



LOS ALAMOS

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

1000 Central Avenue  
Los Alamos, NM 87544

*Carrie Walker, Chair; Jeff Johnson, Vice-chair; Stephen McLin, Kathleen Taylor and Steve Tobin Members*  
*Philo Shelton, Ex Officio Member*  
*Harry Burgess, Ex Officio Member*  
*Pete Sheehey, Council Liaison*

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Wednesday, December 18, 2019

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, December 18th, 2019 at 5:30 p.m. at 1000 Central Ave., Council Chambers. Board Chair Carrie Walker called the meeting to order at 5:30 p.m.

**Present 6 - Board Member Walker, Board Member Johnson, Board Member Tobin, Board Member McLin, Board Member Taylor and Board Member Shelton**

**Absent 1 - Board Member Burgess**

Assistant County Manager Mr. Steve Lynne attended for Mr. Burgess.

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**Ms. Walker moved that the Board of Public Utilities approve the following statement for inclusion in the minutes: The matters discussed in the joint Council and Board of Public Utilities closed session held on September 23rd, 2019 at 12:00 p.m. were limited only to those topics specified in the notice of the closed session, and no action was taken on any matter in that closed session. The motion passed by the following show of hands:**

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**Yes: 5 - Board Member Walker, Board Member Johnson, Board Member Tobin, Board Member McLin and Board Member Taylor**

**2. PUBLIC COMMENT**

Ms. Walker 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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**Ms. Taylor moved that the agenda be approved as presented. The motion passed by the following vote:**

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**Yes: 5 - Board Member Walker, Board Member Johnson, Board Member Tobin, Board Member McLin and Board Member Taylor**

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

Ms. Walker reported on the following items:

- 1) Ms. Walker reminded the Board to return their completed annual Conflict of Interest Disclosure forms.
- 2) Ms. Walker thanked the Board for participating in the recent self-evaluation. She was not able to compile all the comments and scores yet, but plans to have those ready for the January meeting. She asked members to send her any additional comments or scores by January 1st.

**4.B. Board Member Reports**

Board members had nothing to report.

**4.C. Utilities Manager's Report**

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

Ms. Taylor asked if the Joint Use Modular Plant program planned for the Carbon Free Power Project had made it into the budget recently approved by Congress. Mr. Shelton was not sure, but a spending bill was included that would set aside \$100 million for continued work to design and license an advanced small modular reactor. Once the spending bill clears the Senate and is signed by the President, he will obtain the details contained in the spending bill.

**4.D. County Manager's Report**

Mr. Lynne had nothing to report.

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

Mr. Pete Sheehey reported on the following items:

- 1) Mr. Sheehey reported that at the Council meeting the previous evening, Council concurred with the Board's recommendation to continue in the Carbon Free Power Project.
- 2) Mr. Sheehey apologized for not being able to attend the recent Board self-evaluation. He is pleased and impressed with the performance of the Board, noted the significant amount of time the Board puts into their duties and thanked them for their dedication. Mr. Sheehey asked if the Board would like him to submit scores and comments on the self-evaluation form. Ms. Walker thought it might be more useful for Mr. Sheehey to offer any specific concerns or feedback for Board consideration rather than having to complete the entire evaluation.
- 3) Mr. Sheehey reported that Council also approved the State Legislative agenda the prior evening. An item was included to monitor revisions to the Energy Transition Act that would affect Los Alamos decommissioning liability for the San Juan Power Plant. Not only is that being fought with the Public Regulatory Commission in the courts, it could creep into the legislative session. Council is watching that carefully. The Board/Council subcommittee has discussed this during some of their meetings. Farmington has some issues and would like to see the plant continue to operate with the carbon sequestration effort. However, the County has liabilities, and if those liabilities can be taken care of in

any future agreement, Council's position is that they are not going to oppose it. Council's interest is not against Farmington or continuing plant operations, but Los Alamos County does not plan to continue with their participation and has a liability that must be watched to make sure that it is not changed by any further legislation.

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

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

Ms. Taylor asked if training for composting operators is definitely going to happen. Ms. Barns explained that Council has expressed enthusiasm, and staff has been tasked with coming up with a feasibility plan for 2020. She reminded Ms. Taylor that the County does already run a composting facility.

Mr. Johnson asked what the future implications were with regards to the recent presentation for alternative waste options. Ms. Barns explained that the presentation was just informational to outline possible options.

