



LOS ALAMOS

County of Los Alamos

Minutes

Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

Carrie Walker, Chair; Stephen McLin, Vice-chair; Eric Stromberg, Steve Tobin and Cornell Wright Members
Philo Shelton, Ex Officio Member
Harry Burgess, Ex Officio Member
Randall Ryti, Council Liaison

Wednesday, September 16, 2020

5:30 PM

Due to COVID-19 concerns, meeting will be conducted remotely. Public can view proceedings at <http://losalamos.legistar.com/calendar.aspx> or attend via Zoom.

REGULAR SESSION - REMOTE ZOOM MEETING

1. CALL TO ORDER

The regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, September 16th, 2020 at 5:30 p.m. In the absence of the Board Chair, the Vice-chair, Steve McLin called the meeting to order at 5:35 p.m.

The meeting was held remotely and BPU members, staff and the public participated through an online video conferencing platform. This social distancing was to comply with the recommendations of the Centers for Disease Control (CDC) to prevent the spread of COVID-19. Members of the public were able to live-stream the meeting online and submit public comment during the meeting.

Present 5 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin, Board Member Wright and Board Member Shelton

Absent 2 - Chair Walker and Board Member Burgess

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

Mr. McLin 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 16th, 2020 at 5:00 p.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 the following vote:

Yes: 4 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin and Board Member Wright

Absent: 1 - Chair Walker

2. PUBLIC COMMENT

Mr. McLin 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 asked that item 6.B be moved to Business and Mr. Wright asked that item 6.C. be moved to Business.

Mr. Wright moved that the agenda be approved. The motion passed by the following vote:

Yes: 4 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin and Board Member Wright

Absent: 1 - Chair Walker

4. BOARD BUSINESS

4.A. Chair's Report

Mr. McLin reported on the following items:

1) Mr. McLin addressed a public comment that was made at the August regular meeting. The person said that the Board never seemed to respond to public comment. Mr. McLin has always felt the same and a little confused, but he understood that the reason the Board does not normally engage individuals during public comment is so that members don't enter into a confrontational debate with the public at that time. This can make it seem like the Board is ignoring those individuals who make comments. Assistant County Attorney, Mr. Kevin Powers, added that the practice also helps to ensure that the Board does not violate the Open Meetings Act by discussing items that have not been properly published and that the purpose of public comment is intended to be a way for the Board to gain additional information to make more informed decisions.

As a follow-up, Mr. McLin suggested that this practice be discussed more during review of the Board's Procedural Manual or during the Board's annual self-evaluation.

4.B. Board Member Reports

Board members had nothing to report.

4.C. Utilities Manager's Report

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

4.C.1 [13349-20](#) Department of Public Utilities Quarterly Report

Presenters: Philo Shelton

The Board requested that the quarterly report be presented each quarter. The report was given to the Board in the agenda packet but was not discussed.

4.D. County Manager's Report

Mr. Lynne reported on the following items:

1) This past Friday, the County opened a grant application period for coronavirus relief funds. This is federal money given to the State. The County applied and received the award. The two programs open for applications are for small business continuity and individual assistance. In both of those programs, there are opportunities for businesses or individuals to receive grant money to help pay for utility costs. This could help with delinquent utility accounts that have been accumulating during this period. The application period is open for two weeks, then they will go through an evaluation period.

Mr. Tobin asked how small business owners could learn that this program exists. Mr. Lynne discussed the publication efforts, including press releases, meetings for small businesses and individuals, posting on the website and other combinations of outreach.

Mr. McLin asked if it was appropriate for the Utilities Department to contact those with delinquent accounts to inform them of the program. Mr. Shelton explained that staff was already planning to e-mail information about the meetings to both commercial and residential customers with past due accounts.

4.E. Council Liaison's Report

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

Mr. McLin suggested that staff contact representatives from Los Alamos National Laboratory to schedule an update on Mortendad Canyon hexavalent chromium plume remediation efforts. Mr. Ryti explained that Council has also asked representatives from N3B to provide an update to Council as well.

4.F. Environmental Sustainability Board Liaison's Report

Ms. Hiedi Rogers had nothing to report. The ESB will meet on September 17th and a report will be given in October.

4.G. General Board Business

There was no General Board Business.

4.H. Approval of Board Expenses

There were no Board expenses.

4.I. Preview of Upcoming Agenda Items

4.I.1 [13356-20](#) Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

There were no new items added to the tickler provided in the agenda packet; although, Mr. Wright pointed out that a special Board meeting had already been scheduled for October 9th.

