



County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

Agenda - Final Board of Public Utilities

*Cornell Wright, Chair; Stephen McLin, Vice-chair;
Eric Stromberg, Steve Tobin and Carrie Walker, Members
Philo Shelton, Ex Officio Member
Steven Lynne, Ex Officio Member
Vacant, Council Liaison*

Wednesday, January 19, 2022

5:30 PM

Remote meeting:
<https://us06web.zoom.us/j/86761105539>

REGULAR SESSION

Members of the public wishing to attend may participate and provide public comment via Zoom, by visiting the link below or by calling one of the conference call lines listed below:

Meeting link: <https://us06web.zoom.us/j/86761105539> Webinar ID: 867 6110 5539

Or One tap mobile :

US: +13462487799,,86761105539# or +14086380968,,86761105539#

Or Telephone (for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 408 638 0968 or +1 669 900 6833 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799
or +1 646 876 9923

PUBLIC COMMENTS:

Please submit written comments to the Board at bpu@lacnm.us. Oral public comment is accepted during the two periods identified on the agenda and after initial board discussion on a business item, prior to accepting a main motion on an item. Oral comments should be limited to four minutes per person. Requests to make comments exceeding four minutes should be submitted to the Board in writing prior to the meeting. Individuals representing or making a combined statement for a large group may be allowed additional time at the discretion of the Board. Those making comments are encouraged to submit them in writing either during or after the meeting to be included in the minutes as attachments. Otherwise, oral public comments will be summarized in the minutes to give a brief account of the overall substance of the person's comments.

1. CALL TO ORDER

2. PUBLIC COMMENT

This section of the agenda is reserved for comments from the public on Consent Agenda items or items that are not otherwise included in this agenda.

3. APPROVAL OF AGENDA

4. BOARD BUSINESS

4.A. Chair's Report

4.B. Board Member Reports

- 4.B.1** [15347-22](#) Discussion of Advancing to a Request for Proposal for Solar + Storage

Presenters: Steve Tobin, Board Member

4.C. Utilities Manager's Report**4.D. County Manager's Report****4.E. Council Liaison's Report**

Newly elected Vice-Chair Denise Derkacs is the liaison to the BPU.

4.F. Environmental Sustainability Board Liaison's Report

- 4.F.1.** [15345-22](#) Los Alamos Resiliency, Energy and Sustainability (LARES) Task Force Budget Request

Presenters: Philo Shelton, Utilities Manager

4.G. General Board Business

- 4.G.1** [14957-21](#) Affirmation of the Incorporated County of Los Alamos Open Meetings Resolution No. 22-01

Presenters: Cornell Wright, Chair of the Board of Public Utilities

- 4.G.2** [14959-21](#) Election of Board of Public Utilities Chair and Vice-chair for 2022

Presenters: Cornell Wright, Chair of the Board of Public Utilities

- 4.G.3.** [14949-21](#) Approval of Meeting Agenda Outline for 2022

Presenters: Cornell Wright, Chair of the Board of Public Utilities

- 4.G.4.** [14961-21](#) Appointment of Board Member to Audit Committee for 2022

Presenters: Cornell Wright, Chair of the Board of Public Utilities

- 4.G.5.** [15344-22](#) Approval of Board of Public Utilities Annual Self-evaluation for 2021

Presenters: Cornell Wright, Chair of the Board of Public Utilities

4.H. Approval of Board Expenses

There were none.

4.I. Preview of Upcoming Agenda Items

[14964-21](#) Tickler File for the Next Three Months

Presenters: Board of Public Utilities

5. PUBLIC HEARING(S)

- 5.A.** [CO0624-21-b](#) Incorporated County of Los Alamos Code Ordinance No. 02-325; An Ordinance Amending Chapter 40, Article III, Sections 40-201 and 40-202 of the Code of the Incorporated County of Los Alamos Pertaining to the Sewage Service Rate Schedule and Determination of Charges

Presenters: Philo Shelton, Utilities Manager and Heather Garcia, Deputy Utilities Manager - Finance

6. CONSENT AGENDA

The following items are presented for Board approval under a single motion unless any item is withdrawn by a member for further Board consideration in the "Business" section of the agenda.

CONSENT MOTION -

I move that the Board of Public Utilities approve the items on the Consent Agenda as presented and that the motions in the staff reports be included in the minutes for the record.

OR

I move 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.

- 6.A.** [14966-21](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Board of Public Utilities

- 6.B.** [AGR0825-21](#) Approval of AGR22-930 with Paymentus Corporation in the Amount of \$120,000 plus Applicable Gross Receipts Tax for the Purpose of Credit Card and Electronic Bill Payment Services.

Presenters: Heather Garcia, Deputy Utilities Manager - Finance

7. BUSINESS

- 7.A.** [15416-22](#) Approval of Budget Revision 2022-43 for Purchased Gas in the Gas Utility.

Presenters: Heather Garcia, Deputy Utilities Manager - Finance

8. STATUS REPORTS

- 8.A.** [14885-21](#) Quarterly Conservation Program Update (Rescheduled from 12/15/2022)

Presenters: James Alarid, Deputy Utilities Manager - Engineering

- 8.B.** [15271-21](#) Quarterly Update on Utility System - Water System

Presenters: Jack Richardson, Deputy Utilities Manager - GWS Services

- 8.C.** [14965-21](#) Monthly Status Reports

Presenters: Philo Shelton, Utilities Manager

9. PUBLIC COMMENT

This section of the agenda is reserved for comments from the public on any items.

10. ADJOURNMENT

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Human Resources at 505-662-8040 as soon as possible. Public documents, including the agenda and minutes can be provided in various accessible formats. Please contact the Department of Public Utilities 505-662-8132 if an accessible format is needed.

Complete Board of Public Utilities agenda packets, past agendas, videos, legislation and minutes can be found online at losalamos.legistar.com. Learn more about the Board of Public Utilities at ladpu.com/BPU.



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	4.B.1
Index (Council Goals):	DPU FY2021 - 1.0 Provide Safe and Reliable Utility Services; DPU FY2021 - 5.0 Achieve Environmental Sustainability
Presenters:	Steve Tobin, Board - Commission or Committee Member
Legislative File:	15347-22

Title

Discussion of Advancing to a Request for Proposal for Solar + Storage

Body

Board discussion of potential study of solar + storage options for LA County. Steve Tobin will lead the discussion.

Attachments

A - Presentation for BPU-LARES Jan. 2022

Discussion of Advancing to a Request for Proposal for Solar + Storage

Steve Tobin

- ▶ If we keep voting in isolation on power generation contracts - we have only ourselves to credit/blame
- ▶ Who among us makes a “big purchase” ...buys a house or a car ... without comparing among options?
- ▶ My goal is to make our power purchasing choices more competitive?

Global Horizontal Solar Irradiance

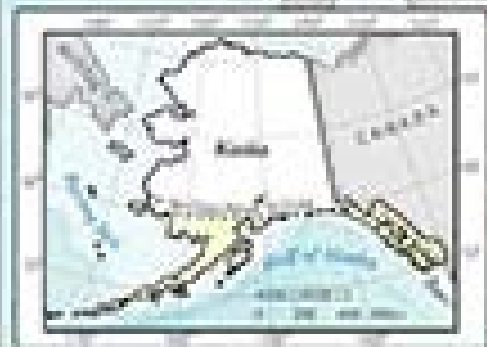
National Solar Radiation Database Physical Solar Model

This presentation is not about the CFPP, except that, unless we create options of comparison, we will again be voting on the CFPP in isolation

What might be another option - an energy resource that our balancing area is blessed with?

What have past IRPs said about this resource?

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About the Data
This data provides annual average daily global solar resource using 1981-2010 data (Full sky, clearing, 0.25-degree latitude by 0.25-degree longitude, normally 4 km x 4 km).
For more information, visit <http://nrel.gov/solar>.
Email us at solar@nrel.gov.

Global (Gp)
kWh/m²/day
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- ▶ Quote from the Executive Summary of the 2017 IRP, “*The most balanced portfolio that meets renewable goals and carbon reduction targets is a portfolio that **relies heavily on solar and storage** (based on current indicative bids).*”
 - ▶ Since 2017, the price of utility scale solar has **fallen ~1/3** [Lazard]
 - ▶ Since 2017, the price of utility scale storage has **fallen ~1/2** [NREL]
 - ▶ Statistically robust polling of LAC residents indicated **~2/3 support for BPU’s Net Carbon Neutron Goal [BPU funded survey]**
- ▶ From my perspective, it is inconceivable that the 2022 IRP will not include a similar recommendation. **There is no reason to wait for it.**

Xcel Energy data published by Vox, “In Colorado, a glimpse of renewable energy’s insanely cheap future,” Jan. 16, 2018. Online

RFP Responses by Technology

comprise of renewable energy's future," Jan. 16, 2018. Online

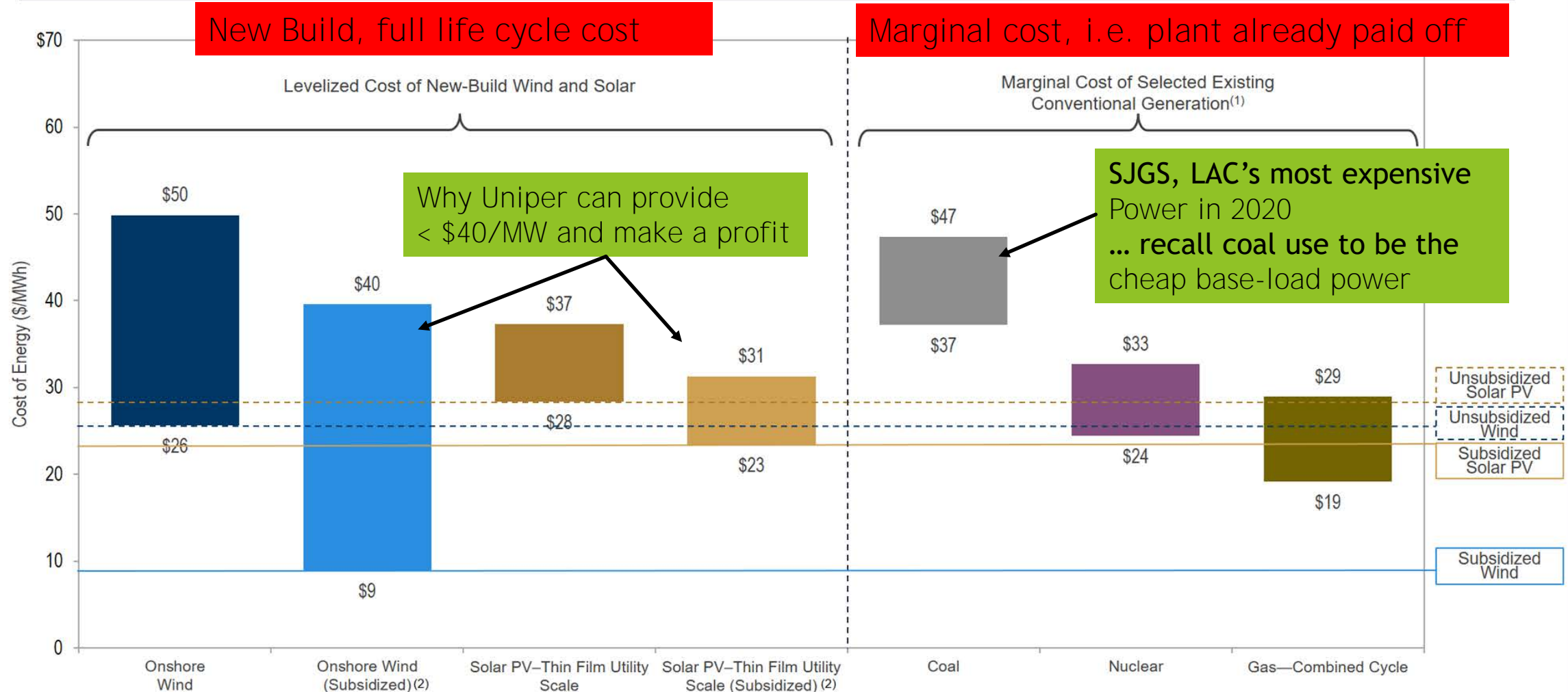
point - low prices (i) real, local and during

Generation Technology	➔ # of Bids	Bid MW	# of Projects	Project MW	➔ Median Bid Price or Equivalent	Pricing Units
Combustion Turbine/IC Engines	30	7,141	13	2,466	\$ 4.80	\$/kW-mo
Combustion Turbine with Battery Storage	7	804	3	476	6.20	\$/kW-mo
Gas-Fired Combined Cycles	2	451	2	451		\$/kW-mo
Stand-alone Battery Storage	28	2,143	21	1,614	11.30	\$/kW-mo
Compressed Air Energy Storage	1	317	1	317		\$/kW-mo
Wind	96	42,278	42	17,380	\$ ➔ 18.10	\$/MWh
Wind and Solar	5	2,612	4	2,162	19.90	\$/MWh
Wind with Battery Storage	11	5,700	8	5,097	21.00	\$/MWh
Solar (PV)	152	29,710	75	13,435	➔ 29.50	\$/MWh
Wind and Solar and Battery Storage	7	4,048	7	4,048	30.60	\$/MWh
Solar (PV) with Battery Storage	87	16,725	59	10,813	36.00	\$/MWh
IC Engine with Solar	1	5	1	5		\$/MWh
Waste Heat	2	21	1	11		\$/MWh
Biomass	1	9	1	9		\$/MWh
Total	430	111,963	238	58,283		

Main point - the low prices are (a) real, (b) local and (c) enduring

The price of electricity in LAC (power, transmission, distribution, etc.) is \$115/MWh with our average wholesale power costing between 50/MWh and 60/MWh.

Certain renewable energy generation technologies have an LCOE that is competitive with the marginal cost of existing conventional generation



Some of the details used in this analysis are listed on the next page

Assumptions with the previous page

- ▶ Note (1) of previous page:
 - ▶ Fully depreciated coal, gas and nuclear, inclusive of decommissioning cost for nuclear
 - ▶ **Salvage value = decommissioning costs for gas and coal ... hmm? SJGS exit?**
 - ▶ Capacity factors, fuel, variable and fixed operating expenses are based on upper and **lower quartiles estimates derived from Lazard's research.**
- ▶ Note (2) of previous page: the subsidized analysis includes sensitivities related to the Tax Cut and Job Act and U.S. federal tax subsidies.
- ▶ General assumption of analysis:
 - ▶ Financing: 60% debt, 8% interest rate, 40% equity at 12% cost. Sensitivity to these assumptions addressed elsewhere in their research
 - ▶ For solar, low cost case is a single axis tracking system and high case represents a fixed axis system
 - ▶ \$3.45/MMBTU gas cost assumed
 - ▶ Inputs are derived from a benchmark of operating gas combined cycle, coal and nuclear assets across the U.S.

Cost Estimate for Solar and Solar Plus Storage

- ▶ I give highlights on this page and then - very briefly - point out a few salient **points in the next 5 slides from a publication by NREL: “U.S. Solar Photovoltaic System and Energy Storage Cost Benchmarks: Q1 2021”** - just google it
 - ▶ Utility Scale Solar only: \$41/MWh
 - ▶ Sticker price for 100 MW solar, 60 MW battery storing 240 MWh
 - ▶ Total cost: \$167 million
 - ▶ This system is double or triple what we want
 - ▶ **“Real LCOE” = \$77/MWh**
 - ▶ Some of the input factors:
 - ▶ No investment tax credit,
 - ▶ No state or local subsidies,
 - ▶ Profits included in the cost of hardware

Table 11. LCOE (Stand-Alone PV) Input Assumptions and Outputs (2020 USD)

	Residential		Commercial Rooftop		One-Axis Tracker	
	2020	2021	2020	2021	2020	2021
Installed cost (\$/W)	2.74	2.65	1.74	1.56	1.02	0.89
Annual degradation (%)	0.70	1.00	0.70	0.70	0.70	0.70
Levelized O&M expenses over life of asset (\$/kW-yr)	29	29	19	18	18	16
Preinverter derate (%)	90.5	85.9	90.5	85.9	90.5	85.9
Inverter efficiency (%)	98.0	96.0	98.0	96.0	98.0	96.0
Inverter loading ratio	1.15	1.15	1.15	1.15	1.34	1.28
Inflation rate (%)	2.5	2.5	2.5	2.5	2.5	2.5
Equity discount rate (real) (%)	6.1	10.2	6.1	6.1	5.1	5.1
Debt interest rate (%)	5.0	4.5	5.0	5.0	5.0	5.0
Debt fraction (%)	71.8	100	71.8	71.8	71.8	71.8
Debt term (years)	18	25	18	18	18	18
Entity	Corporation	Homeowner	Corporation	Corporation	Corporation	Corporation
Analysis period (years)	30	25	30	30	30	30
Initial energy yield (kWh/kW _{DC})	1,546	1,445	1,440	1,397	1,721	1,694
Real LCOE (2020 US\$)	13.0¢/kWh	11.9¢/kWh	9.1¢/kWh	8.3¢/kWh	4.6¢/kWh	4.1¢/kWh

Other key assumptions:

- (1) Corporation has a federal corporate tax rate of 21% and state corporate tax rate of 6%, and uses the Modified Accelerated Cost Recovery System depreciation schedule.
- (2) Homeowner uses a mortgage loan that is interest deductible, with a federal personal tax rate of 15% and a personal state tax rate of 6%.
- (3) No state or local subsidies
- (4) For corporations:
 - a working capital and debt service reserve account for six months of operating costs and debt payments (earning an interest rate of 1.75%)
 - a six-month construction loan, with an interest rate of 4% and a fee of 1% of the cost of the system
 - \$1.1 million of upfront financial transaction costs for a \$100 million third-party ownership transaction of a pool of commercial projects

(5) 2020 capacity factors are based on Kansas City, Missouri, with a tilt/azimuth of 25/180 (residential), 10/180 (commercial rooftop), and tracking/180 (utility-scale). 2021 capacity factors are based on Fredonia, Kansas (which is near the geographic center of the 48 conterminous states and corresponds with the area-weighted capacity factor of the 48 conterminous states as outlined in the 2021 Annual Technology Baseline), with a tilt/azimuth of 20/214 (residential) (Barbose et al. 2020), 10/190 (commercial rooftop) (Barbose et al. 2020), and tracking/180 (utility-scale).

Table 12. LCOE (PV-plus-storage) Input Assumptions and Outputs (2020 USD)

	Residential 22-panel PV plus 5-kW/12.5-kWh storage system ²⁴		Commercial 1-MW fixed-tilt ground-mounted PV plus 600-kW/2.4-MWh storage system		Utility-scale 100-MW one-axis tracker PV plus 60-MW (240-MWh) battery storage, AC-coupled	
	2020	2021	2020	2021	2020	2021
Installed cost (\$)	\$34,942	\$30,450	\$2,170,851	\$1,970,000	\$190 million	\$167 million
Annual degradation (%)	0.70	1.00	0.70	0.70	0.70	0.70
Levelized O&M expenses over life of asset (\$/kW-yr)	39	39	29	28	28	26
First follow-on investments (inverter, battery replacements) (\$)	\$865	\$763	\$80,439	\$63,360	\$8.0 million	\$6.3 million
Second follow-on investments (inverter, battery replacements) (\$)	\$648	\$572	\$60,329	\$47,520	\$6.0 million	\$4.8 million
Preinverter derate (%)	90.5	85.9	90.5	85.9	90.5	85.9
Inverter efficiency (%)	98.0	96.0	98.0	96.0	98.0	96.0
Inverter loading ratio	1.15	1.15	1.15	1.15	1.34	1.28
Inflation rate (%)	2.5	2.5	2.5	2.5	2.5	2.5
Equity discount rate (real) (%)	6.1	10.2	6.1	6.1	5.1	5.1

²⁴ The current version of our residential PV-plus-storage model assumes a battery size of 5 kW/12.5 kWh; the Q1 2020 benchmark models a battery size of 3 kW(6 kWh) (Feldman et al. 2021). To better distinguish the historical cost trends from the changes to our cost models, we calculate the Q1 2020 residential PV-plus-storage using a battery size of 5 kWh (12.5 kWh). For this reason, CAPEX (2020 USD 28,721) and LCOE (20.1 USD cents/kWh) differ from those reported in Table 12, adjusting for dollar year.

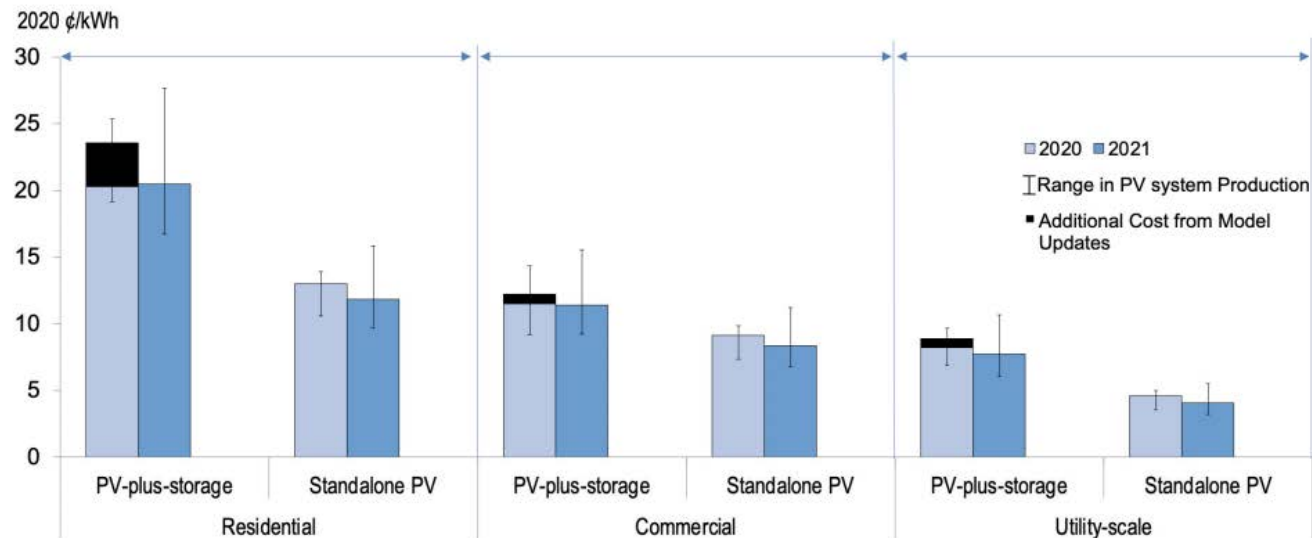
	Residential 22-panel PV plus 5-kW/12.5-kWh storage system ²⁴		Commercial 1-MW fixed-tilt ground-mounted PV plus 600-kW/2.4-MWh storage system		Utility-scale 100-MW one-axis tracker PV plus 60-MW (240-MWh) battery storage, AC-coupled	
	2020	2021	2020	2021	2020	2021
Debt interest rate (%)	5.0	4.5	5.0	5.0	5.0	5.0
Debt fraction (%)	71.8	100	71.8	71.8	71.8	71.8
Debt term (years)	18	25	18	18	18	18
Entity	Corporation	Homeowner	Corporation	Corporation	Corporation	Corporation
Analysis period (years)	30	25	30	30	30	30
Initial energy yield (kWh/kW_{DC})	1,546	1,445	1,440	1397	1,721	1,694
Real LCOE (2020 US\$)	23.3¢/kWh	20.5¢/kWh	12.1¢/kWh	11.4¢/kWh	8.8¢/kWh	7.7¢/kWh

Other key assumptions:

- (1) Corporation has a federal corporate tax rate of 21% and state corporate tax rate of 6%, and uses the Modified Accelerated Cost Recovery System depreciation schedule.
- (2) Homeowner uses a mortgage loan that is interest deductible, with a federal personal tax rate of 15% and a personal state tax rate of 6%.
- (3) No state or local subsidies
- (4) For corporations:
 - a working capital and debt service reserve account for six months of operating costs and debt payments (earning an interest rate of 1.75%)
 - a six-month construction loan, with an interest rate of 4% and a fee of 1% of the cost of the system
 - \$1.1 million of upfront financial transaction costs for a \$100 million third-party ownership transaction of a pool of commercial projects
- (5) 2020 PV capacity factors are based on Kansas City, Missouri, with a tilt/azimuth of 25/180 (residential), 10/180 (commercial rooftop), and tracking/180 (utility-scale). 2021 capacity factors are based on Fredonia, Kansas (which is near the geographic center of the 48 conterminous states and corresponds with the area-weighted capacity factor of the 48 conterminous states as outlined in the 2021 Annual Technology Baseline), with a tilt/azimuth of 20/214 (residential) (Barbose et al. 2020), 10/190 (commercial rooftop) (Barbose et al. 2020), and tracking/180 (utility-scale).
- (6) Round-trip energy losses from PV/battery/grid: 10%; round-trip energy losses from grid/battery/grid (8%)
- (7) Battery is charged solely by PV because of investment tax credit considerations.

Solar capacity factor is for Kansa City, Missouri

Figure 26 compares LCOE, by market segment, for the current and previous benchmark analyses. From 2020 to 2021, residential PV-plus-storage LCOE fell 13%,²⁵ and residential stand-alone-PV LCOE fell 9%; there were 7% and 13% reductions in levelized electricity costs for commercial and utility-scale PV-plus-storage systems. At the same time, LCOE of commercial and utility scale stand-alone PV systems fell by 9% and 12% respectively. The reduction in electricity costs were mostly due to changes in CAPEX and OPEX (operating expenditures), though residential PV LCOE and PV-plus-storage LCOE also fell due to changes in financial model assumptions.²⁶ The reductions were partially counterbalanced by a change in capacity factor assumptions that reduced system performance to better align with U.S. averages.²⁷



2021 Range estimated by using Seattle Washington for the “high cost” location and the desert inland from Los Angeles for the “low cost” location

Recycling of Solar Panels [U.S. EPA]

- ▶ Glass composes most of the weight of a solar panel, ~75 percent, well-established industry process
- ▶ Remaining primary components by mass: aluminum frame, copper wire, and plastic junction box also have well-established industry process
- ▶ The more challenging part:
 - ▶ Silver, internal copper, lead, tin, tellurium, antimony, gallium and indium may be present in some panels – note the films containing these are generally in the 0.2 to 0.5 mm thickness so the mass is not that high – paper ~0.1 mm. [non-U.S. EPA reference] paper
 - ▶ These have been recycled but the recycling costs more than the material is worth – **Europe** has mandated recycling of these materials for this reason, **U.S.** has not
 - ▶ Note that there are very **few panel ready to be recycled** – some of the original Bell labs panels are still producing energy and the growth of solar has overwhelmingly been in the past 10 years.
 - ▶ A median degradation rate of about 0.5% per year but the rate could be higher in hotter climates and for rooftop systems. [NREL]
 - ▶ Modules are typically warrantied for 20–25 years, after which they can still produce electricity, but the level of actual output is no longer guaranteed. [NREL]

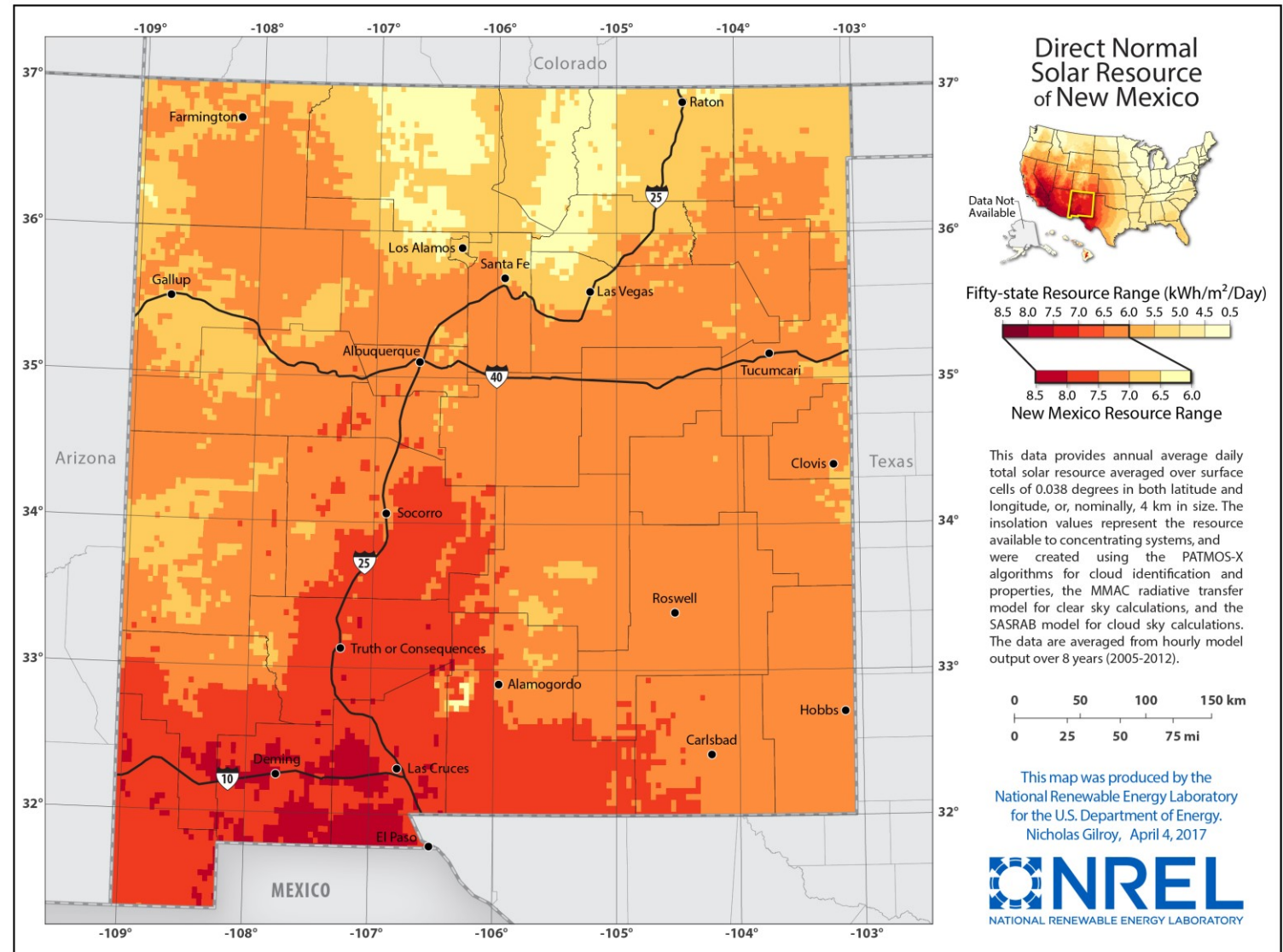
Summary

- ▶ We owe it to the residents of LAC to have a competitive energy selection process
- ▶ The 2017 IRP recommended Solar + Storage, both of which have experienced large cost reductions since 2017, 33% and 50%, respectively
- ▶ The NREL study, using data based on deployed equipment, puts the cost of solar plus storage above our average rate, yet with yearly falling prices

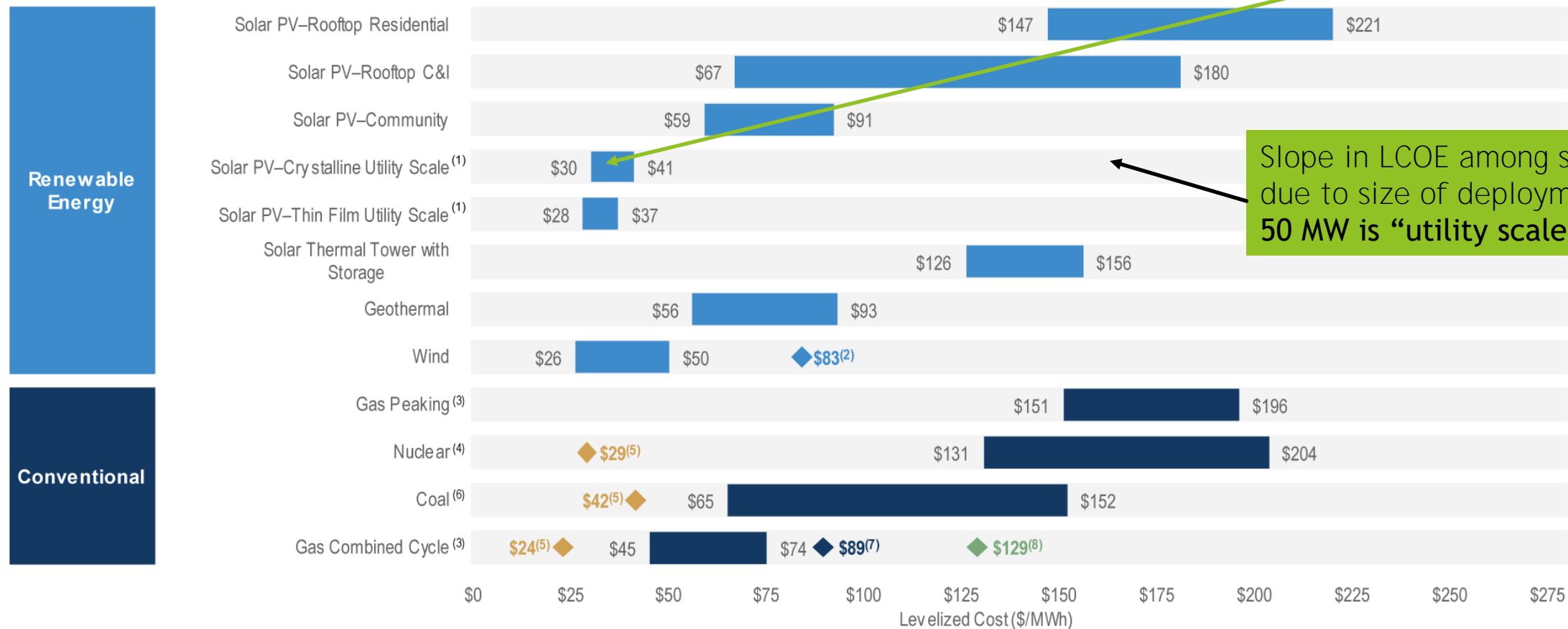
Extra slides

Solar Data in NM

- ▶ What is optimal for LAC?
 - ▶ Southern NM is part of LAC's "balancing area"
 - ▶ Solar panel from LAC will generate ~20% more power near Las Cruces - and we pay the same transmission fee if we connect directly to PNM
 - ▶ The bigger economic issue is that solar farm need to be large for optimal economics
 - ▶ 50 MW average power requires ~1.4 miles by ~1.4 miles (10 W/m² by D. MacKay)
 - ▶ Note: less than 1% of state surface area needed to meet entire states electric power needs



Selected renewable energy generation technologies are cost-competitive with conventional generation technologies under certain circumstances



Source: Lazard estimates.



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.F.1.
Index (Council Goals): DPU FY2021 - 2.0 Achieve and Maintain Excellence in Financial Performance
Presenters: Philo Shelton, Utilities Manager
Legislative File: 15345-22

Title

Los Alamos Resiliency, Energy and Sustainability (LARES) Task Force Budget Request

Recommended Action

Provide feedback to LARES budget request items for FY23 before their final document is delivered to County Council.

Body

On January 26, 2021, Los Alamos County Council approved the formation of the Los Alamos Resiliency Energy & Sustainability Task Force (LARES). The purpose of the LARES Task Force is to serve as an advisory body to the County Council for the purpose of recommending ways for the County as a whole, including government, businesses, and residents, to achieve net zero greenhouse gas emissions and advance other sustainable practices in the face of climate change.

Per the Charter, "The Task Force will build a comprehensive resiliency, energy, and sustainability "white paper" or strategic plan. This plan will present specific, measurable, achievable, and timely recommendations for how Los Alamos can achieve or exceed the goals set forward by our governor in the New Mexico Climate Change Executive Order 2019 which complies with the 2015 Paris Agreement.

The Los Alamos Resiliency Energy & Sustainability Task Force approved the interim report on August 6, 2021. The interim report contains six sections of recommendations: General Recommendations, and recommendations in the areas of Community Planning & Zoning, Electricity Supply and Demand, Natural Gas Reduction, Transportation & Mobility, and Waste, Consumption & Natural Resources, all aiming to reduce our carbon footprint and mitigate climate change. The General Recommendations are presented in order of priority and action: Recommendations 2-5 will depend on recommendations zero (0) and one (1) being put into place.

The Task Force seeks to gain Board of Public Utilities feedback on the budget request items for FY23. The final report will be delivered to County Council by February 1, 2022.

Attachments

A - LARES Budget Request Items for FY23

**Budget Request Items for FY23: LARES Task Force to LA County Council
December 14, 2021**

Listed in order of priority:	Funding for a 1.0 FTE Sustainability Coordinator	\$100,000 - \$140,000 (annual/recurring)
	Funding for a comprehensive, consumption-based greenhouse gas emissions study, please see details	\$25,000 - \$100,000 (one-time, this may include a CAP)
	Funding for a Climate Action Plan (CAP)	\$100,000 initial plan development
	Funding for 1.0 - 2.0 FTE Natural Gas staff	\$100,000 - \$250,000 (annual/recurring)
	Funding for 1.0 FTE Education Coordinator	\$100,000 - \$125,000 (annual/recurring)
	Funding for community outreach & education	\$40,000 (annual/recurring)
	<p>Funding for 2 electricity studies</p> <p>-Preferred resource plan S9 (1 year), please see details</p> <p>Market purchase of electricity feasibility study (6 months), please see details</p>	<p>\$75,000 (one-time)</p> <p>\$75,000 (one-time)</p>

	Total Requested	\$615,000 - 905,000
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Another Option

County Council could set aside 0.5 – 1% of annual GRT or general fund to develop the LARES recommendations and implement work. Estimate for next year GRT or general fund is \$65M, so 1% would be \$650,000. These funds would help jump start this program by hiring staff, funding a GHG study and CAP, and more. Work will be funded and prioritized each sequential year based on 0.5% - 1% of GRT or general funding.

This would be similar to how Art in Public Places is funded.

We recognize that this would establish a precedent that would likely open the door to advocates for many other causes asking for a similar "entitlement."



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.G.1

Index (Council Goals): DPU FY2021 - 3.0 Be a Customer Service Oriented Organization that is Communicative, Efficient, and Transparent

Presenters: Cornell Wright, Chair of the Board of Public Utilities

Legislative File: 14957-21

Title

Affirmation of the Incorporated County of Los Alamos Open Meetings Resolution No. 22-01

Recommended Action

I move that the Board of Public Utilities affirm Incorporated County Of Los Alamos Resolution No. 22-01; A Resolution Establishing Minimum Standards of Reasonable Notice to the Public for All Meetings of the Council, the County Indigent Hospital and County Health Care Board and of all County Boards, Commissions and Policymaking Bodies

Staff Recommendation

Staff recommends that the Board of Public Utilities affirm Incorporated County Of Los Alamos Resolution No. 22-01.

