

FINAL - APPROVED



LOS ALAMOS

County of Los Alamos
Minutes
Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

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

Wednesday, March 25, 2020

5:30 PM

1000 Central Avenue
Council Chambers

SPECIAL MEETING -
Regular March mtg. rescheduled to 3/25.

1. CALL TO ORDER

A special meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, March 25th, 2020 at 5:30 p.m. at 1000 Central Ave., Council Chambers. Board Chair Kathleen Taylor called the meeting to order at 5:30 p.m.

Some Department of Public Utilities (DPU) staff presented to the BPU in Council Chambers; however, all BPU members participated by phone. This social distancing was to comply with the recommendations of the Centers for Disease Control (CDC) to prevent the spread of COVID-19. Members of the public were able to live-stream the meeting online and submit public comment via email prior to or during the meeting. Comments were then read into the record by staff during the appropriate agenda item.

Remote 7 - Board Member Johnson, Board Member McLin, Board Member Tobin, Board Member Walker, Board Member Taylor, Board Member Shelton and Board Member Burgess

2. PUBLIC COMMENT

Ms. Taylor opened the floor for public comment on items on the Consent Agenda and for those not otherwise included on the agenda. Ms. Julie Williams-Hill read public comment submitted via e-mail prior to the meeting:

1) Mr. Aaron Walker, 413 Pruitt Avenue - Mr. Walker's written comments are included in the minutes as an attachment.

3. APPROVAL OF AGENDA

Mr. Johnson moved that items 4.B.1, 4.C.1, 4.G.1, 4.I.1, 7.B and 8.A be deferred and that the agenda be approved as amended. The motion passed by the following vote:

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

4. BOARD BUSINESS

4.A. Chair's Report

Ms. Taylor reported on the following items:

1) Ms. Taylor noted that the Board would be meeting remotely until the coronavirus emergency order is lifted.

4.B. Board Member Reports

Board members had nothing to report.

4.B.1. 12878-20 Report from Jeff Johnson on the Recent Trip to Attend the American Public Power Association (APPA) 2020 Legislative Rally and Utah Associated Municipal Power Systems (UAMPS) Meetings

Presenters: Jeff Johnson

This item was deferred to a later meeting.

4.C. Utilities Manager's Report

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

4.C.1. 12877-20 Department of Public Utilities Quarterly Report

Presenters: Philo Shelton

This item was deferred to a later meeting.

4.D. County Manager's Report

Mr. Burgess reported on the following items:

1) Mr. Burgess reported that everyone is working through the challenges of the COVID-19 crisis. Staff is learning to work by different means. County operations are being maintained to the extent possible. Utilities is a big part of that. Updated policies have been put into place throughout the County to allow employees to work from home and for those who are quarantined or deemed non-essential. Practices and policies have been created to maintain bi-weekly payments to keep people employed. They are trying to mitigate any damages from this while continuing to provide services, which basically means the County has a significantly reduced number of people in and around the various facilities. Many people are working from home and participating in meetings remotely.

2) Mr. Burgess discussed the DP Road issue where contaminated materials were unearthed during construction on the A9 project. There is a meeting tomorrow with the National Nuclear Security Administration (NNSA) where they hope to get ideas for a path forward because so many things are dependent upon that project. The Utilities Department was looking into how to replace a lift station in that location, and the County was looking into adding some additional affordable housing developments. There is pressure on everyone to get that completed given that the developers are already out

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there working. Hopefully, more will be known after the meeting tomorrow, and Mr. Burgess will report back to the Board at a future meeting.

3) Mr. Burgess reported that he and three Councilors were meeting with various federal agencies today. A trip to Washington, D.C. was cancelled, but they continue to maintain the meeting times to pursue County interests via teleconference.

Ms. Taylor asked if any additional sources of contamination had been found in the A9 site. Mr. Burgess responded that nothing additional had been found, but there hadn't been a great effort to uncover anything additional. He explained that the material found had been characterized by the Department of Energy to include uranium and plutonium constituents, as well as lead. The investigation includes oversight by the New Mexico Environment Department, which impacts how efforts will proceed. He discussed efforts already taken to contain the materials, protect the public and work with those individuals who may have initially been exposed.

4.E. Council Liaison's Report

Councilor Ryti provided a written report, which is included in the minutes as an attachment.

4.F. Environmental Sustainability Board Liaison's Report

Ms. Susan Barns was absent. No report was given.

4.G. General Board Business

4.G.1. 12593-20 Quarterly Conservation Program Update

Presenters: James Alarid

This item was deferred to a later meeting.

4.H. Approval of Board Expenses

There were no Board expenses.

4.I. Preview of Upcoming Agenda Items

4.I.1. 12909-20 Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

This item was deferred to a later meeting.

5. PUBLIC HEARING(S)

5.A. 12648-19 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.

