



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; Paul Frederickson, Kathleen Taylor and
Carrie Walker, Members
Tim Glasco, Ex Officio Member
Harry Burgess, Ex Officio Member
Susan O'Leary, Council Liaison*

Wednesday, August 16, 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, August 16, 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 Taylor, Board Member Walker and Board Member Burgess

Absent 2 - Board Member Frederickson and Board Member Glasco

Deputy Utilities Manager for Finance and Administration, Mr. Bob Westervelt, attended as Acting Utilities Manager.

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

Mr. McLin moved to approve the agenda as presented. The motion passed by the following vote:

Yes: 4 - Board Member Johnson, Board Member McLin, Board Member Taylor and Board Member Walker

Absent: 1 - Board Member Frederickson

4. BOARD BUSINESS

4.A. Chair's Report

Mr. Johnson reported on the following items:

1) On August 31st at 8:30 a.m., the first BPU and County Council subcommittee meeting will be held. The Board representatives are Kathleen Taylor and Steve McLin. DPU staff representatives are Tim Glasco and Jack Richardson. The Council representatives are

Rick Reiss and Christine Chandler. The County staff representatives are Steve Lynne and Philo Shelton. Mr. McLin is thinking of sending out an e-mail to discuss an agenda for that meeting.

2) On September 19th, the BPU and Council are scheduled to have a joint session. That is a regular Council work session that begins at 6:00 p.m.

3) The Utah Associated Municipal Power Systems (UAMPS) Carbon Free Power Project (CFPP) informational meeting is scheduled for September 12th. If any members wish to attend, they should contact Jaime Kephart or Bob Westervelt.

4.B. Board Member Reports

Board members had nothing to report.

4.C. Utilities Manager's Report

Mr. Glasco was absent. Mr. Bob Westervelt was Acting Utilities Manager. Mr. Westervelt 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) Last week, the Los Alamos Ski Club held a meeting to determine a path forward with respect to their property. The County has been engaged in conversations for several years now. Due to a variety of circumstances, the Ski Club has now taken the tack of transferring 100% of the property to a private operator, Pajarito Recreation, also known as the Sipapu Group. Where the County was going to be a land holder at one time, the difficulties related to the Ski Club's mortgage have caused them to take a different path. Because of that, the County has been working with them on the water line proposed to go up to the ski hill. It is important for the Board to know that as part of that land transfer, one of the requirements the Ski Club is proposing is that the new owners participate in the installation and the cost of the waterline up to 50% of the costs. The County has been waiting to get an agreement after the property transfer, which looks like it may be proceeding at this point. Utilities staff has been working on and a contractor has been looking to complete National Environmental Policy Act (NEPA) permitting activities within the next 12 months. Given that the land is being transferred, it makes this project more doable.

4.E. Council Liaison's Report

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

4.F. Environmental Sustainability Board Liaison's Report

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

4.G. General Board Business

4.G.1 [9469-17](#) Review of Department of Public Utilities Quarterly Report

Presenters: Tim Glasco

Acting Utilities Manager, Mr. Bob Westervelt, presented this item. The following is the

substance of the item being considered.

The Board requested that the quarterly report be presented each quarter with salient features explained.

The Board discussed this item and requested clarification where necessary.

4.G.2 [9794-17](#)

**Board of Public Utilities Input for the Department of Public Utilities
Upcoming Strategic Planning Workshop for FY2019 and the Annual
Review of the Mission, Vision and Values**

Presenters: Tim Glasco

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

On August 28th & 29th, the Department of Public Utilities Senior Management Team is planning to hold its annual two-day staff workshop for fiscal year 2019 strategic planning. As always, Board members are invited to attend part or all of the workshop as observers as they have in the past; however, in accordance with the Open Meetings Act, any discussion of public business among a quorum of the Board must be held as an open public meeting. At the June meeting, the Board decided to discuss this at the August meeting to provide input prior to the workshop. The Mission, Vision and Value (MVV) statements and the previously approved DPU Goals and Objectives were sent to the Board for review on July 26th. During the 2014 Board self-assessment, the Board decided that it should assume increased ownership and responsibility for the MVV statements. Prior to the workshop, the Board should review the current MVV statements that were approved in 2016, affirm them as-is through general consensus, suggest changes or give additional feedback to staff. The Board may also provide feedback for the goals and objectives to be considered at the workshop. The Board will be asked to formally approve the MVV statements, goals and objectives at the September or October meeting.

