



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*

Tuesday, March 7, 2017

11:30 AM

1000 Central Avenue
Council Chambers

SPECIAL SESSION

1. CALL TO ORDER

A special meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Tuesday, March 7th 2017 at 11:30 a.m. at 1000 Central Ave., Council Chambers. Board Chair, Jeff Johnson, was not present. In his absence, Board Vice-chair, Mr. Steve McLin, called the meeting to order at 11:35 a.m.

Present 4 - **Board Member McLin, Board Member Fraser, Board Member Frederickson and Board Member Taylor**

Absent 1 - **Board Member Johnson**

2. PUBLIC COMMENT

Mr. McLin opened the floor for public comment on items not otherwise included on the agenda. There were no comments.

3. APPROVAL OF AGENDA

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

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

Absent: 1 - **Board Member Johnson**

4. BUSINESS

4.A 9158-17

Approval of Service Agreement AGR17-938 with Voith Hydro, Inc. for Field Services and Approval of Purchase of Mechanical Components from Voith Hydro, Inc, both for the Repair of the El Vado Hydroelectric Plant Shaft Seal

Presenters: James Alarid

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

In May 2016, during the final commissioning of the refurbished El Vado turbine and generator, the turbine shaft seal experienced excessive leakage. Commissioning was terminated as the leakage overwhelmed the unit's head cover pumps leading to the unit's shutdown due to head cover flooding. Since that time, the contractor and the County have been in dispute as to which party is responsible for the repair of the shaft seal. The contractual dispute resolution process was initiated, and all parties have been in settlement discussions since January 2017. Council direction during County appeal hearings was to have the parties attempt to resolve the dispute, considering their determination that the contract is a performance contract, and complete the contract. The solution proposed by the contractor would have been an inferior application from the manufacturer's design. The County chose to consult with the manufacturer of the turbine, Voith Hydro, Inc., on a solution to repair the leaking seal. Voith Hydro, Inc. reaffirmed that the manufacturer's original seal design should not be changed. At the request of the County, Voith has evaluated the seal and provided a recommendation to complete the seal replacement. The service agreement with Voith Hydro, Inc. will allow the County to hire Voith Hydro, Inc. to provide the field supervision only during the seal repair, complete the seal repair in its entirety and have an agreement in place should the County require additional services from Voith Hydro Inc.

The Board discussed this item and requested clarification where necessary.

Ms. Taylor moved that the Board of Public Utilities approve Service Agreement AGR17-938 with Voith Hydro, Inc. for Field Services in the amount of \$120,000.00, plus applicable gross receipts tax, in a form acceptable to the County Attorney. She further moved that the Board of Public Utilities authorize the Utility Manager to approve Proposal MB2-437 from Voith Hydro, Inc. for purchase of Mechanical Components for Repair of the El Vado Hydroelectric Plant Shaft Seal in the amount of \$52,117.00, plus applicable gross receipts tax. The motion passed by the following vote:

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

Absent: 1 - Board Member Johnson

5. PUBLIC COMMENT

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

6. CLOSED SESSION

6.A 9157-17

CLOSED SESSION - Pursuant to §10-15-1 (H)(8) of the New Mexico Open Meetings Act, NMSA 1978, the Board of Public Utilities will meet in closed session for the discussion of the purchase, acquisition or disposal of real property or water rights - Water Rights Discussion

Presenters: Board of Public Utilities

FINAL - APPROVED

Mr. Fraser moved that the Board of Public Utilities convene in closed session as authorized by §10-15-1 (H)(8) of the New Mexico Open Meetings Act, NMSA 1978, to discuss water rights. The motion passed by the following vote:

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

Absent: 1 - Board Member Johnson

The Board convened in closed session at 12:03 p.m. The Board reconvened in open session at 1:10 p.m. Mr. McLin reported that the matters discussed were limited to those specified in the motion for closure.

7. ADJOURNMENT

The meeting adjourned at 1:12 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