#### **4.G. General Board Business**

##### **4.G.1 [11763-19](#) Reminder for Upcoming Boards & Commissions Luncheon**

**Presenters:** Board of Public Utilities

The month prior to a Boards & Commissions luncheon, the attendee schedule is included in the agenda packet as a reminder during the Chair's report. Ms. Walker reminded the Board that Ms. Tobin is scheduled to attend the January 16, 2020 luncheon.

##### **4.G.2 [11702-19](#) Quarterly Conservation Program Update**

**Presenters:** James Alarid

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

Upon approval of the Energy and Water Conservation Plan in March 2015, the Board requested that staff provide quarterly updates on the Conservation Program and on progress towards the goals and actions identified in the plan. Mr. Alarid presented a summary of recent conservation activities and discussed the upcoming plan to begin updating the Conservation Plan.

The following items were identified for follow-up:

1) Ms. Walker and Ms. Taylor have volunteered to serve as Board representatives on a Conservation Plan stakeholder committee. Mr. Alarid will contact them in January to kick off the process and will then move on to recruitment of the community members and defining expectations for the committee.

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

There were no Board expenses.

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

4.I.1     [12595-19](#)     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) 01/15/2020 - Approval of the 2019 Board of Public Utilities Self-evaluation (Carrie Walker)

**5.     PUBLIC HEARING(S)**

5.A     [12570-19](#)     Modification of Department of Public Utilities Rules & Regulations - Rule GR-13, Disconnection and Reconnection of Service.

**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 primary change being recommended is to GR13.05 regarding the disconnection of service for non-payment. The current rule specifies that initially the electric service will be disconnected. The concern is that during cold winter months customers could potentially lose heat if power is disconnected, so either collections efforts would need to be curtailed, or an alternative would need to be available. In order to provide the Department with such an alternative, the recommendation is to provide for water to be disconnected instead of power if such action appears more prudent. The remaining proposed changes are simply to clarify or correct existing language and do not significantly affect the rule.

The Board discussed this item and requested clarification where necessary.

Ms. Walker opened the floor for public comments. Members of the public gave the following summarized comments:

- 1) Mr. Greg White, 600 San Ildefonso Rd. - Mr. White has been in a situation a number of times where he has had to work with Utilities because he was unable to pay his utility bill. He does not think that disconnecting any one utility at most times of the year is a good idea, either because of medical conditions or because it could exacerbate financial problems for someone already financially stressed. He discussed his own financial challenges with budget billing. For those wanting to enroll in budget billing, he recommended that a one-time adjustment be done to have the first bill of the 12-month cycle start with the June or July bill to take into account higher summer bills. He would also like to see all Customer Care and billing staff be more formal in the way payment plans are established in-house prior to initiating third-party collection activities.

The following actions were identified for follow-up:

- 1) The Board directed Mr. Shelton to return at a future meeting with proposed changes to the Rules and Regulations to include more information about how the Department implements their disconnection process to voluntarily observe the State's Low Income Home Energy Assistance Program (LIHEAP) disconnection moratorium. Staff will also look into different options for the duration of the moratorium each year, which might differ from the LIHEAP disconnection moratorium start and end dates.

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Ms. Taylor moved that the Board of Public Utilities approve revisions to Department of Public Utilities Rules & Regulations, Rule GR-13, Disconnection and Reconnection of Service, as presented. The motion passed by the following vote:

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Yes: 5 - Board Member Walker, Board Member Johnson, Board Member Tobin, Board Member McLin and Board Member Taylor

## **6. CONSENT AGENDA**

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Mr. Johnson 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:

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Yes: 5 - Board Member Walker, Board Member Johnson, Board Member Tobin, Board Member McLin and Board Member Taylor

### **6.A 12583-19 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 November 20th, 2019 as presented.

### **6.B OR0863-19 Approval of Incorporated County of Los Alamos Draft Ordinance No. 698; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement in the Total Amount of \$800,000.00, and Related Documents by and between the New Mexico Finance Authority and Incorporated County of Los Alamos for the Purpose of acquisition and installation of a new pump station at Overlook Park for use in pumping treated effluent from the White Rock Wastewater Treatment Facility for irrigation of the Overlook recreational facilities.**

**Presenters:** Bob Westervelt

I move that the Board of Public Utilities approve Incorporated County of Los Alamos Draft Ordinance No. 698; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement in the Total Amount of \$800,000.00, and Related Documents by and between the New Mexico Finance Authority and The Incorporated County of Los Alamos for the purpose of acquisition and installation of a new pump station at Overlook Park for use in pumping treated effluent from the White Rock Wastewater Treatment Facility for irrigation of the Overlook recreational facilities, and forward in final form to Council for their consideration.