The Board discussed this item and requested clarification where necessary.

No changes were suggested for the MVV statements and individual member feedback will be used during the workshop.

4.G.3 [9754-17](#)

**Annual Review and Revision of Board of Public Utilities Policies and
Procedures Manual**

Presenters: Jeff Johnson

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

The Board of Public Utilities Policies and Procedures Manual (PPM) Section 1.5 states, "[...] These policies will be reviewed and revised as necessary at least annually at the regular July BPU meeting. The Utilities Manager will help the BPU formulate new language in the PPM by distributing proposed changes in advance using software that shows all changes for BPU members to review. Any changes to this PPM must be approved by a vote of at least four of the five voting members of the BPU. Any BPU member as well as the Utilities Manager may submit proposed changes." Prior to the July meeting, members were invited to send proposed changes to staff to include in the July agenda packet. None were submitted. On July 26th, a revised PPM showing the changes proposed at the July meeting was sent to the members, and they were once again invited to send additional changes. No additional changes were submitted. As

required, all proposed changes were provided in advance.

The Board discussed this item and requested clarification where necessary.

Mr. McLin moved that the Board of Public Utilities approve the revised Policies and Procedures Manual as presented. The motion passed by the following vote:

Yes: 4 - Board Member Johnson, Board Member McLin, Board Member Taylor and Board Member Walker

Absent: 1 - Board Member Frederickson

4.G.4 [9791-17](#)

Planning for Upcoming Board of Public Utilities Annual Boards & Commissions Presentation to Council on September 19th, 2017

Presenters: Jeff Johnson

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

The Board Chair will give the Board's annual presentation to Council on September 19th. This meeting will be a joint meeting with Council and the BPU. The agenda will be a presentation of 2017 DPU / BPU initiatives and actions, a discussion about funding options for the White Rock Wastewater Treatment Plant and a discussion about the merits of a commodity based rates structure vs. a fixed rate structure for potable water. Mr. Johnson presented possible topics to be presented to Council.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

1) The Board provided to Mr. Johnson suggestions for additions to his presentation topics. Mr. Johnson will send the draft presentation to the Board for review prior to the meeting.

4.H. Approval of Board Expenses

Mr. McLin moved to approve travel expenses for Board members to attend the UAMPS conference [the Carbon Free Power Project informational meeting in September]. The motion passed by the following vote:

Yes: 4 - Board Member Johnson, Board Member McLin, Board Member Taylor and Board Member Walker

Absent: 1 - Board Member Frederickson

4.I. Preview of Upcoming Agenda Items

4.I.1 [9795-17](#)

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) October or November 2017 - Follow-up to Customer Service Survey Presentation (Tim Glasco)

5. PUBLIC HEARING(S)

Ms. Taylor moved that item number 5.A from the July 19th, 2017 agenda be removed from the table for further consideration. The motion passed by the follow vote:

Yes: 4 - Board Member Johnson, Board Member McLin, Board Member Taylor and Board Member Walker

Absent: 1 - Board Member Frederickson

5.A CO0508-17

Approval of Incorporated County of Los Alamos Code Ordinance No. 02-277; An Ordinance Amending Chapter 40, Article III, Section 40-173 of the Code of the Incorporated County of Los Alamos Pertaining to Nonpotable Water Rates

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.

The FY2018 budget includes an increase in non-potable rates from \$1.15 per 1,000 gallons delivered to \$2.50 per 1,000 gallons delivered. The proposed ordinance presented to the Board is required to effect implementation of that budget. As has been discussed previously, the non-potable function was previously absorbed by the water production subfund. There is now accounting in place to track non-potable costs separately. On a purely cost based basis, the rate proposed still does not completely cover the anticipated costs for FY2018. In fiscal year 2015 the Department began an aggressive program to refurbish and upgrade the non-potable system to maximize utilization of this important resource. This fits with the Department's stated mission to operate in an environmentally sustainable fashion. These upgrades and system improvements continue through FY2018, but by year-end it is anticipated that the Department will be able to budget continuing operations and maintenance at a level that can be sustained by the rate proposed. Thus, staff is not proposing an increase in the rate for "full cost recovery" of the FY2018 budget, but rather to establish a rate that is anticipated to sustain the function for the next several years without adjustment. There is also some value to the water production system in terms of reduced pumping at the well-head, reduced treatment and storage costs, and reduced consumption from the aquifer. While these benefits are hard to quantify economically, leaving the non-potable as a subfund and supplemented by water production makes sense. At the July meeting, County Manager Harry Burgess raised some questions about the presentation and the rate calculation. To allow time to fully explore these concerns with Mr. Burgess the item was tabled. After meeting with Mr. Burgess, staff believes the concerns have been addressed with Mr. Burgess' endorsement of the ordinance.