5. PUBLIC HEARING(S)

There were no public hearings.

6. CONSENT AGENDA

Mr. Wright 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:

Yes: 4 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin and Board Member Wright

Absent: 1 - Chair Walker

6.A [13347-20](#) 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 August 19th, 2020 as presented.

6.D [AGR0707-20](#) Approval of Task Order No. 03 Under Services Agreement No. AGR17-914 with Alpha Southwest in the Amount of \$92,418.62, Plus Applicable Gross Receipts Tax, For the Purpose of Inspection, Repair, and Ancillary Services on County Well Guaje Well 3A.

Presenters: Jack Richardson

I move that the Board of Public Utilities approve Task Order No. 3 under Services Agreement No. AGR17-914 with Alpha Southwest, Inc. in the amount of \$92,418.62, plus applicable gross receipts tax, for the purpose of Inspection, Repair, and Ancillary Services on County Well Guaje Well 3A.

6.E [AGR0709-20](#) Approval of Task Order No. 2 Under Services Agreement No. AGR20-48a with Bohannon Huston in the amount of \$78,804.00, plus Applicable Gross Receipts Tax, for the Purpose of Preparation of a Risk and Resilience Assessment and an Emergency Response Plan of the Los Alamos Water System as required by the America's Water Infrastructure Act (AWIA) of 2018

Presenters: James Alarid

I move that the Board of Public Utilities approve Task Order No. 2 Under Services Agreement No. AGR20-48a with Bohannon Huston in the amount of \$78,804.00, and a contingency in the amount of \$20,000.00, for a total of \$98,804.00, plus Applicable Gross Receipts Tax, for the Purpose of Preparation of a Risk and Resilience Assessment and an Emergency Response Plan.

6.F [RE0444-20](#) Incorporated County of Los Alamos Resolution No. 20-15; A Resolution Authorizing the County Council Chair or Los Alamos County Utilities Manager to Approve Submission of Completed Applications and Necessary Documents for 2021 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 20-15; A Resolution Authorizing the County Council Chair or Los Alamos County Utilities Manager to Approve Submission of Completed Applications and Necessary Documents for 2021 Applications to the Water Trust Board for Funding Non-Potable Water System Projects, and forward to Council for approval.

7. BUSINESS

- 7.A [13125-20](#) Approval of AGR21-924 Water Services for the Los Alamos National Laboratory National Nuclear Security Administration (NNSA) - 89233119CNA000145

Presenters: Philo Shelton

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

The current Water Services Agreement to Los Alamos National Laboratory (LANL) is a 1-year bridge agreement that expires on September 30, 2020. DPU has negotiated and received approval with LANL-NNSA on a water rights agreement that is also for a ten-year term, starting with the beginning of the State's water year on October 1, 2020, with the goal to bring both of these agreements in alignment to have the same contract periods and renewal dates so one does not expire before the other. The total estimated contract price is for \$15 million over a ten-year term, which is \$1 million above LANL's ten-year water usage and costs forecast to allow for a contingency. This agreement also includes provisions to add the Camp May Waterline Project, allow for emergency waterline repairs, and a provision to sell non-potable water services should LANL request this service.

The Board discussed this item and requested clarification where necessary.

Mr. Tobin moved that the Board of Public Utilities approve AGR21-924 Water Services to Los Alamos National Laboratory NNSA (Contract No. 89233119CNA000145) and authorize the Utilities Manager and County Attorney's Office to negotiate and incorporate additional final edits requested by NNSA for Utilities Manager's signature. He further moved that the final version be forward to Council for approval. The motion passed by the following vote:

Yes: 4 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin and Board Member Wright

Absent: 1 - Chair Walker

- 7.B [13290-20](#) Approval of Recommendations from the Utilicast Energy Imbalance Market Gap Assessment Report Including Addition of One-Regular Full Time Equivalent and Approval of Budget Revision 2021-14

Presenters: Steve Cummins

Deputy Utility Manager of Power Supply Mr. Steve Cummins and the Power Systems Supervisor, Mr. Jordan Garcia, presented this item. The following is the substance of the item being considered.