Body

At the first County Council meeting of a new calendar year, Council passes an Open Meetings resolution that establishes minimum standards of reasonable notice to the public for all meetings of County boards, commissions, and policy making bodies. After the resolution is passed, the Board of Public Utilities reviews the resolution at the next regularly scheduled meeting and affirms the standards.

Board of Public Utilities Procedures Manual

Section 2.12.c Open Meetings Policy

"Each January the County Council passes and the BPU will affirm a resolution establishing minimum standards of reasonable notice to the public for all meetings of the council, the county indigent hospital and county health care board and of all county boards, commissions, and policy-making bodies.

Alternatives

None

Fiscal and Staff Impact

None

Attachments

A - Resolution No. 22-01

NMSA 1978 §10-15-1, and as provided herein. Appointed County Committees are defined as the Boards, Commissions, Committees, Task Forces, etc., that are created by State Statute, County ordinance, or through formal Council action except County Standing Committees which are comprised of a sub quorum of Council, and include but are not limited to the following:

- Art in Public Places Board
- Board of Adjustment (formerly Variance Board)
- Board of Appeals
- Board of Public Utilities
- Community Development Advisory Board
- DWI Planning Council
- Environmental Sustainability Board
- Health Council
- Historic Preservation Advisory Board
- Labor Management Relations Board
- Library Board
- Lodgers' Tax Advisory Board
- Los Alamos County Health Council
- Parks and Recreation Board
- Personnel Board
- Planning and Zoning Commission
- Racial Equity and Inclusivity Task Force
- Resiliency Energy and Sustainability Task Force
- Tourism Implementation Task Force
- Transportation Board
- Valuation Protests Board

C. All meetings of County Working Groups are not subject to the provisions herein. County Working Groups are defined as groups that consist of less than a quorum of Council or any Appointed County Committee, and include but are not limited to the following:

- Audit Committee
- B&C Workplan Review Committee
- Federal Legislative Committee
- Jail Inspection Team
- Land Use Committee
- Agenda Development
- Non-County Boards/Committees which include Councilor Participation
- Regional & State Committee
- Rules Committee
- Utility Policy Committee

II. Regular Meetings.

A. Council Meetings.

All meetings of the Council, including its meetings as the County Indigent Hospital and County Health Care Board, shall be held on the dates specified in the schedule attached to this Resolution as Schedule "A" unless notice is otherwise provided seventy-two (72) hours in advance of the meeting date. An agenda for all regular meetings of the Council shall be available at least seventy-two (72) hours prior to the meeting from personnel in the Office of the County

Manager. All agendas shall be posted on the County's web site provided the web site is operational during the period seventy-two (72) hours prior to the meeting.

B. Appointed County Committee Meetings.

Notice of regular meetings of all Appointed County Committees shall be given no less than ten (10) days in advance of the meeting date. The notice may include an agenda for the meeting or indicate how a copy of the agenda may be obtained. An agenda shall be available at least seventy-two (72) hours prior to the meeting. All meetings of each Appointed County Committee shall be held at the time and at the place indicated in the meeting notice. Each Appointed County Committee may adopt a schedule of its regular meetings for the present calendar year or the balance thereof. Such schedule shall contain the date, time, and place of each regular meeting. For purposes of Paragraph V of this Resolution, notice of all regular meetings contained in such schedule is met if a copy of the schedule is posted and provided to the media as provided for in Paragraph V of this Resolution; provided, however, that Appointed County Committee must still post and provide to the media a copy of the agenda prior to each regularly scheduled meeting as required under this Resolution. All agendas shall be posted on the County's web site provided the web site is operational during the period seventy-two (72) hours prior to the meeting.

III. Special meetings.

Special Meetings may be called by the Chair or a majority of the members of the Council, including its meetings as the County Indigent Hospital and County Health Care Board, or respective Appointed County Committee upon seventy-two (72) hours' notice. The notice shall include an agenda for the meeting or information to indicate how a copy of the agenda may be obtained. An agenda for the meeting shall be available to the public and posted on the County's web site at least seventy-two (72) hours before any special meeting, provided the web site is operational during the period seventy-two (72) hours prior to the meeting.

IV. Emergency meetings.

Emergency Meetings may only be called under unforeseen circumstances which demand immediate action to protect the health, safety and property of citizens or to protect the public body from substantial financial loss. The Council, including its meetings as the County Indigent Hospital and County Health Care Board, and all Appointed Council Committees shall avoid emergency meetings whenever possible. Emergency meetings may be called by the Chair or a majority of the members of the Council or respective Appointed Council Committee upon twenty-four (24) hours' notice, unless threat of personal injury or property damage requires less notice. The notice for all emergency meetings shall include an agenda for the meeting or information on how the public may obtain a copy of the agenda, which shall be posted on the County's web site as soon as is practicable after the agenda is created, provided the web site is operational during the period prior to the meeting.

V. Notice Requirements.

A. For the purposes of regular meetings described in Paragraph II of this Resolution, notice requirements are met if notice of the date, time, and place is posted in a conspicuous place in the vicinity of the front door of the Municipal Building located at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior of the building, as well as being posted on the County's web site provided the web site is operational. Copies of the notice shall be provided to

those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

B. For the purposes of special meetings described in Paragraph III of this Resolution, notice requirements are met if notice of the date, time, place and agenda is posted in a conspicuous place in the vicinity of the front door of the Municipal Building at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior, as well as being posted on the County's web site provided the web site is operational. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

C. For the purposes of emergency meetings described in Paragraph IV of this Resolution, notice requirements are met if notice of the date, time, place and agenda is posted in a conspicuous place in the vicinity of the front door of the Municipal Building at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior and posted on the County's web site as soon as is practicable provided the web site is operational. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

D. In addition to the information specified above, all notices shall include the following language:

"If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing of the meeting, please contact the County Human Resources Department at 662-8040 at least one (1) week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the personnel in the Office of the County Manager at 663-1750, if a summary or other type of accessible format is needed."

VI. Closure of Public Meetings.

The Council, including when meeting as the County Indigent Hospital and County Health Care Board, and all Appointed Council Committees may close a meeting to the public only if authorized by the Open Meetings Act [Section 10-15-1H NMSA 1978]:

A. If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the Council, including when meeting as the County Indigent Hospital and County Health Care Board, or respective Appointed Council Committee, as applicable, taken during the open meeting. The authority for the closure and the subjects to be discussed shall be stated with reasonable specificity in the motion for closure and the vote on closure of each individual member shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in the closed meeting.

B. If the decision to hold a closed meeting is made when the Council, including when meeting as the County Indigent Hospital and County Health Care Board, an Appointed Council Committee is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed with reasonable specificity is given to the members and to the general public.

C. Following completion of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state whether the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.

D. Except as provided in the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by a vote of the Council, including when meeting as the County Indigent Hospital and County Health Care Board, or respective Appointed Council Committee, in an open public meeting [Section 10-15-1H NMSA 1978].

VII. Remote Attendance.

Any member may participate by means of a conference telephone, video communication, or similar communications equipment when it is difficult or impossible for a member to attend a meeting in person, provided that each member participating by other means can be identified when speaking, all participants are able to hear each other at the same time and members of the public meeting attending the meeting are able to hear any member of the public body who speaks during the meeting.

VIII. COVID-19

This resolution is adopted during a declared public health emergency due to the spread of the Novel Coronavirus Disease 2019 ("Covid-19"). During this public health emergency, the conduct of public meetings shall comport with any and all public health orders issued by the New Mexico Department of Health and comply with all guidance documents including advisory opinions issued by the Open Government Division of the Office of the Attorney General for the State of New Mexico. To the degree that this resolution conflicts with these public health orders or the advisory opinions of the Attorney General, the provisions of the public health orders and the advisory opinions of the Attorney General shall control.

PASSED AND ADOPTED this 4th day of January 2022.

COUNCIL OF THE INCORPORATED COUNTY OF LOS ALAMOS

Randall T. Ryti

**Randall T. Ryti,
Council Chair**

ATTEST:

Naomi D. Maestas

**Naomi D. Maestas,
Los Alamos County Clerk**



SCHEDULE "A"



LOS ALAMOS

2022 Los Alamos County Council Calendar

Regular meetings will be held in Council Chambers in the Municipal Building at 1000 Central Avenue or at Fire Station 3, 129 State Road 4 in White Rock. Tuesday meetings start at 6:00 PM. Work Sessions are held at Fire Station No. 3, 129 State Road 4 in White Rock. Special meetings are scheduled as needed.

NMC Legislative Conf.
1/19-23
Santa Fe

Martin Luther King Jr. Day

2022 State Legislative Session
1/18 - Opening Day
2/17 - Session Ends

NMML Municipal Day
2/4/22—Santa Fe

Presidents' Day

Washington, DC CONFERENCES

NACO legislative Conference
2/12-2/16
Washington D.C.

NLC Congressional City Conference
3/7 - 3/10
Virtual.

LAPS Spring Break
3/28 - 4/1

NACO Western Region Conf. (WIR)
5/18—5/20
Anchorage, AK

Memorial Day

NMC Annual Conference
6/13—6/17
Bernillo, County

Primary Election

NACO Annual Conf.
7/21—7/24
Adams County, CO

4th of July Holiday/

January 2023						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NMML—Annual Conf.
9/—9/ Albuquerque

ECA Cleanup Workshop.
9/13—9/15
Washington, DC

Labor Day / LA

- Council Regular Meeting
- Council Work Session
- Holidays
- Budget Hearings
- Strategic Planning
- B&C Luncheons
- Elections

General Election /Veteran's Day

Thanksgiving and day after

LA

NLC City Summit
11/16—11/19
Kansas City, MO

LA

LA

Christmas Day/ Christmas Day Holiday

January						
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LA

LA

LA

LA

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LA

WR

LA

LA

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LA

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LA

LA

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LA

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WR

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LA

LA

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LA

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WR

LA

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WR

LA

LA

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WR

WR

WR

November						
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LA

LA

LA

LA

December						
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29	30	31				

LA

LA



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.G.2
Index (Council Goals): DPU FY2021 - N/A
Presenters: Cornell Wright, Chair of the Board of Public Utilities
Legislative File: 14959-21

Title

Election of Board of Public Utilities Chair and Vice-chair for 2022

Recommended Action

The board should elect a Chair and Vice-chair using the method agreed upon at the January 19, 2022 meeting.

Staff Recommendation

Staff recommends that a Chair and Vice-chair of the Board of Public Utilities be elected for 2021 in accordance with LAC Ordinance Sec. 40-41.

Body

The Board of Public Utilities shall annually elect its chair and such officers as it desires from among its members. The election shall occur at a regular meeting in January of each year. (LAC Ordinance Sec. 40-41. Board of public utilities - Organization.)

Procedure to be Agreed Upon by General Consensus for the January 2022 Elections:

First use the following steps to elect a new Chair, and then repeat the process for the Vice-chair. After the Vice-chair is elected, the previous Chair continues to conduct the meeting. The outgoing Chair will continue to Chair the remainder of the January meeting through its conclusion, with the incoming Chair assuming Chair responsibilities immediately following conclusion of the January meeting.

1. The current Chair says "nominations are now in order for the office of Chair of the Board of Public Utilities"
2. Any member, including the chair, can nominate one person. After each nomination, the current Chair states that "[NAME] is nominated by Member [NAME]. Are there any further nominations?"
3. When it appears that there are no further nominations, the current Chair will ask once more for any final nominations. If there is no further response, the Chair will then declare the nomination closed.
4. Have a roll call vote for the Chair position.
5. If no one receives a majority of the votes and more than two nominations received votes, drop the nomination that received the fewest number of votes and the nominations that receive no votes and go back to step 4.
6. If there are only two nominations and the vote is a tie, try a second roll call vote. If that also

results in a tie, the current Chair chooses between the two nominees.

7. If the person elected declines the position, go back to step 1 with the provision that said elected person may not be nominated again.

Alternatives

None - The Board is required by Ordinance to elect a chair and vice-chair annually in January.

Fiscal and Staff Impact

None

Attachments

None



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.G.3.
Index (Council Goals): DPU FY2021 - N/A
Presenters: Cornell Wright, Chair of the Board of Public Utilities
Legislative File: 14949-21

Title

Approval of Meeting Agenda Outline for 2022

Recommended Action

I move that the Board of Public Utilities approve the meeting agenda outline for 2022 as presented.

Staff Recommendation

None

Body

Section 3.3 of the Board of Public Utilities Procedures Manual outlines an annual calendar of BPU activities. Annually at the January meeting, the Board is to review and approve the standard meeting agenda outline in section 3.4.

MEETING AGENDA OUTLINE FOR 2022

- 1. Call to Order**
- 2. Public Comment (on consent agenda items and items not otherwise listed on the agenda)**
- 3. Approval of Agenda**
- 4. Board Business**
 - a. Chair's report
 - b. Board Member Reports
 - c. Utilities Manager's Report
 - d. County Manager's Report
 - e. Council Liaison's Report
 - f. Environmental Sustainability Board Liaison's Report
 - g. General Board Business
 - h. Approval of Board Expenses
 - i. Preview of Upcoming Agenda Items
 - i.1. Tickler File for the Next 3 Months
- 5. Public Hearings (Any BPU action will be in the Public Hearings section of the agenda.)**
- 6. Consent Agenda**
 - a. Approval of Minutes
- 7. Business**

8. Status Report

8a. Monthly Status Reports for: Electric Distribution Reliability, Accounts Receivable, Risk & Safety

8b. Other Status Reports or Presentations

9. Public Comment (on any item)**10. Adjournment****Alternatives**

The Board could choose to modify the template.

Fiscal and Staff Impact

None

Attachments

None



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.G.4.
Index (Council Goals): DPU FY2021 - N/A
Presenters: Cornell Wright, Chair of the Board of Public Utilities
Legislative File: 14961-21

Title

Appointment of Board Member to Audit Committee for 2022

Recommended Action

None

Staff Recommendation

Staff recommends that the Board of Public Utilities appoint a member to serve on the County Audit Committee for 2022.

Body

The BPU should appoint a member to the Audit Committee.

Alternatives

The Board could choose not to appoint a member for this committee at this time.

Fiscal and Staff Impact

None

Attachments

None



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.G.5.
Index (Council Goals): DPU FY2021 - N/A
Presenters: Cornell Wright, Chair of the Board of Public Utilities
Legislative File: 15344-22

Title

Approval of Board of Public Utilities Annual Self-evaluation for 2021

Recommended Action

I move that the Board of Public Utilities approve the 2021 Self-evaluation as presented.

Staff Recommendation

None

Body

On December 15, 2021, the Board conducted its annual self-evaluation. Using a questionnaire, the Board members scored and commented on different areas of performance. Chair Wright compiled the scores, comments and action items for Board review final approval at this meeting.

Alternatives

The Board could make changes to the evaluation or choose to delay approval.

Fiscal and Staff Impact

None

Attachments

A - 2021 Self-evaluation

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

In accordance with Section 3.9 of the BPU's Procedures Manual, during November and December, the BPU will perform an annual self-evaluation of its own performance.

Criteria: Enter a number from 1 to 5 next to each question and make comments as appropriate:

5 = all the time

3 = some of the time

1 = seldom or not at all

QUESTION	SCORE	COMMENTS/ POSSIBLE ACTION
I. GENERAL BOARD AREAS		
A. Is there a Board policy manual addressing meeting procedures, committee roles and structure, election and term of officers, new member orientation, and related matters?	5 5 5 2 5 [4.4]	<ul style="list-style-type: none"> Should we add a discussion of this to an agenda? Feel like we are scripted, how to add to agenda? Perhaps update policies doc for process to add to agenda.
B. Do all Board members participate in a formal orientation?	5 4 5 4 5 [4.6]	<ul style="list-style-type: none"> The BPU Policy Manual is a good starting point.
C. Are Board procedures adhered to regarding bylaws, open meeting requirements, compliance with legal regulations, etc.?	5 5 5 5 5 [5.0]	<ul style="list-style-type: none"> We go above and beyond
D. Are meeting packets complete and distributed prior to meetings?	5 5 5 5 5 [5.0]	<ul style="list-style-type: none"> The DPU seems to be slipping in this area since delays in packet production are becoming more frequent.
E. Is the length of Board meetings appropriate?	4 4 5 4 4 [4.2]	<ul style="list-style-type: none"> Are questions on consent items desirable? Can ask deputies questions. BPU is often reluctant to add extra meetings when they are required.
F. Is there an annual Board calendar?	5 5 5 5 5 [5.0]	

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

QUESTION	SCORE	COMMENTS/ POSSIBLE ACTION
G. Does the Board receive sufficient information to make good decisions?	4 4 3 4 4 [3.8]	<ul style="list-style-type: none"> A large volume of data Usually yes. But options or implications are not always explained in Staff reports.
H. Are decisions made in a timely manner?	4 4 3 5 4 [4.0]	<ul style="list-style-type: none"> Perhaps the Uniper contract will eventually reveal the wisdom of the SMNR effort rather than uncut it.

QUESTION	SCORE	COMMENTS/ POSSIBLE ACTION
II. BOARD POLICY AREAS		
A. Accountability		
1. Does the Board understand its obligation to see the organization acts in the best interests of DPU customer and citizens of the county?	5 5 5 4 5 [4.8]	<ul style="list-style-type: none"> Board certainly understands their obligation. Believes every member wants to be on the board
2. Does the Board act with diligence and objectivity on behalf of DPU customers and the County?	5 5 5 5 5 [5.0]	
B. Responsibility		
1. Do Board members understand their roles?	5 4 5 3 4 [4.2]	<ul style="list-style-type: none"> Don't feel I've had much impact on policy. I do not shape policy. A board member makes a motion to add an item to the tickler. Refer to Boards & Commissions Handbook and the BPU Procedures manual. Who is then responsible for presenting the agenda item? Generally, we try to approve budgets on time; occasionally we might influence policy.

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

2. Do Board members understand the difference between their policy role and management's administrative role?	4 4 3 4 4 [3.8]	
3. Do Board members actions reflect this understanding?	5 4 3 4 4 [4.0]	
C. Policy Direction		
1. Do Board members understand the mission, goals, and strategies of the organization?	5 4 5 4 5 [4.6]	<ul style="list-style-type: none"> It's crystal-clear; as lieutenants our task is to implement established mission, goals, and policies in a cost- effective manner. The difficulty and conflict come in trying to actually influence alternatives.
2. Does the Board give clear directions to management on the mission and goals of the organization?	4 3 5 3 4 [3.8]	<ul style="list-style-type: none"> Sometimes it can be difficult to set clarity in goals. There is a fair bit of focus in setting goals. Example: risk separating from LANL. Risk discussion never took place. Who is deciding? Free and open discussions are not held Future agenda item -- Discuss lab participation risk, open market risk This is our most difficult task.
3. Does the Board spend appropriate time on policy consideration and direction versus operational issues?	4 4 5 3 4 [4.0]	<ul style="list-style-type: none"> Largely yes, but they do get into operational issues. Harder to distinguish between operational and policy issues since there is no business as usual. Things are constantly changing. Maybe need to adjust approach

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

QUESTION	SCORE	COMMENTS/ POSSIBLE ACTION
D. Monitoring		
1. Does the Board have a system for receiving and monitoring information about the DPU's organizational performance?	4 4 5 4 5 [4.4]	<ul style="list-style-type: none"> We've got a pretty good system -- quarterly reports for utility systems and the Electric reliability rept. Board must decide what to do with the data. Quarterly reports, monthly status reports (especially electric distribution reliability). Can we develop similar reliability reports for Water, Gas, & Sewer Systems?
2. Are there systems for modifying policy, procedures, processes, and priorities when DPU organizational performance does not meet standards?	4 3 3 3 5 [3.6]	<ul style="list-style-type: none"> This comes back to the point of "how does the board initiate action as opposed to approving action?" Not clear. Perhaps more BPU brainstorming on what policy to initiate. For example, would tabulating individual sewer back-up problems reflect reliability issues? Perhaps metrics for water pipeline/sewer breaks, gas delivery issues, or billing problems should be tabulated and reported
3. Are organizational goal setting and achievements considered during the DPU Manager's evaluation?	5 5 3 5 5 [4.6]	<ul style="list-style-type: none"> The public has no idea. The BPU should have one public facing statement on this issue. Even as simple as "We rated him as excellent." We need to spend time on process considerations before the next Utility Manager evaluation. Apparently, there is an APPA manual for this, but I have not seen it. Should it be part of BPU Policy Manual? Currently, no portion of the Utilities Manager's performance goals or evaluation is available to the public. If this question is important enough to include in the board's public self-evaluation, then the board should consider whether the public should know more about the UM performance evaluation.

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

E. Other Communication and Advocacy		
1. Does the Board represent the community interests it serves?	4 3 3 5 5 [4.0]	<ul style="list-style-type: none"> We try to but limited contact with customers especially since the onset of COVID. A lot of these boards and commissions are filled with individuals with certain views and there is not always a good cross section of the public. Not a lot of volunteers, so the citizens get the government that they deserve. Stromberg – there are small community action groups but there may be a silent majority that the BPU never hears from. Difficult to say; progressives are well represented but conservatives seem too reluctant to come forward.
2. Does the Board communicate the value of the organization to its stakeholders?	3 3 3 2 4 [3.0]	<ul style="list-style-type: none"> Difficulty understanding the meaning of this question Should BPU/DPU even be involved in community outreach and re-education efforts?
3. Does the Board seek input and involve its stakeholders in policy considerations and decisions?	3 5 5 4 4 [4.2]	<ul style="list-style-type: none"> Input from the dept. and some from the survey. But lacking outreach and public involvement. Tobin – ask for public comment but awkward because BPU does not respond to it during the meeting. At a recent CC meeting after public comment, no dialogue but Chair Ryti he responded or directed the question to staff to answer. We try as demonstrated by frequent customer surveys and other feedback mechanisms.
4. Do Board members support the organization publicly?	5 5 3 5 3 [4.2]	
5. Does the Board communicate effectively with the County Council?	5 5 5 4 4 [4.6]	<ul style="list-style-type: none"> Mostly on Chair's shoulders. Council liaison has been open The joint BPU-CC Subcommittee has helped us focus on important issues of mutual interest.

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

QUESTION	SCORE	COMMENTS/ POSSIBLE ACTION
III. BOARD RESPONSIBILITY AREAS		
A. Legal		
1. Does the Board act within the guidelines set by the county charter and policies and procedures document?	5 5 5 5 5 [5]	
2. Are there written policies on Board ethics and conflicts of interest?	5 5 5 5 5 [5]	
B. Financial		
1. Does the Board approve annual operating and capital budgets and receive periodic (at least quarterly) progress reports?	5 5 5 5 5 [5]	<ul style="list-style-type: none"> The quarterly Report has budget information We need to do a better job of reviewing that document Suggest a budget quarterly report similar to the one for utility systems. Or show how the budget ties into those systems. The process has really improved over the years.
2. Does the Board review a financial plan for the organization and receive sufficient information to monitor its financial strength and performance?	5 5 5 4 5 [4.8]	<ul style="list-style-type: none"> Feedback from staff does pertain to this question.
3. Are financial goals and comparative ratios established and does the Board receive tracking information?	5 5 5 3 5 [4.6]	
4. Are the requirements for an annual audit met and does the Board receive a report on the results?	4 5 5 4 5 [4.6]	<ul style="list-style-type: none"> One member of the board is on the audit committee. Audit final report includes findings and that is published. Need to assign board member participation and report out on audit committee

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

5. Are the organizations and the Board indemnified sufficiently against insurable risk?	5 5 5 5 5 [5]	
QUESTION	SCORE	COMMENTS/ POSSIBLE ACTION
6. Is the Board proactive in pushing for rate increases with the County Council when these increases are necessary for the financial health of the DPU?	5 5 5 5 5 [5]	<ul style="list-style-type: none"> Supported by DPU 10-yr & 20-yr projections for infrastructure replacement needs versus revenue projections. This continues to be a major improvement tool to communicate needs to County Council and residents.
C. Planning		
1. Is the Board informed about the business environment in which the organization is operating?	4 5 5 3 4 [4.2]	<ul style="list-style-type: none"> Yes, in general The frequency of IRP studies may have to be increased from every 5-yrs to every 2-3 years.
2. Does the Board review and approve the organization's mission, goals, and major strategic initiatives?	5 5 5 5 5 [5]	
3. Do Board members usually attend annual DPU strategy and planning meetings?	5 5 5 4 5 [4.8]	<ul style="list-style-type: none"> Other planning meetings go on without board member participating. The annual strategic planning meeting achieves this. Will have a new facilitator that may suggest a different approach. Dislikes the question. Planning takes place throughout the year.
D. Board/Management Relations		
1. Is there a written job description and/or employment contract for the DPU Manager?	5 5 5 5 5 [5]	
2. Does the Board conduct a formal, annual performance review of the DPU Manager?	5 5 5 5 4 [4.8]	

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

3. Is the DPU Manager's compensation linked to the results of this review?	5 5 3 5 1 [3.8]	<ul style="list-style-type: none"> County Council takes it into account See comments from II.D.3
4. Does the Board make resources available for the DPU Manager's continued professional development?	5 5 5 5 5 [5]	
5. Is there a succession plan for the DPU Manager, with exposure to the Board of possible successors?	3 5 5 5 4 [4.4]	<ul style="list-style-type: none"> Board has consistent exposure to deputy utility managers (possible successors) but no formal written succession plan.
QUESTION	SCORE	COMMENTS/ POSSIBLE ACTION
6. Has the Board established an effective working relationship with the DPU Manager?	5 5 5 5 5 [5]	<ul style="list-style-type: none"> Yes, no notable contention, Philo is responsive to requests.
7. Is there Board/management cooperation on determining the future direction of the organization?	5 5 5 3 5 [4.6]	<ul style="list-style-type: none"> Earlier comments on agenda setting related to this question
8. Are Board/DPU Manager roles clearly defined so the Board focuses on its policy role and avoids micro-management?	5 5 5 5 4 [4.8]	<ul style="list-style-type: none"> We don't get involved in the details. But boundaries of the policy role are not always clear. Important to be informed of operations without directing the operations.
9. Does the Board provide overall staffing direction to the DPU Manager without becoming involved in specific personnel matters?	5 5 5 5 5 [5]	
10. Is the Board explicit about the information it needs from the DPU Manager to fulfill its governance function?	5 4 5 3 4 [4.2]	<ul style="list-style-type: none"> Not sure it is explicit. Request additional information but some is implicit It takes time for BPU members to understand what we should request.

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

F. Education and Development		
1. Do Board members participate in educational opportunities recommended and offered by the DPU or other entities that enhance their effectiveness as a board member?	4 5 5 2 4 [4.0]	<ul style="list-style-type: none"> Participated in several in the last year Certainly, given several opportunities. Independent education/research but nothing offered by the dept.

QUESTION		COMMENTS/ POSSIBLE ACTION
OPEN-ENDED		
What did the BPU accomplish during the past year?		<ol style="list-style-type: none"> Progress towards carbon neutral goal Review of NuScale fuel design (Reyes talk) Better budget predictability through extension of profit transfer return Putting power purchase agreements into place to reduce near-term market exposure. Slowly but surely the WR wastewater plant is a few steps closer to being built.
What did the BPU fail to accomplish during the past year?		<ol style="list-style-type: none"> Improved visibility of customer service effectiveness Improved visibility of UM succession plan Restoration of our original 8MW CFPP subscription BPU did not pursue any new activities related to most environmental sustainability goals; however, the new IRP and the LARES report in early 2022 should present opportunities to renew efforts and discussion.

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

QUESTION		COMMENTS/ POSSIBLE ACTION
What did the BPU do well during the past year?		<ol style="list-style-type: none"> 1. Improved timeliness of annual actions 2. Collegial, supportive environment 3. Better practiced at remote meetings 4. 10 Year rate increase projections based on hard data about costs 5. The UM performance process ran more smoothly this year.
What did the BPU do poorly during the past year?		<ol style="list-style-type: none"> 1. Customer engagement 2. Communications between the BPU and the public 3. Communicating with the public about the UM performance process.
What were the key issues of the past year? Did the BPU address them adequately?"		<ol style="list-style-type: none"> 1. CFPP engagement, yes 2. WRWWTP contract, yes 3. Replacing 25 MW of San Juan generation. Resolved in short run with Uniper 25 MW PPA. 4. Adapting to rapidly changing gas and electric market conditions. BPU has thus far supported staff in taking intermediate measures to adequately manage risk and is pursuing a new IRP to inform longer-term planning.

Public Comments

I appreciate the board's discussion on community involvement and whether it represents the community. I agree that obtaining meaningful involvement and feedback is difficult. I believe that the pandemic has highlighted that community members tend to trust boards to operate in a manner that represents them, until a controversial subject arises. For further thoughts on that subject, reach out to our local school board:)

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

Personally, asking whether I support a carbon neutral goal misses the mark. I suspect all support clean energy, but if you introduce the cost and reliability factors for the community's consideration, you get a significant shift in opinions, particularly in our community. For more on that topic, reference many of our recent county projects that would increase taxes/bond that were rejected by voters. Thank you all for your service to the county!!

Staff Comments

James Alarid, Deputy Utility Manager - Engineering Division

Observation – I want to commend Chair Wright for his leadership and the board for their effective work. I believe the County Council has a lot of confidence in the BPU and it makes our work in gaining council approvals much easier.

Question: What did the BPU do well during this past year.

We have a number of complex technical evaluations, new electric generation investments, LANL contract renewal and related policy business items moving forward. The decision to hold a special meeting to discuss the Integrated Resource Plan (IRP) was a good decision. This is a good an example of providing a venue with enough time to discuss a complex issue. These types of business items will continue, and it would be good for the BPU to reflect on lessons learned from this meeting and consider approaching future complex business items in this manner.

Question B. Financial, 2. Does the Board Review a Financial Plan for the organization and received sufficient information to monitor its financial strength and performance.

In my almost 20 years with DPU we operated without a formal financial plan up until approximately 6-7 years ago. The existing financial plan was prepared fast in the spirit of “good utility practice”. The last 5- years have presented the most financial volatility such as gas supply/cost events, electric supply/cost events, a pandemic with huge cost/supply chain impacts and flooding from previous fires.

Chair Wright has recently questioned how firm is the line on the graphs reflecting the financial plan target. I am of the thinking that during these unprecedented financial uncertain times operating the below the target is not irresponsible. Board member Tobin has also stated in policy discussions that the BPU needs to set “bold and impactful policy”. So here are my thoughts on how this can be done and benefit each one of our customers.

BOARD OF PUBLIC UTILITIES SELF-EVALUATION CALENDAR YEAR 2021

Approved [Date]

- 1) I believe we can create a financial plan that can leverage the **emergency repair component** of the reserves from all four utilities. We maintain reserves for emergency replacements in each of the funds.
 - a) The emergency reserves in all six funds all are about \$1 million each.
 - (a) The risk of having more than one emergency in the same year is low. I believe there could be a reserve fund that is half (or less) of the current plan's requirement for emergency repairs which could be applied to all funds.
- 2) FACT: We are the richest County in the state with 10's of millions in the bank.
 - a) The general county and the DPU operate in the spirit as one entity, to meet our customers' needs in all aspects of our operation except finances.
 - b) I see no reason why a line of credit or emergency loan procedure could be created where the idle money in the bank could be accessed by the DPU in the event of an emergency.
 - c) We have Council/DPU policy committee in place which is the perfect format to engage in this conversation.
 - d) We are municipal owned utility with options that have not been exercised.

Cost/supply uncertainty are the worst I have seen in my 20 years here. Revisiting our financial plan would be prudent at this time. There are alternatives to raising rates to our customers. In addition to the two suggested options above, a third-party review of our existing financial policy, baselining actual utility practices, and considering the probability and risk of emergency occurrences would likely justify lowering our current reserve requirements.

Heather Garcia, Deputy Utility Manager - Finance & Administration

I suggest reinstituting the Rate Stabilization Reserve fund for Gas or review of the cap limit for the variable rate for gas. The event in February that caused the variable rate to reach its cap/limit, this caused a ripple effect in the gas rate calculations. A rate stabilization fund could allow DPU to set rates without enacting the cap while recovering funds over a period from revenues and alleviating some of the ripple effects experienced. A rate stabilization fund would warrant an increase to the fixed gas rate as reserve targets would increase for the Gas fund. A cap limit increase could also achieve a speedy recovery of funds but has a greater overall impact to customers.



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:

Index (Council Goals): DPU FY2021 - N/A

Presenters: Board of Public Utilities

Legislative File: 14964-21

Title

Tickler File for the Next Three Months

Attachments

A - BPU Tickler February - April 2022



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

BPU Tickler

February - April 2022

File Number

Title

Agenda Date: 02/16/2022

15346-22	Briefing/Report (Dept, BCC) - No action requested Chromium Plume Presentation (Need name/title/organization of presenter) Department Name: DPU Drop Dead Date:	04 General Board Business Length of Presentation: Sponsors: Philo Shelton
15422-22	Briefing/Report (Dept, BCC) - No action requested Presentation by Mr. Leonard regarding energy storage. [Enter Title Here] Department Name: DPU Drop Dead Date:	04 General Board Business Length of Presentation: Sponsors: Steve Tobin
AGR0801-21	General Services Agreement Approval of Services Agreement No. AGR___-___ with [vendor] in the amount of \$[amount], plus Applicable Gross Receipts Tax, for the Purpose of Installation and Maintenance of Electric Vehicle Charging Stations Department Name: DPU Drop Dead Date:	06 Consent Length of Presentation: Sponsors: Steve Cummins and Engineering Associate Ben Olbrich
AGR0817-21	General Services Agreement Approval of Services Agreement No. AGR 22-25 with [vendor] in the amount of \$[amount], plus Applicable Gross Receipts Tax, for the Purpose of Sewer Lift Station and WWTP Pump System Operation, Maintenance, Troubleshooting and Repair. Department Name: DPU Drop Dead Date:	06 Consent Length of Presentation: Sponsors: Jack Richardson
AGR0818-21	General Services Agreement Approval of Services Agreement No. AGR 22-26 with [vendor] in the amount of \$[amount], plus Applicable Gross Receipts Tax, for the Purpose of Water Systems Well and Booster Station Operation, Maintenance, Troubleshooting and Repair. Department Name: DPU Drop Dead Date:	06 Consent Length of Presentation: Sponsors: Jack Richardson
15342-22	Briefing/Report (Dept,BCC) - Action Requested Award of Task Order No. 5 for the Purpose of the Installation of two (2) DC Fast Chargers, one (1) each at the Municipal Building and White Rock Visitor Center parking lots, with Allied 360 in the Amount of \$67,578.00, plus Applicable Gross Receipts Tax, and Budget Revision 2022-41 in the Amount of \$137,135.68.	06 Consent

File Number	Title	
	Department Name: DPU Drop Dead Date:	Length of Presentation: Sponsors: Steve Cummins and Engineering Associate Ben Olbrich
15343-22	Briefing/Report (Dept,BCC) - Action Requested Award of Purchase Order No. _____ for the Purpose of purchasing two (2) DC Fast Chargers and shipping from ChargePoint, in the Amount of \$79,770.00, plus Applicable Gross Receipts Tax. Department Name: DPU Drop Dead Date:	06 Consent Length of Presentation: Sponsors: Steve Cummins and Engineering Associate Ben Olbrich
15351-22	Status Report Department of Public Utilities Quarterly Report - FY22/Q2 Department Name: DPU Drop Dead Date:	08 Status Reports Length of Presentation: Sponsors: Philo Shelton and Catherine D'Anna
15419-22	Status Report Department of Public Utilities Annual Report - Fiscal Year 2021 Compiled by Public Relations Manager Department Name: DPU Drop Dead Date:	08 Status Reports Length of Presentation: Sponsors: Philo Shelton and Catherine D'Anna
14963-21	Briefing/Report (Dept,BCC) - Action Requested Schedule and Selection of Members to Attend Boards & Commissions Luncheons for 2022 Department Name: DPU Drop Dead Date:	4.G. General Board Business Length of Presentation: Sponsors: Cornell Wright
15207-21	Calendar Tickler File for the Next Three Months Department Name: DPU Drop Dead Date:	4.I. Preview Length of Presentation: Sponsors: Board of Public Utilities
15211-21	Minutes Approval of Board of Public Utilities Meeting Minutes Department Name: DPU Drop Dead Date:	6.A. Minutes Length of Presentation: Sponsors: Board of Public Utilities
15213-21	Budget Item Department of Public Utilities FY2023 Budget Presentation Department Name: DPU Drop Dead Date:	7.A. Business Length of Presentation: Sponsors: Deputy Utilities Manager - Finance Heather Garcia
15209-21	Status Report Monthly Status Reports Department Name: DPU Drop Dead Date:	8.A. Monthly Status Reports Length of Presentation: Sponsors: Philo Shelton

File Number	Title
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Agenda Date: 03/16/2022

14161-21	Construction Contract Approval for Construction Contract for Gas Border Station Metering, SCADA and Overpressure Protection Project Department Name: DPU Drop Dead Date:	06 Consent Length of Presentation: Sponsors: James Alarid
AGR0822-21	General Services Agreement Approval of Services Agreement No. AGR____ with [vendor] in the amount of \$[amount], plus Applicable Gross Receipts Tax, for the Purpose of Water Systems Tank Design, Inspection and O&M Services Department Name: DPU Drop Dead Date:	07 Business Length of Presentation: Sponsors: Jack Richardson
15218-21	Presentation Open Meetings Act Review Department Name: DPU Drop Dead Date:	4. Board Business Length of Presentation: Sponsors: Philo Shelton and County Attorney
15208-21	Calendar Tickler File for the Next Three Months Department Name: DPU Drop Dead Date:	4.I. Preview Length of Presentation: Sponsors: Board of Public Utilities
15214-21	Budget Item Approval of the calculation of Profit Transfer from Electric and Gas Funds for Operations during Fiscal Year 2021. Department Name: DPU Drop Dead Date:	6. Consent Length of Presentation: Sponsors: Deputy Utilities Manager - Finance Heather Garcia
15212-21	Minutes Approval of Board of Public Utilities Meeting Minutes Department Name: DPU Drop Dead Date:	6.A. Minutes Length of Presentation: Sponsors: Board of Public Utilities
15215-21	Budget Item Approval of Department of Public Utilities FY2023 Budget Department Name: DPU Drop Dead Date:	7. Business Length of Presentation: Sponsors: Deputy Utilities Manager - Finance Heather Garcia
15217-21	Briefing/Report (Dept,BCC) - Action Requested Options for Funds from the LA Green Program Department Name: DPU Drop Dead Date:	7. Business Length of Presentation: Sponsors: Philo Shelton and Steve Tobin
15219-21	Status Report	8. Status Reports

File Number	Title	
	Quarterly Conservation Program Update (at March, June, September, and December BPU Meetings.)	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: James Alarid
15210-21	Status Report	8.A. Monthly Status Reports
	Monthly Status Reports	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Philo Shelton
Agenda Date: 04/20/2022		
15272-21	Briefing/Report (Dept, BCC) - No action requested	08 Status Report
	Quarterly Update on Utility System - Wastewater System	
	Department Name: DPU	Length of Presentation: ~ 30 min.
	Drop Dead Date:	Sponsors: Jack Richardson, Deputy Utilities Manager - GWS Services
15354-22	Status Report	08 Status Reports
	Status Reports	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Philo Shelton
15352-22	Briefing/Report (Dept, BCC) - No action requested	4.D. County Manager's Report
	Briefing from County Manager on the County Strategic Objectives	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Steven Lynne
15355-22	Calendar	4.I. Preview of Agenda
	Tickler File for the Next 3 Months	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Board of Public Utilities
15353-22	Minutes	6.A. Minutes
	Approval of Board of Public Utilities Meeting Minutes	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Board of Public Utilities



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	5.A.
Index (Council Goals):	DPU FY2021 - 2.0 Achieve and Maintain Excellence in Financial Performance
Presenters:	Philo Shelton, Utilities Manager and Deputy Utilities Manager - Finance Heather Garcia, Deputy Utilities Manager - Finance
Legislative File:	CO0624-21-b

Title

Incorporated County of Los Alamos Code Ordinance No. 02-325; An Ordinance Amending Chapter 40, Article III, Sections 40-201 and 40-202 of the Code of the Incorporated County of Los Alamos Pertaining to the Sewage Service Rate Schedule and Determination of Charges

Recommended Action

I move that the Board of Public Utilities approve Incorporated County of Los Alamos Code Ordinance No. 02-325; An Ordinance Amending Chapter 40, Article III, Sections 40-201 and 40-202 of the Code of the Incorporated County of Los Alamos Pertaining to the Sewage Service Rate Schedule and Determination of Charges, and forward to Council for adoption.

