



LOS ALAMOS

County of Los Alamos
Minutes
Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

*Jeff Johnson, Chair; Andrew Fraser, Vice-chair; Paul Frederickson Stephen McLin and
Kathleen Taylor, Members
Tim Glasco, Ex Officio Member
Harry Burgess, Ex Officio Member
Susan O'Leary, Council Liaison*

Wednesday, September 21, 2016

5:30 PM

1000 Central Avenue
Council Chambers

REGULAR SESSION

1. CALL TO ORDER

**Present 5 - Chair Johnson, Vice-chair Fraser, Board Member Frederickson,
Board Member McLin and Board Member Taylor**

Deputy Utility Manager for Power Supply, Mr. Steve Cummins, attended in Mr. Glasco's place.

Deputy County Manager, Mr. Steve Lynne, attended in Mr. Burgess' place.

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

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

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

4. PUBLIC HEARING(S)

There were no public hearings scheduled for this meeting.

5. CONSENT AGENDA

Mr. Fraser 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: 5 - Chair Johnson, Vice-chair Fraser, Board Member Frederickson, Board Member McLin and Board Member Taylor

- 5.A. [8612-16](#) 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 August 17th, 2016 as presented.

- 5.B. [AGR0458-16](#) Approval of Amendment No. 1 to Services Agreement No. AGR16-056 with AESI-US, Inc. in the amount of \$219,750.00, plus Applicable Gross Receipts Tax, for the Purpose of Support Services for North American Electric Reliability Corporation (NERC) / Western Electricity Coordinating Council (WECC) Cyber Security Standards

Presenters: James Alarid

I move that the Board of Public Utilities approve Amendment No. 1 to Services Agreement No. AGR16-056 with AESI-US, Inc. in the amount of \$219,750.00, plus Applicable Gross Receipts Tax, for the Purpose of Support Services for North American Electric Reliability Corporation (NERC) / Western Electricity Coordinating Council (WECC) Cyber Security Standards and forward to Council for approval.

- 5.C. [8573-16](#) Award of Bid No. 2017-08 for the Purpose of the East Road Gas and Electric Replacement Project with Paul Parker Construction, in the Amount of \$580,500.00, plus Applicable Gross Receipts Tax.

Presenters: James Alarid

I move that the Board of Public Utilities approve the Award of Bid No. 2017-08 for the Purpose of East Road Gas and Electric Replacement Project, with Paul Parker Construction, in the Amount of \$580,500.00 and a contingency in the amount of \$58,050.00, for a total of \$638,550.00, plus Applicable Gross Receipts Tax, and forward to Council for approval.

- 5.D. [8575-16](#) Approval of Change Order No. 2 to Bid No. 16-052 for the Purpose of Kwage Mesa Non-potable Water Line Replacement Project with Paul Parker Construction, for an Increase in the Contract Amount of \$31,000.00, for a new total of \$329,218.50, plus Applicable Gross Receipts Tax.

Presenters: James Alarid

I move that the Board of Public Utilities approve Change Order No. 2 to Bid No. 16-052 for the Purpose of the Kwage Mesa Non-potable Water Line Replacement Project with Paul Parker Construction for an increase in the contract amount of \$31,000.00, for a total contract amount of \$329,218.50, plus Applicable Gross Receipts Tax, and forward to Council for approval.

6. BUSINESS

6.A. [8580-16](#) Presentation from Molzen-Corbin & Associates, Inc. on the White Rock Water Resources Recovery Facility Preliminary Engineering Report

Presenters: James Alarid

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

Mr. Alarid introduced Mr. Clayton TenEyck from Molzen-Corbin & Associates. Molzen-Corbin & Associates completed the preliminary engineering report (PER) for the replacement of the White Rock Wastewater Plant. The PER was presented and recommendations discussed.

The Board discussed this item and requested clarification where necessary.

6.B. [8611-16](#) Los Alamos County 2016 Comprehensive Plan Draft - Utilities Portion

Presenters: Planning and Zoning Commission , Philip Gursky and Tamara Baer

Planning and Zoning Commission Chair, Phil Gursky, presented this item. The following is the substance of the item being considered.