The Los Alamos County Department of Public Utilities (LAC) and Los Alamos National Laboratory (LANL) are directly affected by the Public Service Company of New Mexico

(PNM) joining the California Independent System Operators (CAISO) Energy Imbalance Market (EIM) as a result of the loads falling in PNM's Balancing Area. LAC contracted with Utilicast to perform a gap assessment, which compares the current state of LAC's resources, processes and technology with what would be necessary to operate in the EIM. This information was presented to the Board at their August 19th meeting. On September 8th, this information, along with alternatives, was presented to operating committee members for the Electric Coordination Agreement to decide the best course of action with regards to joining the EIM. The Operating Committee approved the recommendation as presented as a pool expense. These additional resources will be shared by the Power Pool, Sandia National Laboratory and Kirtland Airforce Base through the existing Scheduling Agent Services Agreement. The LAC share is an additional \$32,637 for fiscal year 2021. The budget revision is to support the addition of one Full Time Employee, purchase software to manage the EIM transactions and a one-time cost for consulting service to help with the transition to the EIM.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

1) Mr. McLin asked if there were any American Public Power Association webinars available on this topic. Mr. Cummins and Mr. Garcia will look into it and will also share some additional information recently obtained from the Utah Associated Municipal Power Association regarding this topic.

2) Mr. Stromberg asked if this topic could be revisited in a few months to get more details on how things are progressing.

Mr. Wright moved that the Board of Public Utilities approve the recommendations from the Energy Imbalance Market Gap Assessment Report. He further moved to add 1 Regular FTE to the Utilities Department and that the Board approve Budget Revision 2021-14. He further moved that the budget revision be included in the minutes as an attachment and forwarded to Council for approval. The motion passed by the following vote:

Yes: 4 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin and Board Member Wright

Absent: 1 - Chair Walker

7.C [13350-20](#)

Approval of DOE/LAC Resource Pool Budget Adjustment for Fiscal Year 2021/2022 Due to Energy Imbalance Market (EIM) Recommendations for Implementation

Presenters: Steve Cummins

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

The purpose of this FY2021 \$239,550.00 budget revision and FY2022 \$121,500.00 budget revision is to increase the expenditure budget for Electric Production for EIM Implementation as described in agenda item 7.B. The budget adjustment reflects the recommendations from Utilicast for an additional FTE to support operations, an expansion of LAC's Software Support contract and the implementation of a consulting contract. On

September 8th, the Power Pool agreed with the recommendations from Utilicast and the associated budget revision.

The Board discussed this item and requested clarification where necessary.

Mr. Wright moved that the Board of Public Utilities approve the 2021-2022 Resource Pool budget adjustment as presented and forward to the County Council with a recommendation for approval. The motion passed by the following vote:

Yes: 4 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin and Board Member Wright

Absent: 1 - Chair Walker

7.D [13292-20](#)

Presentation on Financing Water and Sewer Infrastructure Projects with State Revolving Loans

Presenters: James Alarid

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

The time is approaching where staff begins to plan for upcoming budget preparation. The water production fund and the wastewater fund present a challenge when balancing replacement needs while meeting financial plan goals. Funding two new wastewater plants has been the biggest challenge that has faced the wastewater fund. Although the Department has successfully formulated a path forward to fund the plants, it has come at the expense of deferring collection system capital improvements. As planning begins for the FY 2022 annual budget, the Department is faced with a new \$2,000,000 capital need in the water production fund to replace motor control centers (MCC) in wells and booster stations. In addition, plans to drill a new well in two years are anticipated to cost \$4,500,000. Funding these projects with cash reserves negatively impacts the Department's financial plan goals. Considering loans that have entered a historically low interest rate environment is a tool to consider in meeting DPU's financial objectives within the established rates while achieving capital renewal and replacement projects. The New Mexico Environment Department Clean Water State Revolving Loan (CWSRL) Program and the Drinking Water State Revolving Loan (DWSRL) Program both offer below market interest rates, minimal fees and variable terms to public utilities within the state of New Mexico. Staff has evaluated various funding scenarios to complete upcoming capital needs and proposes to finance capital improvement projects through three loans. If authorization to pursue loans is not approved, projects will be prioritized and deferred as necessary.

The Board discussed this item and requested clarification where necessary.

Mr. Wright moved that the Board of Public Utilities authorize staff to apply for loans from the CWSRL and DWSRL programs to fund Water Production and Wastewater Capital Improvement Projects as presented. The motion passed by the following vote:

Yes: 4 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin and Board Member Wright

Absent: 1 - Chair Walker

ITEM 6.B. WAS MOVED FROM CONSENT TO BUSINESS

- 6.B** [13284-20](#) Approval of Agreement Between The Incorporated County of Los Alamos and The International Brotherhood of Electrical Workers (IBEW) Local 611, for the period of October 1, 2020 through September 30, 2024.

Presenters: Denise Cassel and Philo Shelton

Human Resources Director Ms. Denise Cassel presented this item. The following is the substance of the item being considered.