### **6.C AGR0649-19 Approval of Amendment No. 1 to Services Agreement No. AGR16-033 with Pajarito Environmental Education Center in the Amount of \$200,000.00 for a Revised Total Contract Amount Not to Exceed \$399,000.00 for the Purpose of Community Water and Energy**

Conservation Services

**Presenters:** James Alarid

I move that the Board of Public Utilities approve Amendment No. 1 to Services Agreement No. AGR16-033 with Pajarito Environmental Education Center in the amount of \$200,000.00 for a Revised Total Contract Amount Not to Exceed \$399,000.00, plus applicable gross receipts tax, for the purpose of Community Water and Energy Conservation Services and forward to Council for approval.

- 6.D     [AGR0651-19](#)     Approval of Amendment No. 1 to Services Agreement No. AGR20-912 with SmartPhone Meter Reading, L.L.C. in the amount of \$25,512.90, for the Purpose of adding a second seat to the SPMR WEB licensing for the Smart Phone Meter Reading System, plus approval of additional funding for the ten percent escalator enumerated in the agreement but not included in the funding total previously approved, for a revised base contract total of \$94,713.64 plus a contingency in the amount of \$10,488.00 for a revised project total of \$105,201.64, plus Applicable Gross Receipts Tax.

**Presenters:** Bob Westervelt

I move that the Board of Public Utilities approve Amendment No. 1 to Services Agreement No. AGR20-912 with SmartPhone Meter Reading, L.L.C. in the amount of \$25,512.90 for the purpose of adding a second seat to the SPMR WEB licensing for the Smart Phone Meter Reading System, plus approve additional funding for the ten percent annual escalator enumerated in the agreement but not included in the funding total previously approved, for a revised base contract total of \$94,713.64 plus a contingency in the amount of \$10,488.00 for a revised project total of \$105,201.64, plus applicable gross receipts tax.

- 6.E     [AGR0646-19](#)     Approval of Services Agreement No. AGR20-23 with Wilson and Company Inc., Engineers and Architects for the Purpose of Design of the Well House and Equipment for Otowi Well #2 and Design of a Replacement Motor Control Center for Otowi Well #4

**Presenters:** James Alarid

I move that the Board of Public Utilities approve Services Agreement No. AGR20-23 with Wilson and Company Inc., Engineers and Architects, in a form acceptable to the County Attorney, in the amount of \$205,813.54 and a contingency in the amount of \$35,000, for a total of \$240,813.54, plus applicable gross receipts tax, for the purpose of Design of the Well House and Equipment for Otowi Well #2 and Design of a Replacement Motor Control Center for Otowi Well #4 and forward in final form to Council for approval.

**7. BUSINESS**

- 7.A     [OR0867-19](#)     Recommendation to Council for Approval and Adoption Of Incorporated County Of Los Alamos Code Ordinance No 02-302, An Ordinance Amending Chapter 40, Article II, Division 2, Sections 40-63, 40-65, And 40-67 of the Code of the Incorporated County of Los Alamos To Clarify The Transfer Of Operating Profits From The County Department Of Public

Utilities To The General Fund And To Clarify The Appropriate Procurement Code For The Department; Approval Of Incorporated County Of Los Alamos Resolution No 19-29, A Resolution To Update A Payment In Lieu Of A Franchise Fee For The Incorporated County Of Los Alamos, Department Of Public Utilities Pursuant To Charter Section 506; and Approval Of Incorporated County Of Los Alamos Resolution No.19-30, A Resolution Repealing Incorporated County Of Los Alamos Council Resolution 97-07, A Resolution Establishing A Methodology For Computing Electric And Gas Operating Profits For Transfer To The County General Fund.

**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.

At the March 19, 2019 County Council meeting, the transfer of revenues from electric and gas funds to the general fund was discussed and voted on. Because this annual process is driven by County Charter, Ordinance and Resolution, this item was passed for 2019; however, Council agreed to consider options and alternatives for future years. As a result, options for changing the approach were considered using the following goals to guide the development of proposed options: assure consistency with the word and intent of the Charter; improve transparency in how the County informs, understands and presents data for options and decisions regarding rates, reserves, infrastructure maintenance and replacement, and capital investment; and facilitate performing "what if" option analysis for DPU for rates, reserves, infrastructure maintenance and replacement, and capital investment to clearly elucidate trade-offs for different approaches.