Staff Recommendation

Staff recommends approval of the motion as presented.

Body

In 2016 with anticipation of needing to replace the White Rock Wastewater Treatment Plant, several alternative long-term rate scenarios were prepared by staff and presented for Board consideration. After discussion, scenarios were selected that represented the most reasonable balance between increased rates and necessary system expenditures and have been the foundation upon which the ten-year budgetary projections have been based. This approach helps consumers adjust to increasing costs over time but provides adequate funding for planned initiatives in each year. The rate trajectory was considered in the long-range proposals discussed in 2016 and has been reviewed and adjusted each year since. There have been some opportunities taken advantage of, such as the refinancing of existing debt for the Los Alamos Treatment Facility and the one-time transfer of excess funds from the gas utility to the sewer utility. The long-range projections have been adjusted as appropriate to account for these actions, and to reflect actual operational experience since first implemented. The prior ten-year forecast for the sewer utility presented with the FY2022 budget did not include rate increases for years FY2023 through FY2031. However, in October 2021, DPU received two bids for Bid No. IFB 22-27 for the purpose of the White Rock Water Resource Reclamation Facility (WRRF) Construction Project, that well exceeded the engineer's estimate and budget authority for the project, which necessitated increasing the loan principal from \$17 million to \$30 million. BPU needs to consider a multi-year rate increase to cover the additional repayment of principal and interest on the 30-year loan. The anticipated increase in principal and interest payments is approximately \$611,000 annually over the term of the 30-year loan.

In the graph attached we show those adjusted long-range plans and highlight the rate trajectories included in DPU budgets, and the resulting cash position in relation to adopted cash targets. Four years at 2% per year projected rate increases are included in the proposed rate ordinance to maintain sufficient revenues to cover the anticipated principal and interest loan repayments. In future years, the graph shows a slightly higher rate trajectory at 2.5% per year that may be necessary. At completion of the WRRF in the next two years, DPU can seek to refinance the current loan if lower loan rates are available. Should lower loan repayments be available through refinancing, the rate increase trajectory should be revisited at that time.

The advantages to implementing the multi-year proposal are numerous. It allows our customers to plan and budget for future anticipated utilities costs in increments, rather than experience the “rate shock” of unanticipated rate increases on a more frequent basis. Forecasted revenues are also set in a multi-year plan, providing the utility with a known budget for the planned period. This can act as a catalyst for creative solutions for cost saving measures and stability with capital improvement plans. Enacting a multi-year ordinance in no way limits the Board from later proposing another ordinance to change rates, either up or down, during that four-year period if operational experience necessitates such action. Should it become apparent that the rates proposed are either not achieving the revenue requirements of the systems, or are exceeding them, there is no reason why they could not be adjusted in the interim. This multi-year proposal simply provides for seamless and timely implementation of the rate projections should future results tie within reasonable variation to budget projections.

Included with the staff report, Exhibit C, are the rate comparisons with neighboring and similar communities, costs as a percentage of median household income, and long-term utilities costs projections normally presented with proposed rate adjustments. These continue to demonstrate that even with the challenges of our complicated system and topography, consumer costs for sewer services remain competitive and reasonable for our community.

The proposed rates should hold cash flow to an acceptable level in the sewer systems and provide adequate funding for financing the White Rock Water Resource Reclamation Facility, necessary repairs and replacements, continuing operations, and provide for movement toward our long-term cash reserve goals, provided that projected increases to capital and material costs stabilize. In the sewer utility, through the specific actions mentioned previously, projections are that we will maintain target cash reserves, while covering increased costs. With the previously implemented rate increases presented in FY2020, it is anticipated that incremental rate adjustments will continue to account for inflation for the foreseeable future.

Alternatives

As noted above, rate increases are going to be needed to fund necessary operations and replacement of facilities through rates. Other scenarios could be considered with more significant rate increases being implemented to fund more rapid system upgrades, or funding sources other than rates could be considered. If no action is taken, we would have to continue to curtail maintenance and replacements and system reliability will suffer. Additionally, if progress is not made to bring the wastewater plant into compliance with the EPA discharge permit limits, there is a potential to incur fines from EPA.

Fiscal and Staff Impact

The budgeted increases are expected to generate additional revenues of \$131,508; \$263,439;

\$398,702; and \$536,244 in FY23, 24, 25, and 26 respectively.

Attachments

A - Code Ordinance 02-325 - Sewer Rates

B - Wastewater Fund - Revenue Expense Cash Balance Graph

C - Projected Bills and Rate Comparisons

INCORPORATED COUNTY OF LOS ALAMOS CODE ORDINANCE 02-325

**AN ORDINANCE AMENDING CHAPTER 40, ARTICLE III, SECTIONS 40-201
AND 40-202 OF THE CODE OF THE INCORPORATED COUNTY OF
LOS ALAMOS PERTAINING TO THE SEWAGE SERVICE RATE SCHEDULE
AND DETERMINATION OF CHARGES**

WHEREAS, the Incorporated County of Los Alamos, New Mexico ("County") operates a Department of Public Utilities to provide utility services to its citizens; and

WHEREAS, County utilizes a Board of Public Utilities ("BPU") to oversee the Department of Public Utilities; and

WHEREAS, among the responsibilities of the BPU is ensuring that the proper utilization of existing operating funds, capital and personnel resources in order to maintain an acceptable level of service; and

WHEREAS, the BPU is also charged with identifying and planning any needed expansion and extensions of the existing utility system; and

WHEREAS, the BPU must further ensure the effective and harmonious operation of the Utilities Department using County resources; and

WHEREAS, it is the further duty of the BPU to prepare a plan for routine operations, capital expansion of the systems and replacement activities; and

WHEREAS, while engaging in this planning activity, the BPU has recognized routine operating cost increases resulting from inflationary pressures that must be covered through revenues in order to maintain appropriate levels of service to the citizens of the County; and

WHEREAS, while engaging in this planning activity, the BPU has also come to realize that County must engage in capital upgrades to the sanitary sewer system in order to maintain appropriate levels of service to the citizens of the County; and

WHEREAS, construction bids for the replacement of the White Rock Water Resource Reclamation Facility (WRRF) exceeded prior estimates and increases to debt service must be covered through revenues in order to maintain appropriate levels of service to the citizens of the County and meet discharge permit requirements.

**NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE
INCORPORATED COUNTY OF LOS ALAMOS, as follows:**

Section 1. Section 40-201 of the Los Alamos County Code of Ordinances is amended to read as follows:

Sec. 40-201. - Sewage service rate schedules.

(a) Residential rate service schedule 6-A is applicable only for normal domestic sewer service for individual residences, dwelling units and apartments, where each unit is individually metered for water.

(b) Residential rate service schedule 6-G is applicable only for normal domestic sewer service for multi-family dwelling units, apartments, and subdivisions or residential complexes where each unit is not individually metered by the county for water.

(c) Commercial rate service schedule 6-K is applicable to all nonresidential sewer services.

(d) Customer charges. Each sewage customer account shall be billed a customer charge of ~~\$11.76~~ \$12.35 per ~~billing cycle~~ month per account for billings processed through September 30, 2020; ~~\$12.11 per month per account for billings processed after September 30, 2020; and \$12.35 per month per account for billings processed after September 30, 2021.~~ September 30, 2022; \$12.60 per month per account for billings processed after September 30, 2022; \$12.85 per month per account for billings processed after September 30, 2023; \$13.11 per month per account for billings processed after September 30, 2024; and \$13.37 per month per account for billings processed after September 30, 2025.

(e) Fixed charges.

(1) To each customer billed under rate service schedule 6-A, ~~\$42.56~~ \$44.72 per month per dwelling unit for billings processed through September 30, 2020; ~~\$43.84 per month per dwelling unit for billings processed after September 30, 2020; and \$44.72 per month per dwelling unit for billings processed after September 30, 2021.~~ September 30, 2022; \$45.61 per month per dwelling unit for billings processed after September 30, 2022; \$46.52 per month per dwelling unit for billings processed after September 30, 2023; \$47.45 per month per dwelling unit for billings processed after September 30, 2024; and \$48.40 per month per dwelling unit for billings processed after September 30, 2025.

(2) To each customer billed under rate service schedule 6-G ~~\$35.46~~ \$37.25 per month per dwelling unit for billings processed through September 30, 2020; ~~\$36.52 per month per dwelling unit for billings processed after September 30, 2020; and \$37.25 per month per dwelling unit for billings processed after September 30, 2021.~~ September 30, 2022; \$38.00 per month per dwelling unit for billings processed after September 30, 2022; \$38.76 per month per dwelling unit for billings processed after September 30, 2023; \$39.54 per month per dwelling unit for billings processed after September 30, 2024; and \$40.33 per month per dwelling unit for billings processed after September 30, 2025.

(3) To each customer billed under rate service schedule 6-K:

Water Meter Size	Service Charge Per Month
Under 2 inch	Reserved
2 inch	Reserved
3 inch	Reserved
4 inch	Reserved
6 inch	Reserved

(f) Variable rate. The variable rate shall be applicable to customers billed under rate service schedule 6-K. The variable rate shall be ~~\$20.03~~ \$21.04 per 1,000 gallons of potable water for billings processed through September 30, 2020; ~~\$20.63 per 1,000 gallons for billings processed after September 30, 2020; and \$21.04 per 1,000 gallons for billings processed after September 30, 2021.~~ September 30, 2022; \$21.46 per 1,000 gallons for billings processed after September 30, 2022; \$21.89 per 1,000 gallons for billings processed after September 30, 2023; \$22.33 per

1,000 gallons for billings processed after September 30, 2024; and \$22.78 per 1,000 gallons for billings processed after September 30, 2025.

Section 2. Section 40-202 of the Los Alamos County Code of Ordinances is amended to read as follows:

Sec. 40-202. - Determination of charges.

(a) Residential customers (6-A and 6-G) will be billed for sewer service the customer charge pursuant to section 40-201 (d) plus the fixed charge applicable pursuant to section 40-201 (e). ~~plus, if applicable, charges under section 40-203. For calculation of charges under section 40-203 the volume measurement for residential customers will be 1,000 gallons multiplied by the number of occupants of the residence.~~

(b) Commercial customers (6-K) will be billed for sewer service the customer charge applicable pursuant to section 40-201 (d) plus the variable charge applicable pursuant to section 40-201 (f) if applicable, charges under section 40-203, plus an amount equal to the variable rate multiplied by the customer's adjusted winter average or monthly average usage of potable water, as metered during the previous winter measuring period or other measuring period as determined appropriate by the department of public utilities based on seasonal or other nontraditional water usage pattern. The minimum ~~variable~~ amount shall be 2,000 gallons. Plus, if applicable, charges under section 40-203.

~~(c) Reserved.~~

(dc) The winter measuring period is defined as the three consecutive billing periods beginning with the first billing period with a billing date in the month of December. The monthly average usage of potable water metered during the winter measuring period shall apply for a 12-month period beginning on the first day of the billing cycle that falls in the month of April of the year in which the winter measuring period ends.

(ed) In the event the customer's water usage was initiated after the commencement of the previous winter measuring period, the monthly average usage of potable water shall be deemed to be equal to the average monthly usage of potable water for other comparable customers within the same class in the county.

Section 3. Effective Date. This ordinance shall become effective upon adoption with the amended rates being applied at the next billing following the effective date of the ordinance.

Section 4. Severability. Should any section, paragraph, clause or provision of this ordinance, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 5. Repealer. All ordinances or resolutions, or parts thereof, inconsistent herewith are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, heretofore repealed.

ADOPTED this ____ day of _____, 2022.

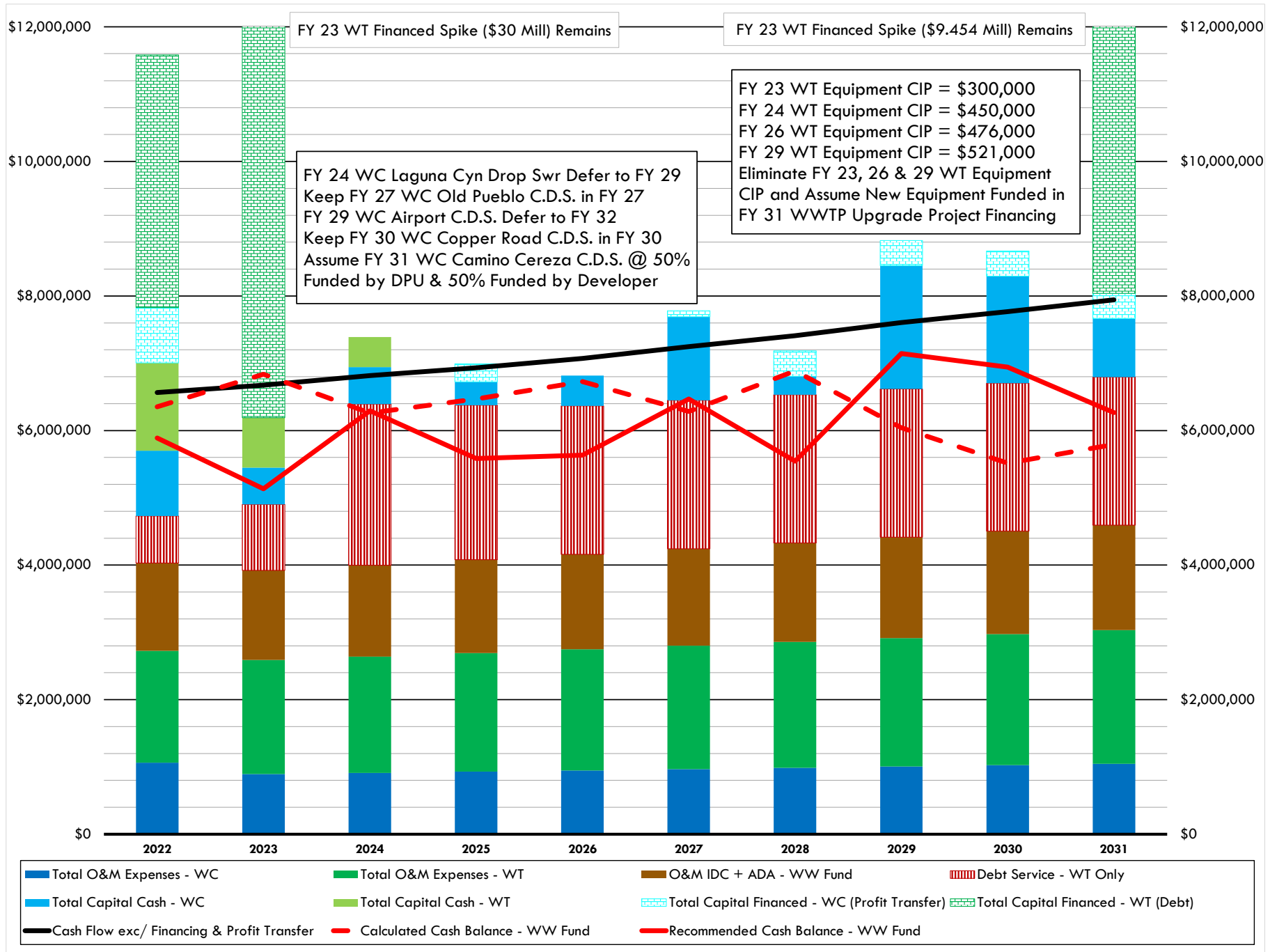
**COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS**

_____,
Council Chair

ATTEST: (SEAL)

**Naomi D. Maestas
Los Alamos County Clerk**

DRAFT 5 CIP X 1.5 ADJUST CIP and O&M and POST FY26 RATES - 10-YEAR FORECAST - WASTEWATER FUND (WC+WT) - REVENUE / EXPENSE / CASH BALANCE



Los Alamos County Department of Public Utilities
Proposed Wastewater Rate Increase
December 2021

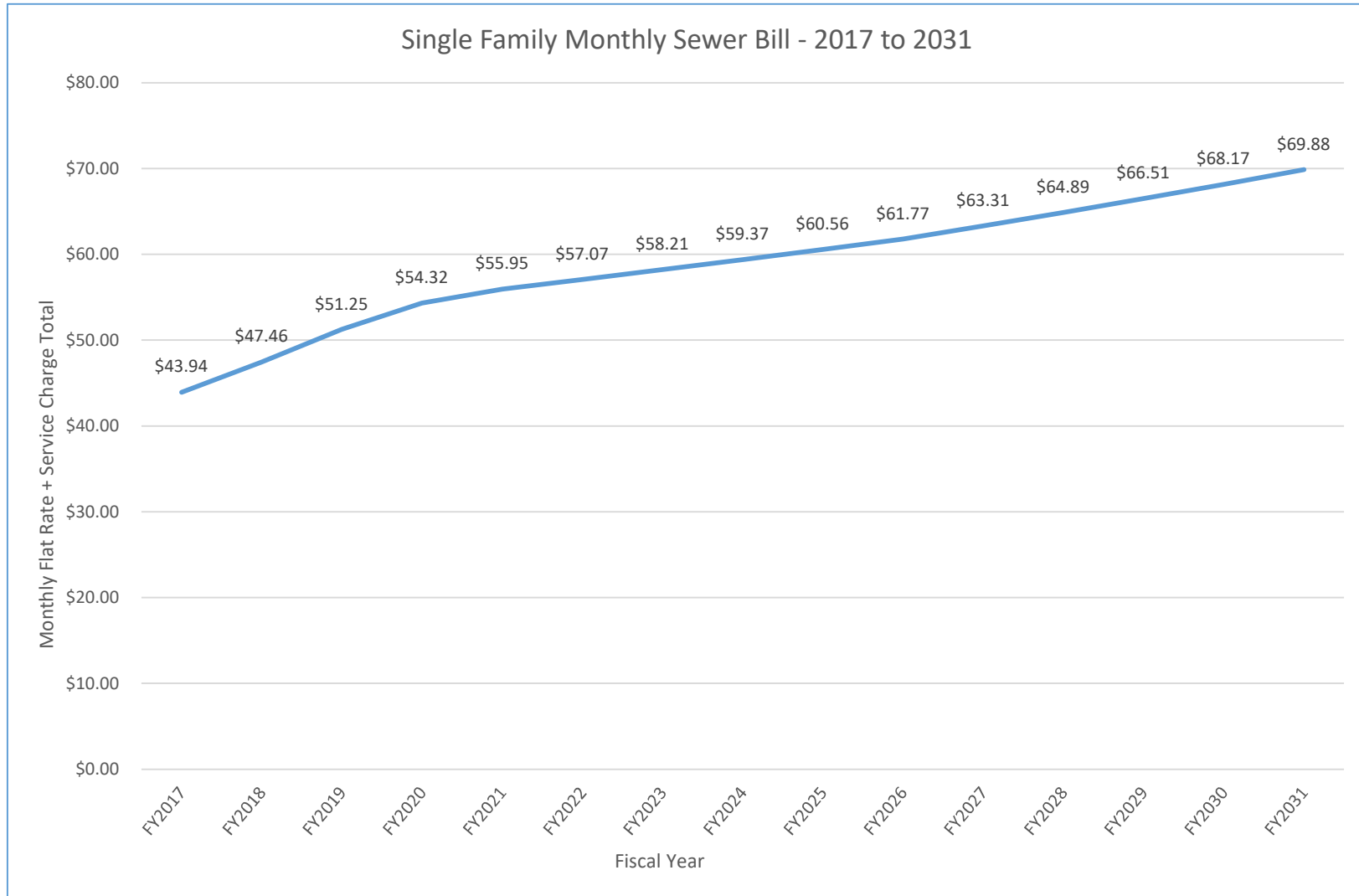
Projected Average Sewer Bill for Residential Customers - FY 2022 through FY 2031

	Monthly Sewer	Rate Increase Percentage	Additional Annual Cost Over Previous Year	Los Alamos Median Household Income *	Assumed Annual Income Increase	Percentage of Income Needed to Pay Sewer Bill		New Mexico Median Household Income **	Assumed Annual Income Increase	Percentage of Income Needed to Pay Sewer Bill
FY2022	\$57.07	2.00%	\$13.44	\$130,653	2.5%	0.52%		\$51,945	0.0%	1.32%
FY2023	\$58.21	2.00%	\$13.68	\$133,919	2.5%	0.52%		\$51,945	0.0%	1.34%
FY2024	\$59.37	2.00%	\$13.92	\$137,267	2.5%	0.52%		\$51,945	0.0%	1.37%
FY2025	\$60.56	2.00%	\$14.28	\$140,699	2.5%	0.52%		\$51,945	0.0%	1.40%
FY2026	\$61.77	2.00%	\$14.52	\$144,216	2.5%	0.51%		\$51,945	0.0%	1.43%
FY2027	\$63.31	2.50%	\$18.48	\$147,822	2.5%	0.51%		\$51,945	0.0%	1.46%
FY2028	\$64.89	2.50%	\$18.96	\$151,517	2.5%	0.51%		\$51,945	0.0%	1.50%
FY2029	\$66.51	2.50%	\$19.44	\$155,305	2.5%	0.51%		\$51,945	0.0%	1.54%
FY2030	\$68.17	2.50%	\$19.92	\$159,188	2.5%	0.51%		\$51,945	0.0%	1.57%
FY2031	\$69.88	2.50%	\$20.52	\$163,167	2.5%	0.51%		\$51,945	0.0%	1.61%

* 2019 data point from <https://www.census.gov/quickfacts/fact/table/losalamoscountynewmexico,US/PST045219>

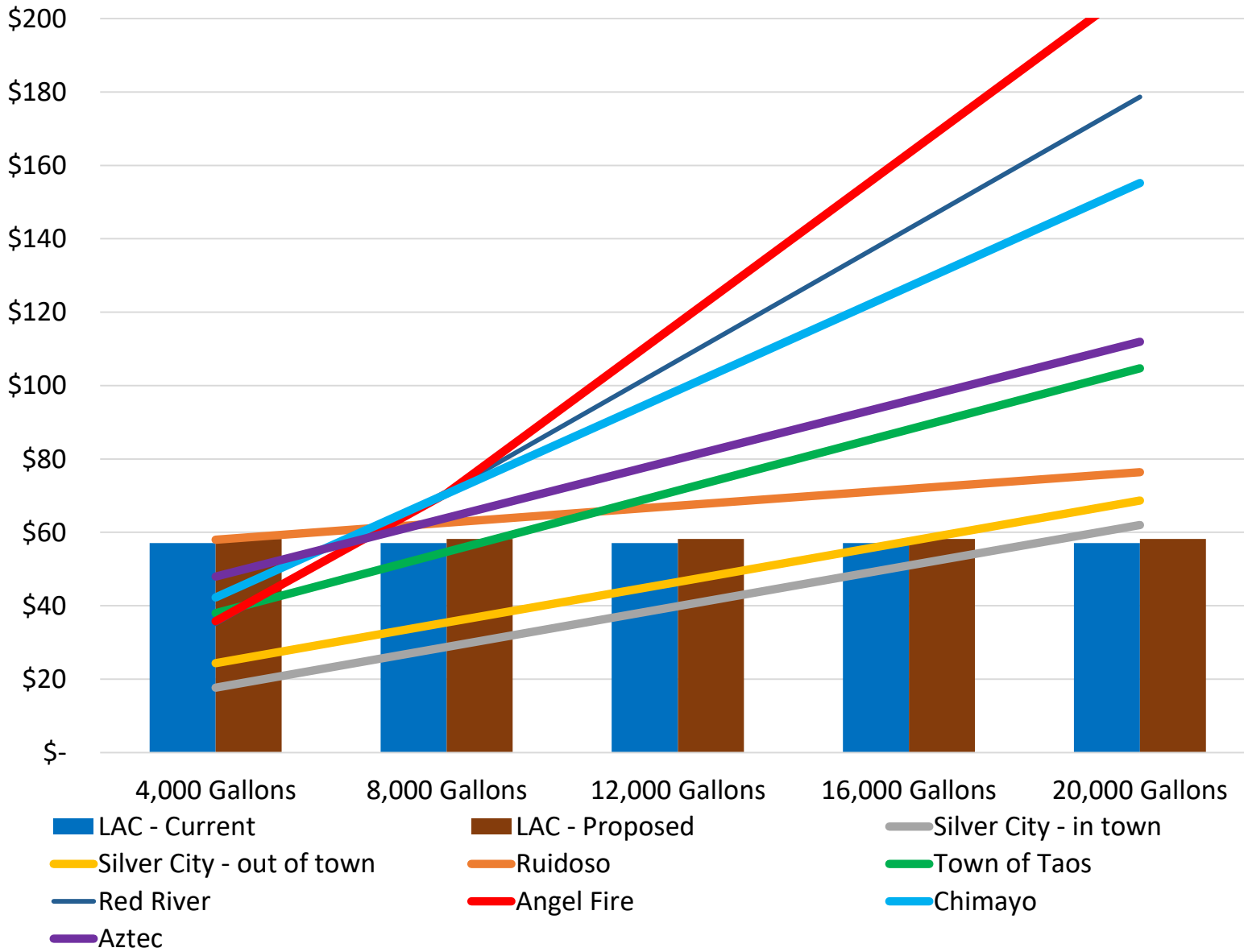
** <https://www.deptofnumbers.com/income/new-mexico/>

Los Alamos County Department of Public Utilities
Proposed Wastewater Rate Increase
December 2021



Los Alamos County Department of Public Utilities
Proposed Wastewater Rate Increase
December 2021

NM Mountainous Communities Residential Sewer Rate Comparison



RESIDENTIAL SEWER RATES: LOS ALAMOS VS. COMPARABLE COMMUNITIES

Monthly Usage	LAC - Current	LAC - Proposed	Silver City - in town	Silver City - out of town	Ruidoso	Town of Taos	Red River	Angel Fire	Chimayo	Aztec
4,000 Gallons	57.07	58.21	17.71	24.34	58.04	38.02	35.14	35.84	42.26	47.95
6,000 Gallons	57.07	58.21	23.25	29.88	60.34	46.36	53.08	35.84	56.38	55.95
8,000 Gallons	57.07	58.21	28.79	35.42	62.64	54.70	71.02	70.61	70.50	63.95
12,000 Gallons	57.07	58.21	39.87	46.50	67.24	71.38	106.90	116.97	98.74	79.95
14,000 Gallons	57.07	58.21	45.41	52.04	69.54	79.72	124.84	140.15	112.86	87.95
16,000 Gallons	57.07	58.21	50.95	57.58	71.84	88.06	142.78	163.33	126.98	95.95
20,000 Gallons	57.07	58.21	62.03	68.66	76.44	104.74	178.66	209.69	155.22	111.95
30,000 Gallons	57.07	58.21	89.73	96.36	87.94	146.44	268.36	325.59	225.82	151.95



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.A.
Index (Council Goals): DPU FY2021 - N/A
Presenters: Board of Public Utilities
Legislative File: 14966-21

Title

Approval of Board of Public Utilities Meeting Minutes

Recommended Action

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

Body

REQUESTED REVISIONS TO THE DRAFT MINUTES

Draft minutes are sent to members after each meeting for their review. Members may then send changes to be incorporated prior to final approval of the minutes at the next regular meeting.

Board Member Wright requested: Reword Item 4.I, 3 as "Board discussion of solar and/or storage options for LA County and possible department study of such options. Discussion to be led by board member Tobin. Date 1/19/22."

Attachments

- A - Draft BPU Regular Meeting Minutes - 12/15/2021
- B - Utilities Manager Report - 12/15/2021



LOS ALAMOS

County of Los Alamos
DRAFT Minutes
Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

*Cornell Wright, Chair; Stephen McLin, Vice-chair;
Eric Stromberg, Steve Tobin and Carrie Walker Members
Philo Shelton, Ex Officio Member
Steven Lynne, Ex Officio Member
James Robinson, Council Liaison*

Wednesday, December 15, 2021

5:30 PM

Remote Meeting:
<https://us06web.zoom.us/j/88972169808>

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 15, 2021 via Zoom video conferencing platform. Board Chair Cornell Wright called the meeting to order at 5:30 p.m. BPU members, staff and the public participated remotely. 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 notified of the ability to live-stream the meeting online and submit public comment during the meeting. The following board members were in attendance:

Present 7 - Chair Wright, Vice Chair McLin, Board Member Stromberg, Board Member Tobin, Board Member Walker, Board Member Shelton and Board Member Lynne

2. PUBLIC COMMENT

Chair Wright 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

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

Yes: 5 - Members McLin, Stromberg, Tobin, Walker, and Wright

4. BOARD BUSINESS

4.A. Chair's Report

Chair Wright reported on the following items:

- 1). Commended DPU staff for their work on multiple outages earlier in the day. He asked Mr. Shelton to present "lessons learned" to the board at a future meeting.
- 2). Interested in creating a board subcommittee to discuss engaging UAMPS in the CFPP. He invited Member Tobin to serve on the subcommittee and Mr. Tobin accepted.

4.B. Board Member Reports

There were none.

4.C. Utilities Manager's Report

Mr. Shelton also commended department staff for their work on the multiple outages. He also thanked Ms. Garcia and Ms. D'Anna for their assistance in managing the situation since he was still on travel. Especially considering they have both been in their new positions for less than two weeks.

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 also thanked DPU staff for their work on the multiple power outages that occurred throughout the day. He also reported on the following items:

- 1). Congratulated Ms. Garcia on her promotion to Deputy Utility Manager - Finance & Administration.
- 2). Mentioned that County Council received several recommendations from the Environmental Sustainability Task Force that will be reviewed during the budget process. Stated that he will work Mr. Shelton on items that may affect DPU.
- 3). He recently returned from Washington, D.C. where he and Council Chair Rytli attended the National Cleanup Workshop. He shared that many DOE comments were pro-new nuclear energy.
- 4). LARES presented to Council (same presentation as BPU).

4.E. Council Liaison's Report

Councilor Robinson reported on the following items:

- 1). LARES Budget Options - will ask for DPU & BPU input.
- 2). Council approved of the ESB recommendation to ban glyphosphates on County land.
- 3). Council accepted the Tyler RFP for the customer service module.
- 4). The extension request from Marriot Corp. did not pass. Current construction deadlines remain in effect.
- 5). Council will elect a new Chair and Vice Chair in January 2022.
- 6). Expressed his appreciation to the BPU and DPU. He enjoyed serving as the Council liaison. The new Council Chair may decide to reassign B&C liaisons.

4.F. Environmental Sustainability Board Liaison's Report

Mr. Shelton introduced Ms. Jessie Emerson who will be serving as the Environmental Sustainability Board liaison to the BPU. Ms. Emerson reported on the following items:

- 1). Stated that she sincerely appreciates the work of DPU crews on outages. Mentioned that her father was a utility lineman and she understands the complexity and danger.
- 2). ESB was successful in the glyphosphate ban as Councilor Robinson mentioned.
- 3). Allison Benson of Bee City presented to the ESB. The first step in becoming a Bee City is removing dangerous pesticides like glyphosphates.
- 4). LARES presented to the ESB
- 5). She attended the National Zero Waste Conference via Zoom.

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

4.G. General Board Business

4.G.1. [14951-21](#) Approval of Board of Public Utilities Meeting Calendar for 2022

Chair Wright asked board members to review the proposed 2022 meeting calendar. He then opened the floor for discussion. Board members discussed and agreed on the dates presented.

Member Walker moved that the Board of Public Utilities approve the proposed Board meeting calendar for 2022 as presented. The motion passed by the following vote:

Yes: 5 - Members McLin, Stromberg, Tobin, Walker, and Wright

4.G.2. [14797-21](#) 2021 Board of Public Utilities Annual Self-evaluation

Chair Wright asked board members to review the 2021 Self-evaluation questions. He then opened the floor for discussion. Board members discussed each item and their consolidated responses are included in the attached draft self-evaluation.

No action was taken on this item.

4.H. Approval of Board Expenses

There were no board expenses.

4.I. Preview of Upcoming Agenda Items

[14746-21](#) Tickler File for the Next Three Months

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). NMED Presentation - January 19, 2022
- 2). Update on 12/15/21 Power Outages Lessons Learned - Date TBD by Mr. Shelton
- 3). Board discussion of solar and/or storage options for LA County and possible department study of such options (led by Board Member Tobin) - January 19, 2022

5. PUBLIC HEARING(S)

- 5.A. [CO0624-21-a](#)** Introduction of Incorporated County of Los Alamos Code Ordinance No. 02-325; An Ordinance Amending Chapter 40, Article III, Sections 40-201 and 40-202 of the Code of the Incorporated County of Los Alamos Pertaining to the Sewage Service Rate Schedule and Determination of Charges

Philo Shelton, Utilities Manager introduced Incorporated County of Los Alamos Code Ordinance No. 02-325; An Ordinance Amending Chapter 40, Article III, Sections 40-201 and 40-202 of the Code of the Incorporated County of Los Alamos Pertaining to the Sewage Service Rate Schedule and Determination of Charges

In 2016 with anticipation of needing to replace the White Rock Wastewater Treatment Plant, several alternative long-term rate scenarios were prepared by staff and presented or Board consideration. After discussion, scenarios were selected that represented the most reasonable balance between increased rates and necessary system expenditures and have been the foundation upon which the ten-year budgetary projections have been based. This approach helps consumers adjust to increasing costs over time but provides adequate funding for planned initiatives in each year. The rate trajectory was considered in the long-range proposals discussed in 2016 and has been reviewed and adjusted each year since. There have been some opportunities taken advantage of, such as the refinancing of existing debt for the Los Alamos Treatment Facility and the one-time transfer of excess funds from the gas utility to the sewer utility. The long-range projections have been adjusted as appropriate to account for these actions, and to reflect actual operational experience since first implemented. The prior ten-year forecast for the sewer utility presented with the FY2022 budget did not include rate increases for years FY2023 through FY2031. However, in October 2021, DPU received two bids for Bid No. IFB 22-27 for the purpose of the White Rock Water Resource Reclamation Facility (WRRF) Construction Project, that well exceeded the engineer's estimate and budget authority for the project, which necessitated increasing the loan principal from \$17 million to \$30 million. BPU needs to consider a multi-year rate increase to cover the additional repayment of principal and interest on the 30-year loan. The anticipated increase in principal and interest payments is approximately \$611,000 annually over the term of the 30-year loan.

In the graph attached we show those adjusted long-range plans and highlight the rate trajectories included in DPU budgets, and the resulting cash position in relation to adopted cash targets. Four years at 2% per year projected rate increases are included in the proposed rate ordinance to maintain sufficient revenues to cover the anticipated principal and interest loan repayments. In future years, the graph shows a slightly higher rate trajectory at 2.5% per year that may be necessary. At completion of the WRRF in the next two years, DPU can seek to refinance the current loan if lower loan rates are available. Should lower loan repayments be available through refinancing, the rate increase trajectory should be revisited at that time.

The advantages to implementing the multi-year proposal are numerous. It allows our customers to plan and budget for future anticipated utilities costs in increments, rather than experience the "rate shock" of unanticipated rate increases on a more frequent basis. Forecasted revenues are also set in a multi-year plan, providing the utility with a known budget for the planned period. This can act as a catalyst for creative solutions for cost saving measures and stability with capital improvement plans. Enacting a multi-year

ordinance in no way limits the Board from later proposing another ordinance to change rates, either up or down, during that four-year period if operational experience necessitates such action. Should it become apparent that the rates proposed are either not achieving the revenue requirements of the systems, or are exceeding them, there is no reason why they could not be adjusted in the interim. This multi-year proposal simply provides for seamless and timely implementation of the rate projections should future results tie within reasonable variation to budget projections.

Included with the staff report, Exhibit C, are the rate comparisons with neighboring and similar communities, costs as a percentage of median household income, and long-term utilities costs projections normally presented with proposed rate adjustments. These continue to demonstrate that even with the challenges of our complicated system and topography, consumer costs for sewer services remain competitive and reasonable for our community.

The proposed rates should hold cash flow to an acceptable level in the sewer systems and provide adequate funding for financing the White Rock Water Resource Reclamation Facility, necessary repairs and replacements, continuing operations, and provide for movement toward our long-term cash reserve goals, provided that projected increases to capital and material costs stabilize. In the sewer utility, through the specific actions mentioned previously, projections are that we will maintain target cash reserves, while covering increased costs. With the previously implemented rate increases presented in FY2020, it is anticipated that incremental rate adjustments will continue to account for inflation for the foreseeable future.

As noted above, rate increases are going to be needed to fund necessary operations and replacement of facilities through rates. Other scenarios could be considered with more significant rate increases being implemented to fund more rapid system upgrades, or funding sources other than rates could be considered. If no action is taken, we would have to continue to curtail maintenance and replacements and system reliability will suffer. Additionally, if progress is not made to bring the wastewater plant into compliance with the EPA discharge permit limits, there is a potential to incur fines from EPA.

The budgeted increases are expected to generate additional revenues of \$131,508; \$263,439; \$398,702; and \$536,244 in FY23, 24, 25, and 26 respectively.

The following attachments were provided in the meeting packet.

A - Code Ordinance 02-325 - Sewer Rates

B - Wastewater Fund - Revenue Expense Cash Balance Graph

C - Projected Bills and Rate Comparisons

The Board discussed this item and requested clarification where necessary.

Chair Wright opened the floor for public comments, however there were none.

The Public Hearing before the BPU is scheduled for January 19, 2022 at 5:30 pm.

