



LOS ALAMOS

County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

Agenda - Final Board of Public Utilities

*Carrie Walker, Chair; Stephen McLin, Vice-chair; Eric Stromberg, Steve Tobin and Cornell Wright Members
Philo Shelton, Ex Officio Member
Harry Burgess, Ex Officio Member
Randall Ryti, Council Liaison*

Wednesday, January 20, 2021

5:30 PM

Due to COVID-19 concerns, meeting will be conducted remotely. Public can view proceedings at <http://losalamos.legistar.com/calendar.aspx> or attend via Zoom.

REGULAR SESSION - REMOTE ZOOM MEETING

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:

Join Zoom Webinar: <https://zoom.us/j/93337602504>

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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

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 succinct 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

If a member would like to change the order of the agenda or remove an item from Consent so that it is presented later during Business, that action takes place now during Approval of Agenda. A Board member makes a motion to approve the MEETING AGENDA as presented or as amended. The items on the Consent Agenda are then approved later during item number 6.

4. BOARD BUSINESS**4.A. Chair's Report****4.B. Board Member Reports****4.C. Utilities Manager's Report****4.D. County Manager's Report****4.E. Council Liaison's Report****4.F. Environmental Sustainability Board Liaison's Report****4.G. General Board Business****4.G.1 [13467-20](#)** Election of Board of Public Utilities Chair and Vice-chair for 2021

Presenters: Carrie Walker, Chair of the Board of Public Utilities

PG. 1-2

4.G.2 [13468-20](#) Appointment of Board Member to Audit Committee for 2021

Presenters: Carrie Walker, Chair of the Board of Public Utilities

PG. 3

- 4.G.3 [13471-20](#) Schedule and Selection of Members to Attend Boards & Commissions Luncheons for 2021

Presenters: Carrie Walker, Chair of the Board of Public Utilities

PG. 4

- 4.H. Approval of Board Expenses

- 4.I. Preview of Upcoming Agenda Items

- 4.I.1 [13773-21](#) Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

PG. 5-7

5. **PUBLIC HEARING(S)**

- 5.A [13668-20](#) Public Hearing for Modification of Department of Public Utilities Rules and Regulations - Rule E-5 Interconnection - Connection with Cogeneration and Small Power Producers and the Fee Schedule.

Presenters: Electrical Engineering Manager Stephen Marez,
Electrical Engineering Manager

PG. 8-15

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 [13753-21](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Department of Public Utilities

PG. 16-33

- 6.B** [13559-20](#) Approval of Agreement No. 20-RMR-3182 with Western Area Power Administration (WAPA) for Balancing Services Agreement
- Presenters:** Steve Cummins, Deputy Utilities Manager - Power Supply
- PG. 34-114*
- 6.C** [OR0875-20](#) Incorporated County of Los Alamos Ordinance No. 706; Loan/Grant Agreement with the New Mexico Finance Authority for Otowi Well #2 Pump House and Equipment and Otowi Well #4 Motor Control Center Project
- Presenters:** James Alarid, Deputy Utilities Manager - Engineering
- PG. 115-135*
- 6.D** [13698-20](#) Vactor Truck Emergency Rental Approval Expenditure Authority in the Amount of \$119,000.00 for Maintaining the Wastewater Collection System
- Presenters:** Jack Richardson, Deputy Utilities Manager - GWS Services
- PG. 136-137*
- 6.E** [AGR0727-20](#) Approval of AGR21-937 Non-Tariff Wires to Wires Interconnection Update Study Agreement with the Public Service Company of New Mexico (PNM) for the Third Power Line to Los Alamos County
- Presenters:** Steve Cummins, Deputy Utilities Manager - Power Supply
- PG. 138-153*
- 6.F** [13469-20](#) Affirmation of the Incorporated County of Los Alamos Open Meetings Resolution No. 21-01
- Presenters:** Carrie Walker, Chair of the Board of Public Utilities
- PG. 154-160*
- 6.G** [13470-20](#) Approval of Meeting Agenda Outline for 2021
- Presenters:** Carrie Walker, Chair of the Board of Public Utilities
- PG. 161-162*
- 6.H** [13472-20](#) Approval of Board of Public Utilities Meeting Calendar for 2021
- Presenters:** Carrie Walker, Chair of the Board of Public Utilities
- PG. 163-164*

7. BUSINESS

- 7.A [13588-20](#) Consideration of Alternatives to the Baldrige Performance Excellence Program

Presenters: Philo Shelton, Utilities Manager

PG. 165-231

- 7.B [13694-20](#) Survey Results for Board of Public Utilities' Environmental Goals

Presenters: Julie Williams-Hill, Public Relations Manager

PG. 232-252

- 7.C [13757-21](#) Approval of Amendment No. 1 to the Power and Renewable Energy Credit Sales Agreement, County Agreement No. AGR20-926 between Uniper Global Commodities North America, LLC and the Incorporated County of Los Alamos, New Mexico.

Presenters: Steve Cummins

PG. 253-287

8. GENERAL BOARD BUSINESS CONTINUED

Because of the length of this General Board Business item, it was moved to later in the meeting to allow presenters to present their items earlier in the meeting.

- 8.A [13686-20](#) 2020 Board of Public Utilities Annual Self-evaluation

Presenters: Carrie Walker, Chair of the Board of Public Utilities

PG. 288-296

9. STATUS REPORTS

- 9.A [13770-21](#) Status Reports

Presenters: Department of Public Utilities

PG. 297-314

10. PUBLIC COMMENT

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

11. 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 the County Human Resources Division at 662-8040 at least one 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 Department of Public Utilities (505) 662-8132 if a summary or other type of accessible format is needed.



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.: 4.G.1
Index (Council Goals): DPU FY2021 - N/A
Presenters: Carrie Walker, Chair of the Board of Public Utilities
Legislative File: 13467-20

Title

Election of Board of Public Utilities Chair and Vice-chair for 2021

Recommended Action

The board should elect a Chair and Vice-chair using the method agreed upon at the January 20th, 2021 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 2021 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



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Staff Report

January 20, 2021

Agenda No.:	4.G.2
Index (Council Goals):	DPU FY2021 - 2.0 Achieve and Maintain Excellence in Financial Performance; DPU FY2021 - 6.0 Develop and Strengthen Partnerships with Stakeholders
Presenters:	Carrie Walker, Chair of the Board of Public Utilities
Legislative File:	13468-20

Title

Appointment of Board Member to Audit Committee for 2021

Recommended Action

None

Staff Recommendation

Staff recommends that the Board of Public Utilities appoint a member to serve on the County Audit Committee for 2021.

