



LOS ALAMOS

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

1000 Central Avenue  
Los Alamos, NM 87544

*Jeff Johnson, Chair; Andrew Fraser, Vice-chair; Paul Frederickson Stephen McLin and  
Kathleen Taylor, Members  
Tim Glasco, Ex Officio Member  
Harry Burgess, Ex Officio Member  
Susan O'Leary, Council Liaison*

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Wednesday, October 19, 2016

5:30 PM

1000 Central Avenue  
BCC Room 110

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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, October 19th at 5:30 p.m. at 1000 Central Ave., Room 110. Board Chair, Jeff Johnson, called the meeting to order at 5:30 p.m.

**Present 7 - Chair Johnson, Vice-chair Fraser, Board Member Frederickson, Board Member McLin, Board Member Taylor, Board Member Burgess and Board Member Glasco**

Mr. Johnson reported to staff that as authorized by §10-15-1 (H)(6) of the New Mexico Open Meetings Act, NMSA 1978, the Board of Public Utilities met in a joint closed session with Council on September 29th, 2016 at 5:00 p.m. regarding decisions concerning purchase(s) in an amount exceeding \$2500. The Chair reported that the matters discussed in the closed meeting were limited only to those specified in the meeting notice.

**2. PUBLIC COMMENT**

Mr. Johnson opened the floor for public comment on items on the Consent Agenda and for those not otherwise included on the agenda. Members of the public gave the following summarized comments:

1) Ms. Sue Barns, Environmental Sustainability Board - Ms. Barns introduced herself as the Environmental Sustainability Board liaison.

**3. APPROVAL OF AGENDA**

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Mr. McLin moved that the Board postpone item 6.A . to a future work session until they have time to look at some of the items that were presented 25 hours ago and two additional items that appeared in the packet tonight. The motion failed by the following vote:

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**Yes: 1 - Board Member McLin**

**No: 4 - Chair Johnson, Vice-chair Fraser, Board Member Frederickson and Board Member Taylor**

# FINAL - APPROVED

Mr. McLin asked that item 5.C. be moved from the Consent agenda to Business for further discussion.

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Mr. Fraser moved to approve the agenda as modified. The motion passed by the following vote:

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Yes: 5 - Chair Johnson, Vice-chair Fraser, Board Member Frederickson,  
Board Member McLin and Board Member Taylor

## **4. PUBLIC HEARING(S)**

There were no public hearings scheduled for this meeting.

## **5. CONSENT AGENDA**

Item 5.C. was moved to business for further discussion.

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Mr. Fraser 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 - Chair Johnson, Vice-chair Fraser, Board Member Frederickson,  
Board Member McLin and Board Member Taylor

### **5.A 8694-16 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 21st, 2016 as presented.

### **5.B. AGR0456-16 Approval of Services Agreement No. AGR17-914 with Alpha Southwest, Inc. in the amount of \$150,114.00 plus Applicable Gross Receipts Tax, For the Purpose of Inspection, Repair, and Ancillary Services on all County Well Pumps.**

**Presenters:** Jack Richardson

I move that the Board of Public Utilities approve Services Agreement No. AGR17-914 with Alpha Southwest, Inc. in the amount of \$150,114.00 plus applicable gross receipts tax, for the purpose of Inspection, Repair, and Ancillary Services on all County Well Pumps.

## **6. BUSINESS**

### **6.A. AGR0467-16 Approval of Services Agreement No. AGR17-10 with Siemens Industry, Inc. in the amount of \$311,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Developing an Integrated Resource Plan and Approval of**

Related Budget Revision 2017-08

**Presenters:** Steve Cummins

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

An integrated resource plan, or IRP, is a utility plan for meeting forecasted annual peak and energy demand, plus some established reserve margin, through a combination of supply-side and demand-side resources over a specified future period. IRPs compare the Levelized Cost of Electricity (LCOE) for generation resource options while also considering utility specific goals and objectives in the planning process. During the first quarter of 2016 the Board of Public Utilities adopted a Strategic Policy for Electrical Energy Resources and Distributed Energy Resources (DER) to meet the DPU's goal of being a carbon neutral electrical energy provider by 2040. DPU staff is recommending that the County have a new IRP developed to help guide near-term decisions under the requirements of the current Electric Coordination Agreement (ECA) between LAC and DOE-LANL, while also recommending various options for a post 2025 ECA, and to guide near-term and long-term decisions in multiple areas as DPU implements the policies adopted by the Board. Mr. Cummins introduced Mr. Jordan Garcia, Senior Management Analyst, who gave a presentation on the Integrated Resource Plan scope of work.

The Board discussed this item and requested clarification where necessary.