Member McLin made a motion to approve No. 02-325 Code Ordinance as presented. Before the vote Ms. Garcia made a procedural point indicating that this meeting was only to introduce the Code Ordinance and no motion was necessary. She reminded the board that the public hearing was already scheduled for January 19, 2022 and the board would take action at that meeting.

Member McLin then made a motion to withdraw his previous motion. Member Stromberg seconded; the motion passed by the following vote:

Yes: 5 - Members McLin, Stromberg, Tobin, Walker, and Wright

6. CONSENT AGENDA

Member Tobin 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 - Members McLin, Stromberg, Tobin, Walker, and Wright

6.A. [14742-21](#) Approval of Board of Public Utilities Meeting Minutes

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

6.B. [15057-21a](#) Approval of Budget Revision 2022-32 to Transfer \$1,128,660.00 of American Rescue Plan Act (ARPA) funds to the Water Production fund for the Barranca Tank No. 2 Repainting Project

I move that the Board of Public Utilities Approve Budget Revision 2022-32 to Transfer \$1,128,660.00 of American Rescue Plan Act (ARPA) funds to the Water Production fund for the Barranca Tank No. 2 Repainting Project, and forward to Council for approval. I further move that Budget Revision 2022-32 be included in the meeting minutes for the record.

6.C. [15058-21](#) Award of IFB No. 22-52 for the Purpose of Bayo Booster Non-Potable Water Storage Tank Construction Project - Phase I with Lone Mountain Contracting, Inc. in the Amount of \$494,791.00, plus Applicable Gross Receipts Tax.

I move that the Board of Public Utilities approve the Award of Bid No. 22-52 for the Purpose of Bayo Booster Non-Potable Water Storage Tank Construction Project - Phase I with Lone Mountain Contracting, Inc., in the Amount of \$494,791.00 and a contingency in the amount of \$98,958.00, for a total of \$593,749.00 plus Applicable Gross Receipts Tax and forward to Council for approval.

- 6.D. [AGR0811-21a](#) Approval of Services Agreement No. AGR 22-36 with Western United Electric Supply in the amount of \$432,587.00 for the Purpose of the El Vado Transformer and Field Services project

I move that the Board of Public Utilities approve Services Agreement No. AGR 22-36 with Western United Electric Supply in the amount of \$432,587.00, and a contingency in the amount of \$40,000.00, for a total of \$472,587.00, plus applicable gross receipts tax, for the purpose of the El Vado Transformer and Field Services project, as drafted and attached, but may be subject to minor modifications, only if the final form is approved by the County Attorney and then forwarded to County Council with a recommendation for approval.

- 6.E. [AGR0813-21](#) Approval of Services Agreement No. AGR 22-35 with Ascentra, Inc., in the amount of \$143,100.00, plus Applicable Gross Receipts Tax, for the Purpose of Developing and Implementing a Functional and Tabletop Exercises of the Los Alamos County's Emergency Action Plan for the Los Alamos Canyon Dam.

I move that the Board of Public Utilities approve Services Agreement No. AGR 22-35 with Ascentra, Inc., in the amount of \$143,100, plus applicable gross receipts tax, for the purpose of Developing and Implementing Functional and Tabletop Exercises of the Los Alamos County's Emergency Action Plan for the Los Alamos Canyon Dam and authorize the County's Utilities Manager to sign the final documents.

7. BUSINESS

- 7.A. [14794-21a](#) Award of Bid No. IFB 22-27 for the Purpose of the White Rock Water Resource Reclamation Facility (WRRF) Construction Project in the Amount of \$25,328,082.17 Including Bid Alternate A Plus Applicable Gross Receipts Tax, and a 9.8% Contingency in the Amount of \$2,427,774.57 for a Total Construction Budget of \$27,800,856.74.

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

In 2004 (17 years ago) the DPU had two aging wastewater treatment plants (WWTPs) that were violating their respective permits. The New Mexico Environment Department (NMED) expressed concern about these aging plants and worked with DPU to develop a long-range plan to improve the situation to where the DPU would reach full compliance with all permit requirements at both WWTP's. The DPU realized that the wastewater fund could not adequately fund, nor could the DPU customers endure the rate increases, necessary to replace both WWTP's at the same time. The Bayo Canyon WWTP was in the worst shape with the worst environmental record and so the DPU selected that WWTP replacement project first and executed a project to replace that WWTP. Initial bids for the Los Alamos (LA) WWTP project were significantly above the engineer's

estimate and the initial bids were rejected and the WWTP was re-designed. The second round of bids came in slightly higher than the original bids and the second bid for a re-designed scaled down WWTP was awarded. The new LA WWTP was constructed and came on-line in 2007.

At the same time the project for replacement of the LA WWTP was moving forward a plan was developed to delay the replacement of the White Rock (WR) WWTP. This plan proposed minimal investment to keep the WR WWTP operating for as long as possible while minimizing permit violations to the greatest practical extent. Investment into the WR WWTP during this interim 10-year period was to be kept to a minimum since the WR WWTP did not need replacing and any investment into the existing WR WWTP would essentially be a "throw away" investment when the WR WWTP was eventually replaced. A 10-year plan was developed with the intent to execute a project to have a new WR WWTP constructed and operating in the year 2017. The existing WR WWTP was designed using 1960's technology that could not be enhanced or converted adequately to meet the increasingly stringent permit requirements being promulgated by NMED. NMED has not increased the permit requirements at the WR WWTP contingent upon the DPU's commitment to planning and working toward funding of the WR WWTP replacement project. In anticipation of the 2017 start of the WR WWTP replacement project the DPU commissioned a Preliminary Engineering Report that compared multiple types of WWTP technologies. The completed Report determined that the current proposed approach was not only the lowest construction cost but the lowest operation and maintenance cost type of plant.

The wastewater fund, in 2017, was not yet in adequate financial shape to completely fund the WR WWTP replacement project; and so, the 10-year plan was extended an additional 6 years. This new 16-year plan did require some "throw away" investment into the WR WWTP just to keep it running. The NMED, during this extension of the original plan, renewed the WR WWTP discharge permit once again without revising the permit requirements again with the knowledge that DPU was continuing to work toward a viable solution to replace the WR WWTP as soon as feasible. Everything was proceeding per the revised plan until two unrelated and extremely impactful events occurred. The COVID pandemic hit and now, two years into the pandemic, construction supply chains have been seriously disrupted and construction labor availability is very limited. Furthermore, severe weather events (hurricanes and flooding) have caused severe manufacturing disruptions and material cost increases for materials directly related to a WWTP project: steel, aluminum, copper, wood, pipe, and pipe appurtenances. Bid costs for all recent DPU capital projects have been coming in at 50 to 100% above original estimates in the past year.

Attempting a re-design to cut costs while still building an operational WWTP is not really feasible because an extensive value engineering effort was completed as the first step in the final design of the new WR WWTP. This value engineering effort centered on keeping the costs for the new WWTP as low as possible. The selection of using Oxidation Ditch technology, from the Preliminary Design Report effort, ensures costs are kept to a minimum. Additional steps developed in the value engineering effort that became a part of the final design were incorporating the existing structures into the current final design, instead of building all new structures, while maintaining the operational capabilities of the existing WWTP during construction of the new plant. Every existing building and major concrete basin of the existing WWTP will be incorporated into the new plant (with modifications and upgrades): some right away and some saved for future re-use as the non-potable system in White Rock is expanded and additional NP water storage is required thereby saving the DPU those future construction costs. Besides designing in the re-use of every building and major basin into the new WWTP, another innovative

approach that the design team undertook was the pre-bidding, evaluation, and selection of all major equipment components. Equipment for the Oxidation Ditch, Secondary Clarifiers, Ultraviolet Disinfection, Tertiary Filtration, Bio-solids De-watering and Digester Mixing Pumps were all pre-selected with guaranteed prices months before the bidding of the new WR WWTP. Some minor time related cost adjustments occurred for this equipment, but they were small, and the design team feels that this process did help control costs for this portion of the project.

Two bids were received on October 11th and only one of these bids was responsive. RMCI, Inc is the responsive bidder with a base bid of \$23,515,133.25 plus \$1,719,544.12 of NMGR for a total base project amount of \$25,234,677.37. There were five additive bid alternates labeled A thru E. Staff recommends approving only bid alternate A in an amount of \$87,040.00 plus \$6,364.80 NMGR for a total construction bid alternate A cost of \$93,404.80. This bid alternate is for asphalt paving of 2,950 SY of internal plant driving areas. Asphalt surfacing of the plant site, in lieu of gravel surfacing, will reduce the maintenance costs required to maintain the plant site and will enable the WWTP staff to keep the plant site looking clean during NMED inspections and reduce dust. Bid alternates B thru E consist of two basic options that can comfortably be deferred into the future: 1) Demolition of equipment in existing WWTP basins with some minor piping modifications that allow for future NP water storage; and 2) Off-site grading to better protect the WWTP site from storm water runoff erosion damage that can be accomplished using in-house forces and equipment. The total recommended base bid, plus bid alternate A project cost is \$23,602,173.25 plus \$1,725,908.92 NMGR for a total bid construction project cost, including NMGR, of \$25,328,082.17. A 9.76% project contingency amount of \$2,472,774.57 is also recommended by staff.

RMCI, Inc. has an extensive history of delivering high-quality construction projects in Los Alamos County. Throughout the bidding phase, RMCI was highly motivated and diligent in analyzing all project details, requiring over thirty points of clarification that all resulted in bid addenda. All bidding requirements were met with a high level of satisfaction to the evaluation committee, and the complex bidding line items were completed with no errors. It is the opinion of staff, with concurrence from the NMED Construction Programs Bureau, that RMCI will perform satisfactorily and deliver a successful project.

Keeping the existing WR WWTP operating for an additional extended period is not feasible because the plant continues to violate the discharge limits required by the NMED permit. The new Draft NPDES permit for the White Rock Plant mandates that the new plant be placed online three years after the permit goes into effect in February of 2022. Also, rebidding the project is not advised since there is a planned increase in state wage rates required for the project.

The WRRF is a replacement wastewater facility and will not require a change in staffing levels. Incorporated County of Los Alamos Ordinance No. 712, increased the loan amount to Thirty Million Dollars (\$30,000,000.00) with New Mexico Environment Department for the NMED Project CWSRF 083 under the same terms and conditions set forth for the original loan agreement.

The Board discussed this item and requested clarification where necessary. Chair Wright opened the floor for public comments - there was none.

Member Walker moved that the Board of Public Utilities approve Award of Bid No. IFB 22-27 to RMCI, Inc., for the Purpose of the White Rock Water Resource Reclamation Facility (WRRF) Construction Project in the Amount of \$25,328,082.17 including bid alternate A plus applicable gross receipts tax, and a contingency in the amount of \$2,427,774.57, for a total construction budget of \$27,800,856.74 and forward to Council for approval. The motion passed by the following vote:

Yes: 5 - Members McLin, Stromberg, Tobin, Walker, and Wright

7.B. [AGR0799-21a](#) Approval of AGR22-928, a Power and Renewable Energy Credit Sales Agreement, between Uniper Global Commodities North America, LLC and the Incorporated County of Los Alamos

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

With the planned closure of the San Juan Generating Station on June 30, 2022, the Operating Committee for the Los Alamos Power Pool (LAPP) voted to replace this power with a short-term Power Purchase Agreement (PPA) to coincide with the expiration of the current Electric Coordination Agreement on June 30, 2025. The County's interest in the San Juan Generating Station represents 36 MW of capacity or approximately 40% of the LAPP annual energy demand. This proposal is for a 25 Megawatt (MW) PPA for the period between October 1, 2022 through June 30, 2025.

One of the most unique and defining attributes of this PPA is it leverages the over build of resources from the previous UNIPER contract and includes them as a firm fixed price resource at \$34.50/MW. In this case the cost of the resources are significantly less than projected Market Pricing. Utilizing the current models, UNIPER and Power Operations believes we can source 28% of the energy for the 2.75-year period with Renewable resources. This equates to roughly 170 Gigawatt hours (GWhs) over the contract period. There is also potential for UNIPER to add additional renewables, however 28% is what we expect based on current information.

The remaining 72% of the PPA is based on forecasted market prices. The forward outlook of \$72.75 on-peak and \$51.00 off-peak. These prices are based on the Paloverde Index and are not adjusted to the Four Corners hub where LAC receives power. Please see attached presentation for Futures outlooks at Paloverde. The Future pricing is the true competition for this PPA. Due to the timing of this PPA Power Operations would have no other choice but to procure this energy on the short-term market. As an added benchmark in FY2021, the price of market purchases was \$62.16, and the blended cost of county resources was \$55.66. Power Operations used \$64.50 for purchases in the FY2022 budget forecast.

History and Background:

Earlier this year, BPU and CC approved a 15 MW PPA with Uniper Global Commodities that consisted of wind, solar and market power for firming. The wind and solar resources were sized to deliver 76% renewable energy on an annual basis. To achieve this level of renewable energy, Uniper oversized both the wind and solar resources for this contract. The contract also gave the County's right of first refusal on all excess renewable generation above the contract requirement of 15 MW, priced at the Paloverde index plus \$0.75 per MWh non-firm.

This contract may appear to come at odd time since the Power Pool is currently undergoing an Integrated Resource Plan (IRP). The IRP is a planning document that is good for decision making up to 3 to 5 years even though the plan forecasts loads and

resources over a 20-year period. The recommended resources (portfolios) in the IRP are long term assets (12 plus years). This PPA energy is needed in 2022 (next year) for a relatively short term of less than 3 years.

Power Operations in conjunction with the Power Pool choose 25MWs as the best fit with the existing owned resources and PPA's. Other Considerations were a 20MW Option and a 30MW Option:

The Pool currently has a reserve margin of -25% that has Power Operations buying energy on the open market throughout the year. The original intent of this PPA was to keep the Power Pool whole considering the retirement of SJGS, the addition of the Uniper 15MW Wind and Solar PPA, and LANL CT operations. While there is forecasted load growth from Super Computing and other Programs during this three-year period, the schedule is flexible. In addition to the increased load the addition of LANL's Combustion Turbine (CT) and its new run schedule can possibly create an oversupply issue in the shoulder months when power demand is lower. It is imperative that we do not ask the Laboratory to curtail CT operations. If the PPA capacity was any lower than the 25 MWs it would increase our reliance on the short-term market and that pricing has been unfavorable since this past June, with the outlook being more expensive for the next two years. A 30MW PPA would cause issues with the seasonal variation of load regarding CT operations. A shaped block as more information is received from LANL would be a much better approach to addressing load. With these considerations the Power Pool decided 25MWs is an optimal PPA size.

Additional Information:

Power Operations would like to address some of the points and concerns that were raised in November's board meeting when staff first introduced the 25 MW PPA. The questions revolved around the recommendations of the 2017 IRP. The IRP stated, "The County needs not to be in any rush to commit to new resources until several uncertainties regarding SMRs, solar and storage are resolved". The IRP also said the addition of solar and storage should be tailored with the load growth and existing resources retirement schedules. Recommended portfolio S9 recommended a build of 21MWs of Solar and Storage by 2025.

Electric Production has researched many resources since the 2017 IRP was completed. First was the indicative bidding from the company MAXX Solar for the solar and storage option. It became clear that MAXX Solar over promised the idea of \$65.00 Solar and Battery Storage. This inability to deliver lead to our eventual talks with UNIPER for the 15MW Wind and Solar executed contract. In addition, EP brought forth options for the second MW at the Landfill site as well as other sites within the community that were not approved by BPU as the alternatives presented were more economical. In addition to the resource development issues discussed above, the Power Pools load never developed as planned. Recent volatility in the markets has been the focus of many discussions, however it is a relatively new development from approximately one year ago.

There is a new IRP being prepared that will address new market conditions throughout the west. As a guiding principle from the previous IRP, Power Ops has not extended its footprint due to one of the key recommendations of "Beyond building new renewable/ clean energy capacities to meet the carbon neutral goal and renewable objectives, additional gas-fired generation capacity (CC or RICE) involves upfront capital investment in a soft market, and is not advised unless control of resources is a priority to LAPP". EP feels that Nuscales Small Modular Nuclear Reactor (SMR) continues to be a feasible carbon free dispatchable resource and continues to follow the development as an option.

In summary, Power Operations believes that this contract will ultimately be delivered below market prices into the future. EP believes it has acted in the spirit of the adopted 2017 IRP findings and the January 20, 2016 adopted Strategic Policies for Electrical Energy Resources. Not Replacing the energy Output of SJGS is not an option. We have a load demand that must be met with a known generation resource. If this contract is not approved, Power Operations will try to find short-term energy to meet our load. All this energy will be procured at market prices which have proven to be very volatile over the last year.

The cost of the energy is already accounted for in the budgeting process. Staff efforts are part of normal business activities.

The Board discussed this item and requested clarification where necessary. Chair Wright opened the floor for public comments:

1) Ms. Jessie Emerson - spoke. Verbatim comments are available in the meeting recordings.

Member Wright moved that the Board of Public Utilities approve AGR22-928, a Power and Renewable Energy Credit Sales Agreement, between Uniper Global Commodities North America, LLC and the Incorporated County of Los Alamos and forward to Council with a recommendation for approval. The motion passed by the following vote:

Yes: 3 - Members McLin, Walker and Wright

Abstain: 2 - Members Stromberg and Tobin

8. STATUS REPORTS

8.A. 14750-21 Monthly Status Reports

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.B. 14885-21 Quarterly Conservation Program Update

James Alarid, Deputy Utility Manager - Engineering, was scheduled to present this item. Chair Wright deferred this item until the January 19, 2021 meeting. This summary was provided in the meeting packet:

The Water and Energy Conservation Coordinator position was advertised this quarter and three very qualified applicants have been interviewed. The position should be filled early in the new year, allowing our conservation program to be greatly expanded. One of the first assignments will be to update the existing conservation plan. Another is the implementation of the new customer portal included in the advanced metering infrastructure (AMI) project. We anticipate the portal to be online in the first quarter of 2022. The availability of 24/7 consumption data and the customer portal allowing customers to view their own consumption data provides a number of potential conservation opportunities.

9. PUBLIC COMMENT

Chair Wright opened the floor for public comment on any items. There was none.

10. ADJOURNMENT

The meeting adjourned at 9:49 pm.

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board

**Utility Manager's Report
December 15, 2021**

1. I would like to thank staff for their emergency response due to the windstorm that impacted the region. Several trees fell throughout our community and many in very difficult locations to access which lengthen the times to repair lines and restore power. See pictures at end of report. We plan to do a debrief to discuss what we learned from this event.
2. The County continues to have an indoor mask mandate and has a weekly testing regime for unvaccinated employees to help slow the spread of COVID-19. Employees have been encouraged to receive the COVID booster and this year's flu shot.
3. I would like to welcome Heather Garcia as Deputy Utilities Manager for Finance and Administration and welcome back Cathy D'Anna in her new role as DPU's Public Relations Manager.
4. Attended the UAMPS Project Management Committee (PMC) Meeting regarding the CFPP. Election was held and Dave Burnett with Bringham City, UT was elected Chair of the PMC. The DOE funding continues to get obligated and eligible expenses are being reimbursed at 79%. Ineligible expenses are interest expenses and lobbying expenses; however, these costs are minor in comparison to the \$1.3 to \$1.4 Million per month expended for work on Standard Plant Design (SPD) and COLA preparation. LAC's subscription remains at 2.15-MW based on the investment cap of \$1.26 million.
5. For the PNM/Avangrid merger case (PRC Case Number 20-00222-UT) the Public Regulatory Commission denied the application. Avangrid could appeal this decision to the NM Supreme Court.
6. Westmoreland who supplies coal to the SJGS has restored their long wall coal mining operation and each day they are slowly adding to the coal reserve stockpile. Last month, there were at 24 days of coal in reserves and today the reserve stockpile is at 30 days.
7. The SJGS ownership group continued meeting with Farmington and Enchant in refining the term sheet. Once all these details are finalized, the term sheet will be brought back to BPU and Council for consideration.
8. Attended another presentation on the 50-year Water Plan being prepared by the Office of the State Engineer. The State Engineer is seeking participation in development of this plan. Aquifer storage was highlighted as an effective water management tool being demonstrated by the City of Albuquerque.

9. Sensus is onsite this week performing a multi-day training on the Sensus Analytics program with staff. Starting in January the customer portal will be tested and hopefully rolled out to our customers by March.
10. Held a Tyler 311 kick off meeting. Team members from each County Department have been identified to work on this project. The goal is to roll out its implementation by July 1, 2022. However, Tyler did indicate it may take longer since they are experiencing staffing shortages.
11. The San Juan Chama water right of 1200 Acre Feet (AF) only received an allotment of 785 AF due to the drought. The Rio De Chama Acequia Association, Inc. has purchased all of LAC's allotment at the established rate of \$60/AF. The water is being stored in El Vado's dead pool over this winter before being applied to beneficial use for next irrigation season.
12. LANL is requesting a relocation of the Pajarito water supply line by TA-50. Staff held a scoping meeting and site walk. Once DPU's on-call consultant prepares a design cost estimate, DPU will prepare an agreement with LANL to pay for this work. The relocation work is requested to be constructed later this summer.
13. Held a meeting with NNSA field office in regard to receiving reimbursement on the cost overruns on DP Lift Station related to encountering legacy waste. There were approximately \$274,580 in cost overruns to be reimbursed.
14. Held a half day meeting with DPU's asset management teams. The general theme is lack of material supplies, cost escalations, and concern with staff turnover because of planned retirements.









County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.B.
Index (Council Goals): DPU FY2021 - 2.0 Achieve and Maintain Excellence in Financial Performance
Presenters: Deputy Utilities Manager - Finance Heather Garcia
Legislative File: AGR0825-21

Title

Approval of AGR22-930 with Paymentus Corporation in the Amount of \$120,000 plus Applicable Gross Receipts Tax for the Purpose of Credit Card and Electronic Bill Payment Services.

Recommended Action

I move that the Board of Public Utilities approve Services Agreement AGR22-930 with Paymentus Corporation in the amount of \$120,000.00 plus applicable gross receipts tax and forward to Council for consideration.

Staff Recommendation

Staff recommends that the Board approve the motion as presented.

Body

DPU is seeking approval for AGR22-930 with Paymentus Corporation for credit card and electronic bill pay services. For the past 7 years, Paymentus Corporation has provided these services to DPU customers successfully. AGR16-4289 expired at the end of December and DPU must solicit for a replacement for these services. AGR22-930 is a one-year term contract to allow DPU staff to complete the procurement process without interrupting this popular service to customers. These services were planned into FY2022 budgets and will not create any significant impacts to budget, and we remain confident the service provides good value for the department and our customers in terms of payment ease and flexibility. Once the procurement process has been completed this contract will be cancelled and replaced with a long-term contract for the services.

Covid and the renewed emphasis on contact-less payment alternatives, has increased the usage of credit card payment alternatives and the resulting fees.

Additional background on DPU's history with Paymentus Corporation, previously presented to the BPU, is repeated here for clarity and ease of reference: For years, the Utilities Department had a "convenience fee" model for accepting credit card payments for utilities bills. Under this model, customers were charged \$4.95 per transaction with a transaction limit of \$450.00. The department received substantial customer feedback that this model was unacceptable in the modern business world. We also got similar indications from trade shows and from publications to which we subscribe. Finally, to successfully deploy our Smart Customer Mobile application, it was apparent that we needed to better support credit card payments. Although that application has since been retired, we did learn that strong support for credit card payments was going to be essential for successful deployment of any type of replacement mobile or "customer self-service"

application.

In response to these inputs, Department staff reached out in 2015 to the then current provider, Paymentus Corporation, and to several other potential providers, to look at their fee models and structure. The Procurement Officer determined at the time that such services were exempt from the competition requirements of the Los Alamos Procurement Code, so no formal request for proposals was issued, but staff did conduct extensive “due diligence” to ensure we were obtaining best value for the Department and our customers. After careful consideration, it was determined that Paymentus provides the most cost-effective model, the most flexibility, and the best service for our needs.

Having not had experience with the “absorbed fee” model, staff had little information on which to base an estimated total contract cost. We also wanted to limit our exposure until we had history to gauge success of the absorbed fee model. Thus, we initially funded the contract for only \$49,000. In 2017, funding was increased to \$99,000, which was projected as and which was adequate for the remainder of the initial contract term, based on historical usage and growth.

With seven years now under the program, we have received very favorable customer feedback. We continue seeing increased utilization as more customers become familiar with and utilize its functionality and convenience.

As previously stated, AGR22-930 is a one-year term contract, expiring December 31st, 2022, for \$120,000 with Paymentus Corporation for credit card and electronic bill pay services. This AGR will provide the popular and customer focused payment option to customers while plans to solicit proposals from qualified offerors and procure continuing similar services in accordance with the Los Alamos County Procurement Code are completed.

Alternatives

If the Board elects not to approve this agreement, we will move forward with the solicitation of a replacement without electronic bill pay options for customers in place.

Fiscal and Staff Impact

The services agreement of \$120,000 can be covered with existing funds budgeted in the FY22. There is no staff impact as this is for continuation of an existing service.

Attachments

A - AGR22-930 Paymentus Corporation.

AGR22-930



INCORPORATED COUNTY OF LOS ALAMOS SERVICES AGREEMENT

This **SERVICES AGREEMENT** (this "Agreement") is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and Paymentus Corporation, a Delaware corporation ("Contractor"), to be effective for all purposes January 20, 2022.

WHEREAS, the County Purchasing Officer determined in writing that procurement of the Services was made in accordance with Los Alamos Procurement Code Sec. 31-144; and

WHEREAS, the prior agreement and Amendment No. 8 AGR16-4289-A8, dated June 30, 2021, expired on December 28, 2021 with no provision for additional extensions; and

WHEREAS, additional time is required to issue a Request for Proposals, complete the evaluation process, and make an award; and

WHEREAS, the number of customer payments processed through Contractor increased during the unforeseen COVID-19 (coronavirus) pandemic; and

WHEREAS, both parties wish for Contractor to temporarily provide Electronic Bill Payment services with no disruption to County customers until such a time as a new award can be made; and

WHEREAS, the Board of Public Utilities approved this Agreement at a public meeting held on January 19, 2022; and

WHEREAS, Contractor shall provide the Services, as described below, to County.

NOW, THEREFORE, for and in consideration of the premises and the covenants contained herein, County and Contractor agree as follows:

SECTION A. SERVICES: Contractor shall provide electronic Bill Payment services to County customers. The services shall allow for payment of utility bills and/or for purchase of other County related services using a credit card and other payment methods such as eChecks, Pin-less Debit ("Supported Payment Methods"), as deemed necessary by Contractor, and approved by County, through a link provided in the County website, Automated Phone Service or Interactive Voice Response ("IVR"), and other channels Contractor may include from time to time, and approved by County including, but not limited to, mobile payments.

1. Contractor Services shall include:

- a. Allow County customers to pay utility bills and/or purchase other County-related services with a credit card including, but not limited to, Master Card and Visa card payments. Contractor may offer other Supported Payment Methods as approved by County.
- b. Provide County full payment for the County services charged.

- c. Provide County with a daily electronic file which shall include each individual payment and the utility account numbers to which the payments apply in a format specified by County.
- d. Payments shall be deposited in County's bank account within two (2) business days after receipt of payment for credit cards and within the standard duration of other Supported Payment Methods.
- e. Provide a link from County's website to Contractor's website where the customer can make payment utilizing Contractor's Services.
- f. Provide an IVR system via a toll-free number where customers can call to make payments utilizing Contractor's Services.
- g. Provide County personnel access to Contractor's website to allow for research on payments.
- h. Accept payments for other County services including, but not limited to, copies of documents from the County Clerk's Office, or other purchases for County-related services.
- i. Contractor shall adjust or modify the daily electronic file, as necessary, according to specifications provided by County.
- j. Maximum credit card payments accepted in a single transaction shall be \$999.99 but multiple transactions shall be allowed. There shall not be a maximum amount to payments made with eCheck payment or payments made directly from a savings account.

2. County Responsibilities.

- a. County shall follow all necessary rules and regulations of different card associations, including the chargeback rules.
- b. County shall make Contractor's Services available to its residential and commercial customers by different means of customer communication including: (1) through bills, invoices and other notices; (2) by providing IVR and Web payment details on the County's website including a "Pay Now" or similar link on a mutually agreed prominent place on the County's general website; (3) by adding an option for this payment through County's general IVR/Phone system; and (4) other channels deemed necessary by County from time to time.

SECTION B. TERM: The term of this Agreement shall commence January 20, 2022 and shall continue through December 31, 2022, unless sooner terminated, as provided herein.

SECTION C. COMPENSATION:

- 1. Amount of Compensation.** County shall pay compensation for performance of the Services in accordance with the rate schedule set out in Exhibit "A," attached hereto and made a part hereof. Total compensation shall not exceed ONE HUNDRED TWENTY THOUSAND DOLLARS(\$120,000.00), which amount does not include applicable New Mexico gross receipts taxes ("NMGRT"). Compensation shall be paid in accordance with the rate schedule set out in Exhibit "A," attached hereto and made a part hereof for all purposes.
- 2. Monthly Invoices.** Contractor shall submit itemized monthly invoices to County's Project Manager showing amount of compensation due, amount of any NMGRT, and total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after County's receipt of the invoice.

SECTION D. TAXES: Contractor shall be solely responsible for timely and correctly billing, collecting and remitting all NMGRT levied on the amounts payable under this Agreement.

SECTION E. STATUS OF CONTRACTOR, STAFF, AND PERSONNEL: This Agreement calls for the performance of services by Contractor as an independent contractor. Contractor is not an agent or employee of County and shall not be considered an employee of County for any purpose. Contractor, its agents or employees shall make no representation that they are County employees, nor shall they create the appearance of being employees by using a job or position title on a name plate, business cards, or in any other manner, bearing County's name or logo. Neither Contractor nor any employee of Contractor shall be entitled to any benefits or compensation other than the compensation specified herein. Contractor shall have no authority to bind County to any agreement, contract, duty or obligation. Contractor shall make no representations that are intended to, or create the appearance of, binding County to any agreement, contract, duty, or obligation. Contractor shall have full power to continue any outside employment or business, to employ and discharge its employees or associates as it deems appropriate without interference from County; provided, however, that Contractor shall at all times during the term of this Agreement maintain the ability to perform the obligations in a professional, timely and reliable manner.

SECTION F. STANDARD OF PERFORMANCE: Contractor agrees and represents that it has and shall maintain the personnel, experience and knowledge necessary to qualify it for the particular duties to be performed under this Agreement. Contractor shall perform the Services described herein in accordance with a standard that meets the industry standard of care for performance of the Services.

SECTION G. DELIVERABLES AND USE OF DOCUMENTS: All deliverables required under this Agreement, including material, products, reports, policies, procedures, software improvements, databases, and any other products and processes, whether in written or electronic form, shall remain the exclusive property of and shall inure to the benefit of County as works for hire; Contractor shall not use, sell, disclose, or obtain any other compensation for such works for hire. In addition, Contractor may not, with regard to all work, work product, deliverables or works for hire required by this Agreement, apply for, in its name or otherwise, any copyright, patent or other property right and acknowledges that any such property right created or developed remains the exclusive right of County. Contractor shall not use deliverables in any manner for any other purpose without the express written consent of County.

SECTION H. EMPLOYEES AND SUB-CONTRACTORS: Contractor shall be solely responsible for payment of wages, salary or benefits to any and all employees or contractors retained by Contractor in the performance of the Services. Contractor agrees to indemnify, defend and hold harmless County for any and all claims that may arise from Contractor's relationship to its employees and subcontractors.

SECTION I. INSURANCE: Contractor shall obtain and maintain insurance of the types and in the amounts set out below throughout the term of this Agreement with an insurer acceptable to County. Contractor shall assure that all subcontractors maintain like insurance. Compliance with the terms and conditions of this Section is a condition precedent to County's obligation to pay compensation for the Services and Contractor shall not provide any Services under this Agreement unless and until Contractor has met the requirements of this Section. County requires Certificates of Insurance or other evidence acceptable to County that Contractor has met its obligation to obtain and maintain insurance and to assure that subcontractors maintain like insurance. Should any of the policies described below be cancelled before the expiration date thereof, notice shall be delivered in accordance with the policy provisions. General Liability Insurance and Automobile Liability Insurance shall name County as an additional insured.

1. **General Liability Insurance:** ONE MILLION DOLLARS (\$1,000,000.00) combined single limit per occurrence; TWO MILLION DOLLARS (\$2,000,000.00) aggregate.
2. **Workers' Compensation:** In an amount as may be required by law. County may immediately terminate this Agreement if Contractor fails to comply with the Worker's Compensation Act and applicable rules when required to do so.
3. **Automobile Liability Insurance for Contractor and its Employees:** An amount at least equal to the minimum required by state law on any owned, and/or non-owned motor vehicles used in performing Services under this Agreement

SECTION J. RECORDS: Contractor shall maintain, throughout the term of this Agreement and for a period of six (6) years thereafter, records that indicate the date, time, and nature of the services rendered. Contractor shall make available, for inspection by County, all records, books of account, memoranda, and other documents pertaining to County at any reasonable time upon request.

SECTION K. APPLICABLE LAW: Contractor shall abide by all applicable federal, state and local laws, regulations, and policies and shall perform the Services in accordance with all applicable laws, regulations, and policies during the term of this Agreement. In any lawsuit or legal dispute arising from the operation of this Agreement, Contractor agrees that the laws of the State of New Mexico shall govern. Venue shall be in the First Judicial District Court of New Mexico in Los Alamos County, New Mexico.

SECTION L. NON-DISCRIMINATION: During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of the obligations of Contractor under this Agreement, with regard to race, color, religion, sex, age, ethnicity, national origin, sexual orientation or gender identity, disability or veteran status.

SECTION M. INDEMNITY: Contractor shall indemnify, hold harmless and defend County, its Council members, employees, agents and representatives, from and against all liabilities, damages, claims, demands, actions (legal or equitable), and costs and expenses, including without limitation attorneys' fees, of any kind or nature, arising from Contractor's performance hereunder or breach hereof and the performance of Contractor's employees, agents, representatives and subcontractors.

SECTION N. FORCE MAJEURE: Neither County nor Contractor shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence.

SECTION O. NON-ASSIGNMENT: Contractor may not assign this Agreement or any privileges or obligations herein without the prior written consent of County.

SECTION P. LICENSES: Contractor shall maintain all required licenses including, without limitation, all necessary professional and business licenses, throughout the term of this Agreement. Contractor shall require and shall assure that all of Contractor's employees and subcontractors maintain all required licenses including, without limitation, all necessary professional and business licenses.

SECTION Q. PROHIBITED INTERESTS: Contractor agrees that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. Contractor further agrees that it shall not employ any person having such an interest to perform services under this Agreement. No County Council member or other elected official of County, or manager or employee of County shall solicit, demand, accept or agree to accept a gratuity or offer of employment contrary to Section 31-282 of the Los Alamos County Code.

SECTION R. TERMINATION:

1. **Generally.** County may terminate this Agreement with or without cause upon sixty (60) days prior written notice to Contractor. Upon such termination, Contractor shall be paid for Services actually completed to the satisfaction of County at the rate set out in Section C. Contractor shall render a final report of the Services performed to the date of termination and shall turn over to County originals of all materials prepared pursuant to this Agreement.
2. **Funding.** This Agreement shall terminate without further action by County on the first day of any County fiscal year for which funds to pay compensation hereunder are not appropriated by County Council. County shall make reasonable efforts to give Contractor at least ninety (90) days advance notice that funds have not been and are not expected to be appropriated for that purpose.

SECTION S. NOTICE: Any notices required under this Agreement shall be made in writing, postage prepaid to the following addresses, and shall be deemed given upon hand delivery, verified delivery by telecopy (followed by copy sent by United States Mail), or three (3) days after deposit in the United States Mail:

County:

Deputy Utilities Manager, Finance & Admin.
Incorporated County of Los Alamos
1000 Central Avenue, Suite 130
Los Alamos, New Mexico 87544

Contractor:

Paymentus Corporation
President and CEO
13024 Ballantyne Corporate Place
Charlotte, North Carolina 28277

SECTION T. INVALIDITY OF PRIOR AGREEMENTS: This Agreement supersedes all prior contracts or agreements, either oral or written, that may exist between the parties with reference to the services described herein and expresses the entire agreement and understanding between the parties with reference to said services. It cannot be modified or changed by any oral promise made by any person, officer, or employee, nor shall any written modification of it be binding on County until approved in writing by both County and Contractor.

SECTION U. NO IMPLIED WAIVERS: The failure of the County to enforce any provision of this Agreement is not a waiver by the County of the provisions or of the right thereafter to enforce any provision(s).

SECTION V. SEVERABILITY: If any provision of this Agreement is held to be unenforceable for any reason: (i) such provision shall be reformed only to the extent necessary to make the intent of the language enforceable; and (ii) all other provisions of this Agreement shall remain in effect.

SECTION W. CAMPAIGN CONTRIBUTION DISCLOSURE FORM: A Campaign Contribution Disclosure Form is attached as Exhibit "B." Contractor must submit this form with this Agreement, if applicable.

SECTION X. LEGAL RECOGNITION OF ELECTRONIC SIGNATURES: Pursuant to NMSA 1978 § 14-16-7, this Agreement may be signed by electronic signature.

SECTION Y. DUPLICATE ORIGINAL DOCUMENTS: This document may be executed in two (2) counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

INCORPORATED COUNTY OF LOS ALAMOS

NAOMI D. MAESTAS
COUNTY CLERK

BY: _____
PHILO S. SHELTON, III, P.E. **DATE**
UTILITIES MANAGER

Approved as to form:

J. ALVIN LEAPHART
COUNTY ATTORNEY

PAYMENTUS CORPORATION, A DELAWARE CORPORATION

BY: _____
NAME: _____ **DATE**
TITLE: _____

Exhibit "A"
Compensation Rate Schedule
AGR22-930

Paymentus Service Fee charged to Los Alamos County ("Customer") shall be based on the following Absorbed Fee Structure:

The Paymentus service fee shall be \$2.25 per \$350.00 increment, or portion thereof, paid for Visa, MasterCard, or Discover Card payments, or \$1.25 per \$350.00 increment paid for ACH/e-Check payments. The maximum payment amount accepted in one transaction shall be \$2,400.00.

The Paymentus Service Fee is based on the MasterCard/Visa Utility Rate Model, Cards that do not qualify under the Utility Rate Model ("Non-Qualified Cards") - generally corporate purchase cards, "incentive," "rebate" or "gift" cards, and other cards not tied to an individual consumer, shall result in "non-qualified transactions." An additional 2.95% "Non-Qualified Transaction" fee shall apply for such "non-qualified transactions," insofar as such fees exceed 5% of total Transaction Fees charged by Paymentus to Los Alamos County. Paymentus shall absorb non-qualified transaction fees up to this 5% threshold.