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



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Staff Report

January 20, 2021

Agenda No.: 4.G.3
Index (Council Goals): DPU FY2021 - 6.0 Develop and Strengthen Partnerships with Stakeholders
Presenters: Carrie Walker, Chair of the Board of Public Utilities
Legislative File: 13471-20

Title

Schedule and Selection of Members to Attend Boards & Commissions Luncheons for 2021

Recommended Action

None

Staff Recommendation

Staff recommends that Board members volunteer to represent the Board of Public Utilities at each luncheon.

Body

Regular County Boards & Commissions luncheons are scheduled to give these groups an opportunity to work with one another and with Council representatives. Only one representative from each board or commission is asked to attend. Lunch and drinks are provided and each representative is asked to give a brief written update for their group. **These usually occur every other month, 11:30AM-1:00PM, in Council Chambers; however, while COVID restrictions are in place, the location or format of the luncheons will be announced closer to the date.**

The dates scheduled for 2020 are:

Thursday, January 14 (Steve McLin)

Thursday, March 18

Thursday, May 13

Thursday, September 23

Thursday, November 18

Thursday, January 13, 2022

Board members should volunteer to represent the Board of Public Utilities at each luncheon.

Alternatives

The Board could choose not to assign members to attend the luncheons at this time.

Fiscal and Staff Impact

None

Attachments

None



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January 20, 2021

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Agenda No.: 4.I.1
Index (Council Goals): DPU FY2021 - N/A
Presenters: Board of Public Utilities
Legislative File: 13773-21

Title

Tickler File for the Next 3 Months

Attachments

A - Tickler File for the Next 3 Months

File Number	Title
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13715-21 **Briefing/Report (Dept, BCC) - No action requested** **07 Business**
Options for Funds from the LA Green Program
Department Name: DPU **Length of Presentation:** Apx. 15 Min.
Drop Dead Date: **Sponsors:** Philo Shelton, Utilities Manager and Steve Tobin, Board - Commission or Committee Member

Agenda Date: 04/01/2021

13772-21 **Briefing/Report (Dept, BCC) - No action requested** **Closed Sessions**
APRIL (DATES TBD) - Begin Utilities Manager Performance Evaluation
Department Name: DPU **Length of Presentation:** N/A
Drop Dead Date: **Sponsors:** Board of Public Utilities

Agenda Date: 04/21/2021

13771-21 **Briefing/Report (Dept, BCC) - No action requested** **07 Business**
Briefing from County Manager on the County Strategic Objectives
Department Name: DPU **Length of Presentation:** Apx. 15 Min.
Drop Dead Date: **Sponsors:** Harry Burgess, County Manager



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Staff Report

January 20, 2021

Agenda No.:	5.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:	Electrical Engineering Manager Stephen Marez, Electrical Engineering Manager
Legislative File:	13668-20

Title

Public Hearing for Modification of Department of Public Utilities Rules and Regulations - Rule E-5 Interconnection - Connection with Cogeneration and Small Power Producers and the Fee Schedule.

Recommended Action

I move that the Board of Public Utilities approve as presented the modifications to the following Department of Public Utilities Rules and Regulations: Rule E-5 Interconnection - Connection with Cogeneration and Small Power Procedures and the Fee Schedule.

Staff Recommendation

Staff recommends changes to Rule E-5 Interconnection - Connection with Cogeneration and Small Power Producers and the associated Fee Schedule as presented.

Body

With the recent goal adopted by the Board of Public Utilities to achieve 6 MW of solar PV penetration by 2040, staff proposes some minor modifications to Rule E-5 and the associated Fee Schedule. The current language in Rule E-5 indicates that a customer is limited to the **lesser** of 10 kW for residential and 100 kW for commercial customers or the capacity available on the transformer serving the customer. This program has been popular with some homeowners because there is a federal tax credit for alternative energy equipment. This calendar year the IRS is offering for property placed in service after December 31, 2020, and before January 1, 2022, a 22 percent tax credit.

Staffs first recommendation changes to Purchases of Energy from Customer-Owned Qualifying Facilities, E-5.03. We propose this language be modified, so that a customer is limited to the level of current consumption **up to** 10 kW for residential and 100 kW for commercial customers, if the capacity available on the transformer serving the customer is sufficient. While it was suggested by the BPU that DPU should remove the distributed generation caps in Rule E-5, DPU staff does not believe that at this time it would be financially sustainable until other mechanisms can be implemented, i.e. Completion of the AMI project and a Modified rate structure to fairly allocate the cost of service to all customers while also recognizing the contributions of distributed generation.

Staffs second recommendation changes to Purchases of Energy from Customer-Owned Qualifying Facilities, E-5.03. We propose increasing 2,000 kW to 6,000 kW of capacity in the aggregate, of solar, wind, or other renewable energy from customer owned qualifying facilities within the service area of Utility.

Staffs third recommendation is changes to the Fee Schedule under Construction Fees, Residential Net Meter application & inspection (2 trips), incremental cost of Net meter and labor to install Net meter. We propose adding materials and the necessary upgrades to the existing transformer serving the resident to be included in the fee. It is recommended that the fee increase from \$260.00 to \$360.00 to account for the upgrades.

Staffs fourth recommendation is changes to Exemption or Variance, E-5.08, B. We propose adding the language to make it clear that any applicant applying for exemption or variance shall be responsible for all necessary costs for system upgrades as determined by the utility.

Within Rule E-5, Exemption or Variance Section E-5.08, it currently provides a process for any applicant to request an exemption or variance to the rule.

Alternatives

Do nothing or direct the Utilities Manager to revisit the rule with some specific changes the Board wishes to see incorporated.

Fiscal and Staff Impact

No fiscal or staff impact associated with these changes.

Attachments

A -Rule E-5 Redline

B - Fee Schedule Redline

**RULES AND REGULATIONS
ELECTRIC (E)
RULE E-5
INTERCONNECTION - CONNECTION WITH COGENERATION
AND SMALL POWER PRODUCERS**

E-5.01 GENERAL

The purpose of this rule is to provide for the purchase of energy from customers of the Utility meeting the interconnection requirements for Qualifying Facilities.