**Point of Order:** During the period in which members normally ask staff clarifying questions of a technical nature, Mr. Johnson felt that Mr. McLin's comments and discussion were not appropriate at that time. Mr. Johnson called Mr. McLin to order, reminded him that there would be time for discussion on the topic when there was a motion on the floor, and asked him to keep his comments during this period limited to technical questions about the presentation.

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**Mr. Fraser moved that the Board of Public Utilities approve Services Agreement No. AGR17-10 with Siemens Industry, Inc., in a form acceptable to the County Attorney, in the amount of \$332,100.00, plus applicable gross receipts tax, for the purpose of Development of an Integrated Resource Plan. He further moved that the Board of Public Utilities approve the related Budget Revision No. 2017-08 in the amount of \$132,100.00 and forward both to Council for approval. The motion passed by the following vote:**

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**Yes: 5 - Chair Johnson, Vice-chair Fraser, Board Member Frederickson, Board Member McLin and Board Member Taylor**

Mr. Johnson called for a recess at 7:01 p.m. The meeting reconvened at 7:08 p.m. Mr. Burgess left the meeting at 7:01.

**6.B. [8311-16](#)**

**Approval of Department of Public Utilities Mission, Vision and Values, Goals and Objectives**

**Presenters:** Tim Glasco

Utilities Manager, Mr. Timothy Glasco, presented this item. The following is the substance of the item being considered.

The DPU held its annual Strategic Planning workshop on August 29th and 30th of this year. At that time, using input from the Board, the Mission, Vision and Values were evaluated to see if changes were required. Staff did not feel that circumstances had

changed enough to justify revising those statements. The DPU's objectives and goals were also reviewed at the workshop and the revisions presented to the Board for approval.

The Board discussed this item and requested clarification where necessary.

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**Ms. Taylor moved that the Board of Public Utilities affirm the existing Mission, Vision and Values statements, and adopt the FY2018 Goals and Objectives as presented. The motion passed by the following vote:**

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**Yes: 5 - Chair Johnson, Vice-chair Fraser, Board Member Frederickson, Board Member McLin and Board Member Taylor**

**6.C.     [8458-16](#)     Financial Policies Status and Implementation Plan**

**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.

In August 2016, the Board adopted Utilities Financial Policies. With adoption of these formal policies for desired cash balances for the Utilities funds, initial steps for implementation involve determination of current status, followed by consideration of methods and alternatives for resolving differences. The status of the Department's cash position as relates to the Board adopted financial policies was presented.

The Board discussed this item and requested clarification where necessary.

**6.D.     [8408-16](#)     Rate Philosophy and Development of Rate Increase Policy**

**Presenters:**     Tim Glasco and Andrew Fraser

Board Member, Mr. Andrew Fraser, and Utilities Manager, Mr. Timothy Glasco, presented this item. The following is the substance of the item being considered.

In considering past actions to restructure rates, the Board has discussed many aspects of rate philosophy. The last such action taken was adoption of a tiered water rate ordinance in 2014. Also in 2014, the Board discussed changes to the electric rate to incorporate a separate distribution service charge and an energy cost adjustment factor, neither of which was eventually adopted into the electric rate structure. Mr. Fraser and Glasco believe it is appropriate for the Board to discuss rate philosophy again now because that last action occurred before any current member of the Board began serving.

The Board discussed this item and requested clarification where necessary.

**6.E.     [8418-16](#)     Water System Needs and Cost Structure Report Presentation**

**Presenters:**     Jack Richardson

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

Mr. Richardson presented a report to discuss the following specific items: the change in water sales volume and the effect on water rates and the financial health of the water enterprise groups; the water systems condition and how that condition affects the need for infrastructure investment; the history and planned future infrastructure investment

program; and an analysis of several alternative scenarios for funding a CIP Program, covering O&M costs and meeting the annual cash balance goals pursuant to the DPU Financial Policy guidelines.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

1) Due to time constraints, Mr. Johnson asked Mr. Richardson to return at the regular November meeting to continue with the second half of his presentation.

- 5.C.     [AGR0460-16](#)**     Approval of Task Order No. 1 Under Services Agreement No. AGR16-055 with AUI, Inc. in the amount of \$498,088.00, plus Applicable Gross Receipts Tax, for the Purpose of Wastewater Collection System's Trenchless Repair Replacement and Rehabilitation

**Presenters:**     James Alarid

This item was moved from the Consent Agenda for further discussion.

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

This constitutes the first task order under the on-call agreement executed earlier this calendar year with AUI, Inc., for the trenchless rehabilitation of sanitary sewers in the County. This first task order will include work on several segments of sanitary sewer in White Rock; more specifically, on Jemez, Cayenta and Mimbres roads. The sewer lines in this area have experienced a number of back-ups and blockages in recent years, despite increased preventative maintenance efforts. Based on video inspection of the lines and assessment of the sewer collection system, the problem areas will be replaced with trenchless methods by this project.