The table below summarizes this fee structure:

Paymentus Service Fee (Absorbed Fee Model)
<p>Utility Payments</p> <ul style="list-style-type: none">• Average Payment Amount: \$270• Maximum Payment Amount shall be \$999.99 (billed based upon each \$350 payment increment). <p>Paymentus Service Fee per qualified utility rate transaction shall be:</p> <ul style="list-style-type: none">• Credit/Debit Card \$2.25 (Visa, MasterCard, Discover Utility Rate Program)• ACH/e-Check \$1.25 <p>Non-qualified Transaction Fee 2.95% Excess Fee</p>

Paymentus may amend this schedule upon sixty (60) days prior written notice to the Client, only if such change is required due to changes in the Visa and MasterCard regulations or changes in Credit Card interchange fees or changes in the Average Bill Amount.

Exhibit "B"
CAMPAIGN CONTRIBUTION DISCLOSURE FORM
AGR22-930

Any prospective contractor seeking to enter into a contract with the Incorporated County of Los Alamos must file this form disclosing whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official during the two (2) years prior to the date on which prospective contractor submits a proposal or, in the case of a sole source or small purchase contract, the two (2) years prior to the date prospective contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds TWO HUNDRED FIFTY DOLLARS (\$250.00) over the two (2) year period.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"Applicable public official" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"Campaign Contribution" means a gift, subscription, loan, advance or deposit of money or other things of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

"Contract" means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

"Family member" means a spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law of:

- (a) a prospective contractor, if the prospective contractor is a natural person; or
- (b) an owner of a prospective contractor;.

"Pendency of the procurement process" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"Person" means any corporation, partnership, individual, joint venture, association or any other private legal entity.

“Prospective contractor” means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

“Representative of a prospective contractor” means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS: (Report any applicable contributions made to the following - COUNTY COUNCILORS: Denise Derkacs; David Izraelevitz; David Reagor; James Robinson; Randal Ryti; Sara Scott; and Sean Williams.)

Contribution Made By:			
Relation to Prospective Contractor:			
Name of Applicable Public Official:		Governor _____	
Contribution(s) Date(s)	Contribution Amount(s):	Nature of Contribution(s):	Purpose of Contribution(s):
	\$		
	\$		
	\$		
	\$		
	\$		

(Attach extra pages if necessary)

Signature Date

Title (position)

—OR—

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250.00) WERE MADE to an applicable public official by me, a family member or representative.

Signature Date

Title (position)



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 7.A.
Index (Council Goals): DPU FY2021 - 2.0 Achieve and Maintain Excellence in Financial Performance
Presenters: Deputy Utilities Manager - Finance Heather Garcia
Legislative File: 15416-22

Title

Approval of Budget Revision 2022-43 for Purchased Gas in the Gas Utility.

Recommended Action

I move that the Board approve Budget revision 2022-43 to authorize an increased budget for purchased natural gas in the Gas utility in the amount of \$3,000,000; as summarized on Attachment A, and that the attachment be made part of the minutes of this meeting. I further move that these actions be forwarded to Council with a recommendation for approval.

Staff Recommendation

Staff recommends that the Board approve the motion as presented.

Body

Global demand on natural gas and increased reliance on gas as an alternative to coal, in addition the risk of severe weather events, has impacted supply of natural gas. Estimates used during the FY 2022 budget planning period, which were adjusted after the February Polar Vortex weather event in Texas, were \$2.80 per MMBTU. Prices have averaged \$4.76 per MMBTU for FY 2022, with prices hitting \$6.30 per MMBTU in January. FY 2022 total cost of gas purchases was budgeted at \$2,138,175, as of January 12th, 2022, \$1,766,232 has been spent. This is approximately eighty three percent of the budget with only fifty percent of the year completed.

The following calculations are based on the assumption that gas prices will be \$6.02 MMBTU for NMMEA discounted volumes for the remainder of the year, with 20% of non-discounted volumes being at \$6.30 per MMBTU. Transportation costs also remain the same at \$0.27 per therm.

2022 Budget	\$2,138,175
YTD paid and recorded as of 1/12/22	\$1,766,232
2022 Remaining (estimated)	<u>\$3,340,207</u>
Est EOY total spend	\$5,106,439
Difference	(\$2,968,264)

Because several estimates are included in the year-end projection and there is a potential for further market response, staff is recommending an expenditure budget adjustment of \$3,000,000 for gas purchases.

Alternatives

If these budget increases are not approved the only real alternative is to curtail projects and maintenance activities for the remainder of the year to cover these increased commodities expenditures with budget planned for other activities.

Fiscal and Staff Impact

\$3M additional for gas commodity cost in gas. All of the gas increase will be recovered through additional revenue, although some of that recovery may cross over into next fiscal year.

Attachments

A. Budget revision 2022-43

Budget Revision 2022-43

BPU Meeting date: January 19, 2022

Council Meeting Date: February 01, 2022

Fund & Department	Org	Object	Revenue (decrease)	Expenditures (decrease)	Transfers In(Out)	Fund Balance (decrease)
Joint Utilities Fund - Gas	53185395	4301	\$ 3,000,000			\$ 3,000,000
Joint Utilities Fund - Gas	53185340	8367		\$ 3,000,000		\$ (3,000,000)
<p>Description: The purpose of this budget revision is to increase the expenditure budget for gas and associated revenue. See staff report for further details.</p> <p>Fiscal Impact: The net impact the Joint Utilities Fund is zero, all incurred expenses will be recovered in revenues via the pass through rate for gas.</p>						

Monther Jubran	01/12/2022
Preparer	Date
<i>Monther Jubran</i>	
Budget & Performance Manager	



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 8.A.

Index (Council Goals): DPU FY2021 - 3.0 Be a Customer Service Oriented Organization that is Communicative, Efficient, and Transparent; DPU FY2021 - 5.0 Achieve Environmental Sustainability

Presenters: James Alarid, Deputy Utilities Manager - Engineering

Legislative File: 14885-21

Title

Quarterly Conservation Program Update (Rescheduled from 12/15/2022)

Recommended Action

None

Body

The Water and Energy Conservation Coordinator position was advertised this quarter and an offer has been made to the selected applicant. The position should be filled early in the new year, allowing our conservation program to be greatly expanded. One of the first assignments will be to update the existing conservation plan. Another is the implementation of the new customer portal included in the advanced metering infrastructure (AMI) project. We anticipate the portal to be online in the first quarter of 2022. The availability of 24/7 consumption data and the customer portal allowing customers to view their own consumption data provides a number of potential conservation opportunities.

..Fiscal Impact

None

Attachments

None



County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	8.B.
Index (Council Goals):	DPU FY2021 - 1.0 Provide Safe and Reliable Utility Services
Presenters:	Jack Richardson, Deputy Utilities Manager - GWS Services
Legislative File:	15271-21

Title

Quarterly Update on Utility System - Water System

Recommended Action

No recommendation, for information only.

Staff Recommendation

None

Body

The Board has requested a system assessment on a different utility each quarter. This quarter, Jack Richardson, Deputy Utilities Manager for Gas, Water and Sewer, will present an update on the water system. This year's report is similar in scope and format to previous reports. Primary performance measure dashboard data, with trends and comparisons to national standards and DPU goals (Conservation, Strategic Plan & Budget), are included. Discussion including both the physical and financial condition of the water system sub-systems: Water Distribution (DW), Water Production (WP) and Non Potable (NP) System as well as the overall Water Fund itself are reported. Also included are recent AMT (Asset Management Team) achievements and challenges and some significant planned near term (FY23 & FY24) O&M Goals, Action Items and Major Projects.

The physical condition of each sub-system (DW = FAIR, WP = FAIR & NP = GOOD) are all basically unchanged from last year's report. A major difference is that now the physical condition assessment is calculated using the GWS GIS Asset Management Reporting tool developed over the previous 3 years. These new reports calculate a numeric value based on all individual asset's physical condition and risk assessment compiled into an overall system Condition & Risk Assessment Score. The plan is to track these overall system scores on an annual basis to trend improvement (or deterioration) of the systems over time.

Capital improvements are proceeding as planned and it will be informative to track these numeric values for overall system condition to see the effects of infrastructure improvements on a year to year basis. Additional revenue from the Profit Transfer return agreement continues to benefit the DW system and very low interest State loan program have enabled DPU to develop a more aggressive CIP program for both the DW & WP systems. In addition to the CIP R&R work on critical infrastructure such as well and booster station pumps & motor controls CIP R&R work on major pipelines that exhibit a history of pipeline breaks also continues to be prioritized for the near term future (10-year planning period).

Planned growth/expansion of the NP system along the Diamond Drive corridor is still limited until the second Group 12 Tank can be added to the NP system. However, a new approach to storage by re-purposing the Barranca Tank 1 storage tank from a WP asset to a NP asset would enable the NP system to expand to serve the Guaje Pines Cemetery. Also, with the completion of the upgraded Overlook Park Booster Station, NP system expansion throughout the White Rock area is now possible and planned within the current 10-year planning period.

The overall Water Fund financial condition is FAIR. Cash balances are well below the recommendations set by BPU financial policy - but with the proposed rate increases they trend very well over the 10-year planning period; consistently climbing to eventually meet financial policy goals. This is due to the continued positive effect of the policy to debt finance future major WP CIP projects and to begin a program of debt financing major DW CIP projects. By eliminating annual significant cash balance deductions through debt financing of major CIP projects the Water Fund's cash balances increase annually until meeting the financial policy goals. At the same time, the proposed rates and debt financing policy create a financial climate where the finances for all three sub-systems (DW, WP & NP) are aligned and all trending consistently toward meeting BPU financial policy goals. At any time in the future a reduction in debt financing can be implemented, once the cash balances have stabilized at recommended policy levels, when it is determined the cash balance reduction from a cash financed CIP project does not adversely affect the long term Water Fund's cash balance amount.

Alternatives

None

Fiscal and Staff Impact

None

Attachments

A - Water Systems Quarterly Update to BPU_1-19-2022

Quarterly Update to BPU Water Systems (DW, WP & NP)

By: Jack Richardson, PE

Deputy Utility Manager – Gas, Water, Sewer (GWS)

BPU Meeting – January 19, 2022



Water Distribution Pipeline

Aquatic Center – 2021 New 8" PVC Pipe
Replacing 1955 Old 6" Cast Iron Pipe

Water Production Otowi Well 4

Crew Members Measuring Motor Shaft Length
Old Motor (1991) Failed in 2021

GWS ORGANIZATIONAL STRUCTURE

Staff in the red box are responsible for water distribution (DW) system O&M – but they are also responsible for gas distribution (GA) and wastewater collection (WC) system O&M.

Staff in the yellow box are responsible for water production (WP) & non-potable water (NP) system O&M.

Deputy Utilities Manager
Gas, Water, Sewer (GWS)

Superintendent (GWS)
(1)

Superintendent (WWTP)
(1)

Superintendent (WP) (1)

Meter Reader Supervisor (1)

Field Supervisor (1)

Shop Supervisor (1)

WWTP Supervisor (1)

Supervisor (WP) (1)

Apprentice I (0) / Trainee (2)

Senior Pipefitter (4)

Senior WWTP Operator
(2)

Water System Electrical
Tech. (2)

Meter Reading {3}

Pipefitter (1)

WWTP Operator (2)

Senior Water System
Operator (3)

**Gas Distribution
Water Distribution
Sewer Collection
GWS Total {17}**

Apprentice II (3)

Operator Apprentice II
(0)

Water System Operator
(1)

**Plus 1 Limited Term & 2
Seasonal Temp for AMI**

Apprentice I (0)

Operator Apprentice I (1)

Water System Apprentice
I / II / Trainee (1) + (V)

Trainee (5)

Trainee (2)

Senior Engineering Aide
(1)

Wastewater Treatment {9}

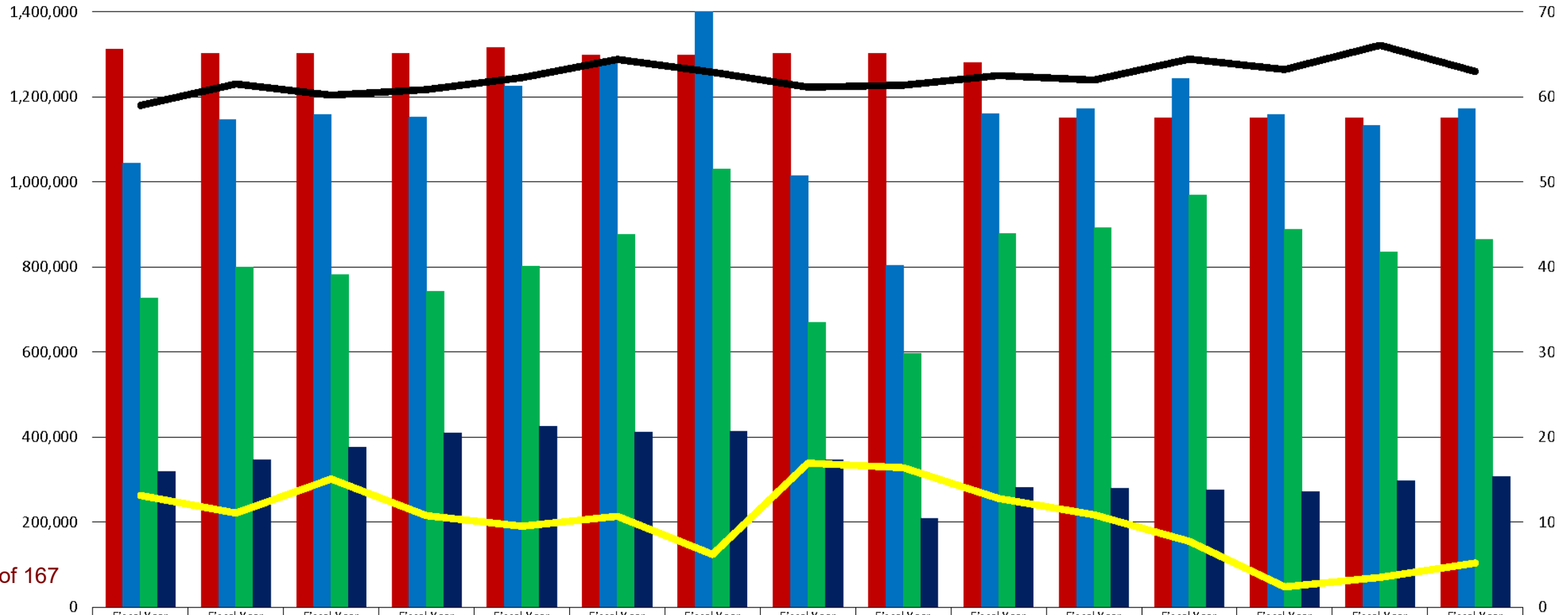
**Water
Production
Potable and
Non-Potable
{10}**

Retail & DOE Water Sales vs. (1st + 4th Quarter) Temperature & Precipitation

3

Budgeted vs. Actual Water Sales with Precipitation & Temperature Variables

Water Sales (Thousand Gallons = Kgal)



Water Distribution System Photos – DP Road Meter Cans

Left = Old (1955) Meter Can and Meter with Visible Water and Rust and Touch Read Wire
Right = New (2021) Meter Can and Meter Assembly Piping with Visible Trace Wire



DW – NEW/ONGOING ISSUES & ACHIEVEMENTS

5

- **DW** – Purchased and began installing 227 commercial water meters (\$380,000).
- **DW** – 400 +/- remaining water meters needing replacement to complete the AML project - out of approximately 7,503 total meters = 5% remaining.
- **DW** – Significant rodent damage to touch read/AML module wires inside meter cans. Water meter can standard detail revised to attempt to eliminate this problem.
- **DW** – Continue to add new customers with new development throughout the County.
- **DW** – Covid/AML/Retirement impacts resulted in deferral of O&M initiatives for: PRV Stations, Water Valves & Fire Hydrants. AML remains highest priority until completion.
- **DW** – Water Gate Valve fasteners failing at 15-20 years instead of lasting the 40-year estimated useful life. Water Valve installation design standards revised accordingly.
- **DW** – Hope to incorporate a new Sr. Office Specialist and GWS crew member into the umbrella GWS Team to support supervisors and increase direct field supervision. (SOS also will assist ED, WP & WT crews and supervisors)
- **DW** – Alamo/Capulin, DP Road & Aquatic Center water pipeline improvements completed; including a full replacement PRV station (5,530 LF).

Measures/Targets/Benchmarks for Tracking Water Distribution System O&M

6

❖ PRIMARY KEY ORGANIZATIONAL PERFORMANCE MEASURES

- ▶ Water Service Affordability – Based on Ave Res Monthly Bill per Median Household Income (%) – US & NM Only
- ▶ O&M Expenditures per 100 Miles of Main Pipeline (\$/ 100 Miles)
- ▶ Main Pipeline Breaks per 100 Miles of Pipeline (#/100 miles)
- ▶ Non-Revenue Water (%) {Name change from Unaccounted for Water Loss (%)}
- ▶ Total Gallons Purchased for Distribution (DW) vs Delivered to Distribution (DW) vs. DPU Distribution (DW) Projected Sales

❖ SECONDARY KEY ORGANIZATIONAL PERFORMANCE MEASURES

- ▶ Number of Meters Changed Out and Average Age of Meters in the DW System (# and age)
- ▶ O&M Expenditures per All Accounts (\$/ Account)
- ▶ Cost of Water per All Accounts (\$ / Account)
- ▶ CIP Expenditures per All Accounts (\$ / Account)
- ▶ Planned Maintenance as a Percent of Total Maintenance (planned maint. hours/planned + corrective maint. hours) (%)
- ▶ System Renewal and Replacement (CIP Expenditures for R&R/Total Present Worth of Gas System) (%)

❖ PERFORMANCE MEASURES WITH TARGETS OR BENCHMARKS

- ▶ Performance Measures with known National Standards for system comparison are in GREEN (Typically AWWA standards)
- ▶ Performance Measures with a DPU Strategic Plan or Conservation Plan Goal are in MAGENTA
- ▶ Performance Measures with both a DPU Strategic Plan or Conservation Plan Goal and a National Standard comparable goal are in CYAN

Measures are collected monthly and compiled and reviewed annually. Annual FY performance measures data is transferred from the annual data sets to a multi-year data set for year over year / multi-year comparison.

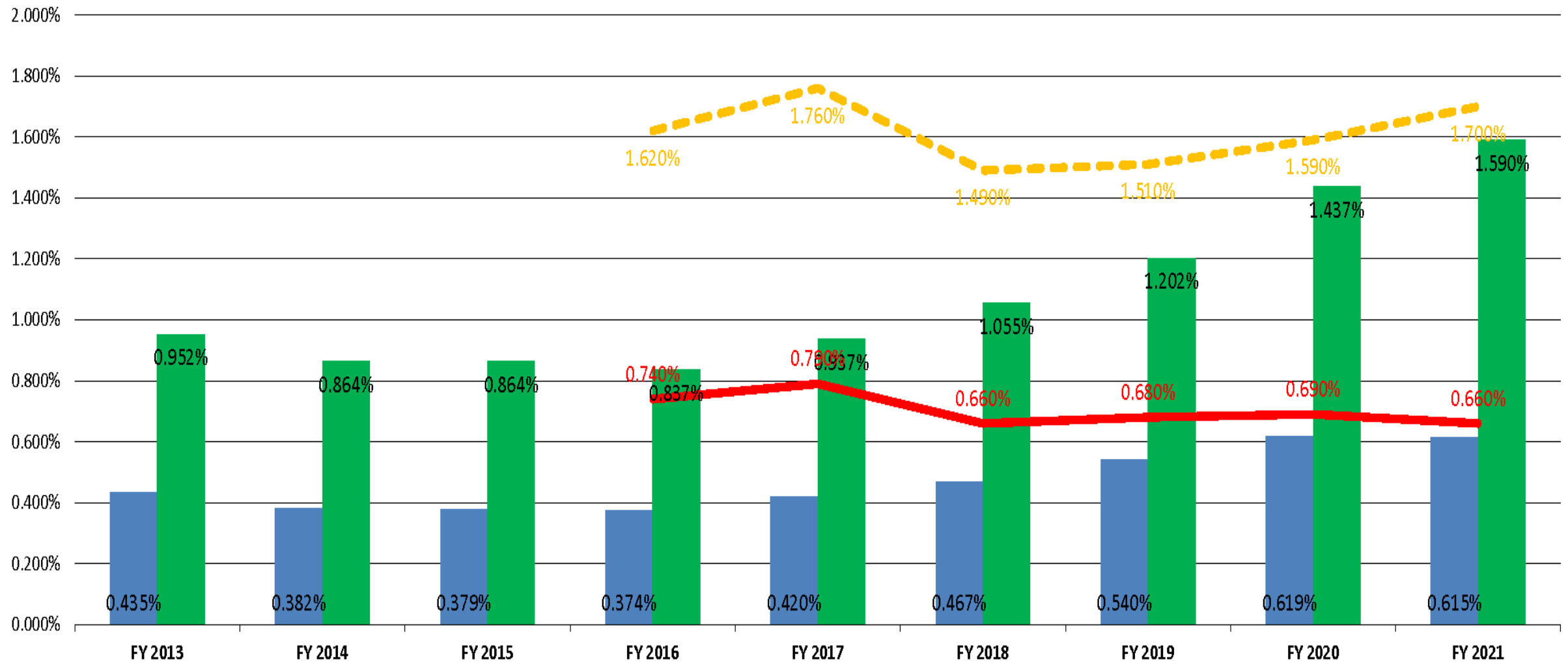
DW – DASHBOARD ANALYSES

- Summary of Primary Performance Measures for Water Distribution.
 - **DW-1: Water Service Affordability** – Values remain below both National and New Mexico standards. New Mexico values rising because New Mexico MHI did not increase between FY16 and FY21. Los Alamos County rates will continue to coincide with national and comparable state rates generally increasing for the foreseeable future.
 - **DW-2: O&M Expenditures per 100 Miles Main Pipeline** - 9-year trend continues slightly downward. Significantly above national standard factors include system complexity versus small system size & relative age of the system.
 - **DW-3: Breaks per 100 Miles Main Pipeline** - 9-year trend continues downward toward the national standard. {NOTE: At 122 miles of main – FY21 national standard of 8.70 equates to 10.6 breaks for DPU system}
 - **DW-4: Non-Revenue Water (%)** - Trend static near EPA national standard. FY14 & FY20 assumed to be data outliers. Completion of AML, and total replacement of all meters, is anticipated improve the trend line toward the DPU Conservation Goal of 50% of national standard and eliminate outlier data points. {NOTE: Name change from Unaccounted for Water Loss %}
 - **DW-5: Gallons Purchased vs Gallons Delivered vs Projected Sales** - Projected sales remain in line with actual sales.

Water Distribution – Primary Key Organizational Performance Measure

8

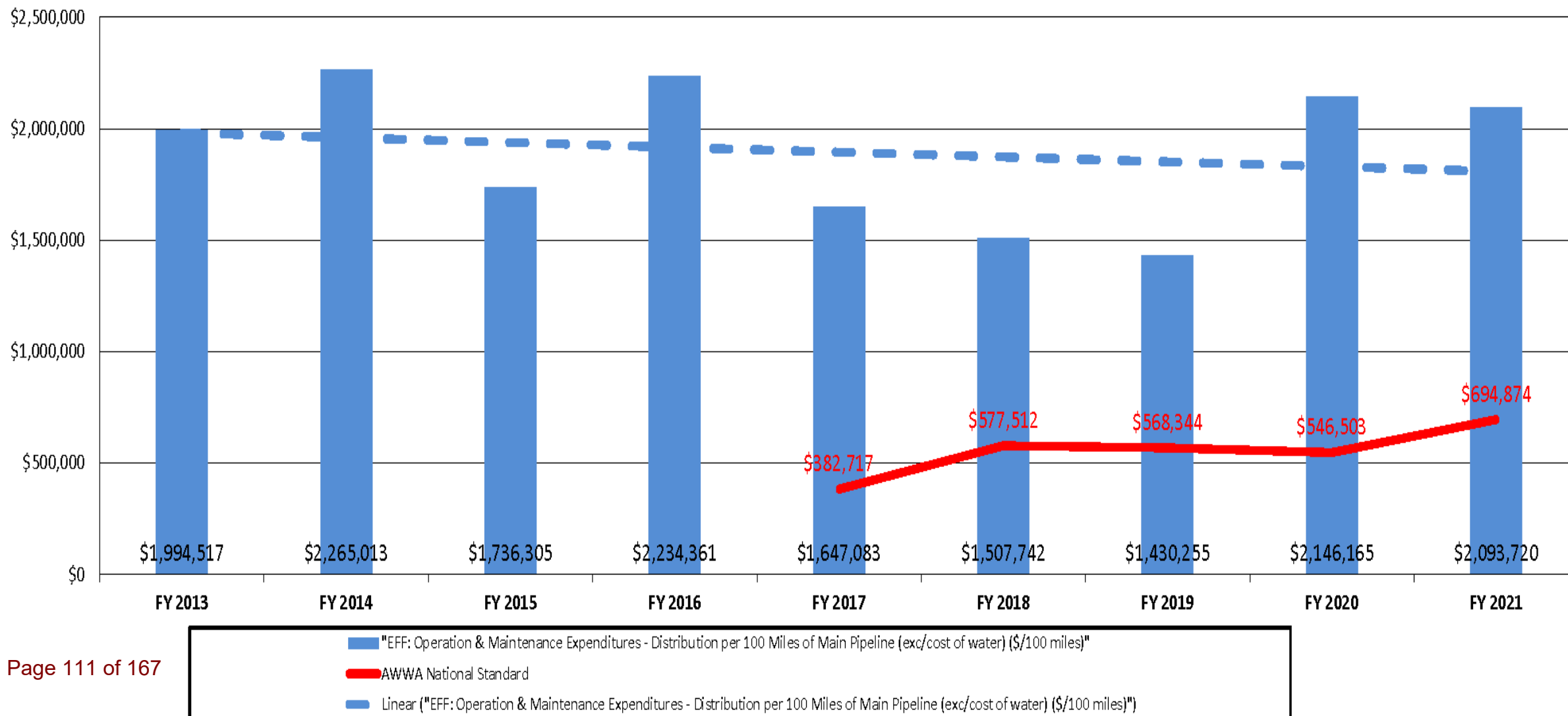
DW-1 / WATER SERVICE AFFORDABILITY - AVERAGE RESIDENTIAL ANNUAL WATER BILL AS A PERCENTAGE OF MEDIAN HOUSEHOLD INCOME (%) / SG 2.0 & SO 2.1



Water Distribution – Primary Key Organizational Performance Measure

9

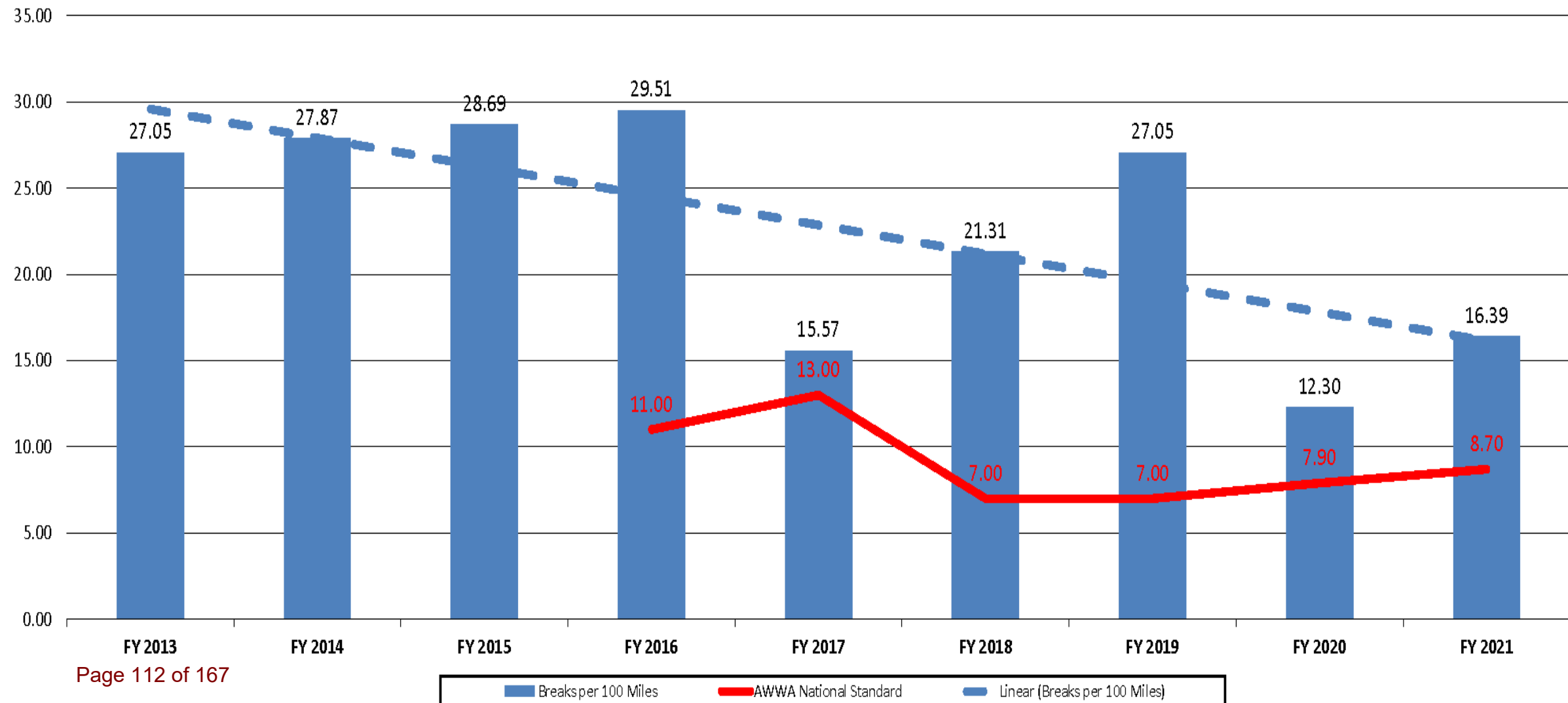
DW-2 / OPERATION & MAINTENANCE EXPENDITURES (EXC/ COST OF WATER) PER 100 MILES OF MAIN PIPELINE - DISTRIBUTION (\$/100 MILES) / SG 1.0 & SO 1.1



Water Distribution – Primary Key Organizational Performance Measure

10

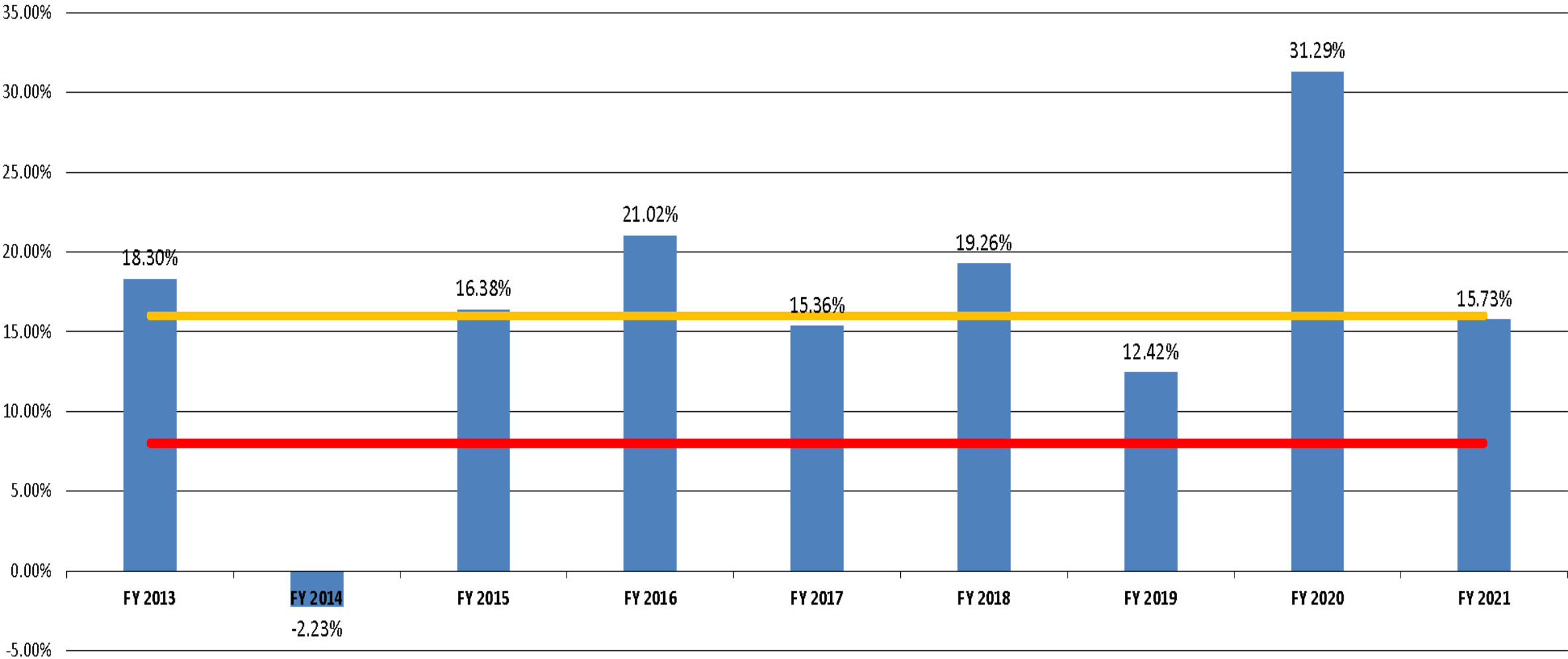
DW-3 / WATER DISTRIBUTION MAIN BREAKS PER 100 MILES MAIN PIPELINE (BREAKS/100 MILES) / SG 1.0 & SO 1.1



Water Distribution – Primary Key Organizational Performance Measure

11

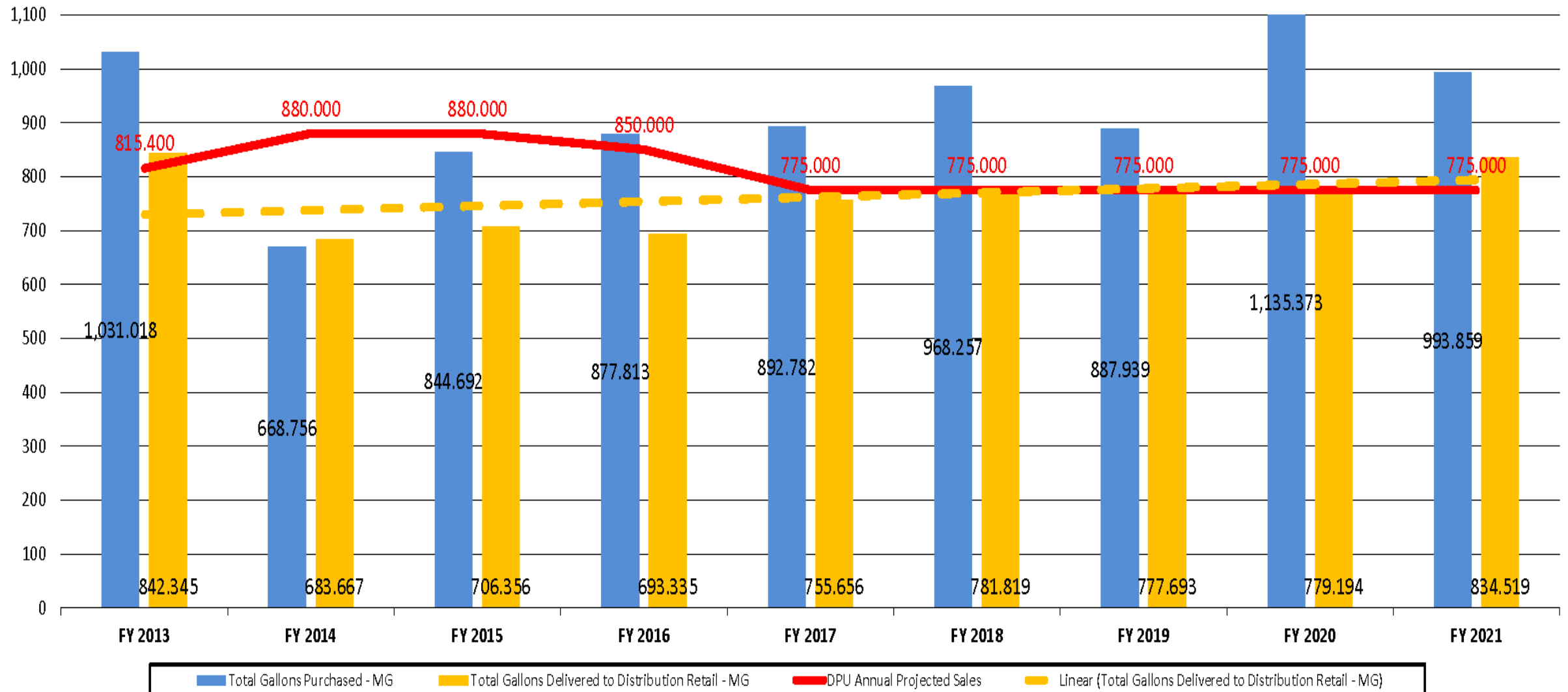
DW-4 / NON-REVENUE WATER (%) / SG 5.0 & SO 5.2



Water Distribution – Primary Key Organizational Performance Measure

12

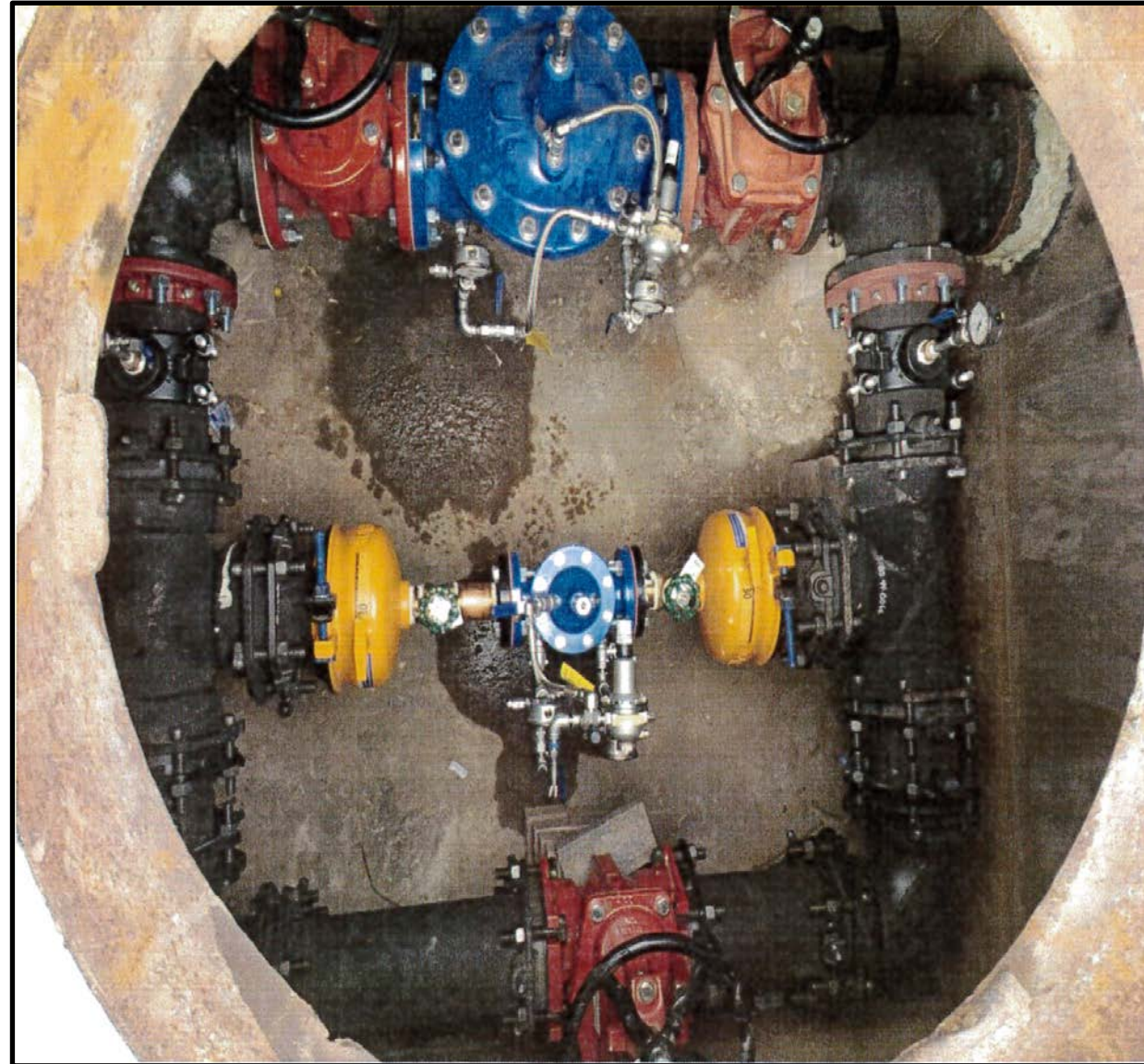
DW-5 / GALLONS PURCHASED FOR DISTRIBUTION VERSUS DELIVERED TO DISTRIBUTION - MILLION GALLONS (MG) / SG 1.0 & SO 1.1



Water Distribution System Photos – Barranca Tank Area Feed PRV Station R&R {O&M Budget Project}

Left = Old (1960) Failed 8" X 2" PRV Station Valves & Piping

Right = New (2021) 8" X 2" with Bypass PRV Station Valves & Piping in Existing Vault with New Lid



Water Distribution System – Overall System Condition – GIS Report – FY 2021

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WATER DISTRIBUTION SYSTEM - OVERALL SYSTEM CONDITION - END OF FY 2021 REPORT									
ASSET CLASS	COUNT	AGE FACTOR	OPERATIONAL CONDITION	CAPACITY CONDITION	RISK FACTOR	CONDITION & RISK ASSESSMENT		REPLACEMENT COST	{CONDITION & RISK ASSESSMENT} * {REPLACEMENT COST}
Main Water Pipelines	6,420	0.99	2.61	2.07	1.99	2.83		\$37,481,084.45	106,071,468.99
Drain Water Pipelines	1	0.52	2.00	2.00	1.00	3.00		\$1,910.69	5,732.08
Delivery Water Pipelines	8,093	1.11	2.74	2.00	2.00	3.14		\$2,496,238.41	7,838,188.59
Main Water Valves	2,304	0.91	2.50	2.00	1.99	2.83		\$5,137,695.00	14,539,676.85
Delivery Water Valves	7,159	1.10	2.71	2.00	2.00	3.12		\$1,575,205.50	4,914,641.16
Water Meters	7,503	0.40	2.67	2.00	2.00	2.25		\$1,592,717.00	3,583,613.25
Water Fire Hydrants	1,073	1.00	2.72	2.00	2.99	3.26		\$5,365,000.00	17,489,900.00
Water Pressure Reducing Station	61	0.84	2.97	2.00	3.00	3.14		\$2,702,000.00	8,484,280.00
SUMS	32,614							\$56,351,851.04	162,927,500.92
DW SYSTEM OVERALL SYSTEM CONDITION ASSESSMENT =					2.89	FAIR			

- The current physical condition of the water distribution sub-system overall is FAIR.
- This current condition assessment is based on the End of FY 2021 GIS Report for asset management condition & risk assessment score = 2.89. A new Primary Key Organizational Performance Measure will be developed to track and trend this value year over year starting next year once more than one value is available.
- Past two years the physical condition was rated fair to good – although using a non-numeric more subjective assessment methodology.
- Known portions in poor condition: PRV station condition and deteriorated pipelines that have been in the ground for 50 to 60 years. Profit Transfer and Economic Development funding is accelerating the re-start of DW CIP pipeline R&R projects.
- Greatest weakness = PRV Station valve & pipe condition due to age and excessive rust. GWS crews have developed a PRV Station R&R program which, after AMI meter change outs are completed and additional staff is approved and received, will regain momentum.
- Meter change out program continues to concentrate on AMI start up; including larger commercial and residential meters – 95% complete.