All interconnections with the electric distribution system require prior written approval by the Utility department of Engineering, the completion of the Interconnection Agreement (see Appendix I) and the payment of all applicable fees.

E-5.02 DEFINITIONS

As used in this rule, unless otherwise specified:

- A. "Qualifying Facility" means a cogeneration or a small power production facility which ~~has a design capacity of 10 kW or less and~~ meets the criteria for qualification contained in 18 C.F.R. Section 292.203, or such other criteria as may be reasonably prescribed by rule by the Utility.
- B. "Customer" means a customer of Utility who owns or operates a Qualifying Facility.

E-5.03 PURCHASES OF ENERGY FROM CUSTOMER-OWNED QUALIFYING FACILITIES

Utility may purchase up to ~~62~~2000 kW of capacity, in the aggregate, of solar, wind, or other renewable energy from customer-owned Qualifying Facilities within the service area of Utility. The maximum purchase from ~~any residential~~any residential customer is limited to the ~~lesser of level of current consumption of the~~ residence up to 10 kW DC, ~~or, if the capacity available on the transformer serving the customer is sufficient. Upgrade of transformer capacity will be at the customer's expense.~~ The maximum purchase from ~~all other commercial~~ commercial customers is limited ~~to the level of current consumption of the~~ customer up to 100 kW DC, ~~if the capacity available on the transformer serving the customer is sufficient. For commercial customers Upgrade of transformer capacity will be at the customer's expense. a lesser of 100KW or the capacity of the transformer serving that customer.~~

E-5.04 PROCEDURE FOR INTERCONNECTION

- A. General. Unless otherwise specifically provided for in a special interconnection agreement negotiated with the Utility, the procedures for standard interconnection agreements and interconnections set forth in this rule shall be followed.
- B. Conditions of interconnection. Utility shall interconnect with any Qualifying Facility which:
 - 1) is covered by a signed standard or special interconnection agreement between the customer and Utility, which is consistent with the approved form of agreement set forth in this rule;
 - 2) is capable of operating safely and commencing the delivery of power into the Electric Utility's system, including but not limited to protection from over currents, fault currents, frequency disturbances, and voltage differentials;
 - 3) has met all applicable safety and performance standards established by local and national electrical codes, including the most recent National Electrical Code (NEC), the most recent National Electrical Safety Code (NESC), the Institute of Electrical and Electronics Engineers (IEEE), and Underwriters Laboratories, as well as all applicable safety and performance standards adopted by rule of the Utility that are necessary to protect public safety and system reliability;

- 4) was constructed in accordance with a design that has been submitted to and approved by the Utility;
 - 5) has been installed by a licensed electrician who has obtained all required permits and inspections.
- C. Isolation transformers and disconnection switches. Utility shall not require an isolation transformer for interconnection of single phase photovoltaic Facilities meeting the requirements of Subsection B of this section. If Utility determines that an isolation transformer is required for other types of Qualifying Facilities, the Utility may require the transformer by providing written notice to the Customer at the time of application. The customer shall have installed and maintained in proper operating condition, at Customer's sole expense, a separate load break disconnect switch as a visible means of disconnection, unless the customer and Utility shall agree in writing to the use of the meter as a visible means of disconnecting single-phase photovoltaic facilities.
- D. Meters. A single reversible meter shall be used unless an alternate metering arrangement is agreed to by the customer and Utility. The register shall be used to measure the amount of energy delivered by the Utility to the customer and will reverse enabling measurement of the amount of energy which is produced by the Qualifying Facility and delivered to Utility. The customer shall be required to pay the cost of the required metering equipment with the exception of the meter. Within twenty (20) days of receiving notification from the customer of the intent to interconnect, the Utility will notify the customer of any metering costs. Charges for special metering costs shall be paid by the customer, or arrangements for payment agreed to between the customer and Utility, prior to the Utility authorizing interconnected operation.
- E. Liability insurance. Customers are urged to obtain adequate liability insurance to cover risks, liabilities, and consequences, which may arise as a result of interconnection with a utility system. For good cause shown, the Utility may require a customer to obtain general liability insurance.
- F. Provision of interconnection agreement. The Utility shall provide a standard interconnection agreement within ten (10) days of a request for such form. When a customer enters into an interconnection agreement pursuant to this rule, the Utility shall provide the customer with a copy of that interconnection agreement. Utility shall provide a blank form of application for interconnection within ten (10) days of a written request for such form. The Utility shall maintain a file of each interconnection agreement entered into by the Utility.

E-5.05 METERING CALCULATION

Utility shall calculate each customer's bill for the billing period using the standards and conditions stated in this section.

- A. Applicable rate. Customers shall be billed for service in accordance with the rate structure and monthly charges that the customer would be assigned if the customer had not interconnected a Facility with Utility's system, plus any incremental cost of required metering equipment. Energy produced or consumed on a monthly basis shall be measured in accordance with standard net metering practice. Power supplied to the customer will be billed at the customer's applicable rate under Utility's current rate schedule.
- B. Credit for excess energy. If electricity generated by the customer exceeds the electricity supplied by the Utility during a billing period, the Utility shall credit the customer through a balancing account for the excess kilowatt-hours generated, by crediting the customer for the net energy supplied to the Utility. The rate paid or credited to the Customer will be the Utility's average cost for capacity and energy from the Los Alamos County Resource Pool for the previous year. The Customers balancing account shall be closed out annually and any funds owing to the Customer will be paid within 30 days.

E-5.06 COMPLAINTS AND INVESTIGATIONS

Any disputes over the implementation of this rule shall be addressed in accordance with dispute resolution procedures set forth in the rules governing service from Utility.

E-5.07 SEVERABILITY

If any part of this rule or any application thereof is held invalid, the remainder of this rule or its application to other situations or persons shall not be affected.

E-5.08 EXEMPTION OR VARIANCE

- A. Any interested person may file an application for an exemption or a variance from the requirements of this rule. Such application shall:
- 1) describe the situation which necessitates the exemption or variance;
 - 2) set forth the effect of complying with this rule on the utility and its customers if the exemption or variance is not granted;
 - 3) identify the Section of this rule for which the exemption or variance is requested;
 - 4) describe the result which the request will have if granted;
 - 5) state how the exemption or variance will promote the achievement of the purposes of this rule; and,
 - 6) state why no other reasonable alternative is available.
- B. If the Utility determines that the exemption or variance is consistent with the purposes of this rule, the exemption or variance may be granted. The Utility may, at its option, require an informal conference or formal evidentiary hearing prior to the granting of the variance. All exemption or variance requests will be considered on an individual basis and the customer shall be responsible for all necessary system upgrade costs as determined by the utility.