The County and IBEW met through electronic meetings in order to negotiate a new contract. Several of the updates to the contract were minor edits regarding clarification and the inclusion of the Water System Electrical Technicians under the contract. Ms. Cassel outlined the more significant changes, also presented in the staff report. The IBEW members ratified the agreement prior to this meeting.

The Board discussed this item and requested clarification where necessary.

Mr. Stromberg moved that the Board of Public Utilities recommend to County Council that County Council approve the Agreement Between the Incorporated County of Los Alamos and The International Brotherhood of Electrical Workers (IBEW) Local 611, for the period of October 1, 2020 through September 30, 2024. The motion passed by the following vote:

Yes: 3 - Board Member Stromberg, Board Member Tobin and Board Member Wright

Abstain: 1 - Vice Chair McLin

Absent: 1 - Chair Walker

ITEM 6.C. WAS MOVED FROM CONSENT TO BUSINESS

- 6.C** [AGR0687-20](#) Approval of the Amendment to the Software as a Service/Spectrum and Technical Support Agreement with Sensus USA, Inc., and Amendment No. 1 to Services Agreement No. AGR19-912 with Ferguson, Inc. in the amount of \$108,099.02, plus applicable gross receipts tax, for the Purpose of Implementing an Advanced Metering Infrastructure Customer Portal

Presenters: James Alarid

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

The purpose of this amendment is for the development, installation and on-going maintenance of a customer portal for County utility users for ten years. The customer portal will allow County utility customers the ability to access their data recorded by the Sensus Advanced Metering Infrastructure (AMI) for the purpose of viewing their utility consumption, setting up customized alerts, paying bills and providing an additional communication channel to the Department of Public Utilities(DPU). The DPU will have the

ability to include customizable administrative utility features and alerts, which will allow DPU staff to add custom content, such as conservation tips, leak detection and outage management/notification. The DPU will use the availability of the near real-time consumption to create new conservation measures, which can now be individualized to each customer. The costs will be funded by approved contingency for the AMI project.

The Board discussed this item and requested clarification where necessary.

Mr. Wright moved that the Board of Public Utilities approve the Amendment to the Software as a Service/Spectrum and Technical Support Agreement with Sensus USA, Inc., which is Attachment D to AGR19-912 with Ferguson, Inc., for the purpose of implementing an Advanced Metering Infrastructure (AMI) Customer Portal, funding for which is payable through the Ferguson agreement. He further moved that the Board approve Amendment No. 1 to Services Agreement No. AGR19-912 with Ferguson, Inc. in the amount of \$108,099.02, plus applicable gross receipts tax for the AMI Customer Portal. He further moved that the Board authorize the Utilities Manager to sign both amendments and that the amendments be forwarded to Council for approval. The motion passed by the following vote:

Yes: 3 - Board Member Stromberg, Board Member Tobin and Board Member Wright

No: 1 - Vice Chair McLin

Absent: 1 - Chair Walker

8. STATUS REPORTS

8.A [13353-20](#) Status Reports

Presenters: Board of Public Utilities

The following informational status reports were provided to the Board in the agenda packet and were discussed:

- 1) Electric Reliability Update
- 2) Accounts Receivables Report
- 3) Safety Report

The following actions were identified for follow-up:

- 1) Mr. Wright noted that on the Accounts Receivables Report the amount and number of accounts on one row appeared to be transposed. Mr. Shelton will check into it with staff.
- 2) Mr. Wright asked for clarification on why the 120-day past due numbers on the Accounts Receivables Report seems to be increasing more than is warranted and questioned why those would not have been reflected on the previous month's report. Mr. Shelton will check into it with staff and will report back to the Board next month.

9. PUBLIC COMMENT

Mr. McLin opened the floor for public comment on any items. There were no comments.

10. **ADJOURNMENT**

The meeting adjourned at 8:02 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 16, 2020**