GIS Condition Report Reference Notes / Value & Assessment Formulas – 1 / 2

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Risk Term	Numeric Condition Value	Descriptive Value/Formula	Description
AGE		Current_Year - Year_Installed	
AGE FACTOR: PERCENT OF EXPECTED LIFE	0.01 to 1 (can be greater than 1 if age exceeds estimated life span)	Age / Estimated_Life_Span	For calculating Present Worth Value. The Age Factor is used to multiply times the current replacement value to calculate the Present Worth Value of that asset. For assets installed in the current year, set the minimum Age factor at 0.01 (instead of 0).
OPERATIONAL / STRUCTURAL CONDITION	1	Excellent	Excellent physical condition. Likely to perform adequately without major work for estimated life span. No failures. No corrosion, minor cracking, joint displacement, sediment. No visible roots. Only normal routine maintenance required
	2	Good	Good physical condition. Minimal short term failure risk but potential for deterioration within the estimated life span. Few failures. Minor wear, corrosion, cracking, joint displacement, sediment. Fine hair roots visible. Minor maintenance (if any) required.
	3	Fair	Functionally sound physical condition. Showing some wear with minor failures and some diminished efficiency. Deterioration evident. Failure unlikely within the next few years but further deterioration likely with some replacement before estimated life span is met. Minor components or isolated sections need replacement or repair but asset still functions safely at an adequate level of service. Increased operating expenses may be required. Moderate cracking and/or joint displacement. Sediment causing minor blockage. Medium level of root intrusion. Moderate maintenance work required but asset is still servicable.
	4	Poor	Functional asset but requires a high level of maintenance to remain at a working level of service. Asset barely servicable. Likely to experience a noticeable deterioration in performance in the short term. Noticeable increased operating costs. Significant corrosion. Extensive cracking and/or joint displacement. Major sediment blockage. Significant root intrusion. No immediate risk to health or safety but significant maintenance or minor renewal/upgrade work required within a few years to ensure asset remains safe.
	5	Failed	Failed or failure imminent. Asset essentially unservicable. Effective life has been exceeded and excessive maintenance costs incurred. High risk of breakdown with serious impact on performance. No life expectancy remains. Health and safety hazards exist or asset cannot be operated or serviced without risk to personnel. Major corrosion, cracking and/or joint displacement to the point of pipeline failure. Sediment almost totally blocking pipeline. Root intrusion has been neglected or is almost totally blocking pipeline. Major maintenance work or renewal/upgrade required urgently.
RISK FACTOR	1	Virtually None	Routine monitoring. No action required.
	2	Low	Monitor and manage as appropriate. Actioned by routine procedures.
	3	Medium	Actively manage. Planned action required.
	4	High	Proactively manage. Prioritised action required.
	5	Extreme	Eliminate, avoid, implement specific action plans and procedures to manage and monitor. Immediate action required
CAPACITY CONDITION	1	Excellent	Meets all demand requirements.
	2	Good	Infrequent peak demand problems but no detectable adverse impacts to customers. No known manhole surcharging.
	3	Fair	Occasional peak demand problems with minor detectable adverse impacts to customers. Minor manhole surcharging.
	4	Poor	Frequent peak demand or occasional average demand problems with obvious detectable adverse impacts to customers. Routine manhole surcharging but not overflowing.
	5	Failed	Routine average demand problems with constant or serious impacts to customers. Occasional manhole surcharging to overflow.
TIME SINCE CONDITION ASSESSMENT	1	Excellent	0 - 5 years
	2	Good	6 - 10 years
	3	Fair	11 - 15 years
	4	Poor	16 - 20 years
	5	Failed	21 + years
CONDITION ASSESSMENT METHODOLOGY	1	Excellent	Actual recent physical/ visual inspection in the last 0-3 years.
	2	Good	Actual physical/ visual inspection in the last 4-7 years.
	3	Fair	Assumption based on actual adjacent asset inspection.
	4	Poor	Assumption based on age and general historic knowledge of the specific component or system.
	5	Failed	Assumption based on age only.

GIS Condition Report Reference Notes / Value & Assessment Formulas – 2 / 2

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CONDITION & RISK SCORE (C&RS)		$\frac{((\text{OPERATIONAL_STRUCTURAL_CONDITION} \times 50) + (\text{CAPACITY_CONDITION} \times 20) + ((\text{AGE_FACTOR} \times 5) \times 15) + (\text{RISK_FACTOR} \times 15))}{100}$	<p>1. Calculating the "Condition & Risk Score" or "C&RS" value uses a weighted system where Operational & Structural Condition is weighted 35% and Capacity Condition is weighted 15% and Age Factor is weighted 25% and Risk Factor is weighted 25%. This splits the weighting evenly between the two condition categories and the age and risk categories 50-50.</p> <p>2. The Operational & Structural Condition category has more weight than the Capacity Condition because the Capacity Condition really only comes into play when the Capacity Condition is Poor or Failed during the life of any asset. And the Capacity Condition value generally would not change during the life of an asset unless conditions in the field change rather dramatically for some reason such as a new subdivision is added.</p> <p>3. The Age and Risk Factor are weighted the same because it feels like they have equal weight in the outcome. The older the asset and or the higher the inherent risk of an asset failure then the higher the score should be.</p> <p>4. The Age Factor is multiplied by 5 to bring that value between the (1 thru 5) scoring range of the other categories. Except in the instances when the asset life has exceeded the expected life and then the Age Factor will be greater than 1.0. In this case the Age Factor will begin to grow in importance to condition and risk as it continues to age beyond the expected life and as the calculated age factor grows ever higher than the (1.0 x 5) value.</p> <p>5. For the typical asset's "Condition & Risk Score" value, the value range will be the same as the individual categories: 1 thru 5.</p>
CONDITION & RISK ASSESSMENT (C&RA)	OPERATIONAL / STRUCTURAL CONDITION = 5	Failed	The Condition & Risk Assessment (C&RA) is a combination of the various condition assessments and is used to prioritize which assets need the quickest attention.
	CAPACITY CONDITION = 5	Failed	
	RISK FACTOR = 5	Failed	
	C&RS > 4.5	Failed	
	3.5 < C&RS <= 4.5	Poor	
	2.5 < C&RS <= 3.5	Fair	
	1.5 < C&RS <= 2.5	Good	
	C&RS <= 1.5	Excellent	
AGE FACTOR: Score Colors	0.01 <= AGE FACTOR <= 0.25	Excellent	0 <= AGE <= 10 (for Pipelines or any assets with Useful Life = 40 years)
	0.25 < AGE FACTOR <= 1	Good	10 < AGE <= 40 (for Pipelines or any assets with Useful Life = 40 years)
	1 < AGE FACTOR <= 1.5	Fair	40 < AGE <= 60 (for Pipelines or any assets with Useful Life = 40 years)
	1.5 < AGE FACTOR <= 2	Poor	60 < AGE <= 80 (for Pipelines or any assets with Useful Life = 40 years)
	2 < AGE FACTOR	Failed	80 < AGE (for Pipelines or any assets with Useful Life = 40 years)
Various "Average" Attributes in Summary Report			"Average" numbers in the summary reports are the averages of each individual asset's value for that category. Each individual asset for pipelines being each individual pipeline segment within the GIS gas system for the appropriate category (for example: high pressure main gas pipelines). For singular assets such as gas valves, each individual asset is each individual valve within the GIS gas system for the appropriate category (for example: high pressure key gas valves).
Fully Depreciated Assets			Fully Depreciated Assets are denoted "F.D." inside attribute for depreciated value of current fiscal year
REPLACEMENT COST			Replacement costs for most asset types were retrieved from RS Means. For asset types with no RS Means data, we used install costs from the most recent assets in financial data.
Overall System		$\frac{\text{SUM}(\text{CONDITION \& RISK ASSESSMENT} * \text{REPLACEMENT COST})}{\text{SUM}(\text{REPLACEMENT COST})}$	The Overall System score is given by taking the sum of CONDITION & RISK ASSESSMENT * REPLACEMENT COST for each asset class and dividing by the sum of REPLACEMENT COST for each asset class. We used replacement costs as the weights because they are a good measure of the relative importance of various assets.

Water Production System Photos – Future CIP Projects

Left = Old (1950) Failed 16" Altitude Valve – Sycamore Tank {FY23/FY25 Tank Piping Upgrade Projects}

Right = Old (1955) WP 14" Transmission Pipeline Coupling {FY25 Townsite 14" Pipeline R&R Project(s)}



WP – NEW/ONGOING ISSUES & ACHIEVEMENTS

19

- **WP** – Tsankowi Chlorination & Pipeline and OW2/OW4 projects started construction.
- **WP** – OW4 motor failed. Ordering a new motor meant additional coordination during the design of the OW4 MCC replacement project with engineers and contractors.
- **WP** – WP AMT (Asset Management Team) agreed upon a standardization of equipment for Well Stations and for Booster Stations. This necessitated additional coordination during the equipment submittal/acquisition process of the OW2/OW4 project.
- **WP** – Despite OW4 failing and unavailable during the last high irrigation season, WP crews maintained water supply to all systems. Helpfully, PW4 was finally completed and placed on-line for continuous service during the later half of the high irrigation season.
- **WP** – Covid/AMI/Retirement impacts resulted in deferral of O&M initiatives for: PRV Stations, Water Valves & Fire Hydrants. AMI remains highest priority until completion. Isolated WP small service water meters were located and upgraded.
- **WP** – Chromium plume estimated impacts on the aquifer may be more severe than originally thought. NMED and LANL staff are reviewing this issue.
- **WP** – NM 4 Road/Pipeline and Camp May/Ski Hill Pipeline projects continue to require flexibility in scheduling based on factors outside the control of DPU.

❖ PRIMARY KEY ORGANIZATIONAL PERFORMANCE MEASURES

- ▶ Percent Number of Days in Full Compliance (%)
- ▶ O&M Expenditures per Million Gallons Produced (\$/MG)
- ▶ Main Pipeline Breaks per 100 Miles of Pipeline (#/100 miles)
- ▶ Energy Consumption per Million Gallons Potable Water Produced (kWh/MG)
- ▶ Gallons per Capita Daily Water Produced (GPCD)
- ▶ Total Gallons Produced vs DPU Projected Sales

❖ SECONDARY KEY ORGANIZATIONAL PERFORMANCE MEASURES

- ▶ Energy Consumption per Million Gallons Produced (kWhr/MG)
- ▶ Planned Maintenance as a Percent of Total Maintenance (planned maint. hours/planned + corrective maint. hours) (%)
- ▶ System Renewal and Replacement (CIP Expenditures for R&R/Total Present Worth of Gas System) (%)

❖ PERFORMANCE MEASURES WITH TARGETS OR BENCHMARKS

- ▶ Performance Measures with known National Standards for system comparison are in GREEN (Typically AWWA standards)
- ▶ Performance Measures with a DPU Strategic Plan or Conservation Plan Goal are in MAGENTA
- ▶ Performance Measures with both a DPU Strategic Plan or Conservation Plan Goal and a National Standard comparable goal are in CYAN
- ▶ Measures are collected monthly and compiled and reviewed annually. Annual FY performance measures data is transferred from the annual data sets to a multi-year data set for year over year / multi-year comparison.

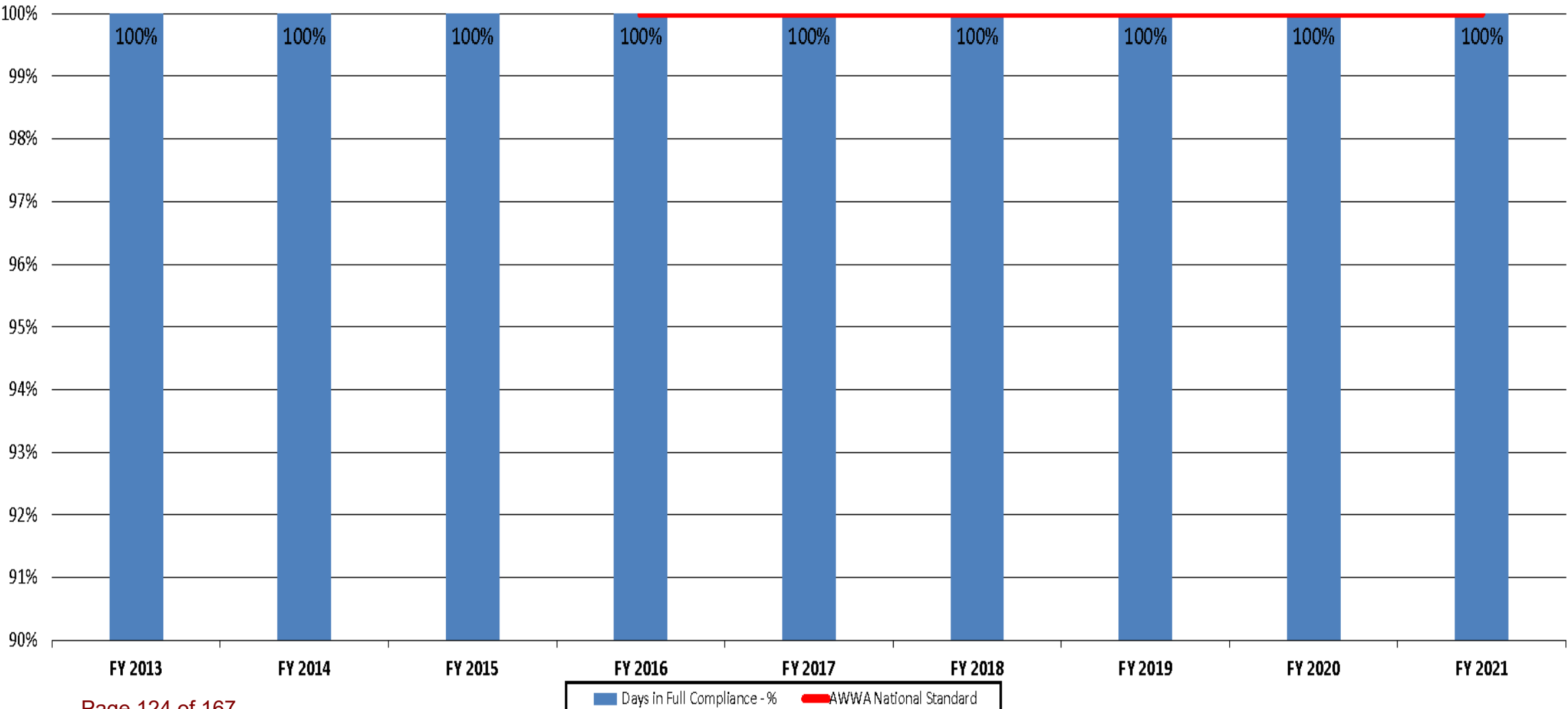
WP – DASHBOARD ANALYSES

- Summary of Primary Performance Measures for Water Production.
 - **WP-1: Drinking Water Compliance** – Outstanding long term historic compliance record continues.
 - **WP-2: O&M Expenditures per MG Produced** - 9-year trend continues to compare well with national standard.
 - **WP-3: Breaks per 100 Miles Main Pipeline** – 5-year trend is up & down compared to national standard. {NOTE: Difficult to meet national standard with only 45 miles of main in the WP system. More than 4 breaks exceeds the FY21 national standard of 8.70 breaks per 100 miles of main}
 - **WP-4: Gallons per Capita per Day (GPCD)** - GPCD Goals revised between FY16 & FY17 and again between FY20 & FY21. Long term trend is static and above both DPU conservation goal and national standard.
 - **WP-5: Potable Water Produced** – Recent actual sales starting to trend up. Perhaps due to “high season” temperatures trending up and precipitation trending down. May make it more challenging toward meeting the DPU conservation goal and national standard for GPCD in the coming 8 years.

Water Production – Primary Key Organizational Performance Measure

22

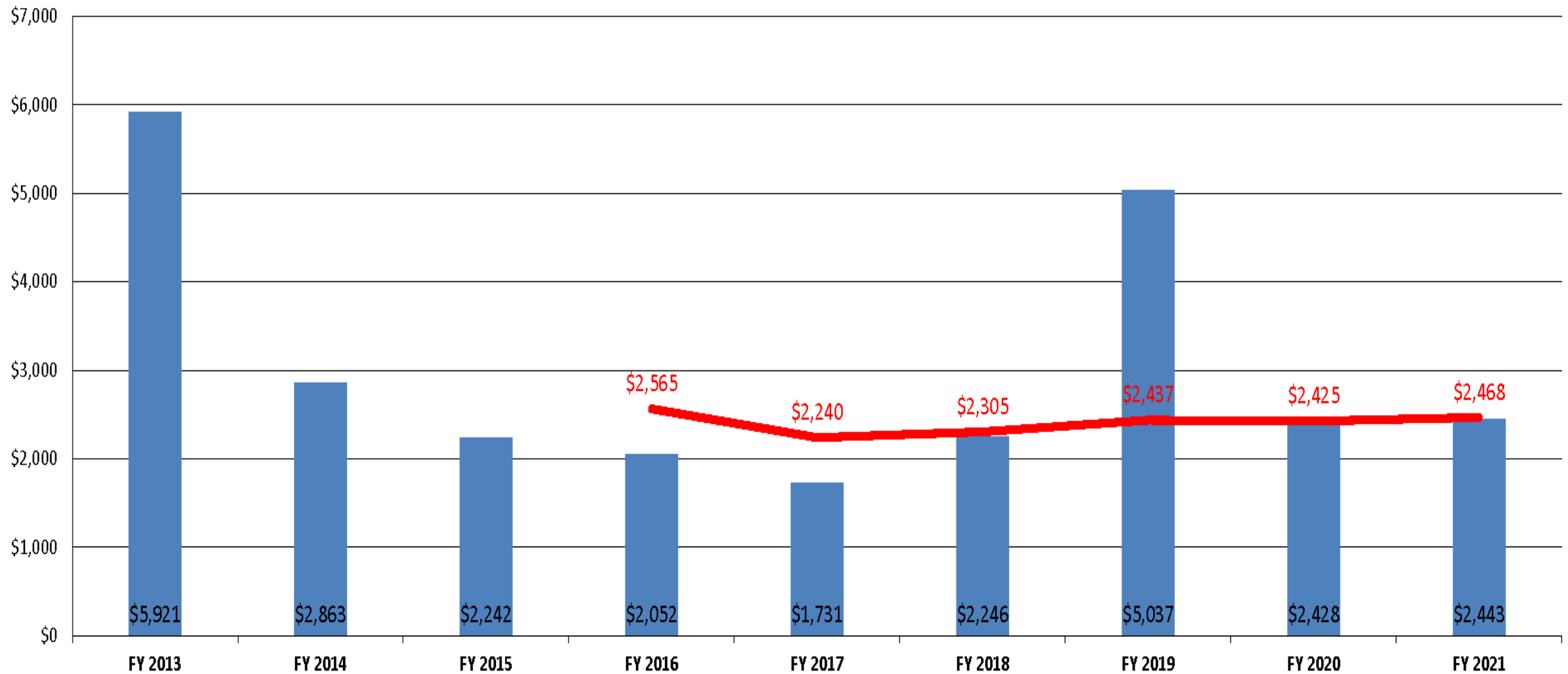
WP-1 / DRINKING WATER COMPLIANCE - NUMBER OF DAYS IN FULL COMPLIANCE AS A PERCENTAGE OF NUMBER OF DAYS IN COMPLIANCE PERIOD (%) / SG 1.0 & SO 1.1



Water Production – Primary Key Organizational Performance Measure

23

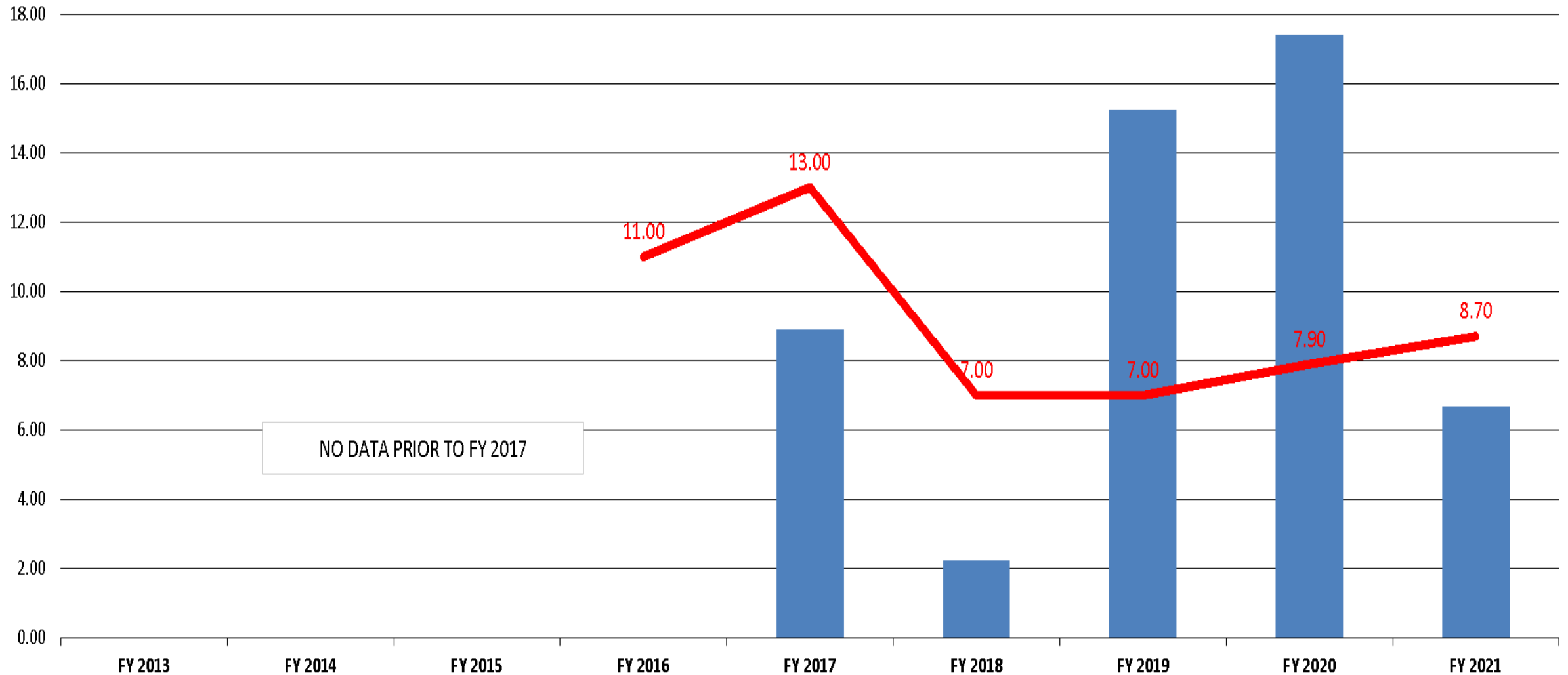
WP-2 / O&M EXPENDITURES PER MILLION GALLONS PRODUCED (\$/MG) / SG 2.0 & SO 2.1



Water Production – Primary Key Organizational Performance Measure

24

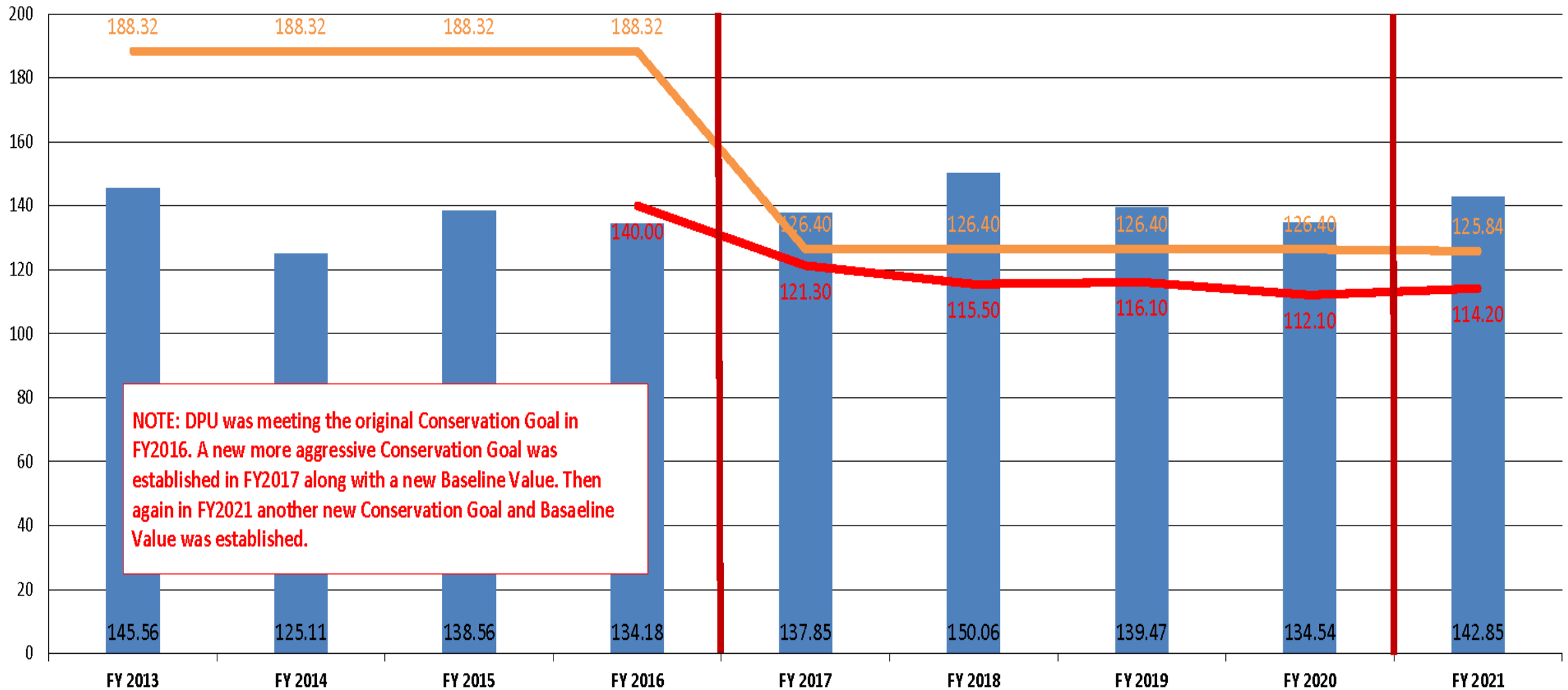
WP-3 / WATER TRANSMISSION MAIN BREAKS PER 100 MILES MAIN PIPELINE (BREAKS/100 MILES)



Water Production – Primary Key Organizational Performance Measure

25

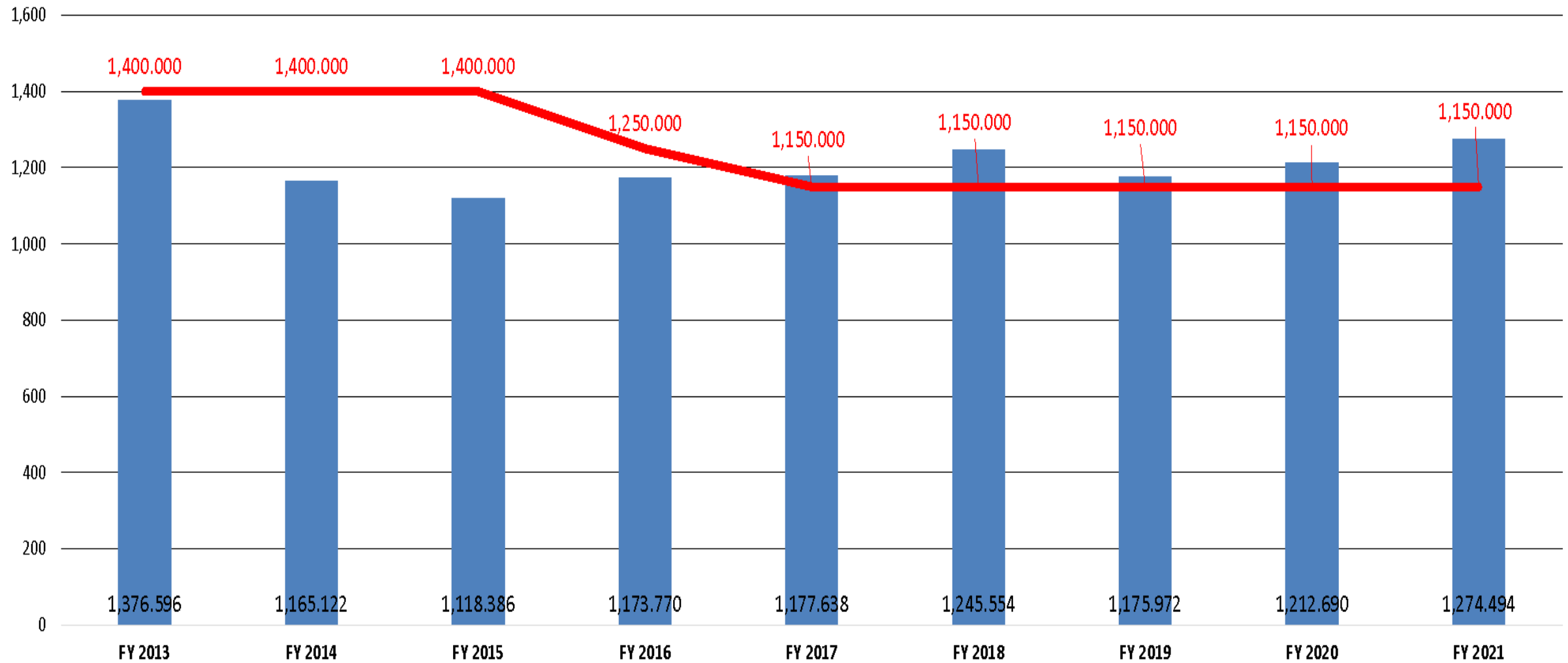
WP-4 / GALLONS PER CAPITA PER DAY (GPCD) / SG 5.0 & SO 5.3



Water Production – Primary Key Organizational Performance Measure

26

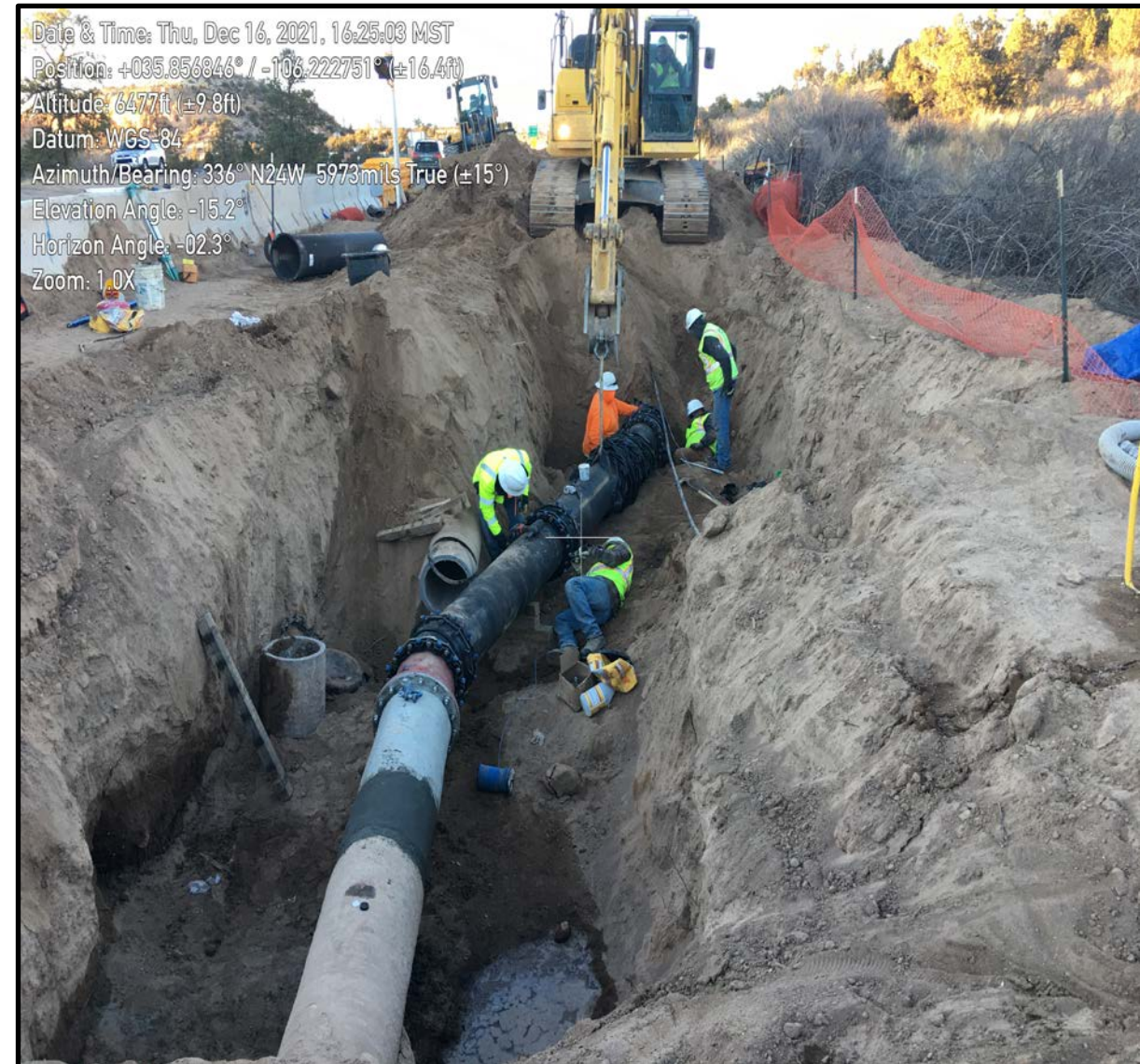
WP-5 / POTABLE WATER PRODUCED - MILLION GALLONS (MG) / SG 1.0 & SO 1.1



Water Production System Photos – Recent CIP Projects

Left = Old (1966) 16" Concrete Cylinder Pipe Slip-lined with PVC/Kevlar Pipe Liner {DOE Land}

Right = Old (1955) WP 16" Connection Old Concrete Cylinder Pipe to New Ductile Iron Pipe {Tsankowi/NM502 Intersection}



Date & Time: Thu, Dec 16, 2021, 16:25:03 MST
Position: +035.856846° / -106.222751° (±16.4ft)
Altitude: 6477ft (±9.8ft)
Datum: WGS-84
Azimuth/Bearing: 336° N24W 5973mils True (±15°)
Elevation Angle: -15.2°
Horizon Angle: -02.3°
Zoom: 1.0X

Water Production System – Overall System Condition – GIS Report – FY 2021

28

WATER PRODUCTION SYSTEM - OVERALL SYSTEM CONDITION - END OF FY 2021 REPORT									
ASSET CLASS	COUNT	AGE FACTOR	OPERATIONAL CONDITION	CAPACITY CONDITION	RISK FACTOR	CONDITION & RISK ASSESSMENT		REPLACEMENT COST	{CONDITION & RISK ASSESSMENT} * {REPLACEMENT COST}
Main Water Pipelines	914	1.07	2.33	1.21	2.00	2.82		\$39,586,174.70	111,633,012.66
Drain Water Pipelines	190	1.15	2.23	2.13	2.00	3.06		\$551,364.39	1,687,175.04
Delivery Water Pipelines	32	1.25	2.50	2.00	2.00	3.00		\$0.00	0.00
Main Water Valves	446	1.00	2.54	1.44	1.99	2.76		\$3,661,885.00	10,106,802.60
Delivery Water Valves	3	0.28	2.00	2.00	2.00	1.86		\$856.00	1,592.16
Water Meters	36	2.29	2.57	2.00	2.00	2.74		\$282,128.00	773,030.72
Water Booster Stations	17	1.42	2.88	1.18	2.18	3.47		\$4,165,000.00	14,452,550.00
Water Tanks Reservoirs Ponds	25	1.33	2.20	2.48	2.36	3.39		\$25,265,102.50	85,648,697.48
Water Wells	12	0.91	2.36	2.00	2.82	2.97		\$40,700,000.00	120,879,000.00
SCADA	41	2.26	2.00	2.00	2.27	4.39		\$451,000.00	1,979,890.00
SUMS	1,716							\$114,663,510.59	347,161,750.66
WP SYSTEM OVERALL SYSTEM CONDITION ASSESSMENT =							3.03	FAIR	

WP Sub-System Summary – January 2022 Water Distribution Physical Condition Assessment

29

- The current physical condition of the water distribution sub-system overall is FAIR.
- This current condition assessment is based on the End of FY 2021 GIS Report for asset management condition & risk assessment score = 3.03. A new Primary Key Organizational Performance Measure will be developed to track and trend this value year over year starting next year once more than one value is available.
- Past two years the physical condition was rated fair to good – although using a non-numeric more subjective assessment methodology.
- Known portions in poor condition: storage tanks needing R&R, GW1A well failure and aged pipelines that have been in the ground for 50 to 60 years. Current 10-year CIP Plan rehabilitates the top 11 priority tanks, constructs a new tank, gets wells OW1, OW2 and GW1B on-line and R&R's 4 high priority pipelines.
- Greatest weakness = the age of the well and booster station pumps, control valves and control systems. Adding OW2 & OW1 wells on-line for the first time in FY22, and getting GW1B on-line in FY23, will help to reinforce against this weakness. Current 10-year CIPO Plan has scheduled in FY23 & FY32 significant projects to modernize the highest priority well and/or booster station electric power & control systems and control valves.