E-5.09 REQUEST FOR STAY PENDING AMENDMENT, EXEMPTION, OR VARIANCE

A request for an amendment, exemption, or a variance from the requirements of this rule may include a request that the Utility stay the application of the affected portion of this rule for the transaction specified in the motion. Utility has the sole discretion to determine whether to grant a request for an amendment, exemption or variance or an accompanying request for a stay. In reviewing such request, Utility will not act unreasonably.

E-5.10 CUSTOMER INFORMATION

Utility will provide information to all customers regarding this rule, including, but not limited to, contact persons and a description of terms and conditions for purchases from Qualifying Facilities.

**RULES AND REGULATIONS
FEE SCHEDULE (FS)**

Administrative Fees		
Account Initiation and Transfer Fee	\$10	
Reconnection following disconnection for non-payment – normal hours	\$60	Per trip to location, 8:00 AM to 4:00 PM M-F
Reconnection following disconnection for non-payment – after normal hours	\$200	Per trip to location, after hours, weekends and holidays
Door Hanger Fee	\$10	Per occurrence
Deposits		
Residential	\$60 per meter	
Commercial	Variable	Two times the highest anticipated monthly bill
Fire hydrant meter	\$1,500	Refundable upon meter return (All commodity charges shall be at the filed and approved rate schedule)
Service Fees		
Disconnection or reconnection of electric, gas or water – normal hours – No charge for first trip in a 24-hr period, thereafter each trip is \$75	No Charge (first trip) \$75 each additional trip	Per trip to location, 8:00 AM to 4:00 PM M-F
Emergency disconnection or reconnection of electric, gas or water – after normal hours	No Charge	Per trip to location, after hours, weekends and holidays
Non –Emergency_ disconnection or reconnection of electric, gas or water – after normal hours	\$200	Per trip to location, after hours, weekends and holidays
Furnace check fees	\$100	For up to two furnaces
Meter Test Fees (Requested by customer)		
Electric meters, all sizes	\$125	
Water meters 5/8 inch through 1-1/2 inch	\$150	
Water meters greater than 1-1/2 inch (in place test)	\$150	
Construction Fees		
New Service Installations		
100 amp electric residential service installation less than 150 feet	\$850	Prepaid
200 amp electric residential service installation less than 150 feet	\$1008	Prepaid
Residential Net Meter application & inspection (2 trips), incremental cost of Net meter, and labor <u>and materials</u> to install Net meter <u>and make any necessary upgrades to the existing transformer serving the resident</u>	\$ 2 360	Prepaid
Commercial Net Meter application & inspection	\$450	Prepaid

(2 trips), incremental cost of Net meter and labor to install Net meter		
All other electric service installations	Estimated cost	Prepaid
¾ inch gas residential service installation less than 150 feet	\$1140	Prepaid
¾ inch service line up to 150 feet, tap to main, and meter, out of road	\$1280	Prepaid
¾ inch service line up to 150 feet, tap to main in paved road, and meter	\$3040	Prepaid
Install ¾" – 1" excess flow valve on existing polyethylene service line	\$650	Prepaid
Install ¾" – 1" excess flow valve on existing steel service line	\$2540	Prepaid
Install gas valve on existing polyethylene service line	\$700	Prepaid
Install gas valve on existing steel service line	\$2850	Prepaid
All other gas service installations	Estimated cost	Prepaid
⅝ x ¾" water meter	\$440	Prepaid
⅝ x ¾" water meter with box, install out of road	\$1790	Prepaid
⅝ x ¾" water meter with box, with tap in paved road	\$3680	Prepaid
4 inch sewer tap and saddle with sewer main exposed by customer	\$430	Prepaid
All other work including sewer installations, service relocations and replacement	Estimated cost	Prepaid
North Mesa Connection Charges		
\$250 charge per undeveloped unit where the unit is located in a subdivision where the final plat has been formally accepted by the County, the charge shall be paid for by the individual customer or contractor at the time a water meter is requested	\$250 per unit	
Where the unit is located in a subdivision where the final plat has not been accepted by the County, the charge shall be paid by the subdivision's developer at the time the final plat is filed with the County	\$250 per unit	
Inspection Fees for Subdivisions/Commercial Utility Infrastructure		
Fees for inspection will be based on a percentage of the construction cost estimate for the public Utility infrastructure. Estimate shall be prepared by a Professional Engineer, registered in the state of New Mexico and signed and sealed by the New Mexico Professional Engineer and provided to County Utility Engineering Department for written approval.	5% of construction cost estimate for the public Utility infrastructure	1.If construction scope and or cost increases by 10 percent or more than original approved scope, inspection fee will be revised accordingly 2. Utility Department reserves right to modify fees if needed.



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Staff Report

January 20, 2021

Agenda No.: 6.A
Index (Council Goals):
Presenters: Department of Public Utilities
Legislative File: 13753-21

Title

Approval of Board of Public Utilities Meeting Minutes

Recommended Action

I move that the Board of Public Utilities approve the meeting minutes of December 16th, 2020 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. There were no changes.

Attachments

A - Draft BPU Regular Session Minutes - December 16th, 2020



LOS ALAMOS

County of Los Alamos
Minutes
Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

Carrie Walker, Chair; Stephen McLin, Vice-chair; Eric Stromberg, Steve Tobin and Cornell Wright Members
Philo Shelton, Ex Officio Member
Harry Burgess, Ex Officio Member
Randall Ryti, Council Liaison

Wednesday, December 16, 2020

5:30 PM

Due to COVID-19 concerns, meeting will be conducted remotely. Public can view proceedings at <http://losalamos.legistar.com/calendar.aspx> or attend via Zoom.

REGULAR SESSION - REMOTE ZOOM MEETING

1. CALL TO ORDER

The regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, December 16, 2020 at 5:30 p.m. Board Chair Carrie Walker called the meeting to order at 5:30 p.m.

The meeting was held remotely and BPU members, staff and the public participated through an online video conferencing platform. This social distancing was to comply with the recommendations of the Centers for Disease Control (CDC) to prevent the spread of COVID-19. Members of the public were able to live-stream the meeting online and submit public comment during the meeting.

