



LOS ALAMOS

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

1000 Central Avenue
Los Alamos, NM 87544

*Steve Tobin, Chair; Cornell Wright, Vice-chair;
Eric Stromberg, Robert Gibson, and Charles Nakhleh, Members;
Philo Shelton, Ex Officio Member
Steve Lynne, Ex Officio Member
Theresa Cull, Council Liaison*

Wednesday, July 19, 2023

5:30 PM

Municipal Building, Council Chambers

1. CALL TO ORDER

This regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, July 19, 2023 at 1000 Central Avenue in Council Chambers. Board Chair Steve Tobin called the meeting to order at 5:30 p.m. Members of the public were notified of the ability to participate and provide public comment in-person or over Zoom. The following board members were in attendance:

Present 6 - Tobin, Stromberg, Nakhleh, Shelton, Gibson and Lynne

Remote 1 - Wright

2. PUBLIC COMMENT

Chair Tobin called for public comment on items on the Consent Agenda or those not otherwise included on the agenda. Ms. Cat Ozment participated remotely and spoke about the Utilities Assistance Program, Electric Rate Ordinance, and BPU members' responsibilities.

3. APPROVAL OF AGENDA

Chair Tobin called for discussion or a motion to approve the agenda. Member Stromberg asked that item 6.B. be removed from the consent agenda. Chair Tobin agreed to move under Business.

Member Nakhleh moved that the agenda be approved as amended. The motion passed by the following vote:

Yes: 5 - Board Member Tobin, Board Member Wright, Board Member Stromberg, Board Member Nakhleh and Board Member Gibson

4. BOARD BUSINESS

4.A. Chair's Report

Chair Tobin had no items to report.

4.B. Board Member Reports

4.C. Utilities Manager's Report

Mr. Shelton reviewed his written report which is attached to the minutes. He provided summarized comments and responded to board member inquiries as appropriate.

4.D. County Manager's Report

Mr. Lynne reported that:

1. Conversations with San Ildefonso on middle mile broadband are ongoing. He thanked Mr. Shelton, Mr. Alarid, and Mr. Moseley for their input. There was a good meeting with San I services on a potential collaboration.
2. There was a small fire on ski hill that day caused by lightening hitting a tree.
3. Fire restrictions are in place since last week. Restrictions may increase if there is not increased moisture in the next few days.

Mr. Lynne responded to board member inquiries and provided clarifying information as appropriate.

4.E. Council Liaison's Report

Council Vice Chair Cull reported that:

1. On July 11th Council approved the procurement ordinance.
2. At the July 18th work session there was a presentation on TRIAD activities at LANL. The recording is available online.

Ms. Cull responded to board member inquiries and provided clarifying information as appropriate.

4.F. Environmental Sustainability Board Liaison's Report

Mr. Groffman was absent and no report was submitted.

4.G. General Board Business

None scheduled for this meeting.

4.H. Approval of Board Expenses

None scheduled for this meeting.

4.I. Preview of Upcoming Agenda Items

[16931-23](#) Tickler File for the Next Three Months

Chair Tobin highlighted the agenda items for the upcoming work session and regular meeting. No additional items were identified.

5. PUBLIC HEARING(S)

- 5.A. [CO671-23-a](#)** Introduction of Incorporated County of Los Alamos Code Ordinance No. 02-351; An Ordinance Amending Chapter 40, Article III, Sections 40-121, 40-122, and 40-123 of the Code of the Incorporated County of Los Alamos Relating to Electric Rate Schedules, Customer Service Charges and Electric Energy Charges

Ms. Kendall presented and provided an overview. The Department of Public Utilities has not raised electric rates since 2015. The adopted FY2024 budget includes an 8% increase in revenue anticipating an electric rate increase. DPU contracted with for an electric rate study and cost of service study. The proposed rates are based on the results of the rate study portion of the contracted work. DPU is proposing rate increases for both FY2024 and FY2025. The cost of service study is ongoing and we anticipate those results to impact rates in FY2026. Staff is developing a work plan on improving the billing software to offer more flexible usage rates such as time of use and/or demand charges to the electric rates which is planned to be implemented in FY 2026.

The proposed public hearing to the BPU is scheduled for August 16, 2023. If passed, the introduction to council is scheduled for: September 5, 2023.