Non-Potable System Photos – Current CIP Project

Left = Old (1982) Overlook Park Irrigation Pump Station {Manual Control by Parks}

Right = New (under construction) Overlook Park NP Booster Station {Auto Control Pressure System by DPU}



NP – NEW/ONGOING ISSUES & ACHIEVEMENTS

31

- **NP** – New Overlook Park Booster Station construction is nearing completion. Scheduled start-up in time for 2022 irrigation season.
- **NP** – White Rock wwtp design incorporates potential re-use of existing tankage for expanded storage volumes in White Rock. Allowing for potential system expansion projects to begin in White Rock.
- **NP** – Bayo Booster Tank 2 project was split into two phases due to unforeseen cost increases. Phase 1 has been awarded for FY22/FY23 construction. Phase 2 project funding is being requested for FY23/FY24 construction.
- **NP** – Reservoir Road pipeline & electric conduit washouts continue to be a concern. An NMED River Stewardship Program grant was applied for and awarded to restore the LA Canyon watershed in order to eliminate this continuing washout/damage problem. Design & permitting scheduled in FY23 and construction in FY24.
- **NP** – Covid & Retirement impacts resulted in decreased productivity on certain O&M activities: PRV Stations, Confined Space R&R, Valve Exercise and R&R, etc.

❖ PRIMARY KEY ORGANIZATIONAL PERFORMANCE MEASURES

- ▶ O&M Expenditures per Million Gallons Produced & Distributed (\$/MG)
- ▶ Main Pipeline Breaks per 100 Miles of Pipeline (#/100 miles)
- ▶ Gallons per Capita Daily Water Produced (GPCD)
- ▶ Total Gallons Produced & Distributed vs DPU Projected Sales

❖ SECONDARY KEY ORGANIZATIONAL PERFORMANCE MEASURES

- ▶ Percent Gallons to Reuse vs Gallons Treated (%) – White Rock WWTP & LA WWTP
- ▶ Energy Consumption per Million Gallons Produced & Distributed (kWhr/MG)
- ▶ Planned Maintenance as a Percent of Total Maintenance (planned maint. hours/planned + corrective maint. hours) (%)
- ▶ System Renewal and Replacement (CIP Expenditures for R&R/Total Present Worth of Gas System) (%)

❖ PERFORMANCE MEASURES WITH TARGETS OR BENCHMARKS

- ▶ National Standard Performance Measures for Potable systems accepted as viable for NP system comparison (AWWA)
- ▶ Performance Measures with a DPU Strategic Plan or Conservation Plan Goal are in Magenta
- ▶ Performance Measures with both a DPU Strategic Plan or Conservation Plan Goal and a National Standard comparable goal are in CYAN
- ▶ Measures are collected monthly and compiled and reviewed annually. Annual FY performance measures data is transferred from the annual data sets to a multi-year data set for year over year / multi-year comparison.

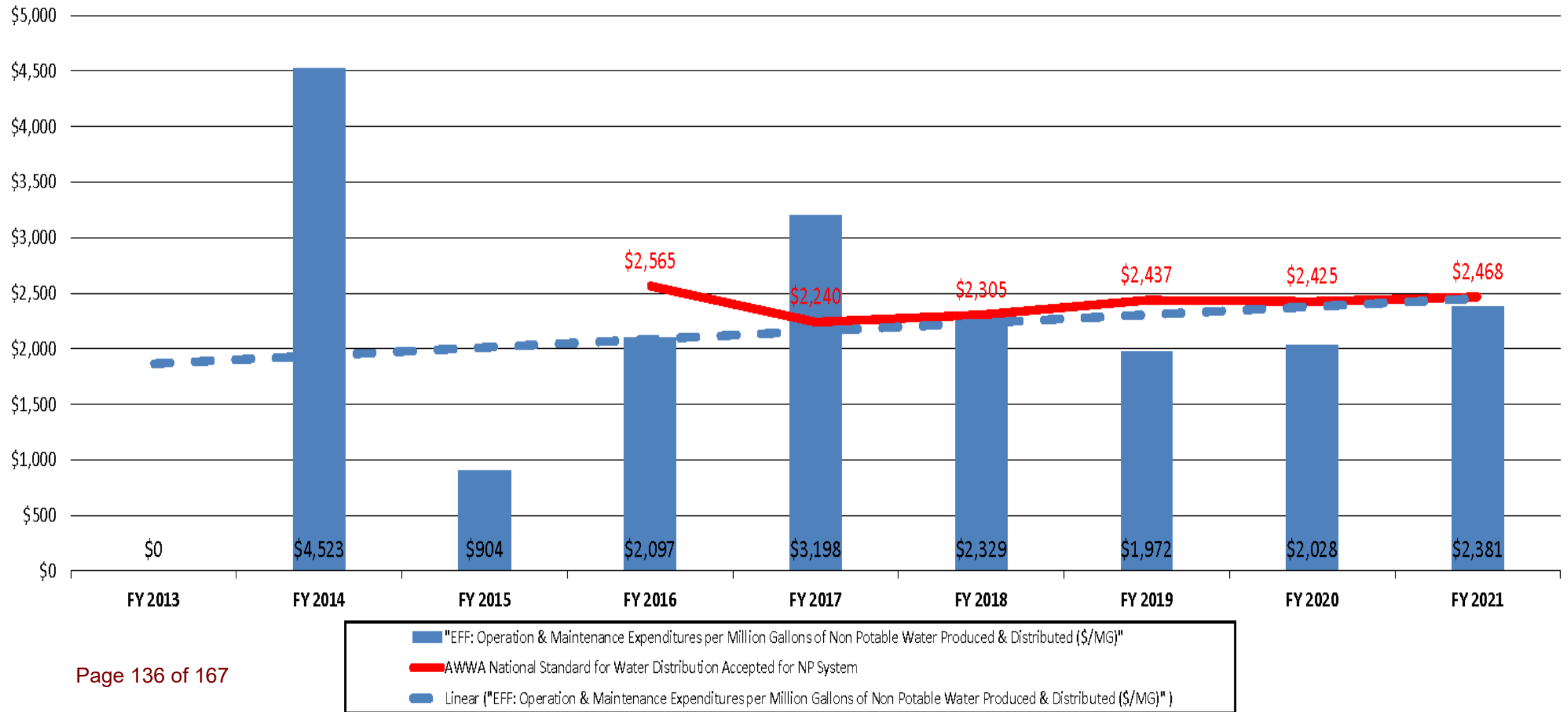
NP – DASHBOARD ANALYSES

- Summary of Primary Performance Measures for NP System.
 - **NP-1: O&M Expenditures per MG** – 8-year trend shows a good comparison to national standard for potable water distribution systems. {NOTE: No cost of water or water production costs included}
 - **NP-2: Breaks per 100 Miles Main Pipeline** – Difficult to trend because of FY17 & FY18 multiple breaks. After FY17 & FY18 Pipeline R&R - last 3-Year's trend shows a good comparison to national standard for potable water distribution systems. {NOTE: With only 14 miles of main – more than one break will exceed the national standard}
 - **NP-3: Gallons per Capita per Day (GPCD)** – 9-year trend continues upward – which for effluent reuse is good.
 - **NP-4: NP Water Produced** - Projected sales compare well to actual sales. Weather dependent variable – but long term trend is positive. Major NP system expansion is required before significant progress in actual sales growth will occur affecting this and GPCD values.

NP System – Primary Key Organizational Performance Measure

34

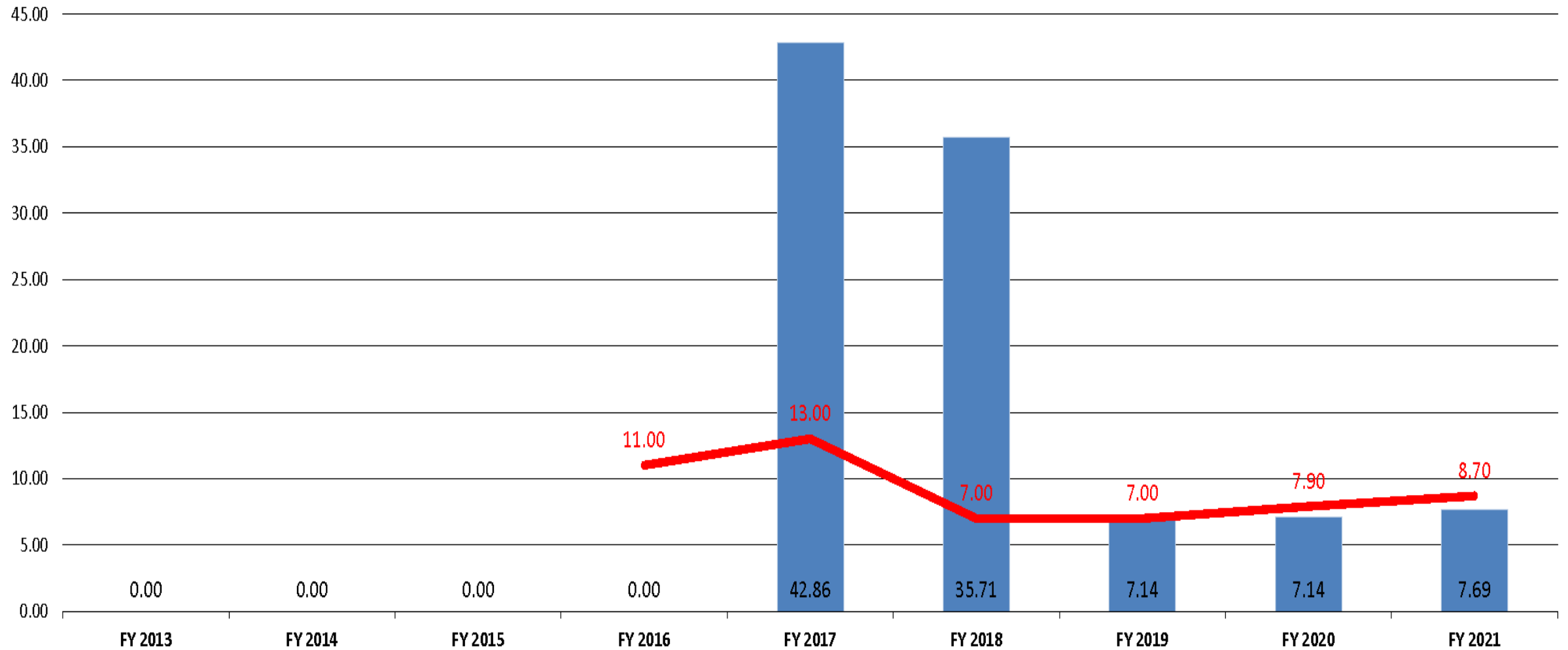
NP-1 / OPERATION & MAINTENANCE EXPENDITURES PER MILLION GALLONS PRODUCED & DISTRIBUTED (\$/MG) / SG 1.0 & SO 1.1



NP System – Primary Key Organizational Performance Measure

35

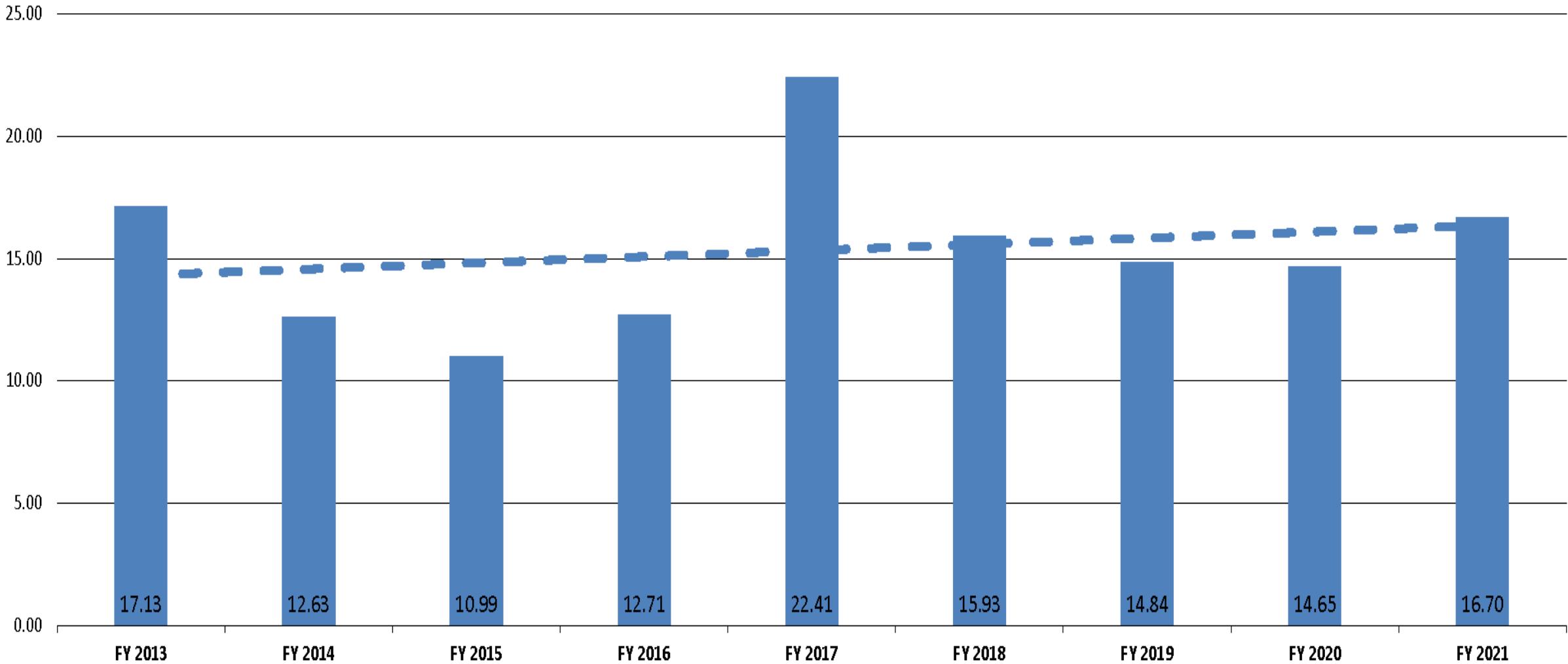
NP-2 / BREAKS PER 100 MILES OF MAIN PIPELINE (BREAKS/100 MILES) / SG 1.0 & SO 1.1



NP System – Primary Key Organizational Performance Measure

36

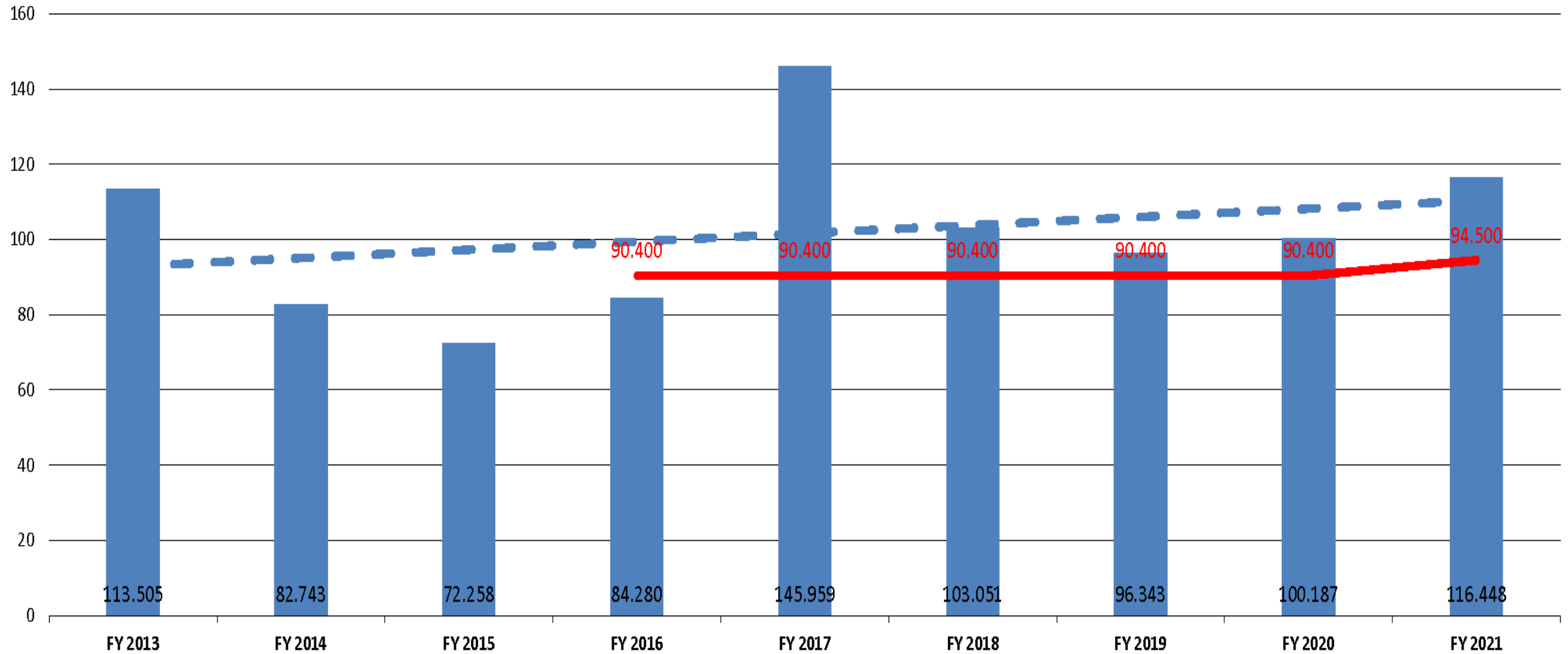
NP-3 / GALLONS PER CAPITA PER DAY (GPCD) / SG 5.0 & SO 5.1



NP System – Primary Key Organizational Performance Measure

37

NP-4 / NON POTABLE WATER PRODUCED & DISTRIBUTED - MILLION GALLONS (MG) / SG 1.0 & SO 1.1



Non-Potable Water System – Overall System Condition – GIS Report – FY 2021

38

NON-POTABLE WATER SYSTEM - OVERALL SYSTEM CONDITION - END OF FY 2021 REPORT									
ASSET CLASS	COUNT	AGE FACTOR	OPERATIONAL CONDITION	CAPACITY CONDITION	RISK FACTOR	CONDITION & RISK ASSESSMENT		REPLACEMENT COST	{CONDITION & RISK ASSESSMENT} * {REPLACEMENT COST}
Main Water Pipelines	264	0.48	2.34	2.63	2.00	2.15		\$2,518,688.50	5,415,180.28
Drain Water Pipelines	50	1.03	2.05	2.35	2.00	2.47		\$94,844.20	234,265.19
Delivery Water Pipelines	22	0.40	2.00	2.14	2.00	2.13		\$463,933.13	988,177.56
Main Water Valves	99	0.41	2.06	2.06	2.00	2.06		\$352,003.00	725,126.18
Delivery Water Valves	5	0.27	2.15	2.67	2.00	2.14		\$7,739.00	16,561.46
Water Meters	16	0.60	2.09	3.00	2.00	1.96		\$52,084.50	102,085.62
Water Booster Stations	3	0.38	1.67	2.33	2.00	1.91		\$735,000.00	1,403,850.00
Water Pressure Reducing Station	2	0.10	2.00	2.00	3.00	1.88		\$100,000.00	188,000.00
SCADA	9	1.20	2.00	2.00	2.56	3.14		\$99,000.00	310,860.00
SUMS	470							\$4,423,292.33	9,384,106.29
NP SYSTEM OVERALL SYSTEM CONDITION ASSESSMENT =							2.12	GOOD	

NP Sub-System Summary – January 2022 Water Distribution Physical Condition Assessment

39

- The current physical condition of the Non-Potable Water sub-system overall is GOOD.
- This current condition assessment is based on the End of FY 2021 GIS Report for asset management condition & risk assessment score = 2.12. A new Primary Key Organizational Performance Measure will be developed to track and trend this value year over year starting next year once more than one value is available.
- Past two years the physical condition was rated fair to good – although using a non-numeric more subjective assessment methodology.
- Known portions in poor condition: Older pipeline segments inherited from previous owners (golf course & parks). LA Reservoir pipeline washouts – Grant awarded for improvements in FY23 & FY24.
- Greatest weakness = Lack of storage volume that would enable system expansion. Bayo Booster Tank 2 phase 1 under construction and phase 2 planned for FY23. Possible conversion of Barranca Tank 1 for NP storage to serve Guaje Pines Cemetery & Barranca Mesa planned for FY24. Possible revision to USFS permit to allow a second Group 12 Tank. White Rock wwtp project planned for re-use of existing tankage for potential conversion to additional NP storage.

DW / FY23 & FY24 / O&M GOALS & ACTION ITEMS

40

- Launch the Water Valve Location/Marking/R&R Program (contract services @ \$150,000 (DW) per year for multiple years). RFP is drafted and under review by Purchasing & Legal. (also WP & NP)
- Additional FTE into the GWS crew – which will add approximately 1/3rd FTE for assistance with DW system O&M. Addition of an SOS FTE will create time for DW Supervisors to increase in field supervision & training.
- Finish the AMI meter change out program.
- Continue to work with HR to recruit and keep temporary FTE help with meter change outs.
- Continue to assist Engineering with new construction inspection: 33rd & 34th Street (Aspen Area Phase 1), North Mesa Distribution Upgrades (Development pipeline upgrade on North Mesa Road), Canyon Road (PW), DP Road Utilities Phase 2 (PW), Rose Street (PW), Bathtub Row-Nectar-Peach (PW), Central Avenue (PW), Deacon Street (PW/Dev), Finch Street (Dev), Longview (Dev) and other utility related projects as necessary.

DW / FY 23 & FY24 BUDGET/ CIP PROJECTS

41

Funded in FY22 to be Re-budgeted in FY23

- FY23 33rd & 34th Street Utilities – (PW Project) \$672,000

Funded by Budget Transfer

- FY23 Rose Street – (PW Project) \$331,000
- FY24 Bathtub Row/Nectar/Peach - (PW Project) \$593,000
- FY24 Central Avenue - (PW Project) \$351,000

Possible Economic Development Funding

- Both FY23 & FY 24 North Mesa Distribution Upgrades Phase 1 & 2 (\$675,000 and \$697,500)

New Project

- Deacon Street working with economic development to fund.

WP & NP / FY23 & FY24 / O&M GOALS & ACTION ITEMS

42

- ▶ Launch the Water Valve Location/Marking/R&R Program (contract services @ \$87,000 (WP) & \$50,000 (NP) per year for multiple years). RFP is drafted and under review by Purchasing & Legal. (also DW)
- ▶ Complete the Water Systems SCADA Transition Study to develop a comprehensive plan to transition away from a proprietary SCADA system to an open-source SCADA system.
- ▶ Launch the Well and Booster Station Pump Systems – Operation, Maintenance and Training program. 7-Year contractor assistance for enhanced O&M and training at all water system well and booster stations. (contract services \$241,000 (WP) & \$46,000 (NP) per year).
- ▶ Get OW1, OW2, OW4, Tsankowi Chlorination and Overlook Park Booster Station and Bayo Booster Tank 2 on-line.
- ▶ Continue to assist Engineering with new construction inspection: Canyon Road (PW), Rose Street (PW), OW2 & OW4 completion, Tsankowi Chlorination & Pipeline completion, Tank Repainting and Piping R&R, LA Canyon Watershed Restoration, Bayo Booster Tank 2, and other utility related projects as necessary – including the Camp May/Ski Hill Pipeline & DOE Pipeline Re-Route.

Funded in FY22 to be Re-budgeted in FY23

- ➡ WP – FY23 Barranca Tank 2 Repaint and R&R – \$1,600,000 (up from \$675,000)
- ➡ WP – FY23 MCC Upgrades - \$2,200,000 (up from \$2 million)
- ➡ WP – FY23 & FY25 Tank Piping Upgrades - \$450,000 each year (up from \$300,000)
- ➡ NP – FY23 & FY24 LA Reservoir Canyon Restoration - \$400,000 per year (+/-)

Funded by Budget Transfer

- ➡ WP – FY22/FY23 Canyon Road Utilities – (PW Project) \$381,000 (up from \$254,000)

Possible Economic Development Funding

- ➡ WP - FY23 Camp May/Ski Hill Pipeline – \$6 million (up from \$4 million)

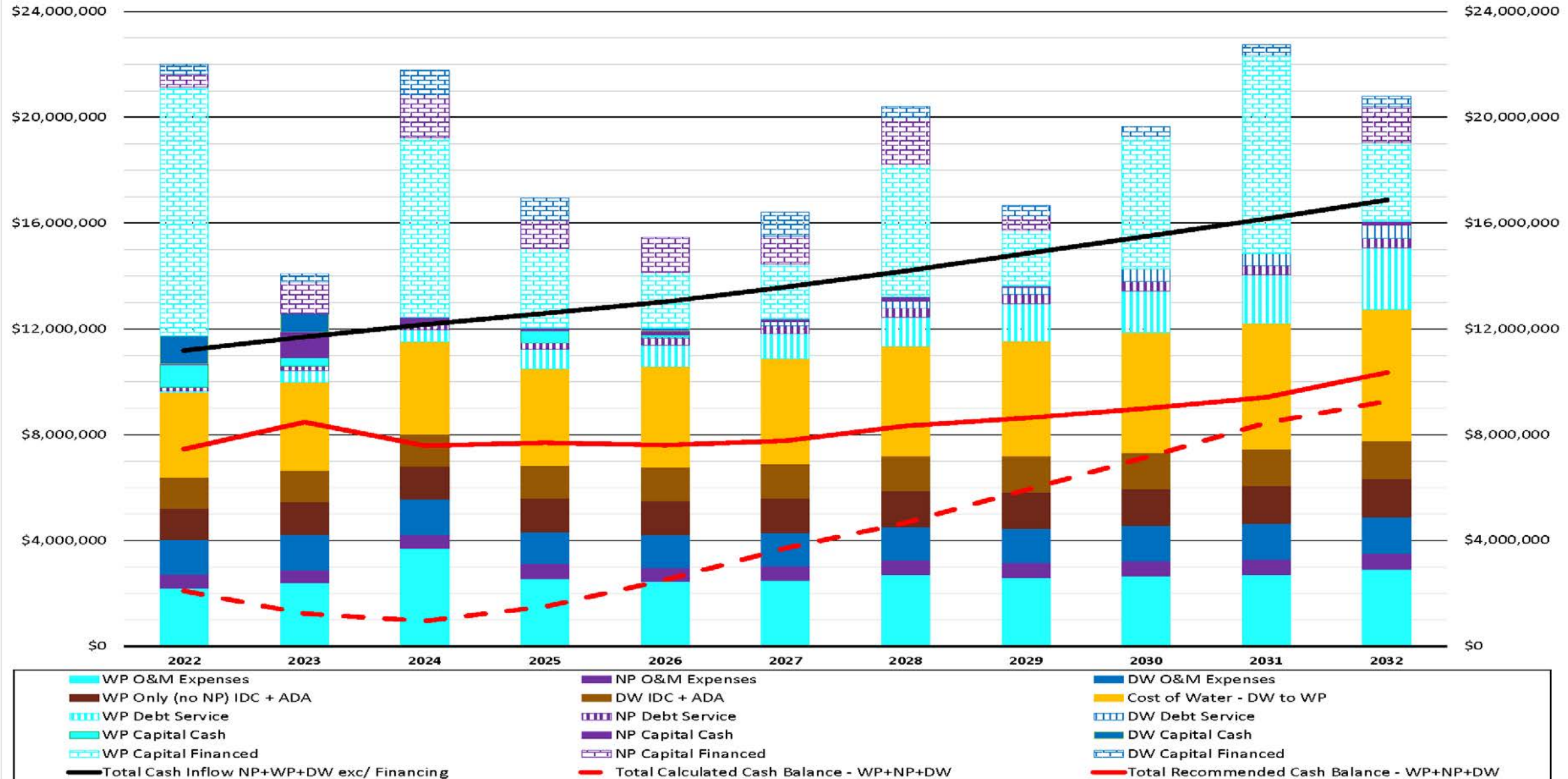
New / Carry Over Projects

- WP – FY23 Rose Street – (PW Project) \$323,000 (up from \$215,320)
- NP – FY23 Bayo Booster Station Tank 2 Phase 2 – \$1,600,000 (up from \$675,000) (WTB G/L/C)
- WP – FY24 Repaint and R&R Guaje Booster Station No. 1 Tanks 1 & 2, Guaje Booster Station No. 2 Tanks 1 & 2 and Guaje Booster Station No. 3 Tanks 1 & 2 - \$2,800,000 (up from \$2,200,000)
- WP – NM 4 Pipeline R&R - (NM DOT) \$4,000,000 (up from \$2,980,000)
- NP – FY24 NP Guaje Pines Cemetery Feed Pipeline & Barranca Tank 1 Conversion - \$1,500,000 (up from \$990,000) (WTB G/L/C)

Total Water Fund (WP + NP + DW) / 10-Year Revenue – Expenditure - Cash Balance Graph

45

FY 2023 BUDGET - ANNUAL INCREASE 4.5% WP & 5.0% NP & 4.0% DW AND ALL CIP FINANCED- 10-YEAR FORECAST - WATER FUND (NP+WP+DW) REVENUE / EXPENSE / CASH BALANCE 1/07/2022 version



Overall Water Fund Summary – January 2022 DW, WP & NP Water Systems Financial Condition Assessment

46

- The current financial condition of the Overall Water Fund is FAIR.
- Cash balance reserves not currently meeting policy goals but, with projected rate adjustments, trending in a positive direction.
- Covid and severe weather events have harmed supply chains across the globe and impacted construction labor availability. Acquisition of equipment, parts, supplies and labor is more difficult, expensive and time consuming. CIP project cost estimates have been increased 50% for all CIP projects throughout the 10-year FY23/FY24 budget forecast.
- To offset these additional costs, DPU is recommending two actions: 1) Debt finance all major CIP projects, and 2) Increase rates over the 10-year budget forecast period adequately to cover these additional costs without deferring any planned CIP projects or O&M initiatives.
- Projected water rate increases: DW (Retail) = 4.0% / WP (Bulk or wholesale) = 4.50% / NP = 5.0%. All rate increases are projected annually for the 10-year planning period.
- The projected water rate increases are required to continue DPU's pipeline R&R and equipment modernization CIP programs - necessary to operate and maintain all three water systems (DW, WP & NP) while simultaneously developing and maintaining a stable cash balance reserve.

APPENDIX

Individual Water System – January 2022 – RECB Graphs

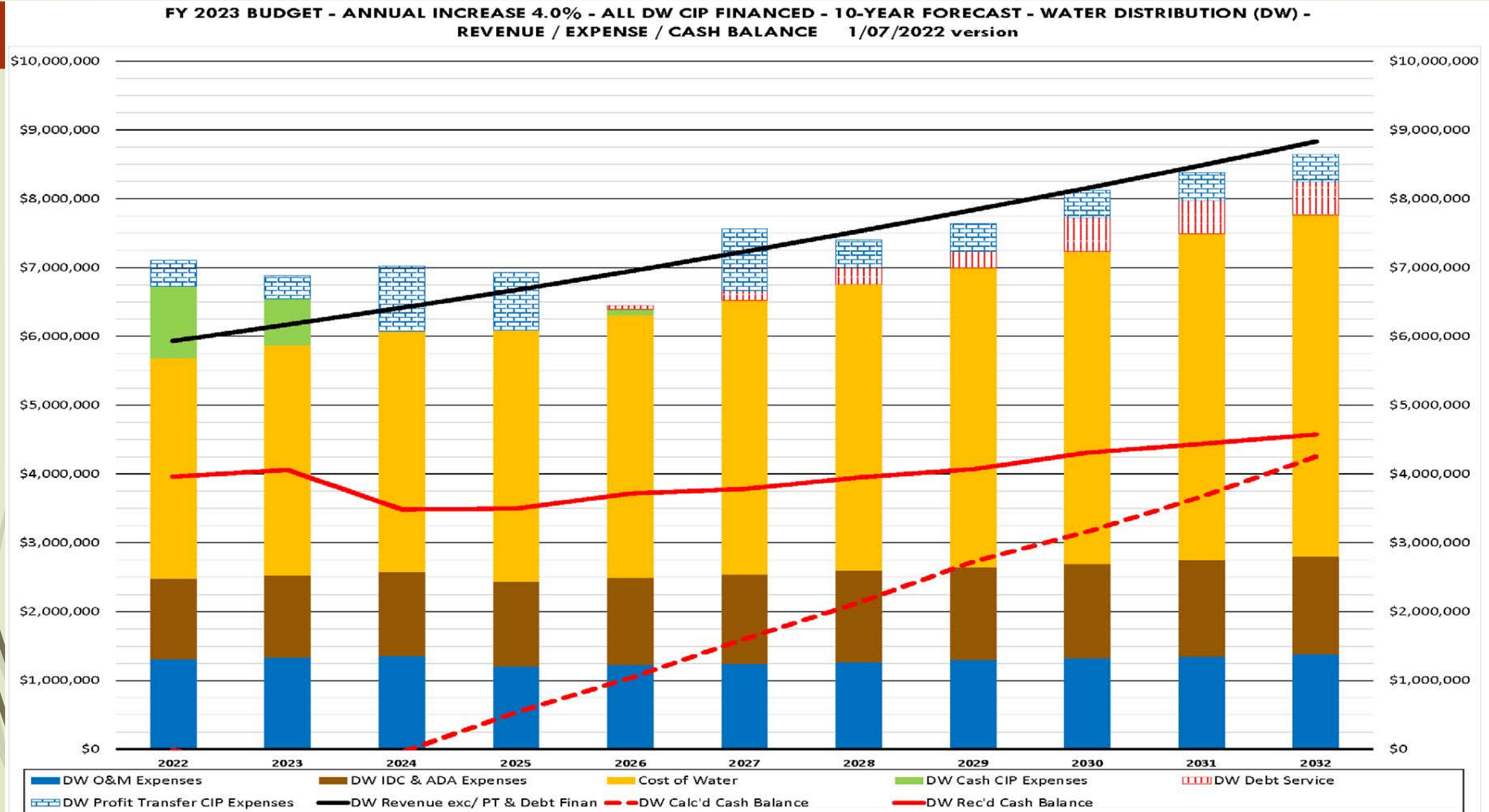
Financial Condition Assessment

47

- The RECB (Revenue / Expense / Cash Balance) Graph for each individual water system are included in this appendix.
- For the first time in many years the RECB graphs for all three individual systems (DW/WP/NP) are all trending in the same positive direction. The result is that a stable Water Fund (all three systems combined) is projected to trend in a positive direction with all three system's finances working together.
- Prior years of having one system with an excessive cash balance cover for a separate system with a negative balance is projected to end.
- Variables factored into the projections include: FY23 & FY24 financing terms are 1.0% over 20 years; Later FY's financing terms are 3.0% over 20 years; NP CIP financing remains through the WTB as always; CIP project costs have been increased 50% for the entire 10-year planning period; Labor & O&M costs have been projected to increase 2.0% per year for the entire 10-year planning period.
- Changes in variable factors will be re-considered on an annual basis during the budget approval process – as has been the practice for many years – so these projected rates can be modified as necessary throughout the 10-year planning process.