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

2. PUBLIC COMMENT

Ms. Walker opened the floor for public comment on items on the Consent Agenda and for those not otherwise included on the agenda. There were no comments.

3. APPROVAL OF AGENDA

Ms. Walker moved to approve the agenda with the amendment of moving item 6.D. to item 7.D and moving item 6.C. to item 7.E. The motion passed by the following vote:

Yes: 5 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin, Chair Walker and Board Member Wright

4. BOARD BUSINESS

4.A. Chair's Report

Ms. Walker had nothing to report.

4.B. Board Member Reports

Board members had nothing to report.

4.C. Utilities Manager's Report

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

At Mr. Tobin's request, staff will send the questions from the environmental sustainability community survey to the Board.

Mr. McLin requested clarification about the subcommittee Council is forming in response to the citizen petition to achieve net zero greenhouse gas emissions. Mr. Shelton further explained that the subcommittee would look into multiple areas of County operations, not just those of DPU. Council is developing a charter and work plan to be presented toward the end of January. They are looking for letters of interest from County board members and will likely select one member from BPU.

4.D. County Manager's Report

Mr. Burgess had nothing to report.

4.E. Council Liaison's Report

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

Councilor Ryti explained for Mr. McLin that in order for a petition to move forward, five signatures must be validated, and the citizen petition to eliminate greenhouse gas emissions received approximately 140 signatures.

Mr. Wright asked Mr. Ryti to give his impression of the general tone at the recent Council meeting during their discussion on the County's purchase agreement for 1735 and 2511 Central Avenue. Councilor Ryti further discussed some of the issues with the purchase, including addressing Americans with Disabilities Act compliance in the CB Fox building and parking issues for those properties given that the parking areas are privately owned through the Central Parking Lot Association.

Ms. Walker thanked Councilor Ryti for his service as the Council Liaison during the past year.

4.F. Environmental Sustainability Board Liaison's Report

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

Mr. Tobin asked Mr. Lochelle to expand more on the compost program mass flow. Mr. Lochelle believes that the excess material during the winter is being stockpiled somewhere, but he was not sure. Mr. Shelton clarified that in the spring the compost is heavily used, and although it is stockpiled in the winter, there is rarely enough compost to keep up with citizen demand in the spring. He also explained that the Parks Department does apply compost on their grounds.

4.G. General Board Business

4.G.1 [13665-20](#) Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

No new items were added to those already presented in the tickler in the agenda packet.

4.H. Approval of Board Expenses

There were no Board expenses.

4.I. Preview of Upcoming Agenda Items

The upcoming agenda items were reviewed during item 4.G.1.

5. PUBLIC HEARING(S)

There were no public hearings.

6. CONSENT AGENDA

Mr. Tobin moved that the Board of Public Utilities approve the items on the Consent Agenda as amended and that the motions contained in the staff reports be included in the minutes for the record. The motion passed by the following vote:

Yes: 5 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin, Chair Walker and Board Member Wright

6.A [13660-20](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Board of Public Utilities

I move that the Board of Public Utilities approve the meeting minutes of November 18th, 2020 as presented.

6.B [AGR0724-20](#) Approval of Services Agreement No. AGR21-18 with Utilicast in the amount of \$109,440.00 plus Applicable Gross Receipts Tax, for the Purpose of Energy Imbalance Market Implementation Consulting Services Agreement

Presenters: Steve Cummins

I move that the Board of Public Utilities approve Services Agreement No. AGR21-18 with Utilicast in the amount of \$109,440.00 plus Applicable Gross Receipts Tax, for the Purpose of Energy Imbalance Market Implementation Consulting Services Agreement

6.E [13635-20](#) Approval of Agreement No. AGR21-933, the San Juan-Chama Project Water Purchase Contract Between the Incorporated County of Los Alamos and the Rio de Chama Acequia Association, Inc. for Purchase of the 2021

Allocation of San Juan-Chama Project Water

Presenters: Jack Richardson

I move that the Board of Public Utilities approve Agreement No. AGR21-933, the San Juan-Chama Project Water Purchase Contract Between the Incorporated County of Los Alamos and the Rio de Chama Acequia Association, Inc. for Purchase of the 2021 Allocation of San Juan-Chama Project Water, and forward to Council with a recommendation for approval. I further move that prior to Council approval, the Board authorize staff and the County Attorney's Office to make minor non-substantive changes per comments from the Bureau of Reclamation.

- 6.F [OR0876-20](#) Incorporated County of Los Alamos Ordinance No. 703; Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement with the New Mexico Finance Authority for the Construction of a New One Million Gallon Effluent Water Storage Tank

Presenters: James Alarid

I move that the Board of Public Utilities Approve Ordinance 703 Authorizing The Execution And Delivery Of A Water Project Fund Loan/Grant Agreement By And Between The New Mexico Finance Authority ("Finance Authority") And The Incorporated County Of Los Alamos, New Mexico (The "Borrower/Grantee"), In The Total Amount Of \$900,000, Evidencing An Obligation Of The Borrower/Grantee To Utilize The Loan/Grant Amount Solely For The Purpose Of Financing The Costs Of Construction Of A New One Million Gallon Effluent Water Storage Tank And Paying An Administrative Fee, And Solely In The Manner Described In The Loan/Grant Agreement; Providing For The Pledge And Payment Of The Loan Amount Solely From Net Revenues Of The Water Utility Fund; Certifying That The Loan/Grant Amount, Together With Other Funds Available To The Borrower/Grantee, Is Sufficient To Complete The Project; Approving The Form Of And Other Details Concerning The Loan/Grant Agreement; Ratifying Actions Heretofore Taken; Repealing All Action Inconsistent With This Ordinance; And Authorizing The Taking Of Other Actions In Connection With The Execution And Delivery Of The Loan/Grant Agreement and forward to Council for approval.

7. BUSINESS

- 7.A [13557-20](#) Support for Keystone Restoration Ecology and Natural Channel Designs - Grant Application to the State to Restore the Los Alamos Reservoir Watershed Area and Stream

Presenters: Philo Shelton

Mr. Shelton presented this item. The following is the substance of the item being considered.