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In December 2019 the Board of Public Utilities considered and approved a change to rule GR-13 to allow service disconnection of water instead of electricity as an initial disconnect action during winter months for non-payment for services. During discussion, staff advised the Board of the Department's practice of following the guidelines of the Public Regulatory Commission Rule known as "The LIHEAP Moratorium." During the winter heating season, defined as November 15 through March 15 of the following calendar year, accounts that were current on November 15 would not be disconnected for non-payment. While this is an established standard practice for the Department, it has not been formalized in a rule. The Board requested staff return with a proposed rule change to define and formalize the practice and incorporate it into the DPU Rules and Regulations.

The Board discussed this item and requested clarification where necessary.

Ms. Walker 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:

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

6. CONSENT AGENDA

Mr. McLin moved that item 6.B. be moved from Consent to Business to be taken up after item 7.A.

Point of Order: Mr. Johnson noted that the meeting agenda had already been approved, and if a member wished to move an item from Consent, the time to do so would have been during item 3. Mr. McLin and Ms. Taylor confessed that there was some confusion about when on the agenda it was appropriate to move an item from Consent. Ms. Taylor requested assistance from Assistant County Attorney Kevin Powers. Mr. Powers explained that the Board had done it both ways in the past and, from a procedural perspective, it would be acceptable to move item 6.B to Business at this time. Ms. Taylor ruled to allow it and called for the vote.

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

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 Tobin, Board Member Walker and Board Member Taylor

6.A. 12907-20 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 February 19th, 2020.

7. BUSINESS

7.A. 12592-20 Approval of Department of Public Utilities FY2021/22 Budget

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.

This year is a two-year budget cycle with a proposed budget for the first year and a projected budget for the second year. Two years were presented to assist with analysis of trends and spending. Next year, that projected budget for FY22 will be updated and presented for approval. Direction from Council and the ordinance approved in February calls for the Department to budget for the five percent profit transfer in the electric and gas sub funds and to propose infrastructure projects that would be funded by return of those funds to the Department. Those projects were included in the presentation as "Budget Options" in accordance with Council guidance. Comparing to the final FY20 approved budget before revisions and carryovers, the proposed FY21 budget represents a 33.98 percent increase. This is due primarily to the inclusion of \$14,800,856 for the White Rock Treatment Plant, scheduled for construction in FY21 and FY22 and funded with state loan financing; and \$6,831,060 for several water projects funded by loan/grant funds or other external funding sources. Excluding these items, the budget for Department funded activities represents a 0.41% increase over the approved FY20 budget, including the projected wage and benefit increases. Mr. Westervelt presented changes from the previous meeting and highlighted important additional information not presented in February.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

- 1) The Board agreed through general consensus that Mr. Shelton should return at a future meeting to discuss and receive Board input on the new positions proposed in the budget.

Ms. Walker moved that the Board of Public Utilities approve the Fiscal Year 2021/22 budget as presented and forward to Council for adoption. She further moved that the Board of Public Utilities approve the FY2021 budget options and the interfund transfers of the FY2019 and FY2020 profit transfer funds as presented 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 Tobin, Board Member Walker and Board Member Taylor

ITEM 6.B. WAS PULLED FROM CONSENT AND MOVED TO BUSINESS.

- 6.B. AGR0661-20 Approval of Services Agreement No. AGR20-16 with Sanbros Corporation in the amount of \$199,000.00, plus Applicable Gross Receipts Tax, for the Purpose of On-Call Electrical Contractor Services in Support of the Advanced Metering Infrastructure (AMI) Implementation

Presenters: James Alarid

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

As the electric meters are being replaced during the AMI implementation, it is anticipated that some meter bases will not be up to code. The meter base is the property of the customer. When DPU becomes aware of a code violation associated with the meter base, the normal protocol is for the service to be disconnected until the code violation has been corrected. Work on the customer's electric system must be completed by a licensed electrician, and such work must be inspected and approved by New Mexico Construction Industries (CID) prior to DPU installing the meter. To minimize the time a customer will be out of service, DPU will have the on-call licensed electrician available to make the necessary repairs to the meter base, permit the work through CID and acquire the necessary CID inspection. It is anticipated that 25 - 50 non-compliant meter bases will be encountered.

The Board discussed this item and requested clarification where necessary.

Mr. McLin moved that the Board of Public Utilities approve Services Agreement No. AGR20-16 with Sanbros Corporation in the amount of \$199,000.00, plus Applicable Gross Receipts Tax, for the Purpose of On-Call Electrical Contractor Services. The motion passed by the following vote:

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

- 7.B. 12841-20 New Mexico Performance Excellence Awards Program, 2019 Feedback Report on the Department of Public Utilities' Zia Application

Presenters: Philo Shelton

This item was deferred to a later meeting.