The Board discussed this item and requested clarification where necessary.

Ms. Walker opened the floor for public comments. Members of the public gave the following summarized comments:

1) Mr. Greg White, 600 San Ildefonso Rd. - Mr. White discussed the New Mexico Home Rule enacted in 1970 that was then challenged in 1974. He believes the fees transferred to the general County fund are a hidden tax that need to be explained to the public. He doesn't believe that the County is properly dispensing the Utilities fees to the other departments that provide services to Utilities, which should be addressed by Council to be uniformly distributed. He discussed a time when the City of Albuquerque raised their water rates higher than necessary to transfer funds from the water utility to the general fund and how the Supreme Court did not see that as a tax. He does not believe that the five other priorities that must be taken care of prior to the profit transfer have historically been taken care of, as required by Charter. He noted there is no state law preventing using funds from one utility fund to support another utility.

# FINAL - APPROVED

Board of Public Utilities

Minutes

December 18, 2019

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Ms. Taylor moved that the Board of Public Utilities recommend to Council approval and adoption of Incorporated County of Los Alamos Code Ordinance 02-302, Incorporated County of Los Alamos Resolution 19-29, and Incorporated County of Los Alamos Resolution 19-30, as presented. The motion passed by the following vote:

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Yes: 5 - Board Member Walker, Board Member Johnson, Board Member Tobin, Board Member McLin and Board Member Taylor

## 8. STATUS REPORTS

### 8.A 12591-19 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

Ms. Walker opened the floor for public comment on any items. There were no comments.

## 10. ADJOURNMENT

The meeting adjourned at 7:36 p.m.

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APPROVAL

Carrie Walker

Board of Public Utilities Chair Name

[Signature]

Board of Public Utilities Chair Signature

January 15, 2020

Date Approved by the Board



ATTACHMENT  
OFFICER REPORTS  
SUBMITTED AT THE MEETING

## FINAL - APPROVED

### **Utility Manager's Report December 18, 2019**

1. At yesterday's board meeting, UAMPS Staff indicated that all the participants in the CFPP have remained in the project and no reductions were requested. Also, County Council approved continued participation in the project.
2. Reviewed gas curtailment plan with staff and made some updates to the plan.
3. Received notice that Quality New Mexico (QNM) will award DPU a Road Runner Award. Thank you to all who worked on this Zia Application. In January, QNM will meet and review their findings with the DPU Senior Management Team.
4. Staff continues to work with NMED to cleanup an area of the soil containing the oil of approximately 1.2 cubic yards of soil located next to Otowi Well #4 at DP Los Alamos Canyons confluence. NMED has indicated there will be a response within the next 30 days on next steps for this clean up.
5. Members of the ECA met with PNM regarding their allowable costs to be in the 2019 transmission formula rate annual update.
6. Worked with Richard Virtue and staff in drafting a term sheet to supply to PNM regarding considerations with negotiating with Farmington and Enchant. PNM will assemble all the owner's and non-extender's concerns and will then prepare a unified response that will go to Farmington.
7. Continued to monitor the PRC hearing and interrogatories regarding the San Juan Generating Station decommissioning.
8. Received approval by County Council and implemented the Water and Wastewater rate increases.
9. Issued the Quarterly Safety award to Mr. Tyler Randolph at the Wastewater Plant for his safety suggestions and awareness of issues that he brings to his team.
10. Held a utilities subcommittee meeting on UAMPS continued funding of the CFPP, profit transfer proposal, and status of San Juan Generating Station.
11. Researched and made a recommendation to the County Manager for the franchise be established at 3% based on other community franchise fees being charged around New Mexico.

## FINAL - APPROVED

12. Please note that under the "Indexes (Council Goals)" section of the agenda, now allows for the DPU FY 2020 six goals to be identified as they apply on action items within your packet.
13. Thank you for everyone who attended and helped with the DPU holiday party.

## **Environmental Sustainability Board (ESB) liaison report**

*Susan Barns, ESB Liaison      12/18/2019*

November ESB meeting activities included:

- An update on plastic bag, straw and Styrofoam container petition by Councilor Sheehy.
- Presentation from Steve Hanson of SF Community College on waste-to-energy options, including turning waste into biogas to fuel municipal vehicles, and generating heat and energy through incineration of waste.

Tomorrow night's ESB meeting will also include:

- End of year issues, including election of Board Chair and Vice-Chair, review of ESB Work Plans, and 2020 meeting schedule.
- Information on Compost Operator training taken by Environmental Services staff.