Steve Vrooman from Keystone Restoration Ecology and Mr. Allen Hayden from Natural Channel Designs presented the grant proposal. When the Federal government cancelled the previously approved Federal Emergency Management Agency (FEMA) grant award for approximately \$2.1 million for the Los Alamos Canyon Reservoir Road Stabilization Project DPU, staff thought that this project would not happen and DPU would have to accept almost annual expenditures of road and pipeline/conduit repair after every major storm water runoff event in the LA Reservoir Canyon. However, DPU has recently been

approached by a team of watershed restoration professionals who are proposing a slightly different approach to this problem. This current grant application proposal substitutes "soft" improvements using natural materials such as logs and large boulders as opposed to "hard" improvements such as concrete and gabion structures for road stabilization. This softer approach also includes more enhanced approaches to stream bed restoration, such as removal of downed trees and other vegetation and sediment deposits that have degraded the stream bed. In addition, this project proposes watershed restoration upstream of the reservoir, which would eliminate the future need for reservoir dredging. The funding for this project is proposed to be sourced from three entities: a \$300,000 grant from the State of New Mexico River Stewardship Program; \$250,000 from DPU; and \$250,000 from the County General Fund. The matching \$250,000 from both DPU and the County General Fund is only slightly lower than the previously approved matching funds for the FEMA project pledged in 2016. A written letter of recommendation from the DPU submitted as a part of the grant application package would also help this grant application receive acceptance by the state funding agency.

The Board discussed this item and requested clarification where necessary.

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

1) Mike Steinzig, 299 La Queva - Mr. Steinzig gave accolades to Mr. Vrooman and his company for the work they did in Graduation Canyon to harden the canyon open space areas against wildfire and improve the habitat for wildlife. Mr. Steinzig is in favor of the project and believes it will benefit Utilities. He believes the restoration efforts would do much to harden the area against both wildfire and erosion, which in turn would benefit the community by improving additional recreation areas and would keep wildlife down in the canyon rather than up in residential areas. He encouraged the Board to support this project.

Mr. McLin moved that the Board of Public Utilities authorize the Utilities Manager to write a letter of support for Keystone Restoration Ecology and Natural Channel Designs for their grant application to the State of New Mexico River Stewardship Program for the Los Alamos Canyon Sediment Reduction and Restoration project.

Mr. McLin moved to amend the motion by adding the following statement to the original motion: I further move that the Board recommend a funding match for the project in the amount of \$250,000.00 from the Water Production Fund and forward these to Council for approval with a recommendation for approval of an additional \$250,000.00 funding match from the County General Fund. The amendment passed by the following vote:

Yes: 5 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin, Chair Walker and Board Member Wright

The complete motion with the amendment was approved as follows: I move that the Board of Public Utilities authorize the Utilities Manager to write a letter of support for Keystone Restoration Ecology and Natural Channel Designs for their grant application to the State of New Mexico River Stewardship Program for the Los Alamos Canyon Sediment Reduction and Restoration project. I further move that the Board recommend a funding match for the project in the amount of \$250,000.00 from the Water Production Fund and forward these to Council for approval with a recommendation for approval of an additional \$250,000.00 funding match from the County General Fund.

Yes: 5 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin, Chair Walker and Board Member Wright

7.B [13614-20](#)

Request for Support on a Grant Application by Ms. Prisca Tiasse PhD, with Biodidact - The Community Lab.

Presenters: Philo Shelton

Mr. Shelton presented this item. The following is the substance of the item being considered.

Mr. Shelton introduced Ms. Prisca Tiasse PhD from Biodidact - The Community Lab. Ms. Tiasse has been working with staff on sampling and analyzing wastewater for COVID-19 viral content. She is seeking to continue her research with viral pathogens, and she has identified a notice of funding opportunity with Environmental Protection Agency regarding water reuse. Ms. Tiasse is requesting a letter of support that details DPU's partnership for supplying water samples for her research as in-kind support. The grant application is due to EPA on January 6, 2021.

The Board discussed this item and requested clarification where necessary.

Mr. Wright moved that the Board of Public Utilities direct the Utilities Manger to write a letter of support for Biodidact - The Community Lab, grant application prepared by Ms. Prisca Tiasse and if awarded the grant, support sampling efforts at the two wastewater treatment plants as an in-kind support for this project. The motion passed by the following vote:

Yes: 5 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin, Chair Walker and Board Member Wright

7.C [13589-20](#)

Review of LA Green Program

Presenters: Philo Shelton

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

It was brought to the attention of the Utilities Manager that the LA Green Brochure (a program that allows DPU customers to purchase renewable energy credits or RECs) had confusing language as to how the revenue earned from the program was being used. This question called for a review of the LA Green program and an update of the brochure to better represent DPU's practices for this program. Based on the review of this program, staff revised and updated the LA Green Brochure. Alternatively, since DPU is moving

toward its goal to be a carbon neutral electric provider by 2040, providing clean energy to all its customers, the BPU may want to consider retiring the LA Green program and adopt a carbon offset or balance program, including allowing customers to offset carbon emitted from natural gas. A Carbon Balance Program could include a combination of both renewable energy credits (RECs) and carbon offsets for natural gas as a way to offer customers a carbon neutral footprint option for a set monthly fee.

The Board discussed this item and requested clarification where necessary.

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

1) Mike Steinzig, 299 La Queva - Mr. Steinzig does not agree with cancelling the program without more thought. He believes it would annoy the customers already participating in the program. He suggested sending a letter to those customers to explain. Mr. Steinzig has participated in the program since around 2005. He explained that since the County did not have a solar power buy-back program at that time due to a variety of reasons, staff suggested that he purchase RECs through LA Green. He noted that customers may be participating in the LA Green program for reasons not fully understood by the Department.

The following actions were identified for follow-up:

1) Staff will publish the modified LA Green Brochure as presented and will return at a later meeting with a recommendation to either discontinue or modify the program.

Ms. Walker called for a recess at 8:02 p.m. The meeting reconvened at 8:10 p.m.

6.D [13591-20](#)

Award of Bid No. IFB 21-25 for the Purpose of Pajarito Road 16 Inch Transmission Waterline Rehabilitation with AUJ, Inc. in the Amount of \$688,485, plus Applicable Gross Receipts Tax.

Presenters: James Alarid

ITEM 6.D WAS MOVED FROM CONSENT TO BUSINESS

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

The initially planned project involved a reroute of the Pajarito water production transmission line in association with Los Alamos National Laboratory (LANL) planned parking structure. However, LANL's parking structure did not receive funding. Instead, staff choose a different segment water transmission line along Pajarito Road to rehabilitate. This segment of waterline has experienced 5 leaks over the last six years, and on two occasions damaged nearby facilities and buildings. This 2,400 linear foot segment of waterline is twice as long as the originally planned line, and it will need to use the full amount of the FY2019 profit transfer budget. The project schedule requires the rehabilitated waterline to be placed in service by March 2021, prior to the spring water demand increases.