If the ordinance is not approved, revenues will not be sufficient to match budgeted FY2024 revenue which will directly impact cash balances. The revenues for FY2024 assume a rate increase and will only be achieved if the new rates are approved.

Ms. Kendall and Mr. Shelton responded to board member inquiries and provided clarifying information as appropriate.

Member Gibson introduced, without prejudice, Incorporated County of Los Alamos Code Ordinance No. 02-351; An Ordinance Amending Chapter 40, Article III, Sections 40-121, 40-122, and 40-123 of the Code of the Incorporated County of Los Alamos Relating to Electric Rate Schedules, Customer Service Charges and Electric Energy Charges.

6. CONSENT AGENDA

Member Stromberg 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:

Yes: 5 - Board Member Tobin, Board Member Wright, Board Member Stromberg, Board Member Nakhleh and Board Member Gibson

- 6.A. [16914-23](#) Approval of Board of Public Utilities Meeting Minutes**

I move that the Board of Public Utilities approve the meeting minutes as presented:

7. BUSINESS

- 7.A. [17608-23a](#) Application to the Energy Efficiency and Conservation Block Grant (EECBG) Program**

Ms. Hayward presented and provided the following summary:

The Energy Efficiency and Conservation Block Grant (EECBG) Program is designed to assist local governments and Tribes in implementing strategies to reduce energy use, to reduce fossil fuel emissions, and to improve energy efficiency. The purpose of this application is to design and implement a pilot Energy Efficiency Certification Program for professionals to support a workforce training program as well as explore the creation of an additional continuing education course on energy efficiency/retrofits for nonprofessional stakeholders. The University of New Mexico - Los Alamos (UNM-LA) will design and host the professional training opportunities. The training program will provide skilled coursework to contribute to several fields within energy efficiency including weatherization specialists, insulation technicians, energy assessors, and construction and retrofit fields. This funding opportunity will cover the planning and design of the continuing education course(s) and stakeholder engagement tools. The Conservation Coordinator will work closely with UNM-LA and be the primary responsible planner for the community continuing education opportunities.

Mr. Shelton mentioned that no financial match is required for this grant. Staff time of the Conservation Coordinator would be necessary, should the grant be awarded, but all work needed is within scope of current job description. Ms. Hayward and Mr. Shelton responded to board member inquiries and provided clarifying information as appropriate.

Member Nakhleh moved that the Board of Public Utilities approve the Letter of Commitment for the County's application to the Energy Efficiency and Conservation Block Grant Program and forward to Council for final approval. The motion passed by the following vote:

Yes: 5 - Board Member Tobin, Board Member Wright, Board Member Stromberg, Board Member Nakhleh and Board Member Gibson

7.B.1. [17604-23](#)

Approval of Modifications to the Department of Public Utilities Rules & Regulations GR-13 Disconnection and Reconnection of Service and GR-18 Utilities Assistance Program

Ms. Kendall presented that the DPU is proposing changes to the GR-13 Disconnection and Reconnection of Service section of the Department of Public Utilities Rules and Regulations. The proposed changes are to GR-13.03 Disconnection of Service related to the temporary disconnection of service requested by a customer. The added language will require the customer to pay monthly customer service charges during the requested temporary disconnection period. In the past twelve months, DPU has received approximately 66 requests for temporary disconnection. These requests do not include temporary disconnections related to repairs or emergencies. Assuming 66 temporary disconnections for an average period of four months per year, translates to a loss of approximately \$31,000 per year in customer service charges for water and sewer. Staff calculated using water and sewer only as most temporary disconnections do not include electric or gas.

The board discussed and with input from Assistant County Attorney Wyman, decided to make separate motions for each rule. Ms. Kendall and Mr. Shelton responded to board member inquiries and provided clarifying information as appropriate. Chair Tobin provided an opportunity for public comment; there was none.