1. Over the Labor Day weekend, Leo Ortiz, a lineman with the electric distribution team, passed away. I would like to remember him and pass along my condolences to his family. DPU purchased a tree in his name as part of his memorial. Several staff members took advantage of grief counselling through this difficult time.
2. The IBEW have agreed to a four-year contract beginning October 1, 2020 and this contract is on tonight's agenda for BPU's consideration. I would like to thank both Denise Cassel, Valerie Park with Human Resources, and Jack Richardson, Stephan Marez, and Heather Garcia with DPU staff who were part of these negotiations and Katie Thwait's for her legal support in getting this contract completed.
3. Attended weekly meetings with UAMPS on the Carbon Free Power Project (CFPP) regarding subscription and development costs for first phase of the licensing period. Today the Project Management Committee (PMC) has extended the deadline again until October 31, 2020 for this amended budget and plan of finance and added an additional withdrawal and reduction period (Off-Ramp) at the Class III cost estimate due in January 2022. This allows additional time for the anticipated \$1.4 billion multiyear grant award by DOE to be announced. While this additional off-ramp does not change the overall UAMPS budget need for this first phase of \$19.9 million for the project, it allows another withdrawal and reduction period once the project is two thirds along within this first phase of development and reduces some risk to the participants. The new resolutions are under review by legal to determine if these resolutions need to be brought back to BPU and Council for reconsideration.
4. The exact cause of the Guaje Well No. 3A breakdown last month could not be determined by Alpha Southwest. However, their opinion was it was not caused by lack of maintenance since it appears that the shaft had adequate oil lubrication. The catastrophic failure occurred at the water lubricated bearings located at the bottom of the pump at 560 feet below the surface, and subsequently this bearing failure caused the failure of the impellers. Lessons learned: since this 20-year old pump was refurbished 18 months ago with the hope of getting additional life out of this pump, this may not have been the best approach. Going forward given the age of a pump, staff will recommend in the future a new pump assembly since removing and replacing the pump is most of the costs versus the actual pump assembly costs.
5. Staff met with Public Works Staff to advance a joint project to replace water line and road on 33rd to 34th at Villa. Public Works is finalizing budget numbers and a supplemental budget adjustment will be requested for this project. This segment of road has experienced numerous waterline breaks and is at the end of its useful life.
6. Staff continues to work with NMED and Laboratory 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. Staff held meetings with LANL and NMED and Staff is taking additional samples in confirming the limits of the cleanup for finalizing a flood plain permit application.

7. Held a special ECA meeting to receive approval for the budget adjustment and hiring an additional staff member to handle the participation in Energy Imbalance Market. This budget adjustment will be shared 40% with Sandia and 60% with the ECA and Los Alamos share within the ECA is about 20% of this 60% share. After start-up costs, the on-going costs are mostly related to this additional staff person.
8. Attended another LANL Cleanup Technical Working Group meeting and covered the status of the MDA3 waste site. The soil vapor extraction remedy is several years away from being implemented.
9. Allied 360 has made great progress in getting the replacement lift station installed and has another month of work to complete this project. Next Month, Bethel Development plans to tie into this project to serve the Canyon Walk Apartments. This project is funded by the economic development fund. After the project is completed, staff will seek reimbursement from DOE or from the County's insurance policy for these additional costs.
10. The Water Sales Agreement with NNSA is in draft final form and one addition was made today by NNSA because they are not able to pull together a separate agreement for gas service for the HRL building. They asked to include one year of gas service under this contract.

Council Liaison Report, Randall Ryti Vice Chair

September 16, 2020

August 25, 2020 Regular Meeting

Closed session on threatened or pending litigation

Consent items included: approval of budget and designation for MainStreet services in White Rock, approval of removing uncollectable utility account, approval of the water rights agreement with DOE/NNSA, appointments to the Labor Management Relations Board, and established a panel to review the request to rename a field at Overlook Park in honor of Hope Jaramillo.

Main business item was the amendment to the CFPP agreement. After a long discussion Council approved funding up to \$1.26m to remain in the project. We look forward to the project being successful and providing electric power to the County in 2030.

Another business item was approval of \$476k for LAPS to support their operations during COVID-19 – remote learning software and outdoor shade structures.

September 8, 2020 Regular Meeting

Proclamation for the re-scheduled Clean up Los Alamos Day (Sep 12th)

Consent agenda items included: awarded a contract for the golf course building patio and HVAC improvements, approved a VoIP services contract, State approval of County FY21 budget, adoption of property tax rates, appointments of the Historic Preservation Advisory Board, and added a new Custodian trainee position.

Took action to recognize the racial equity citizen petition by condemning police killings of George Floyd, Breonna Taylor, and numerous others and asked staff to bring to Council specific options to address racial equity locally.

Council approved the Infrastructure and Capital Improvement Plan so that it can be shared with the State for possible funding. We also appointed members to the Tourism Implementation Task Force to serve through September 2022.

Council heard the appeal of the Board of Appeals decision in the matter of Sirphey versus Michael Areliano Chief Building Official. Council voted to sustain the decision of the Board of Appeals.