The Board discussed this item and requested clarification where necessary.

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**Mr. McLin moved that the Board of Public Utilities approve Task Order No. 1 Under Services Agreement No. AGR16-055 with AUI Inc., in the amount of \$498,088.00 and a contingency in the amount of \$76,000.00, for a total of \$574,088.00, plus applicable gross receipts tax, for the purpose of Wastewater Collection System's Trenchless Repair Replacement and Rehabilitation, and forward to Council for approval. The motion passed by the following vote:**

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**Yes:    5 -    Chair Johnson, Vice-chair Fraser, Board Member Frederickson,  
                 Board Member McLin and Board Member Taylor**

## **7.        STATUS REPORTS**

- 7.A.     [8693-16](#)**        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

The Board discussed the reports and requested clarification where necessary.

## **8. BOARD BUSINESS**

### **8.A. Chair's Report**

Mr. Johnson reported on the following items:

- 1) Mr. Johnson asked recording secretary, Ms. Jaime Kephart, to add to the December tickler an item to discuss whether or not to schedule a special meeting to discuss the Integrated Resource Plan profiles.

### **8.B. Board Member Reports**

There were no Board member reports.

### **8.C. Utilities Manager's Report**

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

### **8.D. County Manager's Report**

Mr. Burgess left the meeting early. No report was given

### **8.E. Council Liaison's Report**

Ms. O'Leary left the meeting early. No report was given

### **8.F. Environmental Sustainability Board Liaison's Report**

Ms. Barns left the meeting early. No report was given.

### **8.G. General Board Business**

#### **8.G.1. [7991-16](#) Presentation of the 2016 Department of Public Utilities Employee Survey Results**

**Presenters:** Julie Williams-Hill

Public Relations Manager, Ms. Julie Williams-Hill, presented this item. The following is the substance of the item being considered.

The DPU has a long-term goal to achieve an employee satisfaction rating of 4.0 or greater on a scale of 1 to 5. It was decided in 2014 that DPU would begin administering its own survey every two years. Previously, employee surveys were administered by the County. The last DPU survey was conducted in 2014. In an attempt to broaden the Department's understanding of not only its employees' satisfaction, but also of the employees' engagement, DPU elected to utilize a Gallup Q12 Employee Engagement Survey for 2016. Ms. Williams-Hill presented the results.

The Board discussed this item and requested clarification where necessary.

# FINAL - APPROVED

## **8.H. Approval of Board Expenses**

There were no Board expenses.

## **8.I. Preview of Upcoming Agenda Items**

### **8.I.1. 8699-16 Tickler File for the Next 3 Months**

**Presenters:** Jeff Johnson

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) 11/16/2016 - Value of Solar Presentation from Consultant (Bob Westervelt)
- 2) 12/21/2016 - Discussion on Whether or Not to Schedule a Special Meeting to Discuss the Integrated Resource Plan Profiles. (Jeff Johnson)

The following items were identified for follow-up:

- 1) Mr. Johnson appointed Mr. Fraser and Ms. Taylor to serve on a subcommittee to develop questions for the upcoming Board self-evaluation in November. Ms. Kephart will send to the Board the questions from 2015.

## **9. PUBLIC COMMENT**

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

## **10. ADJOURNMENT**

The meeting adjourned at 10:28 p.m.

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APPROVAL

Jeff Johnson  
Board of Public Utilities Chair Name

[Signature] 11-16-16  
Board of Public Utilities Chair Signature

November 16, 2016  
Date Approved by the Board

ATTACHMENT  
OFFICER REPORTS  
SUBMITTED AT THE MEETING



## FINAL - APPROVED

### **MANAGER'S REPORT**

**OCTOBER 19, 2016**

1. Home Energy Efficiency Expo held on September 24<sup>th</sup> at UNM-LA. Over 200 people attended.
2. Energy Efficiency Home Tour was held on October 15<sup>th</sup>. Board Member Paul Fredrickson's home was one of the stops.
3. Customer Service Day was held on Wednesday, October 5<sup>th</sup>. While all County departments participated, the event is chiefly sponsored and organized by DPU, specifically Lisa Romero, our Customer Service Supervisor.
4. Bill stuffer for water service line responsibilities went out with the September utility bills. The program for relocation of water service lines requested by the BPU was analyzed by the County Attorney's office and found to be not allowed under state law. We are looking at alternatives.
5. New excess flow valve rule was published on October 7, 2016 and will go into effect six months after.
6. Met with San Ildefonso Pueblo environmental officials to discuss our White Rock Wastewater Treatment Plant project. Primary motive was to update them on our project and to inquire about any pending tribal stream standards that could affect the design.
7. Met with the USFS on September 30 to discuss the townsite land parcel acquisitions, work planned for Los Alamos Canyon and to discuss the ski hill water line.
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