Member Nakhleh moved that the Board of Public Utilities approve the amendments to the Department of Public Utilities Rules and Regulations GR-13 Disconnection and Reconnection of Service. The motion passed by the following vote:

Yes: 5 - Board Member Tobin, Board Member Wright, Board Member Stromberg, Board Member Nakhleh and Board Member Gibson

7.B.2. [17604-23](#)

Approval of Modifications to the Department of Public Utilities Rules & Regulations GR-18 Utilities Assistance Program

Ms. Kendall presented that DPU is also proposing changes to the GR-18 Utilities Assistance Program (UAP) section of the Department of Public Utilities Rules and Regulations. The proposed changes are to GR-18.02 Amount of Assistance Provided, GR18.03 One-Time Payments for Immediate Financial Hardship and GR-18.04 Procedure for Allocating Assistance. The purpose of these changes are 1) to increase the amount of winter and year-round assistance by 10% to account for rate increases and 2) to limit one-time payments for financial hardship to a single instance of assistance in a 12 month period per household instead of per instance. The UAP has limited funds to provide assistance and these changes will result in prioritizing assistance for low-income, seniors and individuals qualified through the Social Security Administration for Supplemental Security Income (SSI) over one-time hardship assistance.

If the new rules presented are not approved, DPU will receive less customer service charge income and the UAP will, most likely, be depleted sooner. Additional customer service charge income of approximately \$31,000 per year. Ms. Kendall also provided clarification of the process for administering the UAP for customers and staff. Mr. Shelton and Ms. Kendall responded to board member inquiries and provided clarifying information appropriate as appropriate. Chair Tobin provided an opportunity for public comment; Ms. Cat Ozment spoke.

Member Stromberg moved that the Board of Public Utilities approve the amendments to the Department of Public Utilities Rules and Regulations GR-18 Utilities Assistance Program. The motion passed by the following vote:

Yes: 5 - Board Member Tobin, Board Member Wright, Board Member Stromberg, Board Member Nakhleh and Board Member Gibson

6.B. [17501-23a](#)

Award of Bid IFB24-09 for the Purpose of the El Vado Underground Storage Tank Removal and Installation project with Abney and Sons.

Mr. Alarid presented that the back-up generator at the El Vado Hydroelectric Plant is fueled by diesel. The existing underground diesel storage tank was installed in 1987 and is a steel tank with steel piping. The tank is regulated, and inspected every two years, by the New Mexico Environment Department Petroleum Storage Tank Bureau. New regulations require that the underground piping be upgraded to double-walled pipe and some new requirements for the leak detection/alarm system require these systems are upgraded. As these upgrades were evaluated, a complete replacement of the tank and accessory features was determined to be warranted. The existing steel tank and piping will be replaced with plastic materials to eliminate the need for cathodic protection. After 38 years in operation the leak detection monitoring system, instrumentation, transfer pump and accessories will also be replaced.

These improvements will meet the new regulations, address anticipated upcoming regulatory requirements, and provide safe and reliable operation for decades. If the bid is not awarded staff will continue to pursue the required regulatory upgrades. The back-up generator is a required element to operate the hydroelectric plant. \$85,000 has been budgeted for the project. The remaining funds will come from \$150,000 budgeted in FY2023 for the Abiquiu Office Addition project which has been deferred.

Mr. Alarid responded to board member inquiries and provided clarifying information as appropriate. Chair Tobin provided an opportunity for public comment; there was none.

Member Stromberg moved that the Board of Public Utilities approve the Award of Bid IFB24-09 to Abney and Sons for the Purpose of the Underground Storage Tank Removal and Installation project in the Amount of \$184,995 and a contingency in the amount of \$37,000, for a total of \$221,995, plus Applicable Gross Receipts Tax and forward to Council for approval. The motion passed by the following vote:

Yes: 5 - Board Member Tobin, Board Member Wright, Board Member Stromberg, Board Member Nakhleh and Board Member Gibson

8. STATUS REPORTS

16922-23 Status Reports

Mr. Shelton provided the following status reports in the meeting packet:

- 1). Electric Reliability Update
- 2). Accounts Receivables Report
- 3). Risk/Safety Report

Mr. Shelton and Mr. Marez responded to board member inquiries and provided clarifying information as appropriate.

9. PUBLIC COMMENT

Chair Tobin opened the floor for public comment on any topic; Ms. Cat Ozment spoke.

10. ADJOURNMENT

The meeting adjourned at 7:58 pm

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board

ATTACHMENTS

- A. Utilities Manager's Report 7/19/20