The Board discussed this item and requested clarification where necessary.

Mr. Wright moved that the Board of Public Utilities approve the Award of Bid No. 21-25 for the Purpose of Pajarito Road 16 Inch Transmission Waterline Rehabilitation with AUI, Inc. in the Amount of \$688,485, and a 10% contingency in the amount of \$68,849, for a total of \$757,334, plus Applicable Gross Receipts Tax and forward to Council for approval. The motion passed by the following vote:

Yes: 4 - Board Member Stromberg, Board Member Tobin, Chair Walker and Board Member Wright

Abstain: 1 - Vice Chair McLin

- 6.C** [AGR0730-20](#) Approval of Amendment No. 7 to Services Agreement AGR16-4289 with Paymentus Corporation in the Amount of \$75,000 for a Revised Total Agreement Amount of \$325,000, plus Applicable Gross Receipts Tax for the Purpose of Credit Card and Electronic Bill Payment Services

Presenters: Bob Westervelt

ITEM 6.C. WAS MOVED FROM CONSENT TO BUSINESS.

Deputy Utility Manager of Finance and Administration Mr. Bob Westervelt presented this item. The following is the substance of the item being considered.

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. In response to feedback and to support customer self-service applications, staff recommended, and the Board approved, an absorbed fee model. Having not had experience with this type of model, staff had little information on which to base an estimated total contract cost. In June 2020, amendment 6 to this contract was executed which increased the funding to \$250k with the expectation that funding would be sufficient to carry us for the remaining term of the current contract. However, with COVID-19 and the renewed emphasis on contactless payment alternatives, plus the addition of Paymentus as an option for citizens to make donations to the Utilities Assistance Program, a sharp increase has been seen in usage of the credit card payment alternative and resulting fees. This proposed additional funding amount in amendment 7 is based on the most recent usage data and is expected to be sufficient to cover the remaining term of the current contract.

The Board discussed this item and requested clarification where necessary.

Mr. Tobin moved that the Board of Public Utilities approve Amendment No. 7 to Services Agreement AGR16-4289 with Paymentus Corporation in the amount of \$75,000.00 for a revised total contract value of \$325,000.00 plus applicable gross receipts tax and forward to Council for consideration. The motion passed by the following vote:

Yes: 5 - Vice Chair McLin, Board Member Stromberg, Board Member Tobin, Chair Walker and Board Member Wright

8. STATUS REPORTS

8.A [12869-20](#) Quarterly Update on Utility System - Gas Distribution System

Presenters: Jack Richardson

Deputy Utilities Manager for Gas, Water and Sewer Mr. Jack Richardson presented this item. The following is the substance of the item being considered.

The Board requested a quarterly system assessment on a different utility each quarter. This quarter, Mr. Richardson presented an update on the Gas system.

The Board discussed this item and requested clarification as necessary.

8.B [12866-20](#) Quarterly Conservation Program Update

Presenters: James Alarid

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

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

The Board discussed this item and requested clarification where necessary.

8.C [13664-20](#) Status Reports

Presenters: Board of Public Utilities

The following informational status reports were provided to the Board in the agenda packet:

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

9. General Board Business (Continued)

9.A [13592-20](#) 2020 Board of Public Utilities Annual Self-evaluation

Presenters: Carrie Walker

Due to the length of the meeting, the Board agreed through general consensus to delay this item until the January 20th regular meeting.

10. PUBLIC COMMENT

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

11. ADJOURNMENT

The meeting adjourned at 9:06 p.m.

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board

ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

**Utility Manager's Report
December 16, 2020**

1. The DPU supervision team are holding weekly meetings regarding our response to COVID-19 issues. Several innovative measures have been identified through this team. These include vehicle barriers installed within the vehicles, portable sanitizing equipment to clean vehicles and workspaces, fire resistant masks, staggered work shifts and alternative work methods to maintain social distance during this pandemic. As the pandemic continues there are frequently issues to cover in this meeting regarding COVID-19, they include items like completing employee wellness checklist before coming to work, thermometers issued to check temperatures should someone feel ill during the work day, review of special COVID leave allowed to support family members, and leave time for COVID-19 exposures.
2. A project management committee meeting was held on December 15th and there were discussions to consider a smaller plant at half the size and how to balance this with subscription level needs. Fluor is developing a cost estimate and should be ready next month for review. Regardless of plant size, the Economic Competitive test remains at \$55/MWHR at 2020 dollars. I was elected to the CFPP board and my term will expire in 2024. There are eleven board members for the CFPP.
3. Staff continues to work with NMED and Laboratory to cleanup an area of the soil containing the oil of approximately 1.2 cubic yards of soil located next to Otowi Well #4 at DP Los Alamos Canyons confluence. Staff holds weekly meetings with LANL and NMED. Staff is waiting to receive a new sampling permit with LANL to sample the sediments in the low points of the stream profile.
4. Attended the monthly LANL Cleanup Technical Working Group meeting and this month the group covered Evaporation Transpiration (ET) landfill covers.
5. DP Lift Station equipment has been installed and tested. The tie-in to the new lift station will occur next Monday. Staff continues to coordinate with N3B on their clean-up efforts in coordination with these utility improvements.
6. Staff are participating in meetings with Community Development Department and Dekker Perich Sabatini who are working to update the County's Development Code.
7. Triton Polling and Research has been retained to perform a survey with 500 DPU customers on BPU's Environmental Sustainability goals and objectives. The survey work has begun this week and the results are planned to be completed prior to the Christmas holiday. We plan to report these survey results at the January BPU meeting.

8. Attended the County Council meeting and commented on BPU's sustainability goals in response to a citizen petition regarding achieving net zero greenhouse gas equivalent (GHGe). Council accepted the petition and there will be a request for a letter of interest from a BPU member to participate in this new taskforce. The goal of this taskforce is to develop a comprehensive resiliency, energy and sustainability plan to achieve net zero GHGe and meet the UN Paris Agreement goal of net zero GHGe by 2050.

Council Liaison Report, Randall Ryti Vice Chair

December 16, 2020

December 1, 2020 Regular Meeting

Closed session to discuss purchase, acquisition, or disposal of real property.