Mr. Gursky presented to the Board the draft of the Los Alamos County 2016 Comprehensive Plan. Besides clarifying the County's intentions and policies of what the County should expect from this Comp Plan, he focused on the areas of the plan that are particularly relevant to the Department of Public Utilities.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

1) If members have questions or comments about the Comprehensive Plan, they will send them individually to Mr. Gursky or Tamara Baer. They will send their comments as private citizens, and their opinions will not necessarily reflect those of the Board.

Mr. Johnson called for a recess at 7:29 p.m. The meeting reconvened at 7:36 p.m.

6.C. [RE0326-16](#) Resolution No. 16-19; A Resolution Authorizing the County Council Chair or Los Alamos County Utilities Manager to Approve Submission of Completed Applications and Necessary Documents for 2017 Applications to the Water Trust Board for Funding for Non-Potable Water System Projects.

Presenters: James Alarid

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

The Water Trust Board (WTB) issued a request for intents to apply for 2017 funding on August 8, 2016. The Notice of Intent to apply was due on August 26, 2016. The completed project application phase opens on September 6, 2016 and closes on October 3. The Department submitted two Intents to Apply to the WTB. These are for a project to construct a Bayo Booster Station Tank 2 and also a project to perform the design of future Non-potable Water System Expansion projects. These projects will expand non-potable water usage and will increase potable water conservation for irrigation at many County facilities. The Water Trust Board is scheduled to approve a list of projects in November 2016 to recommend to the 2017 Legislature for authorization. Applicants appearing on the WTB's list of recommended projects will be invited to submit a Readiness Application in 2017. This resolution also meets several other WTB requirements including acknowledging commitment to the implementation and administration of an Asset Management Plan and Authorize Required Match and Future Operating and Maintenance Costs.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

- 1) Mr. Alarid will send a copy of the Non-potable Master Plan to Board members.

7. STATUS REPORTS

7.A. 8613-16 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

8. BOARD BUSINESS

8.A. Chair's Report

Mr. Johnson reported on the following items:

- 1) Yesterday, Mr. Johnson gave the Board's annual presentation to Council in White Rock. He thought it went fairly well. The information presented were the topics discussed by the Board at previous meetings. He presented work that has been done in the past year, where things are headed from a BPU point of view, some of the larger projects the Department has undertaken this year, and major concerns for the future. Mr. Cummins accompanied Mr. Johnson to the meeting and provided valuable back-up.
- 2) The Board and Council have requested a special closed session on September 28th or 29th. It should not be more than two hours long. The purpose is to discuss the new UAMPS Small Modular Nuclear Reactor (SMR).
- 3) Mr. Johnson will be putting an item on the agenda October agenda. Last month, the Board voted to put strategic initiatives into the Board's Policies and Procedures Manual.

Staff asked Mr. Johnson to clarify what those strategic initiatives are. Mr. Johnson will put together a discussion about what he thinks are strategic initiatives to be included in the appendix and how to deal with adding new future strategic initiatives. He may have a recommend action for the Board.

8.B. Board Member Reports

Board members reported on the following items:

1) Mr. Frederickson - Mr. Frederickson and Ms. Taylor recently attended a meeting with staff in Utah to learn more about the UAMPS Small Modular Nuclear Reactor (SMR) Carbon Free Power Project (CFPP). Mr. Frederickson gave a report, which is included in the minutes as an attachment. Ms. Taylor was also asked to comment on her experience. The Board discussed some of the next steps in the project and staff was asked to provide some clarifying information.

2) Mr. McLin - Mr. McLin is the Board's representative on the County's Audit Committee. The audit is about half-way through with a completion time anticipated for the end of November. He will hopefully be able to give the Board some kind of a written summary at the November or December meeting. The committee is receiving e-mail updates and the audit is proceeding normally without any problems.

3) Mr. Johnson asked Ms. Taylor to report on her attendance at the recent Energy Storage Summit in Albuquerque. She found it to be a little disappointing. They only talked about lithium batteries. She thought they were going to explore different kinds of batteries. They talked about university projects that are trying to improve batteries. She didn't think there was much new information there. Mr. Cummins was asked to expand on his thoughts about the summit. The Board discussed some of the issues that were brought up at the summit.

8.C. Utilities Manager's Report

Mr. Glasco was absent. Mr. Steve Cummins attended in his absence. His report is included in the minutes as an attachment.

