure specialist.
11. A boulder got wedged in the penstock butterfly valve and this was determined the cause of reduced flows to the Abiquiu hydroelectric facility. Staff is in the process of removing this boulder and discussing preventive measure with the Army Corp. Also attended two WebEx meetings with the Bureau of Reclamation on the El Vado Dam renovation and discussion about an inspection of our penstock and valve.
12. Bob Westervelt will give a short briefing on the annual resume feature for Tyler/Munis.

Council Liaison Report, Randall Ryti Vice Chair

February 19, 2020

January 28, 2020 Regular Session

Council approved Ordinance No. 698 authorizing the execution and delivery of a water project fund loan/grant agreement. Project will provide \$800,000 for a new pump station at Overlook Park. Water projects fund \$480,000 grant and \$320,000 zero interest loan. These funds are supplemented by \$120,000 DPU capital projects fund.

Council approved Uniper power and renewable energy sales agreement No. AGR2-926. Contract is for 15mw firm power at a rate of \$36.67/mwh starting in 2022. Council also approved modification 21 to Electric Energy and Power Coordination agreement to add the Uniper resource to the power pool.

February 4, 2020 Regular Session

2020 Council Priorities

- Increasing the amount and types of housing options.
- Protecting, maintaining and improving our open spaces, recreational, and cultural amenities.
- Enhancing support and opportunities for the local business environment.
- Improve utilization and aesthetics of vacant spaces and properties.
- Supporting social services improvement.
- Expand transportation and mobility options and address parking challenges.
- Investing in infrastructure.

Upcoming, February 25, 2020

Ordinances related to franchise fee change (from 2% to 3%) and profit transfer.

- Resolution No. 19-29, change to franchise fee
- Resolution No. 19-30, repeals Resolution 97-07
- Update to County Financial Policy
- Ordinance No. 02-302, clarify transfer of operating profits

Potential Development

North Mesa Housing Feasibility Study (Los Alamos Public Schools property), February 11<sup>th</sup> joint meeting, public meetings January 30<sup>th</sup> and February 26<sup>th</sup>.

DP Road parcels transferred from DOE and available for development. A-8-A and A-16-A



# 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	02/19/2020
AGENDA ITEM	6.D. Recommendation for Council to Approve a Pole Attachment License Agreement with Comcast of Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC.
DOCUMENT TITLE(S)	Resolution No. 19-03 Authorizing the County Manager to Execute Licenses
FROM	Stephen Marez
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>I move that the Board of Public Utilities recommend that the County Manager, Harry Burgess, execute a Pole Attachment License Agreement with Comcast of Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC.</u>
ADDITIONAL INFORMATION  Please VERY BRIEFLY explain the purpose of this information or document.	After agenda publication, it was determined by the Assistant County Attorney, Kevin Powers, that a license agreement of this nature does not need to be approved by Council. The attached resolution grants authority to the County Manger.  <b>During agenda approval, this item will need to be removed from the Consent agenda to be considered during the Business section of the agenda so that the revised motion can be made.</b>



**INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 19-03**

**A RESOLUTION AUTHORIZING THE COUNTY MANAGER OR HIS DESIGNEE  
TO EXECUTE DOCUMENTS GRANTING CERTAIN LIMITED PROPERTY  
INTERESTS ON COUNTY-OWNED LAND, IN PARTICULAR THE GRANT OF  
LICENSES AND TEMPORARY EASEMENTS**

**WHEREAS**, pursuant to Article II, Chapter 14 of the Code or Ordinances of the Incorporated County of Los Alamos, the County Council is vested solely and exclusively with the legal authority to sell, lease, exchange or otherwise transfer County-owned real property and interests in County-owned real property, including licenses and easements in and over County-owned real property; and

**WHEREAS**, pursuant to Section 31(4) of Article II, Chapter 14 of the Code or Ordinances of the Incorporated County of Los Alamos, if the property interest transferred by the County Council is a license or an easement, such transfers can be made without following the requirements of Sections 14-32 through 14-35 of the Code of Ordinances, which include, but are not limited to, an appraisal requirement; and

**WHEREAS**, a license in real property is a minimal property interest generally defined under common law as a personal or revocable privilege to perform an act or series of acts on the land of another, and examples include, but are not limited to, the grant of licenses at the County horse stables, the grant of licenses for airplane tie-down spots on the Municipal Airport, the grant of licenses for filming on County owned land, and Right-of-Entry agreements entered with the Department of Energy and its contractors; and

**WHEREAS**, a temporary easement is a slightly more substantial property interest than a license in real property that is generally defined under common law as the temporary grant of a right of use over the property of another, and examples include, but are not limited to, the grant of temporary construction easements to third-parties to temporarily store materials and equipment during a construction project, and the temporary grant of a right to travel over or be upon non-public County-owned land; and

**WHEREAS**, it is often neither expedient nor practical for the County Council to hear and decide whether to grant a license or temporary easement in and over County-owned real property; and

**WHEREAS**, the purpose of this Resolution is to delegate the County Council's legal authority to grant licenses and temporary easements in and over County-owned real property to the County Manager, or his designee, for the sake of expedience and practicality.

**NOW, THEREFORE, BE IT RESOLVED** that:

**Section 1. Finding.** The County Council is vested solely and exclusively with the legal authority to sell, lease, exchange or otherwise transfer county-owned real property and interests in county-owned real property including licenses and temporary easements in and over County-owned real property, and the County Council desires to delegate this legal authority to grant licenses and temporary easements over County-owned real property to the County Manager;

**Section 2. Authorization to Enter and Execute Licenses and Temporary Easements In and Over County-Owned Real Property.** The County Manager is hereby authorized to enter and execute licenses and temporary easements, approved as to form by the County Attorney, in and over County-owned real property on behalf of the Incorporated County of Los Alamos.

**Section 3.** This Resolution shall be kept on file in the County Attorney's Office in document known as "Repository of Resolutions of the Los Alamos County Council Delegating Corporate Authority to County Officers and Officials".


**Section 4. Effective Date.** This Resolution shall become effective upon adoption and remain in effect until amended or rescinded.

**ADOPTED** this 19<sup>th</sup> day of February, 2019

**COUNCIL OF THE INCORPORATED COUNTY  
OF LOS ALAMOS**



**ATTEST: (Seal)**

  
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**Sara C. Scott,**  
**Council Chair**

  
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**Naomi D. Maestas,**  
**County Clerk**