



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*

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Wednesday, April 19, 2017

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, April 19, 2014 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**

Mr. Burgess joined the meeting at approximately 6:52 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**

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**Mr. Fraser moved that item 4.G. be moved between sections 7 and 8 in the agenda. The motion passed by the following vote:**

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

**4. BOARD BUSINESS**

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

Mr. Johnson reported on the following items:

1) Some meetings need to be scheduled for the Utilities Manager performance appraisal. At Mr. Johnson's request, Ms. Jaime Kephart will schedule two meetings for this purpose.

2) With regards to past discussions about a sunset clause in the gas rate, Mr. Johnson has talked to Council Chair, David Izraelevitz, a number of times. They agreed that the DPU will come forward with a gas rate change for the fixed rate portion of the rate. Because there are still some councilors who have concerns about the pass-through rate

and whether it needs to include a sunset clause, a joint session between the Board and Council will be scheduled to discuss it. That will be in the late summer or early fall timeframe.

**4.B. Board Member Reports**

Board members reported on the following items:

1) Mr. Fraser - Mr. Fraser missed the last Boards and Commissions luncheon in March. He sent in a report. Ms. Kephart will remind the Board when the next luncheon is scheduled and who is scheduled to attend that.

**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 was not present at this time. No report was given.

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

Ms. O'Leary was not present. No report was given.

**4.F. Environmental Sustainability Board Liaison's Report**

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

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

There were no expenses.

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

**4.I.1 [9349-17](#) 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**

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Mr. Fraser moved to suspend the rules and revisit approval of the agenda. The motion passed by the following vote.

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

# FINAL APPROVED

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Mr. Fraser moved to amend the agenda to move item 4.G between 7 and 8 and to pull item 6.B. from Consent and put it on Business. The motion passed by the following vote:

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

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Mr. McLin 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 Fraser, Board Member Frederickson and Board Member Taylor

6.A [9338-17](#) 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 March 7th, 2017 and March 15th, 2017 as presented.

## 7. BUSINESS

6.B [AGR0497-17](#) Approval of Agreement No. AGR17-30 with Wilson and Company, Inc. in the amount of \$2,583,694.00 for the Purpose of Otowi No. 2 Water Supply Well Design, Drilling and Development.

Presenters: James Alarid

Item 6.B. was moved before item 7.A.

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

This project includes the design, drilling and development of a new water supply well for the County. Some of the existing wells have approached the end of their useful life and must be replaced. Otowi 2 is expected to reach between 2,000' and 2,300' into the Pajarito Formation and produce between 1,000 GPM and 1,200 GPM of good quality drinking water. Once the drilling and development are complete, DPU will advertise for offers for the pump and controls equipment, as well as the conveyance facilities necessary to bring the new water into the system. All work should be complete by spring 2018. The contract amount includes engineering services during the drilling and development of the well. Technical issues surrounding water supply well development are complex and are beyond the capacity of staff to provide optimum service.

The Board discussed this item and requested clarification where necessary.

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Mr. Fraser moved that the Board of Public Utilities approve, in a form acceptable to the County Attorney, Services Agreement No. AGR17-30 with Wilson and Company, Inc. in the amount of \$2,583,694.00, and a contingency in the amount of \$416,306.00, for a total of \$3,000,000.00, plus applicable gross receipts tax, for the purpose of Otowi No. 2 Water Supply Well Design, Drilling and Development, and forward to Council for approval. The motion passed by the following vote:

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

7.A [9267-17](#)

Presentation of Electric Production Budgeting Process

**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.

For the fiscal year 2018 budget planning process and approval by the Board in March 2017, the Electric Production staff used for the first time the County's standard 10-year financial forecasting template. This document proved to be too generic for the complex and dynamic nature of the cost for each electric generation resource in the County's portfolio. Staff believes the historic practice of reflecting the 10-year financial forecast as the cost of power in the Electric Distribution 10-year financial forecast provides a better projection for the Board and County Council. For the fiscal years 2019 and 2020 budget planning process, staff recommends reverting back to the practice of including financial forecasting in the cost of power for Electric Distribution and eliminate the County's standard 10-year financial forecast document for Electric Production. Mr. Cummins and Senior Management Analyst, Mr. Jordan Garcia, presented how Electric Production staff arrives at the cost of power reflected in the Electric Distribution 10-year financial forecast.

The Board discussed this item and requested clarification where necessary.

7.B [9287-17](#)

Options for 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. The revised Plan was presented at a public meeting on November 15, 2016, to the Board of Public Utilities on November 16, 2016 and to the County Council on November 29, 2016. On February 15, 2017, the updated plan was presented to the Board. After presentation of the revised plan and discussion of the comments received from the public the Board took no action and asked that the plan be presented for approval in March 2017. The Plan was approved by the Board on March 15th. Council rejected the revised Plan on March 21, 2017 and asked the Board to make further revisions. Those requested revisions were presented to the Board along with several possible options to proceed.