Water Distribution System Sub-Fund (DW) / 10-Year RECB Graph / FY23 Budget

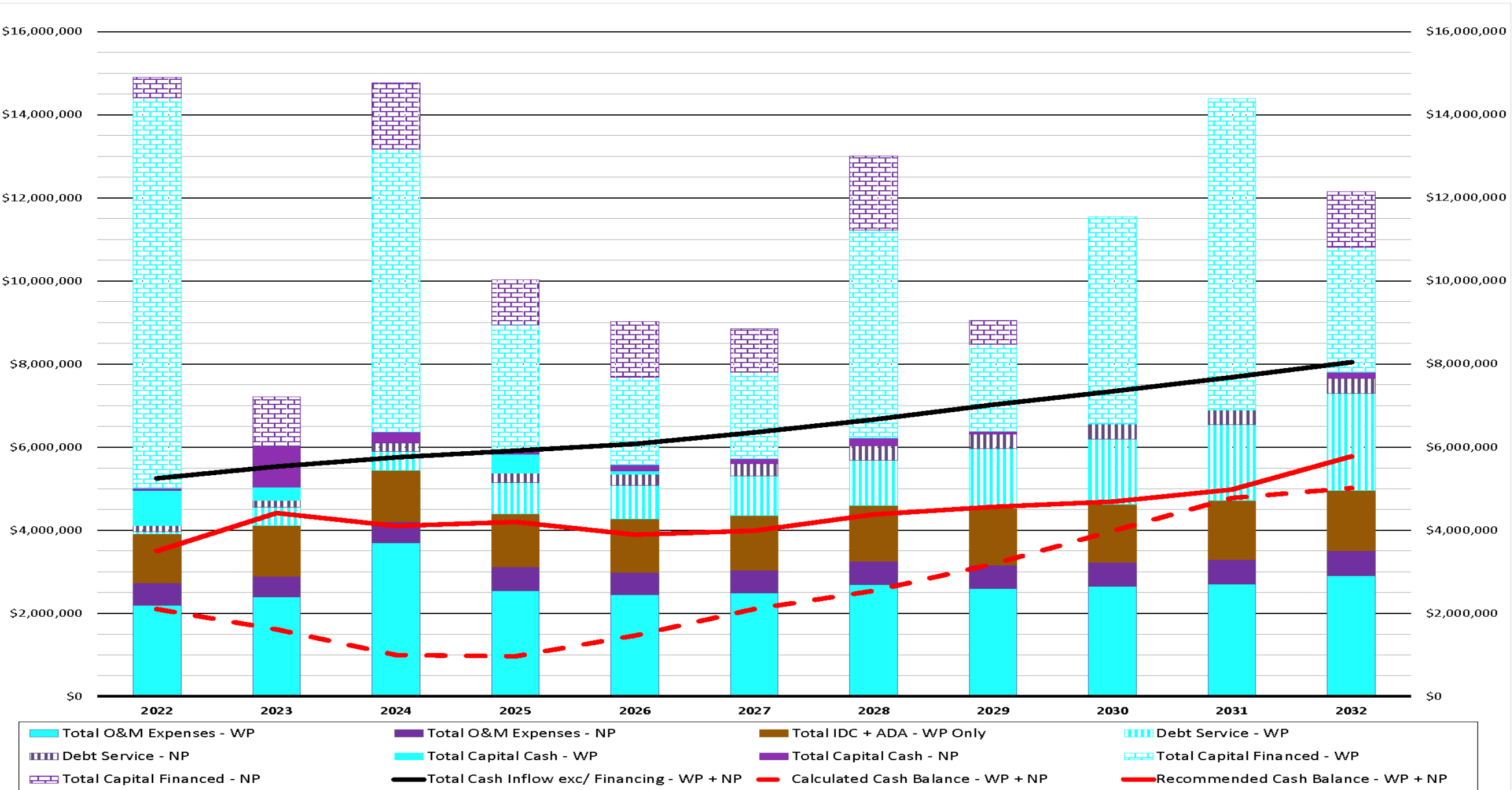
48



Water Production & Non-Potable Sub-Fund (WP&NP) / 10-Year RECB Graph / FY23 Budget

49

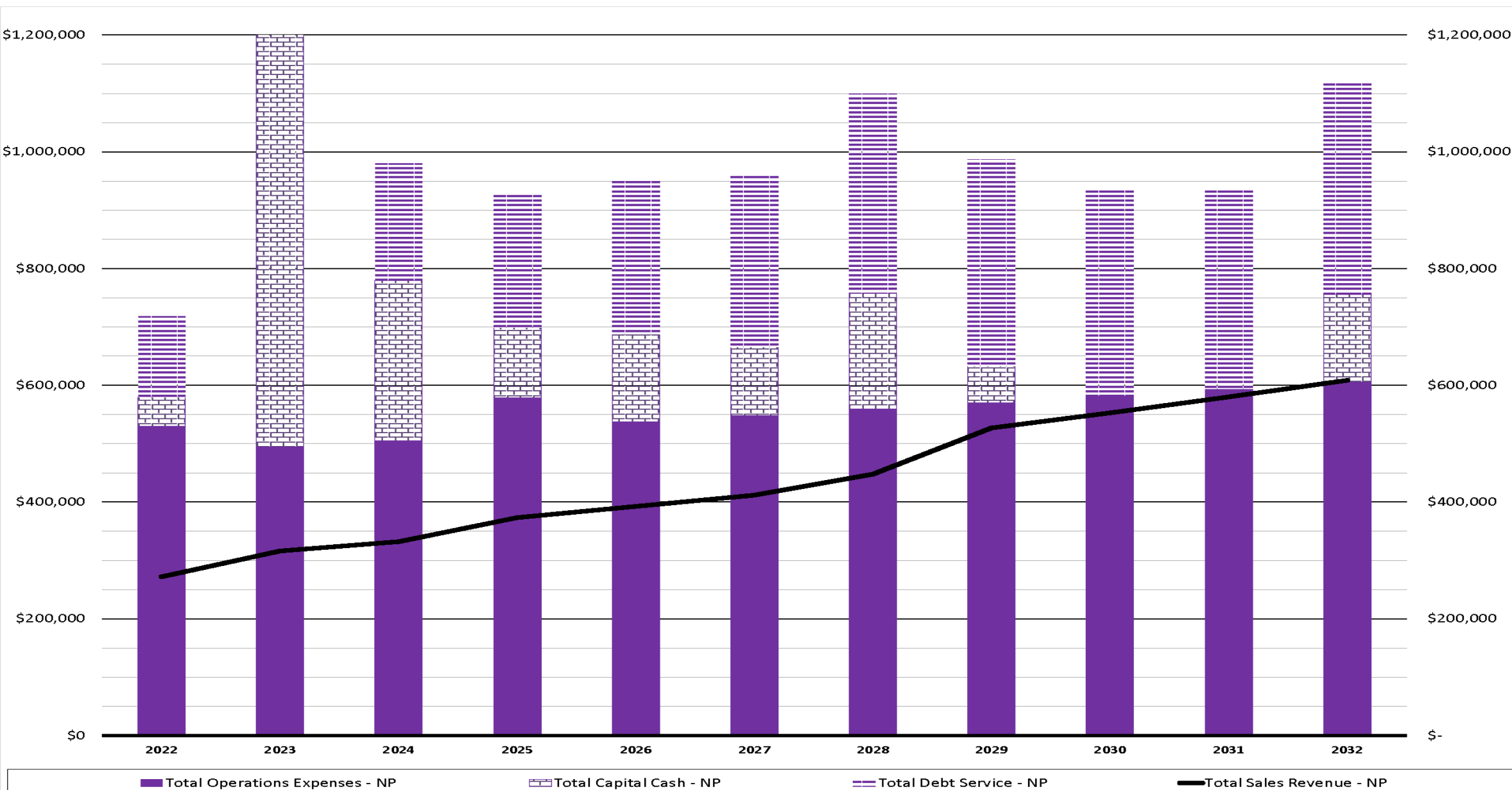
FY 2023 BUDGET - ANNUAL INCREASE 4.5% WP & 5.0% NP AND ALL WP CIP FINANCED & NP CIP FINANCED PER WTB - 10-YEAR FORECAST - WATER PRODUCTION & NON-POTABLE (WP+NP) - REVENUE / EXPENSE / CASH BALANCE 1/07/2022 version



Non-Potable Sub-Fund (NP) / 10-Year RECB (modified) Graph / FY23 Budget

50

FY 2023 BUDGET - ANNUAL INCREASE 5.0% - 10-YEAR FORECAST - NON-POTABLE WATER (NP) - REVENUE / EXPENSE 1/07/2022 version





County of Los Alamos

Staff Report

January 19, 2022

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	8.C.
Index (Council Goals):	DPU FY2021 - 3.0 Be a Customer Service Oriented Organization that is Communicative, Efficient, and Transparent
Presenters:	Philo Shelton, Utilities Manager
Legislative File:	14965-21

Title

Monthly Status Reports

Body

Each month the Board receives in the agenda packet informational reports on various items. No presentation is given, but the Board may discuss any of the reports provided.

Attachments

- A - Electric Reliability Report
- B - Accounts Receivable Report
- C - Safety Report

Los Alamos County
Department of Public Utilities

Electric Distribution
Reliability

January 19, 2022

Stephen Marez
Electrical Engineering Manager

							Customers	Combined Customer		
Date	Call Rcd.	Circuit	Cause	Start Time	End Time	Duration	Affected (Meters)	Outage Durations	Total Outage H:M:S	Running SAIDI
1/15/2021	Utilities	13	UNKNOWN	13:20	14:15	0:55	36	33:00:00	33:00:00	0:00:13
2/2/2021	Utilities	15	ANIMAL	6:30	7:15	0:45	200	150:00:00	183:00:00	0:01:13
2/4/2021	Utilities	16	URD Failure	0:00	5:00	5:00	69	345:00:00	528:00:00	0:03:30
2/5/2021	Utilities	EA-4	OH Failure	21:45	22:30	0:45	10	7:30:00	535:30:00	0:03:33
2/25/2021	Utilities	14	URD Failure	8:30	11:30	3:00	1	3:00:00	538:30:00	0:03:34
4/21/2021	Utilities	14	ANIMAL	21:23	22:38	1:15	539	673:45:00	1212:15:00	0:08:02
5/16/2021	Utilities	WR1	UNKNOWN	10:30	12:00	1:30	5	7:30:00	1219:45:00	0:08:05
5/18/2021	Utilities	14	URD Failure	16:00	19:00	3:00	2	6:00:00	1225:45:00	0:08:08
5/22/2021	Utilities	EA-4	Weather	19:30	20:30	1:00	30	30:00:00	1255:45:00	0:08:20
5/26/2021	Utilities	16	URD Failure	16:45	22:20	5:35	100	558:20:00	1814:05:00	0:12:02
5/27/2021	Utilities	WR1	Weather	14:15	15:38	1:23	1586	2193:58:00	4008:03:00	0:26:35
6/5/2021	Utilities	15	ANIMAL	23:30	0:00	0:30	270	135:00:00	4143:03:00	0:27:29
6/5/2021	Utilities	15	ANIMAL	0:00	0:30	0:30	270	135:00:00	4278:03:00	0:28:23
6/17/2021	Utilities	16	URD Failure	18:35	21:30	2:55	3	8:45:00	4286:48:00	0:28:26
6/17/2021	Utilities	WR1	URD Failure	23:45	0:00	0:15	50	12:30:00	4299:18:00	0:28:31
6/17/2021	Utilities	WR1	URD Failure	0:00	2:30	2:30	50	125:00:00	4424:18:00	0:29:21
7/6/2021	Utilities	WR2	Unknown	10:45	11:45	1:00	25	25:00:00	4449:18:00	0:29:31
7/10/2021	Utilities	WR1	TREE	22:30	0:00	1:30	10	15:00:00	4464:18:00	0:29:37
7/10/2021	Utilities	14	Unknown	11:30	15:00	14:30	3	43:30:00	4507:48:00	0:29:54
7/17/2021	Utilities	WR2	Unknown	12:30	14:30	2:00	16	32:00:00	4539:48:00	0:30:07
7/18/2021	Utilities	13	URD Failure	22:30	0:00	1:30	13	19:30:00	4559:18:00	0:30:15
7/19/2021	Utilities	13	URD Failure	0:00	5:00	5:00	13	65:00:00	4624:18:00	0:30:41
7/22/2021	Utilities	13	URD Failure	18:30	19:10	0:40	5	3:20:00	4627:38:00	0:30:42
7/30/2021	Utilities	WR1	OH Failure	16:50	19:15	2:25	1586	3832:50:00	8460:28:00	0:56:07
8/25/2021	Utilities	WR1	URD Failure	16:30	18:30	2:00	20	40:00:00	8500:28:00	0:56:23
9/26/2021	Utilities	14	URD Failure	4:45	11:00	6:15	5	31:15:00	8531:43:00	0:56:36
9/29/2021	Utilities	16	TREE	19:45	23:40	3:55	5	19:35:00	8551:18:00	0:56:44
10/2/2021	Utilities	14	UNKNOWN	23:30	0:00	0:30	539	269:30:00	8820:48:00	0:58:31
10/2/2021	Utilities	14	UNKNOWN	0:00	1:00	1:00	539	539:00:00	9359:48:00	1:02:05
10/6/2021	Utilities	16	URD Failure	9:00	12:30	3:30	41	143:30:00	9503:18:00	1:03:02
10/13/2021	Utilities	16	URD Failure	17:00	21:00	4:00	50	200:00:00	9703:18:00	1:04:22
10/18/2021	Utilities	16	URD Failure	10:20	11:20	1:00	55	55:00:00	9758:18:00	1:04:44
10/19/2021	Utilities	14	URD Failure	2:23	6:00	3:37	19	68:43:00	9827:01:00	1:05:11
10/25/2021	Utilities	15	URD Failure	2:50	3:50	1:00	1564	1564:00:00	11391:01:00	1:15:34
10/25/2021	Utilities	15	UR							

CIRCUIT SAIDI IS CALCULATED ACCORDING TO THE NUMBER OF CUSTOMERS IN EACH CIRCUIT RESPECTIVELY

<u>Running SAIDI Circuit 13</u>	<u>Running SAIDI Circuit 14</u>	<u>Running SAIDI Circuit 15</u>	<u>Running SAIDI Circuit 16</u>	<u>Running SAIDI Circuit 17</u>	<u>Running SAIDI Circuit 18</u>	<u>Running SAIDI Circuit EA4 & Royal Crest</u>	<u>Running SAIDI Circuit WR1</u>	<u>Running SAIDI Circuit WR2</u>	<u>Monthly SAIDI</u>		<u>Monthly Customer Minutes out of service</u>	<u>WEATHER SAIDI</u>
0:01:12		0:04:48							JAN	0:00:13	33:00:00	
			0:11:14									
						0:02:44						
	0:00:20								FEB	0:03:21	505:30:00	
	1:15:00								APR	0:04:28	673:45:00	
							0:00:17					
	0:00:40					0:10:55						0:00:12
			0:18:11						MAY	0:18:33	2795:48:00	
							1:23:00					0:14:33
		0:04:19										
		0:04:19										
			0:00:17									
							0:00:28					
							0:04:44		JUN	0:02:46	416:15:00	
								0:01:34				
							0:00:34					
	0:04:51											
							0:02:00					
0:00:42												
0:02:21												
0:00:07												
							3:59:18		JUL	0:26:46	4036:10:00	
							0:02:30		AUG	0:00:16	40:00:00	
	0:03:29											
			0:00:38						SEP	0:00:20	50:50:00	
	0:30:00											
	1:00:00											
			0:04:40									
			0:06:31									
	0:07:39											
		0:50:03										
		0:01:30										
			0:00:31						OCT	0:19:09	2886:43:00	
									NOV	0:00:06	2633:05:00	
	9:37:31			24:49:23	24:21:25							
2:50:00											0:31:06	
0:23:06	1:10:57	0:20:24	0:20:46	3:02:58	2:59:32						0:04:14	
0:12:58											0:02:22	
2:10:00											0:23:47	
					0:20:27						0:00:28	
			0:20:00						DEC	0:04:04	15143:11:00	
												1:16:12
5:40:27	13:50:26	1:25:23	1:22:49	3:52:21	3:41:24	0:13:38	5:32:51	0:01:34	Total	2:56:26		1:30:57
1655	539	1875	1842	209	213	165	1586	961	9045			

Twelve Month History	December 2021	
Total # Accounts	9045	
Total # Interruptions	43	
Sum Customer Interruption Durations	26597:04	hours:min
# Customers Interrupted	19880	
SAIFI (APPA AVG. = 1.0)	2.20	int./cust.
SAIDI (APPA AVG. = 1:00)	2:56	hours:min
CAIDI	1.20	hours:min/INT
ASAI	99.9986%	% available

- **SAIFI - System Average Interruption Frequency Index**
A measure of interruptions per customer (Per Year)

$$\text{SAIFI} = \frac{(\text{Total number of customer interruptions})}{(\text{Total number of customers served})}$$

- **SAIDI – System Average Interruption Duration Index**
A measure of outage time per customer if all customers were out at the same time (hours per year)

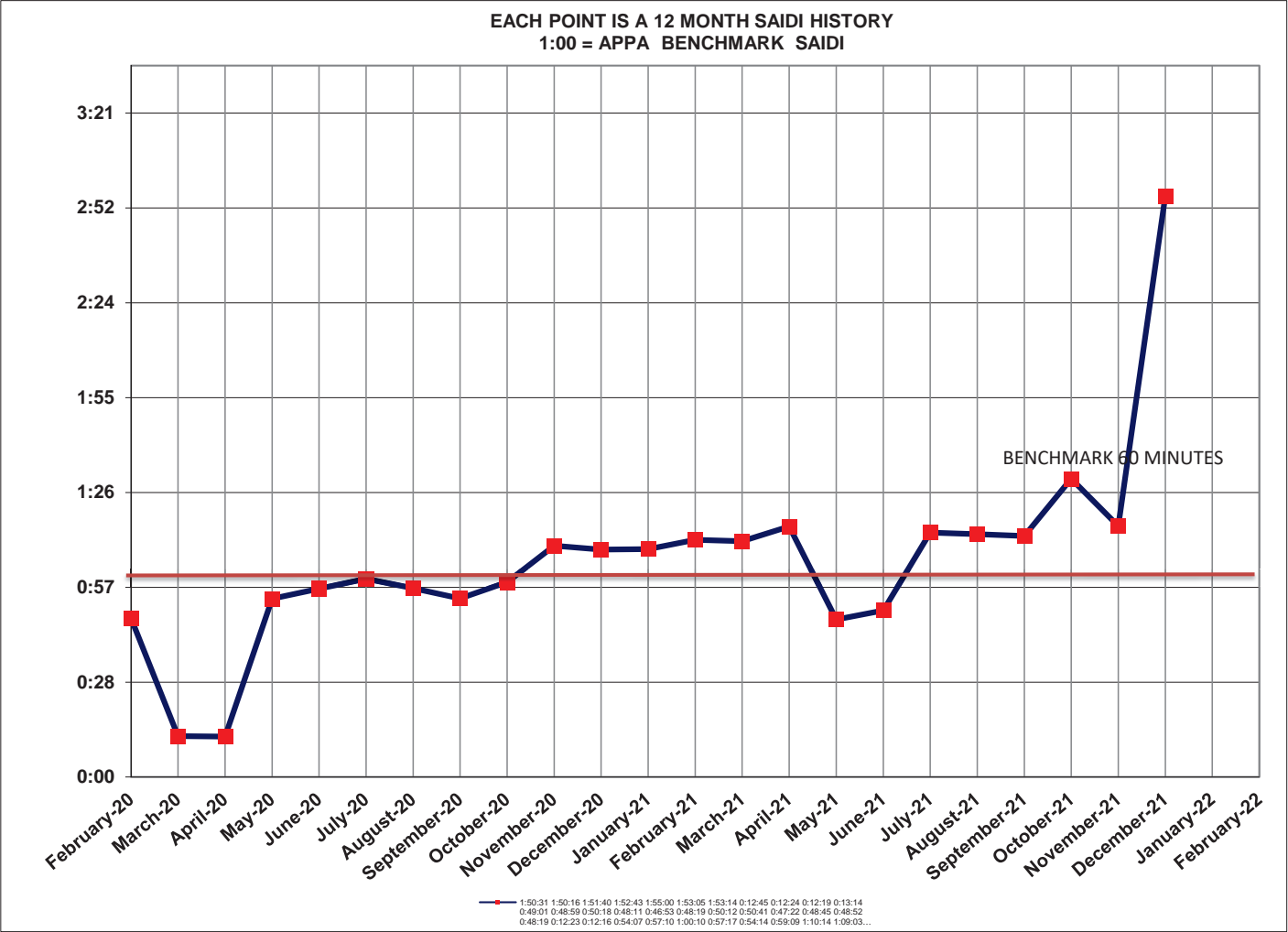
$$\text{SAIDI} = \frac{(\text{Sum of all customer outage durations})}{(\text{Total number of customers served})}$$

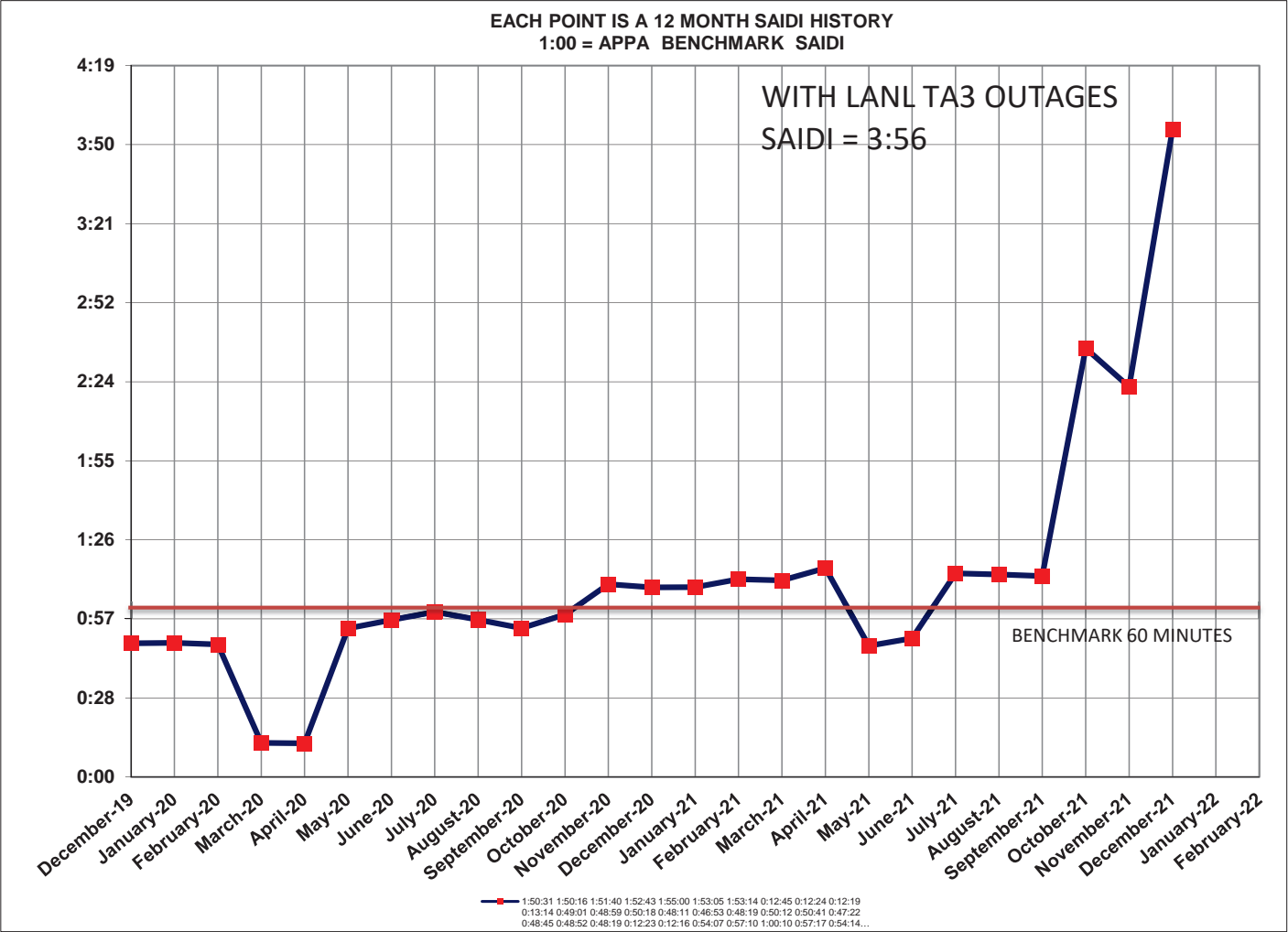
- **CAIDI – Customer Average Interruption Duration Index**
A measure of the average outage duration per customer (hours per interruption)

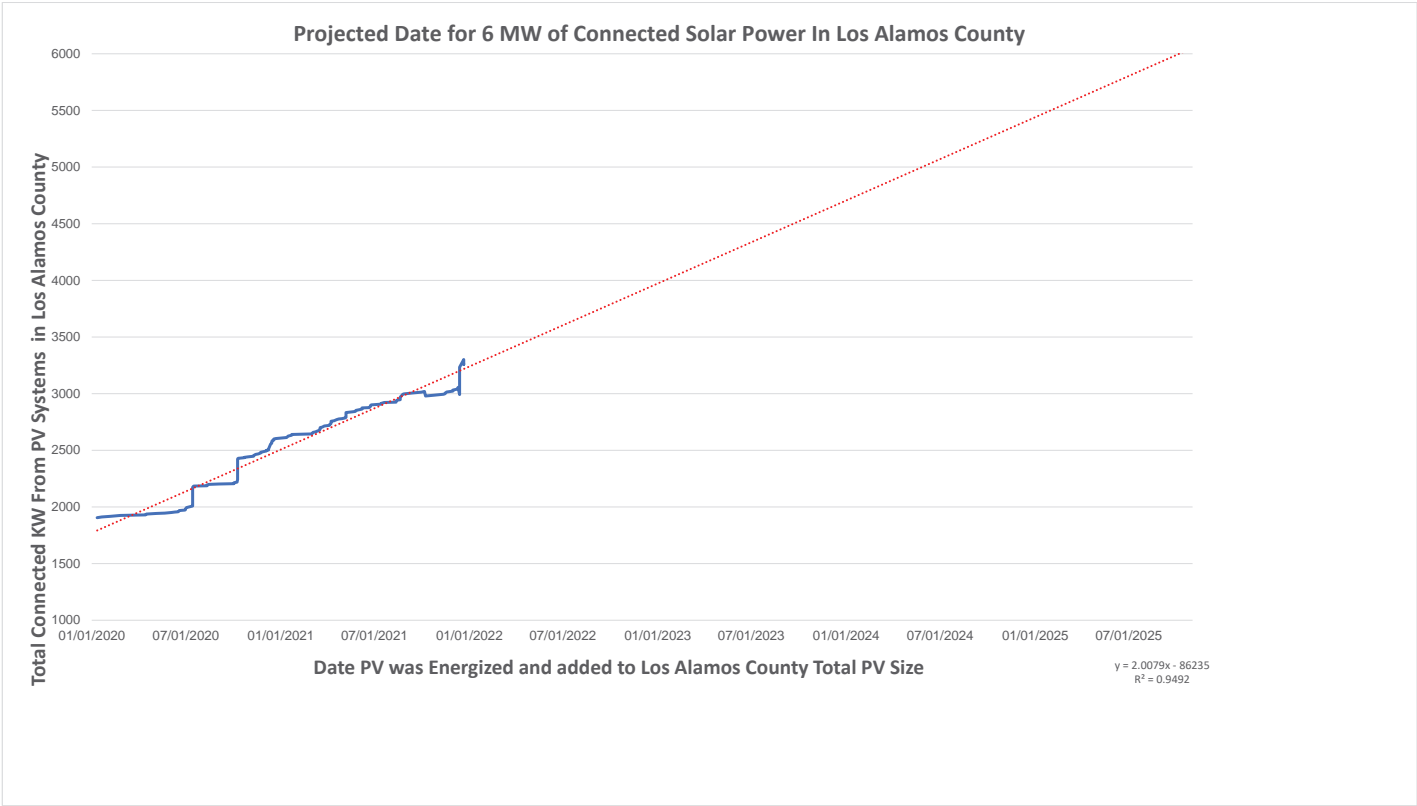
$$\text{CAIDI} = \frac{(\text{Sum of all customer outage durations})}{(\text{Total number of customer interruptions})} = \frac{\text{SAIDI}}{\text{SAIFI}}$$

- **ASAI – Average System Availability Index**
A measure of the average service availability (Per unit)

$$\text{ASAI} = \frac{(\text{Service hours available})}{(\text{Customer demand hours})} = \frac{8760 - \text{SAIDI}}{8760}$$







STATUS REPORTS

ACCOUNTS RECEIVABLES

PREPARED BY

Joann Gentry
Senior Management Analyst

Los Alamos County Utilities Department
Active Receivables Over 90 Days Past Due
January 3, 2022

Account	Customer ID	Acct Type	Comments	90 - 119	120 +
3005470	2017719	RS	No payment arrangement last payment 12/20	\$ 100.06	\$ -
3004241	2115898	RS	Payment Plan	\$ 148.55	\$ -
3004281	2215037	RS	Mailed bill to customer	\$ -	\$ 159.21
3005246	2000373	RS	Applied for ERAP, waiting for approval	\$ 169.23	\$ 7.66
3001509	2136448	CM	Payment Plan	\$ 182.58	\$ -
3003969	2012357	RS	Lien on the property	\$ 158.10	\$ 37.13
3005567	2090328	RS	Paid \$450 on 1/5	\$ -	\$ 205.45
3002479	2112858	RS	Coming in to pay next week	\$ -	\$ 244.85
3008040	2023776	RS	Payment arrangement on file	\$ 274.25	\$ -
3005363	2209480	RS	Landlord, mailed bill to pay on account	\$ -	\$ 292.44
3007256	2022141	RS	Lien on the property	\$ -	\$ 330.75
3004329	2069558	RS	Payment Plan	\$ 162.05	\$ 216.17
3007012	2029108	CM	Mailed bill to customer	\$ -	\$ 500.77
3000787	2137578	CM	Credit on account, transfer of overpayment to pay old balance due	\$ -	\$ 574.99
3004024	2004969	RS	Lien on the property	\$ 197.41	\$ 399.71
3007360	2015299	RS	Lien on the property	\$ 288.07	\$ 334.34
3005986	2019012	SC	Check this account	\$ -	\$ 703.89
3005737	2028518	RS	Lien on the property	\$ 268.09	\$ 692.29
3004060	2085918	RS	Lien on the property	\$ 134.79	\$ 1,566.10
3006513	2036208	RS	Lien on the property	\$ 250.96	\$ 1,714.87
				\$ 2,334.14	\$ 7,980.62
20 Accounts					<u>\$ 10,314.76</u>

Los Alamos County Utilities Department
Receivables More than 60 Days Inactive Accounts
January 3, 2022

YEAR	OUTSTANDING 1/3	# OF ACCOUNTS	OUTSTANDING 12/1	# OF ACCOUNTS
FY18	\$ 17,115.20	86	\$ 18,131.74	87
FY19	\$ 51,234.60	185	\$ 51,239.96	186
FY20	\$ 45,385.37	181	\$ 49,499.42	185
FY21	\$ 54,536.52	317	\$ 59,060.48	325
FY22	\$ 13,368.53	159	\$ 10,575.09	130
TOTAL	\$ 181,640.22	928	\$ 188,506.69	913

YEAR	Account Type	OUTSTANDING 1/3	# OF ACCOUNTS	OUTSTANDING 12/1	# OF ACCOUNTS
FY18	Residential	\$ 11,967.46	79	\$ 12,984.00	80
	Commercial	\$ 5,147.74	7	\$ 5,147.74	7
FY19	Residential	\$ 48,654.26	167	\$ 48,659.62	168
	Commercial	\$ 2,580.34	18	\$ 2,580.34	18
FY20	Residential	\$ 37,580.35	170	\$ 41,694.40	175
	Commercial	\$ 7,805.02	10	\$ 7,805.02	10
FY21	Residential	\$ 44,239.70	300	\$ 47,851.82	304
	Commercial	\$ 10,296.82	18	\$ 11,208.66	21
FY22	Residential	\$ 13,439.49	155	\$ 8,833.97	128
	Commercial	\$ 1,741.12	2	\$ 1,741.12	2
TOTAL		\$ 183,452.30	926	\$ 188,506.69	913

STATUS REPORTS

Risk & Safety

PREPARED BY

Steve Klepeis
Risk Manager

LOS ALAMOS COUNTY - RISK MANAGEMENT

MONTH	ADMIN	EL DIST	EL PROD	GWS	WA PROD	WWTP
	Hours Worked	Hours Worked	Hours Worked	Hours Worked	Hours Worked	Hours Worked
Jan - 2021	4445.0	2200.0	2760.0	4754.0	1523.0	1760.0
Feb - 2021	3492.0	1828.0	1954.0	3813.0	1181.0	1333.0
Mar - 2021	3716.0	1907.0	1961.0	3987.0	1277.0	1265.0
Apr - 2021	3722.0	1886.0	1922.0	4009.0	1313.0	1380.0
May - 2021	3653.0	1914.0	1944.0	4286.0	1268.0	1326.0
June - 2021	3638.0	1732.0	1823.0	3818.0	1299.0	1378.0
July - 2021	5803.0	2757.0	2901.0	5429.0	1924.0	2039.0
Aug - 2021	3801.0	1938.0	1850.0	4033.0	1351.0	1346.0
Sept - 2021	3474.0	1714.0	1784.0	3766.0	1281.0	1368.0
Oct - 2021	3502.0	1846.0	1896.0	3996.0	1322.0	1394.0
Nov - 2021	3220.0	1612.0	1764.0	3704.0	1192.0	1333.0
Dec - 2021	4336.0	2131.0	2935.0	5393.0	1630.0	1862.0
Total Hrs Worked ->	46802.0	23465.0	25494.0	50988.0	16561.0	17784.0
Number of Recordable Injury and Illness Cases*	0	1	0	0	0	0
OSHA Recordable Injury & Illness Incidence Rate	0.00	8.52	0.00	0.00	0.00	0.00
Number of OSHA Days Away Days Restricted (DART) cases	0	0	0	0	0	0
OSHA Days Away Days Restricted (DART) Rate	0.00	0.00	0.00	0.00	0.00	0.00

*ONE ELECTRICAL DISTRIBUTION INJURY REMAINS.

THE REMAINING INJURY WAS MINOR. EMPLOYEE WAS TREATED AND PROMPTLY RETURNED TO FULL DUTY.

INJURIES REQUIRING MEDICAL ATTENTION BEYOND FIRST AID ARE REQUIRED TO BE CONSIDERED OSHA RECORDABLE INJURIES , RETAINED IN THIS RECORD FOR 1 YEAR REGARDLESS OF HOW MINOR THEY MAY BE.

DEPARTMENT OF PUBLIC UTILITIES CLAIMS

Information Provided by the County Risk Manager

YEAR	REPORT MONTH	BPU MTG DATE	TORT CLAIMS	WORKERS COMP	PROPERTY DAMAGE
2021	DEC	1/19/2022	NONE	NONE	NONE
2021	NOV	12/15/2021	NONE	NONE	NONE
2021	OCT	11/17/21	Claimant alleges furnace dame as result of replacement of gas meter.	NONE	NONE
2021	SEP	10/20/21	1. Claimant states damage to various fixtures in building new filtration system was installed 2. Claimant states gas leak to regulator caused damage to GLR-04	NONE	NONE
2021	AUG	09/15/21	NONE	NONE	NONE
2021	JUL	08/18/21	NONE	NONE	NONE
2021	JUN	07/21/21	NONE	NONE	NONE
2021	MAY	06/16/21	NONE	NONE	NONE
2021	APR	05/19/21	NONE	NONE	NONE
2021	MAR	04/21/21	NONE	NONE	NONE
2021	FEB	03/17/21	1. GWS employee backed into parked unoccupied motorist's vehicle. 2. GWS snowplow slid into motorist under icy conditions.	An ED employee slipped and fell on ice; injured right wrist/hand; able to return to work with no lost days.	A GWS employee backed into a shed at the Aquatic Center. GWS is repairing damage.
2021	JAN	02/24/21	NONE	NONE	1. A GWS employee misjudged backing clearance and backed vehicle 1113 into 1202, with minor damage. 2. A Utilities EP Hydro employee misjudged backing clearance and backed vehicle 1242 into a parked snow plow, resulting only in a small hole in 1242 tailgate. Winter weather conditions.
2020	DEC	01/20/21	On DP Road, GWS driver making turn misjudged clearance and struck a support leg of a flagging machine owned by Southwest Safety; \$3800+- damage claimed.	NONE	NONE
2020	NOV	12/16/20	Claimant alleges that lightning struck a County utility pole causing a voltage surge that damaged his computer. Recommended for denial	NONE	Claim in which a Utilities employee reported that the toolbox slid in the truck he was driving, and it broke the truck's rear window.

DEPARTMENT OF PUBLIC UTILITIES CLAIMS

Information Provided by the County Risk Manager

YEAR	REPORT MONTH	BPU MTG DATE	TORT CLAIMS	WORKERS COMP	PROPERTY DAMAGE
2020	OCT	11/18/20	Claim involving Electrical Distribution: a claimant alleges that home appliances were damaged due to a failure of their neutral conductor, causing voltage overload in part of their electrical panel. ED has responded that the County has no way of knowing or predicting that a house service conductor will fail. Claim has been recommended for denial.	NONE	NONE
2020	SEP	10/21/20	NONE	A lineman fractured/lacerated his right middle finger when removing a heavy manhole cover; returned to duty same day.	NONE
2020	AUG	09/16/20	Resident and her insurer claim sewer back-up damage due to County main problem	GWS worker using high pressure wand; wand slipped, causing contact and skin abrasion to wrist.	NONE
2020	JUL	08/19/20	Water main repair caused debris to enter residence plumbing, clogging house facilities; plumber's bill claimed.	NONE	Break-in reported at El Vado. Damage and theft of federally owned property being stored on premises; no damage or theft to County.
2020	JUN	07/15/20	A claimant experienced water damage to his residence due to a County water line leak.	Lineman lacerated his hand using a knife to splice cable (6/8/2020)	NONE
2020	MAY	06/17/20	NONE	NONE	NONE
2020	APR	05/20/20	NONE	NONE	NONE
2020	MAR	04/15/20	NONE	NONE	NONE
2020	FEB	03/18/20	NONE	NONE	NONE
2020	JAN	02/19/20	Resident incurred plumber bill; didn't know outage was due to main break.	NONE	NONE