The Board discussed this item and requested clarification where necessary.

Ms. Taylor moved that the Board of Public Utilities approve Incorporated County of Los Alamos Code Ordinance No. 02-277; An Ordinance Amending Chapter 40, Article III, Section 40-173 of the Code of the Incorporated County of Los Alamos Pertaining to Nonpotable Water Rates, and forward to Council for adoption. The motion passed by the following vote:

Yes: 4 - Board Member Johnson, Board Member McLin, Board Member Taylor and Board Member Walker

Absent: 1 - Board Member Frederickson

6. CONSENT AGENDA

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

Absent: 1 - Board Member Frederickson

6.A [9792-17](#) 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 July 19th, 2017 as presented.

6.B [9444-17](#) Approval of Budget Carryovers from FY2017 to FY2018

Presenters: Bob Westervelt

I move that the Board of Public Utilities approve the budget carryovers from FY2017 to FY2018 and forward to Council with a recommendation for approval.

6.C [AGR0518-17](#) Approval of Amendment No. 1 to Services Agreement No. AGR16-4289 with Paymentus Corporation in the amount of \$50,000.00, for a Revised Total Agreement Amount of \$99,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Credit Card and Electronic Payment Processing Services.

Presenters: Bob Westervelt

I move that the Board of Public Utilities approve Amendment No. 1 to Services Agreement No. AGR16-4289 with Paymentus Corporation in the amount of \$50,000.00, for a Revised Total Agreement Amount of \$99,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Credit Card and Electronic Payment Processing Services.

- 6.D [9766-17](#) Award of IFB No.18-05 for the Purpose of the Abiquiu and El Vado Hydroelectric Plants Battery Replacement Project to NGH Power Systems Inc. in the Amount of \$67,533.20.

Presenters: James Alarid

I move that the Board of Public Utilities approve the Award of IFB No. 18-05 for the Purpose of the Abiquiu and El Vado Hydroelectric Plants Battery Replacement Project to NGH Power Systems Inc. in the Amount of \$67,533.20 and a contingency in the amount of \$7,000.00, for a total of \$74,533.20, plus Applicable Gross Receipts Tax.

- 6.E [9768-17](#) Approval of Task Order No. 2 Under Services Agreement No. AGR17-16b with Santa Fe Engineering Consultants, LLC, in the amount of \$61,300.00, plus Applicable Gross Receipts Tax, for the Purpose of Los Alamos Canyon Road Stabilization Project.

Presenters: James Alarid

I move that the Board of Public Utilities approve Task Order No. 2 Under Services Agreement No. AGR17-16b with Santa Fe Engineering Consultants, LLC, in the amount of \$61,300.00 and a contingency in the amount of \$20,000.00, for a total of \$81,300.00, plus applicable gross receipts tax, for the purpose of the Los Alamos Canyon Road Stabilization Project.

7. BUSINESS

- 7.A [8984-17](#) Presentation of 2017 Department of Public Utilities Customer Service Survey Results

Presenters: Julie Williams-Hill

Public Relations Manager, Ms. Julie Williams-Hill, presented this item. Ms. Williams-Hill introduced Mr. Chris Cordova of Southwest Planning. The following is the substance of the item being considered.

The seventh biennial survey was completed by Chris Cordova, Owner of Southwest Planning & Marketing. DPU has a strategic goal to be a customer service oriented organization that is communicative, efficient and transparent. One way DPU measures success is to conduct a customer satisfaction survey. The objective is to achieve and maintain a mean customer satisfaction rating equal to or greater than 3.5 on a scale of 1 through 4, with 1 representing "poor" and 4 representing "excellent." Mr. Cordova sampled 421 residential customers and 78 commercial customers utilizing phone, text, emails and in-person intercepts surveys. Based on the sample size the margin of error is a 95% confidence interval plus or minus 4.65 percent. Satisfaction with DPU's overall performance was rated by residential customers at 3.3 and commercial customers at 3.4

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

- 1) The Board requested that staff return in October or November to discuss follow-up actions planned to address any issues from the survey.