Other Relevant Meetings

Technical Work Group – September 2nd returned to the discussion about Material Disposal Area (MDA) C with a focus on the solvent plume trends, interim action to address this plume was discussed (other topics are the Chromium and RDX contaminant groundwater plumes)

Downtown plans – visioning workshops Aug 19th and 20th, design workshops Sep 25th (Los Alamos) and Oct 5th (White Rock), web site <https://losalamosconnect.org/>

Potential Development and Land Use

North Mesa Housing Feasibility Study (Los Alamos Public Schools property), report is final, nine other projects are in various phases of planning or development.

DP Road parcels transferred from DOE and available for development. A-8-A and A-16-A. Seven other commercial properties are in various phases of planning or development.

See Figure 8 on page 39 in the “Los Alamos County Housing Market Needs Analysis, 2019” for maps showing LAC and LAPS owned land to consider for housing. Map does not show those lands with existing uses.

Los Alamos Canyon may be available for recreational use based on a “special use” permit.



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	09/16/2020
AGENDA ITEM	7.A. Approval of AGR21-924 Water Services for the Los Alamos National Laboratory National Nuclear Security Administration (NNSA) - 89233119CNA000145
DOCUMENT TITLE(S)	A – Water Services Agreement – Attachment 1
FROM	Philo Shelton
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>N/A</u>
ADDITIONAL INFORMATION Please VERY BRIEFLY explain the purpose of this information or document.	Some changes were made to this attachment of the agreement. Mr. Shelton will discuss them during the meeting

ATTACHMENT 1
DE-NA000145
Statement of Work
Water Services for the Los Alamos National Laboratory
National Nuclear Security Administration (NNSA)
Dated April 7, 2020

1.0 INTRODUCTION/BACKGROUND

In 2000, the Department of Energy/National Nuclear Security Administration (DOE/NNSA or the Government) transferred the Los Alamos Water Production System (LAWPS) to the Incorporated County of Los Alamos (the County) under the Comprehensive Agreement DE-RE32-98AL79408. The transfer included waterlines, water tanks, electrical lines, valves and other associated equipment located around the Los Alamos National Laboratory (LANL) and within the Los Alamos County Townsite. Easements were granted under the Comprehensive Agreement to the County for the waterlines and associated equipment that remains on the DOE/NNSA property.

There are areas of the LAWPS that go through Potential Release Sites (PRS). Under the Comprehensive Agreement, the DOE/NNSA agreed to continue to operate the water system through the PRS until the Government completes remediation of the PRS. Once they complete the remediation of the PRS site then the Government will convey that portion of the waterline to the County. The waterlines that are within the DOE/NNSA property supply potable water to the LANL. Attachment 10 of the contract provides a map of the PRS (also referred to as SWMUs or AOCs) easements for the exception. The PRS exceptions are covered under Amendment 2 of the Comprehensive Agreement DE-RE32-98AL79408.

The DOE/NNSA also transferred 70% (3878.91 acre-ft.) of its water rights and leased the remaining 30% (1,662.39 acre-ft.) of the water rights to the County. The total amount of water rights are 5541.3 acre-ft per year. A new water rights lease (M20NA70285) for the 30% will be signed in conjunction with this water supply contract so it runs concurrently.

The DOE/NNSA also has a need in the future for non-potable water to supply the cooling towers for the supercomputing centers located within the main LANL Technical Area-3. The cooling towers for the SCC receives water from the onsite SERF facility. The LDCC cooling towers receives potable water which has high silica in the water and this causes maintenance issues with the cooling system.

The DOE/NNSA is seeking a contract for potable and non-potable water services.

2.0 OBJECTIVE

To provide the DOE/NNSA potable and non-potable water service for the LANL.

3.0 SCOPE

The Government is contemplating the award of a 10-year contract for the purpose of obtaining potable and non-potable water service and other utility services.

The Government plans to install the necessary infrastructure to obtain non-potable water services to the LANL in the future. The Government will work with the County once these services are needed. The contract and statement of work will be modified when this occurs. A new real property agreement will also be required.

4.0 TECHNICAL REQUIREMENTS

The County shall abide by the terms and condition outlined the contract.

The County shall invoice the Department of Energy Environmental Management Office (EM-LA) and its contractor for potable water used at Technical Area-21 using meters ii and iii identified in Section 5.0(b)(1) below. A courtesy copy of the bill will be attached to the DOE/NNSA invoice and stamped “information only”.

