



LOS ALAMOS

County of Los Alamos
Minutes
Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

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

Wednesday, March 15, 2017

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, March 15th, 2017 at 5:30 p.m. at 1000 Central Ave., Council Chambers. Board Chair, Jeff Johnson, called the meeting to order at 5:30 p.m.

Present 5 - Board Member Johnson, Board Member McLin, Board Member Fraser, Board Member Frederickson and Board Member Taylor

Ms. Taylor joined the meeting at 5:35 p.m.

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. There were no comments.

3. APPROVAL OF AGENDA

The agenda was not formally approved through a motion, but no changes were requested. The consent agenda was approved during this item. See item 6. for the motion.

4. BOARD BUSINESS

4.A. Chair's Report

Mr. Johnson reported on the following items:

1) Mr. Johnson reminded Mr. Fraser that he was scheduled to attend the Boards and Commissions luncheon the following day.

4.B. Board Member Reports

There were no reports.

4.C. Utilities Manager's Report

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

4.D. County Manager's Report

Mr. Burgess had nothing to report.

4.E. Council Liaison's Report

Ms. O'Leary reported on the following items:

1) Council budget hearings are coming up at the end of April.

2) At the Council meeting the previous evening, they received a good presentation from the Community Development Director and his new Chief Building Inspector. They talked about all the work they are doing to improve the permitting process at the County. Council had set a strategic goal for this year to improve the permitting process to make it easier for people to do business with the County. One of the things mentioned was that there are now weekly meetings with a number of departments at the County to review permits. The Utilities Department is obviously a very important member of those discussions. She wanted to let the Board know how important it is and how good it is that the Utilities Department is participating in these discussions on a weekly basis.

4.F. Environmental Sustainability Board Liaison's Report

Ms. Susan Barns provided a written report, which is included in the minutes as an attachment.

4.G. General Board Business

There was no general Board business.

4.H. Approval of Board Expenses

There were no expenses.

4.I. Preview of Upcoming Agenda Items

4.I.1 [9202-17](#) Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

No additional items were identified for the tickler.

5. PUBLIC HEARING(S)

There were no public hearings scheduled for this meeting.

6. CONSENT AGENDA

The Consent Agenda was approved during item 3. Approval of the Agenda.

Mr. McLin moved that the Board of Public Utilities approve the items on the Consent Agenda as presented and that the motions in the staff reports be included in the minutes for the record. The motion passed by the following vote:

Yes: 4 - Board Member Johnson, Board Member McLin, Board Member Fraser and Board Member Frederickson

Absent: 1 - Board Member Taylor

6.A [9192-17](#) 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 February 15th, 2017 as presented.

6.B [9089-17](#) Approval of Department of Energy (DOE) - Los Alamos County (LAC) Resource Pool Budget Revision for Fiscal Year 2017

Presenters: Bob Westervelt

I move that the Board of Public Utilities approve the 2017 Resource Pool budget revision as presented and forward to the County Council for its approval.

6.C [9128-17](#) Approval of the Transfer of Profit from Electric and Gas Funds to the General Fund for Operations During Fiscal Year 2016

Presenters: Bob Westervelt

I move that the Board of Public Utilities approve the transfer of revenues from the electric and gas funds to the general fund for electric and gas operations during fiscal year 2016 in accordance with Incorporated County of Los Alamos Resolution 97-07 and forward to the County Council for their approval.

6.D [9152-17](#) Approval of Task Order No. 9 Under Services Agreement No. AGR15-4217 with GM Emulsion in the amount of \$91,339.00, plus Applicable Gross Receipts Tax, for Site Preparation for the Los Alamos Switchgear Substation Installation

Presenters: Department of Public Utilities

I move that the Board of Public Utilities approve Task Order No. 9 Under Services Agreement No. AGR15-4217 with GM Emulsion in the amount of \$91,339.00 and a contingency in the amount of \$28,661.00 for a total of \$120,000.00, plus applicable gross receipts tax, for the purpose of Site Preparation for the Los Alamos Switchgear Substation.

7. BUSINESS

7.A [8986-17](#) Approval of Department of Public Utilities Budget for Fiscal Year 2018

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.

Staff presented the proposed budget for FY2018. The budget as presented is less than one-half of one percent higher than the fiscal year 2017 budget and a reduction of 4.1% from the preliminary FY2018 budget presented last year.

The Board discussed this item and requested clarification where necessary.

Mr. Fraser moved that the Board of Public Utilities approve the Department of Public Utilities Fiscal Year 2018 budget as presented and forward to Council for adoption. The motion passed by the following vote:

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

7.B [9136-17](#)

Approval of the Long-Range Water Supply Plan

Presenters: James Alarid

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

DPU contracted with Daniel B. Stephens & Associates, Inc. (DBS&A) to revise the Long-range Water Supply Plan. Using the original format and data from the Council-adopted 2006 Long-range Water Supply Plan as a starting point, DBS&A updated the Plan to: reflect current population and water demand projections; evaluate potential climate change impacts; and assess various water supply options, including the timing for development of the County's San Juan-Chama water rights. The revised Long-range Water Supply Plan was presented to the Board of Public Utilities at a public meeting on November 15, 2016 and to the County Council on November 29, 2016. A revised draft was presented again to the Board on February 15, 2017. The final step, as required by the Office of the State Engineer, is to get County Council approval for adoption of the final revised Plan on March 21, 2017. Input from the Board, Councilors and members of the public were considered and the plan was presented to the Board for approval.