8. STATUS REPORTS

- 8.A. 12910-20 Status Reports

Presenters: Board of Public Utilities

This item was deferred to a later meeting.

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9. PUBLIC COMMENT

There were no comments.

The Board, through general consensus, directed the Utilities Manager to suspend disconnection of services due to non-payment until the governor's emergency order [related to COVID-19] is lifted.

10. ADJOURNMENT

The meeting adjourned at 7:09 p.m.

APPROVAL

Carrie Walker for KT

Board of Public Utilities Chair Name

Carl W. Boh

Board of Public Utilities Chair Signature

April 15, 2020

Date Approved by the Board

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**ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING**

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Utility Manager's Report March 25, 2020

1. Held multiple discussions and meetings with staff in preparing for operational changes and needs in response to the Coronavirus Pandemic. The largest change the customer will see is the closure of the 311 counters in the Municipal Building. A press release was issued informing customers how to pay bills on-line or through the drop boxes. During this Pandemic, we are not shutting off customers. Instead, separate letter notices are being mailed requesting the customer work to be current with their account. Should the customers have difficulties paying, 311 staff are giving these customers applications to receive assistance through the Utility Assistance Program (UAP).
2. For the week of February 24, Board Member Johnson and I attended the APPA Legislative Rally in Washington D.C. UAMPS set up congressional meetings where we met with Congressman Lujan and members of staff from both Senator Heinrich and Senator Udall offices. At these meetings we discuss the need for DOE funding for the Carbon Free Power Project (CFPP).
3. Staff continues to work with NMED and Laboratory 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. The Laboratory has agreed to sample the spill area to confirm if DPU staff can clean the spill or if it needs to be performed by the Laboratory. The soil sample will take up to a month to receive these results. For the pump house Notice of Violation (NOV), staff added a riser pipe to the existing floor drain to render the floor drain inoperable. Next, a letter was written to NMED to ask for acceptance of this remedy and close out this NOV. NMED like the county are having employees work from home, and to date we have not received a response.
4. Continued to monitor the PRC hearing, and Richard Virtue prepared a brief in chief position statement that was submitted to the PRC supporting the SJGS decommissioning and consideration of Farmington's proposal in good faith should it be determined to be feasible later.
5. I was invited by N3B to join the monthly LANL Cleanup Technical Working Group. This working group will get to see proposed remedial measures before they are submitted to NMED for consideration. The benefit of this working group is to receive insight on proposed remedial measures and to allow for input earlier in the process. The projects the working group will review include but not limited to the Chromium Plume and RDX Contamination.

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Council Liaison Report, Randall Ryti Vice Chair

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February 25, 2020 Regular Session

Ordinances related to franchise fee change (from 2% to 3%) and profit transfer were passed.

- Resolution No. 19-29, change to franchise fee
- Resolution No. 19-30, repeals Resolution 97-07
- Update to County Financial Policy
- Ordinance No. 02-302, clarify transfer of operating profits

March 3, 2020 Regular Session

Update from Representative Chandler on 2020 NM Legislative session. Many bills, but most relevant to BPU is the PERA reform bill and retiree health care changes.

Vacation of North Community utility easement, passed as part of the Consent Agenda

Awarded contract for Ice Rink locker room and restroom improvements. Noteworthy for BPU as the bid required a \$650,000 budget revision (to a total of \$1,850,000).

March 17, 2020 Work Session Cancelled

Other items

February 14, 2020 – Potential hazardous debris and radiological contamination found during DP Road trenching work

March 11, 2020 – Governor Lujan Grisham declares a state of public health emergency

Potential Development

North Mesa Housing Feasibility Study (Los Alamos Public Schools property), report is in preparation

DP Road parcels transferred from DOE and available for development. A-8-A and A-16-A

ATTACHMENT
WRITTEN PUBLIC COMMENTS

People who give public
comment at a meeting may
submit a written copy before,
during or after the meeting to
be included in the minutes.

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Kephart, Jaime

From: Aaron Walker <adwalker.usn@gmail.com>
Sent: Tuesday, March 24, 2020 12:37 PM
To: Board of Public Utilities
Subject: AMI contract

BPU members,

I find it disturbing that there has already been millions earmarked for the AMI installation, and now more money is wanted for it. We have infrastructure that is falling apart (water mains continue to break), but we are investing millions in to a non-essential program that won't address any issues. I understand the electric/gas are separate from water, but why invest in a WANT right now when we have very pressing other needs?

If/when you identify a meter base that is out of code, how much is it going to cost the property owner to fix it? What if they can't afford it thanks to the COVID-19 virus affecting many jobs?

All of this is being done to eventually move to "time of day billing" to further cost the residents more money for using utilities during "peak" hours. Electricity costs the same to generate at 5pm as it does 9am, especially if you move to nuclear power like it is being researched now.

Respectfully,
Aaron Walker
413 Pruitt ave, White Rock