For emergency repairs and excavations on the County facilities located within the Government premises, the County will follow the coordination procedure titled “Emergency Operations on County Facilities Requiring Excavation on DOE Land”. The County’s utility crew will be allowed to access the Pajarito Corridor within the Government premises using a Los Alamos County badge and vehicle for emergency repairs and excavation only. They will be denied access if they do not have a Los Alamos County badge. The County will be responsible for updating the procedure annually.

For non-emergency work or routine maintenance, repairs, removal, replacement, etc. on DOE/NNSA property, the County must obtain an excavation permit prior to execution of work. Issuance of an excavation permit takes at least two (2) weeks for review and approval.

The County shall furnish all labor, materials, tools, equipment, facilities, transportation, pumping energy and incidentals necessary to provide water supply service to the Points of Delivery. Water service means traditional utility service which includes supply, transmission, coordination, operation, maintenance, terminal storage, disinfection, and treatment.

The Los Alamos County Department of Public Utilities shall ensure the installation and maintenance of a gas meter in the Health Research Laboratory (HRL) at TA-43, located at the corner of Diamond Drive and West Road. The purpose of this meter is to monitor the supply of gas into the HRL heating system. The Utility Board will also secure the delivery of gas for the HRL at TA-43 for the period of one year, from 1 October 2020 through 30 September

2021, or sooner after a new gas delivery contract is established. The Los Alamos County shall submit invoices electronically through VIPERS in accordance with the billing instructions at DOE-G-2005.

5.0 RATES

- (a) Procedures for establishing rates. Rates shall be established in accordance with the procedures in the Los Alamos County Charter and Ordinances.

(b) Camp May Waterline Project. The County will install a water conveyance system to serve Camp May facilities. A new 200,000 gallon water tank will be installed adjacent to Pajarito Tank 4. Water conveyed to Camp May will be metered and deducted from the LANL water bill monthly. Both parties agree to complete the necessary administrative requirements in support of the project.

(c) Bulk Delivery Rate

(1) Water delivered to the Government at the following Bulk Points of Delivery, net of any credit from the two return bulk flow meters (Numbers (iv) and (v) from the list below), shall be charged at the Bulk Rate adopted from time to time by ordinance

- i. Pajarito Booster Pump Station No. 2 meter
- ii. DP East Site meter (TA-21)
- iii. DP West Site meter (TA-21)
- iv. South Site Booster No. 1 two-way meter
- v. Pajarito Booster Pump Station No. 1 two way meter
- vi. Pajarito Well No. 3 Booster Pump Meter (TA-72)
- vii. Otowi Well No. 4 Tank Meter (TA-53 backfeed)

(2) The Bulk Delivery Rate shall include the total projected costs of water production, transmission, storage in terminal storage reservoirs, disinfections or other treatment and booster pumping (regardless of location) and the associated operating and administrative costs, and shall consist of two components, a customer service charge and water consumption charge.

- i. The customer service charge shall be the cost to the County by providing service to the each Bulk Delivery customer, and shall include the costs of billing, meter calibration and meter reading
- ii. The water consumption charge shall be determined by multiplying the Bulk Delivery Rate adopted from time to time by ordinance by the volume of water delivered to the Government. It is understood that cost and usage projections will be used to set rates.

(3) For the purposes of setting the Bulk Delivery Rate, all disinfection and other treatment costs will be included whether the treatment occurs at LAWPS or distribution facility of the Government or County. Similarly, operation and maintenance costs of all booster pump stations in existence as of the date of execution of this contract, whether serving the LAWPS or Government or County distribution systems will be included, except the Government's fire system booster stations which are not operated as part of the LAWPS.

- (4) Under the LAWPS Comprehensive Agreement, the Government agreed to continue to operate the water system through the Potential Release Sites (PRS) until the Government has completed remediation of the sites. Once remediation is complete then those site will be conveyed to the County. The County does not have the necessary training to work in a PRS site. If the LAWPS is within a PRS site and needs maintenance, repairs (emergency and non-emergency), replacement, removal, etc then the Government will be reimbursed per Section 52.241-5(f). Attachment 10 to be added at a later date.
 - (5) The Bulk Delivery Rate and flat monthly customer service charge are established under current Los Alamos County Ordinance is set forth in Attachment 6, which may be amended or superseded by subsequent ordinances. Section 52.241.7 provides the terms and conditions for changes in rates.
- (d) Distribution Delivery Rates
- (1) Water delivered to the Government at the Health Research Laboratory (6" meter) shall be charged at the County's Distribution Rates adopted from time to time by County Ordinance for equivalent classes of customers.
 - (2) The County Distribution flat monthly customer service charge (6" water meter size), are established under current Los Alamos County Ordinance are set forth in Attachment 6, which may be amended or superseded by subsequent ordinances. Section 52.241.7 provides the terms and conditions for changes in rates
 - (3) Deliveries to the County customers from Government's Distribution System. The Parties agree that service to non-DOE water customers which are supplied from the Government's Distribution System will be administered as County customers. The County agrees to bill these customers at the applicable County Distribution Rates. On payments made by these customers, the County will retain the service charges paid and credit the Government for the water consumption charges. The credit will serve as full compensation to Government for the use of Government's distribution system and reimburse the Government for the water delivery charges related to the customers.
- (e) Non-potable rates will be added when the Government notifies the County they require non-potable water services.