The Board discussed this item and requested clarification where necessary.

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**Mr. Fraser moved that the Board of Public Utilities approve Option 1 to proceed to amend the contract with Daniel B. Stephens to revise the Long-Range Water Supply Plan to satisfy the Council motion and update all water data. The motion passed by the following vote:**

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**Yes: 4 - Board Member Johnson, Board Member Fraser, Board Member Frederickson and Board Member Taylor**

**No: 1 - Board Member McLin**

**7.C      [9184-17](#)**

**Options for the White Rock Wastewater Treatment Plant**

**Presenters:**      Tim Glasco

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

The White Rock Wastewater Treatment Plant was constructed in the mid 1960's and has now been in operation over 50 years. The plant was first scheduled for replacement between fiscal years 2010 and 2014. In 2008, the plant construction was deferred for 10 years after consideration of the financial reality of operating the sewer collection and treatment facilities, paying the debt incurred with the construction of the new Los Alamos Treatment Plant and avoiding increasing sewer rates. In 2009, the DPU hired a consultant to prepare a condition/risk assessment, which included a 10-year life extension plan that would keep the plant operational and meet the National Pollutant Discharge Elimination System permit through 2019. Life extension projects were completed between 2010 and 2014. In 2016, the DPU completed the Preliminary Engineering Report, Environmental Document and received proposals for the engineering services to design the new White Rock plant, consistent with the schedule to have the new plant operational in 2019. Evaluation of the wastewater fund finances and the current engineering and construction costs revealed the need to defer the project to 2020 and generate additional revenue prior to seeking financing for the project. Staff is currently working on contingency planning in the event that critical aged and vulnerable equipment may fail given the that the old plant must now last to 2022. Several different options for proceeding were presented to the Board for their consideration.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

1) The Board directed staff through general consensus to prepare a plan to show the various options for proceeding, a cost comparison considering both short-term development and long-term operational costs, and a schedule for important decision points. The plan should be short, concise and developed in-house by staff. Staff was also directed to make additional diligent efforts to engage the San Ildefonso Pueblo to see if they might be willing to reopen discussions and to include the details of that possible option in the plan.

**4.G.      General Board Business**

**4.G.1      [8987-17](#)**

**Briefing from County Manager on the County Strategic Objectives**

## FINAL APPROVED

Presenters: Harry Burgess

Item 4.G. was moved after item 7.

County Manager, Mr. Harry Burgess, presented this item. The following is the substance of the item being considered.

During the 2015 Board of Public Utilities Self-evaluation, the Board suggested that the County Manager present the County's goals and objectives to the Board and discuss overlap with the Department of Public Utilities. In December 2015, this was added to the Board's Policies and Procedures manual under the County Manager's responsibilities. Mr. Burgess presented the recently revised Los Alamos County Strategic Leadership Plan 2017 Update.

The Board discussed this item and requested clarification where necessary.

### 8. STATUS REPORTS

#### 8.A 9339-17 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 8:45 p.m.

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APPROVAL

Jeff Johnson  
Board of Public Utilities Chair Name

[Signature] 5-17-17  
Board of Public Utilities Chair Signature

May 17, 2017  
Date Approved by the Board

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ATTACHMENT  
OFFICER REPORTS  
SUBMITTED AT THE MEETING

# FINAL APPROVED

## **MANAGER'S REPORT**

**APRIL 19, 2017**

1. Abiquiu Valve repair completed and unit on line. One valve is leaking and repairs are scheduled for late July to avoid loss of generation during high flow time.
2. On 4/11 entertained five visitors from Armenia, who are guests of the International Visitors Bureau of the U.S. State Department.
3. This Friday, 4/21, we will participate in a panel discussion on renewable energy and distributed energy projects with several Japanese legislators from Chiba Prefecture who are here as guests of LANL.
4. We have completed our agreement with JR Merritt and expect to have the signed Change Order momentarily.
5. Negotiations with the Plumbers and Pipefitters Union Local 412 began last week, and continued into this week. Next session is tomorrow. Expect to have things wrapped up by next week, when the Union will take the draft agreement to their membership for vote. Expect to bring it to the BPU in May.
6. The IRP has taken somewhat longer than anticipated due to numerous reasons. We expect the final delivery in June, which is when the original Implementation Plan called for presentation to and adoption by the BPU. This will likely slip until September or October to allow for public meetings and comments, etc.
7. The Customer Satisfaction Survey questions have been finalized and returned to our contractor. A telephone survey of our customers is set to begin in May.
8. Staff traveled to Utah to tour two renewable energy plants. Cove Fort II is a planned 25MW geothermal generating plant in central Utah. Veyo Heat Recovery Plant, located in southern Utah, generates 7MW of power from the waste heat from a natural gas compressor station.