The Board discussed this item and requested clarification where necessary.

Mr. Fraser moved that the Board of Public Utilities approve the revised Long-Range Water Supply Plan and forward to the County Council for their consideration. The motion passed by the following vote:

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

7.D [9137-17](#)

Board of Public Utilities Discussion Concerning Councilor Request for Gas Rate Sunset

Presenters: Jeff Johnson

(NOTE: Item 7.D was numbered incorrectly. There was no item 7.C.)

Board Chair, Mr. Jeff Johnson, presented this item. The following is the substance of the item being considered.

At the September 27th, 2016 Council meeting a pass-through gas rate was adopted by unanimous vote. The rate superseded a previous pass-through rate with a sunset clause. The new rate did not have a sunset provision. The new rate was under the sunset deadline (due to expire on 10/1/16), and several councilors felt the deadline of the ordinance request did not leave Council adequate time to discuss the merits of the pass-through rate. These councilors have requested the BPU submit a sunset associated with the pass-through so that Council has an additional opportunity to discuss

FINAL - APPROVED

the pass-through rate.

The Board discussed this item and requested clarification where necessary. Councilor O'Leary was asked to discuss the concerns that prompted this discussion. Councilor O'Leary clarified that she was speaking as an individual Councilor and not speaking for the Council.

After discussion, the Board did not take any action on this matter.

8. STATUS REPORTS

8.A 9193-17 Status Reports

Presenters: Board of Public Utilities

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

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

9. PUBLIC COMMENT

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

10. ADJOURNMENT

The meeting adjourned at 7:43 p.m.

APPROVAL

Jeff Johnson
Board of Public Utilities Chair Name

[Signature]
Board of Public Utilities Chair Signature

April 19, 2017
Date Approved by the Board

ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

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MANAGER'S REPORT

MARCH 15, 2017

1. The DPU celebrated its first annual March Madness employee appreciation luncheon today at PCS. This is one of four quarterly events hosted each year by DPU for our employees.
2. Advertisements for filling the upcoming Board of Public Utilities vacancy will be in the Sunday papers (3/19). We will cease accepting applications on 4/10.
3. We received a formal request to open negotiations on a new labor contract with the Plumber and Pipefitters Union, Local 412. The first negotiation session is scheduled for the first week in April. The contract expires at the end of June. This union represents the water production, wastewater treatment, and GWS field workers.
4. The judge in the JR Merritt appeal will be asked to extend the stay beyond its current expiration date of 3/17. We feel that we have agreement with JRM on a path forward, and are awaiting final language modifications before signing the change order to put the settlement into effect.
5. The work at Abiquiu hydroelectric plant is scheduled to be completed by March 17. Pressurization is scheduled for March 23, and if successful, we should begin generating at that time.
6. A table-top level emergency response exercise on the Los Alamos Canyon dam was held on Friday, March 10. This exercise was sponsored by the County Emergency Management office, and included representatives of all County departments. A full functional exercise on the dam is scheduled for August of this year.
7. We received the feedback report from the employee focus group at the end of February. The Manager met with members of the employee group on March 6 to discuss their findings. A meeting was held with Senior staff on March 14 to discuss the various recommendations. It is intended that the Manager will meet with each division in the coming weeks and discuss recommended changes and initiatives in response to the focus group's recommendations.

Environmental Sustainability Board liason report

Susan Barns, ESB Liason 3/15/2017

At our February meeting, the ESB:

- Finalized and approved our FY18 Work Plan.
- Reviewed the LAC Environmental Services Budget Performance for FY2017, and discussed budget shortfalls and FY2018 predicted costs.
- Reviewed the outcome of the Brush and Bulk Item Recommendation Presentation to the County Council.
- Reviewed the 2016 NMED Solid Waste Annual Report on Eco Station and our closed landfill operations, prepared by Environmental Services staff.
- Heard a presentation by Charles Bowman about a GEM*STAR Demonstration Subcritical Reactor for Los Alamos County. The GEM*STAR facility, located at LANCE, would burn waste plutonium and generate biodiesel fuel from wood refuse.
- Hosted a presentation on the “Fancy Fiddle” Auction of up-cycled violins decorated by local artists, to benefit LAPS. We discussed other possibilities for future involvement of local artists in upcycling projects to benefit LAPS.

Agenda for 3/16 meeting includes:

- Discussion of Environmental Services Rate Increase and Rate Changes
- Presentation on food waste collection and composting
- LAPS Subcommittee Update
- Discussion of container options for Famine to Feast support
- Planning for 2017 Earth Day Festival participation