6.0 ESTIMATED QUANTITY AND ESTIMATED TOTAL CONTRACT PRICE

Estimated quantity for 10 years (2020 forecast and pricing) Price is based on current County rate ordinance as identified in Attachment 6.

Contract Year	Bulk (Kgal)	Distri. (Kgal)	Total (Kgal)	Bulk (\$)	Dist(\$)	Total (\$)
FY21	293,469.87	840	294,309.87	\$1,174,061.94	\$12,368.64	\$1,186,430.58
FY22	293,226.57	840	294,066.57	\$1,220,371.81	\$12,863.38	\$1,233,235.20
FY23	288,960.73	840	289,800.73	\$1,232,822.74	\$13,184.97	\$1,246,007.71
FY 24	286,454.49	840	287,294.49	\$1,252,768.53	\$13,514.59	\$1,266,283.12
FY25	286,860.92	840	287,700.92	\$1,285,895.37	\$13,852.46	\$1,299,747.82
FY26	293,797.13	840	294,637.13	\$1,349,663.18	\$14,198.77	\$1,363,861.95
FY27	307,942.64	840	308,782.64	\$1,449,502.71	\$14,553.74	\$1,464,056.44
FY28	311,534.19	840	312,374.19	\$1,502,942.13	\$14,917.58	\$1,517,859.71
FY29	335,949.76	840	336,789.76	\$1,660,378.36	\$15,290.52	\$1,675,668.88
FY30	336,007.25	840	336,847.25	\$1,702,177.11	\$15,672.78	\$1,717,849.89

The annual water usage estimates do not obligate the Government to make any minimum level of purchases. The above estimated costs and total contract costs are provided solely for the purpose of projecting the Total Estimated Contract Price. The Government is not obligated to expend these amounts; nor is the County obligated to charge the rates implied in these amounts. The actual rate will be set by the then current ordinance, the revised rate will be effective as of the effective date of the ordinance, and will not require a modification to the Contract unless the revised rate increases the Total Estimated Price included here. The revised ordinances are attached as Attachments 3-R1. Any official updated estimates of future water requirements shall be furnished to the County when such estimates become available. Except as set forth in Section 6(b)(1), the Total Estimated Contract Price is provided solely to permit the Government to appropriate sufficient funds, and none of the estimates of usage, rates, charges or other estimates, shall be used for any other purposes.

- A. Expansion of the LAWPS resulting from an increase in Government requirements.
- The Government shall notify the County any time that a revised forecast of Government's distribution system requirements which could require substantial expansion of LAWPS. For the purpose of this contract, a "substantial expansion" is one which will cost more than \$500,000 or once in which the Government estimates its future water requirements will increase by more than 50,000 kGallons/year above the estimated amounts.
 - The County shall evaluate the Government's forecast. If the County agrees that a substantial expansion is necessary, the Parties will modify the Contract or

execute a special contract commitment setting forth the terms and conditions for the expansion of the LAWPS, which will protect other County ratepayers from adverse economic consequences, if any, from such expansion. The modification or contract commitment will give appropriate recognition to past and projected growth of the County and the Government as well as declining production capabilities of existing wells, which may be contributing factor to the need for and sizing of new facilities.

- c. The County may, in its sole discretion, waive in writing the requirements that the Parties modify the Contract or execute a special contract commitment.
- d. Cost to the LAWPS because of a substantial expansion caused by a new customer of the LAWPS other than the Government shall not be included in the Bulk Delivery Rate, unless DOE/NNSA or Los Alamos National Laboratory benefits from such substantial expansion.

7.0 REQUEST FOR INFORMATION REGARDING POSSIBLE RATE CHANGES

For purposes of the Government's budget planning process, the Government may request, in writing, information from the County concerning any possible changes to applicable rates during the proposed budget year. The County shall respond to the Government's written request within 30 days. The County's response shall in no way bind the County to propose or adopt any changes in its rates.