8. STATUS REPORTS

FINAL - APPROVED

8.A 9793-17 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

The following actions were identified for follow-up:

- 1) The monthly safety reports were not provided by the Risk department. Mr. Westervelt will discuss with the Utilities Manager possible alternate methods of reporting safety related information when the Risk department does not provide its normal monthly report in time for the meeting.

9. PUBLIC COMMENT

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

10. ADJOURNMENT

The meeting adjourned at 7:39 p.m.

APPROVAL

Jeff Johnson
Board of Public Utilities Chair Name

[Signature] 9-20-17
Board of Public Utilities Chair Signature

September 20, 2017
Date Approved by the Board

ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

FINAL - APPROVED

Utilities Manager Report 8-16-17

Last night there was an issue with a water main on Sandia just up the street from Diamond. GWS crews discovered a 2" open ended tap on the dead-end leg of the main line on Sandia. As our valve maintenance crews were in that area they found the valve off. They exercised the valve and left it on, which is SOP, not knowing the BAR contractor never installed a cap on a 2" test port. It must have taken the water a couple hours to surface. While excavating for repairs, crews hit a gas line, which required service disruption to ten homes. Repairs were completed early this morning and crews began visiting homes to relight gas appliances and restore gas service to those homes. Although there was some traffic disruption, there were no road closures, no water outages, ten gas services were affected around midnight, five have been re-lit as of 8:30am, and streets have been backfilled.

Safety employee of the quarter – Rick Herrera, Water Production: "Working at night and performing field checks alone, which is a regular requirement in Rick's position, demands a great deal of vigilance and awareness of your surroundings. While maintaining high performance standards, Rick keeps the safety culture vision in mind at all times."

Tim Glasco and Steve Cummins at the UAMPS Annual Membership meeting. This is not specifically about the CFPP, but rather a forum for all projects, budgets, and planning to be reviewed.

Last week we conducted a very successful emergency exercise which involved a simulated dam break in Los Alamos Canyon. Utilities Katlyn Mahoney and Julie Williams Hill coordinated the multi-agency exercise and consensus is that it was very worthwhile and informing. We are expecting a final review report from the consultant that ran the exercise early next month.

On July 26, there was a major electrical outage in White Rock. It was caused by a fault on the LANL owned segment of the Norton Line bringing power into the service area, which is owned by PNM and LANL.

We are working with LANL to coordinate a potential closure of State Road 4 that will be required for installation of a new water transmission line associated with the new Ottowi Well #2. That is anticipated for some time in October.

UAMPS is hosting an information session on Sept. 12 to provide an overview and current status of the Carbon Free Power Project. Any Board or Council members desiring to attend should contact Jaime or me as soon as possible. There is a large convention in Salt Lake City that same week, so Hotel accommodations are running scarce. NOTE: we will need a motion this evening during the general Board business section of the agenda (Item 4H) approving expenses for Board and members to attend the meeting.

Both El Vado and Abiquiu hydros have been returned to service and are performing well.

FINAL - APPROVED

Environmental Sustainability Board (ESB) liaison report

Susan Barns, ESB Liaison *8/16/2017*

Recent activities include:

- At our July meeting, the ESB hosted a presentation on composting by Walter Dods of Soilutions, a commercial composting facility in Albuquerque. The ESB is looking at expanding our municipal composting to include food waste, as a way of diverting and recovering more of our waste stream.
- The ESB also discussed bear issues, and got an update from Chris Wilson, Parks and Recreation Open Space Division Manager, on bear deterrent actions taken in county parks.
- The truck for curbside brush collection has been ordered and is scheduled to be delivered in December.
- Members of the ESB and Councilor Sheehy enjoyed an excellent tour of the Los Alamos wastewater treatment plant and composting facility on 7/20. Thanks to the DPU for arranging that.
- Interviews have been held to fill two vacancies on the ESB. Recommendations have been sent to the County Council for review and appointment at their Aug. 22 meeting.
- Tomorrow night, the ESB will hear a presentation on the Jemez House Thrift Store, finalize the color of the new brush roll carts, and discuss several bear related issues, including new grizzly resistant roll carts, and a proposed Wildlife Ordinance aimed at minimizing wildlife/trash issues.
- ESB members Danny Katzman and Becky Chamberlin finished their terms last month, and we thank them very much for their excellent service!
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