8.D. County Manager's Report

Mr. Burgess was absent. Mr. Steve Lynne attended in his absence. Mr. Lynne had nothing to report.

8.E. Council Liaison's Report

Ms. Susan O'Leary was absent. No report was given.

8.F. Environmental Sustainability Board Liaison's Report

An ESB liaison was not present. No report was given.

8.G. General Board Business

There was no general Board business.

8.H. Approval of Board Expenses

There were no Board expenses.

8.I. Preview of Upcoming Agenda Items

8.I.1. [8614-16](#) 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) 10/19/2016 - Approval of Strategic Initiatives Identified for Inclusion in the Appendix of the Board of Public Utilities Policies & Procedures Manual (Jeff Johnson)

9. PUBLIC COMMENT

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

10. ADJOURNMENT

The meeting adjourned at 8:26 p.m.

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board

DRAFT - These minutes have not yet been approved by the Board of Public Utilities.

ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

MANAGER'S REPORT

SEPTEMBER 21, 2016

1. At each Board members place is a schedule for the BPU tickler regarding the FER Implementation plan as directed in the Board's motion.
2. The US Army Corps of Engineers let a contract to Weil Construction Co. for installation of the butterfly valves on the vent shaft of the Abiquiu dam. Notice to Proceed was issued on September 19, and the construction period is supposed to be 180 days. The Corps is waiting on the contractor's submittal of a safety plan and schedule before actual work will begin.
3. Work has resumed on the Long Range Water Plan. A public meeting to discuss the Plan is scheduled for November 14, 2016, from 5:30 until 7:00 PM in the Council Chambers.
4. We met with the LA Fire Department and worked out a plan to resume fire hydrant testing in September, with a goal of completing this year's testing before freezing weather hits. A GWS crew person will accompany FD personnel in certain areas of town to assist in shutting the fire hydrant valves in order to avoid water hammer and the resulting line breaks.
5. Attended the UAMPS informational meeting in Salt Lake City on September 12th and 13th. Two Board members and two County Council members attended the meeting, where basic information about the project, legal obligations, and schedule and costs were presented and discussed.
6. An all-hands DPU meeting is scheduled for Wednesday, September 28, 2016 from 8:30 until 10:00 AM. BPU members are invited and encouraged to attend.
7. The Department of Energy published a Supplemental Notice of Proposed Rulemaking on September 2, 2016 concerning new regulations for gas-fired home furnaces. Basically it will ban new non-condensing furnaces over 55,000BTU within 5 years of the rule taking effect. Most home furnaces in Los Alamos County would be affected by this rule. Condensing furnaces must have plastic flue piping and the furnace room must have a drain installed to accept the condensate. There has not been a lot of press coverage of this rule, even though it will have potentially huge impacts on home-owners when they go to replace their old furnaces. There will likely be litigation over the rule, so it may not go into effect by the end of 2016 as the Administration has planned.

NuScale
Reactor Site
Fluor
UAMPS

NuScale

Developing an SMR: Small Modular Reactor
Headquarters: Corvales, Oregon
John Hopkins, CEO
Jose Reyes, Lead Engineer
Each module is a 76' x 15' 200 ton cylinder.
Maximum of twelve modules per reactor.
Inner cylinder at 6000 psi contains reaction, sends steam to turbine under another roof.
Began as collaboration with Oregon State University.
Contractor will build stainless steel cylinders.



Reactor Site

Considering site on DOE land near Idaho Falls, Idaho.

Mayor Rebecca Casper of Idaho Falls was at all meetings.

Central building has twelve concrete nooks to hold the twelve modules.

Buildings on two sides of this contain six turbines each to convert 6000psi steam to electricity.



FLUOR

Hundred year old fourtune 500 company in South Carolina that has built a large number of standard reactor facilities in the past 70 years and has agreed to construct the modular reactor facility for NuScale near Idaho Falls, Idaho,

UAMPS

- UAMPS is a joint action agency providing wholesale electricity and electric energy services to 45 public power utility members in eight western states. Established in 1980, UAMPS helps its members with planning, financing, development, acquisition, construction, operation and maintenance of various projects for the generation, supply, transmission and management of electric energy