Briefing to Council by Chair Walker, BPU. We also had a presentation to Council on the Animal Shelter Best Practices Guide by the Animal Shelter Ad-Hoc Committee.

Consent items included: approving the Sensus USA contract amendment for AMI services, contract for software to help manage energy imbalance market, award of a bid for the Overlook Park non-potable water booster replacement, budget revision for the IBEW contract, and approval of the Memorandum of Understanding between the County and LAPS for the North Mesa housing evaluation.

Under business we considered recommendations related to Diversity, Equity and Inclusion discussion and follow up meetings with Council and the petitioners.

December 15, 2020 Regular Meeting

Closed session on limited personnel matters.

One main business item was to approve a purchase agreement for 1735 and 2551 Central Avenue for a total of \$4,000,000. The County will evaluate these potential uses and due diligence concerns for the former CB Fox and Reel Deal properties. The County has 90 days to evaluate these purchases, with the potential to add an additional 30 days. One key issue is 18% ownership in the Central Parking Lot Association is tied to the CB Fox property.

We took action as requested on a citizen petition to create a task force to achieve net zero greenhouse gas equivalents in Los Alamos County. The charter for this task force will be drafted based on the citizen petition with input from a Council Liaison (Ryti). Members may include a representative from County Boards (e.g., BPU, Environmental Sustainability, T-Board) and interested citizens. Target date to start this task force is Jan 26, 2021. Discussion of this item recognized the energy conservation currently underway by DPU as well as other County-DPU initiatives.

Several items were on the Consent Agenda, the most significant being awarding two family services contracts (for two years each) and the establishing a budget of \$8,200,000 for the multigenerational pool and an award of a contract to Klipinger Construction for this project.

We introduced an Ordinance for the sale and development of 3661 and 3689 Trinity Drive by Pet Pangaea.

We recognized the service of outgoing Councilors Sheehey, Maggiore, and Martin.

Other Relevant Meetings

Technical Work Group – December 9th discussion about cover designs at Material Disposal Areas (MDAs) at LANL; cover options include RCRA cover and evapotranspiration (ET or naturalized covers) (other specific topics are MDA C and the Chromium and RDX contaminant groundwater plumes)

Potential Development and Land Use [no changes this month]

North Mesa Housing Feasibility Study (Los Alamos Public Schools property), report is final, and there was a joint Council and LAPS Board meeting on Oct 29th. Nine other projects are in various phases of planning or development.

DP Road parcels transferred from DOE and available for development. A-8-A and A-16-A. Progress on DP Road parcels is pending action on the Middle DP Road Site (radioactive materials discovered in Feb 2020, plan being prepared and ready for review in Dec 2020). Seven other commercial properties are in various phases of planning or development. County has offered two lots on Trinity Drive for possible development (3661 and 3689 Trinity Drive).

See Figure 8 on page 39 in the “Los Alamos County Housing Market Needs Analysis, 2019” for maps showing LAC and LAPS owned land to consider for housing. Map does not differentiate those lands with existing uses (e.g., airport, golf course, stables).

NNSA denied a request for a “special use” permit for recreational use in Los Alamos Canyon. Special event access may be requested and special use permit may requested once clean up activities are complete.

Collective Impact of the 2020 People’s EcoChallenge & Recognition of Award Winners

The People’s EcoChallenge is a 21-day environmental and social engagement program that encourages participants to create new habits that will support a healthier environment, community and overall wellness. Amidst the challenges of the COVID pandemic, our community still showed up to the challenge! There were three teams in New Mexico and two teams were in Los Alamos County, with participation from 40 community members. The #91 ranking team in the USA was Chamisa Green Team with 28 members and 3,532 points and #129 was the Los Alamos Team comprised of 12 ESB and Zero Waste team members with 2,030 point

Jack Richardson- DPU- Bayo Canyon Compost Facility Update

Composting Operation located at Bayo Canyon. . Los Alamos County composts the biosolids from the waste water treatment plant and yard trimmings at this composting facility. This program allows the County to divert yard trimmings from the landfill and manager biosolids locally. The finished product is nutrient rich and available to all residents and businesses.

Typical Windrow

WW BIO-SOLIDS = 13 TONS = 120 CUBIC YARDS

GREEN WASTE (YARD WASTE) = 24 TONS = 84 CUBIC YARDS

STABLE WASTE (MANURE) = 29 TONS = 42 CUBIC YARDS

OVERS (RECYCLED STUFF) = 24 TONS = 84 CUBIC YARDS

Typical Windrow Recipe

Green Waste = 2 Loads = 12 Cubic Yards

Manure = 2 Loads = 12 Cubic Yards

Green Waste = 2 Loads = 12 Cubic Yards

Overs = 2 Loads = 12 Cubic Yards

Green Waste = 2 Loads = 12 Cubic Yards

Bio-Solids = 1 Load = 6 Cubic Yards

Overs = 2 Loads = 12 Cubic Yards

Looking to increase the profile – Compost Facility Expansion Plan

- Bio-solids from White Rock WWTP will necessitate an expansion of the Compose Facility by FY22. Will require additional storage to accommodate the added material. Cost between \$750K and \$1million.

Environmental Services Angelica Gurules gave the ESB and update about what is going on in the Environmental Service’s division. This included:

- soliciting proposals to perform a Food Waste Composting Feasibility

study and Design Service

- Continue zero waste initiatives
- Continue supporting implementation of yard trimming roll cart program to 63% of households (4,315) and diverted 1,256 tons of yard trimming material in the first 18 months



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.:	6.B
Index (Council Goals):	DPU FY2021 - 1.0 Provide Safe and Reliable Utility Services; DPU FY2021 - 6.0 Develop and Strengthen Partnerships with Stakeholders
Presenters:	Steve Cummins, Deputy Utilities Manager - Power Supply
Legislative File:	13559-20

Title

Approval of Agreement No. 20-RMR-3182 with Western Area Power Administration (WAPA) for Balancing Services Agreement

Recommended Action

I move the Board of Public Utilities approve Agreement 20-RMR-3182 with Western Area Power Administration for Balancing Services and forward to Council for approval.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

Los Alamos County must be a party in this agreement due to its Purchase Power Agreement with Lincoln Electric for Laramie River Station Generation. Prior to 2020 the Western Interconnect only had one Reliability Coordinator, when this Reliability Coordinator announced its dissolution a series of shifts took place. WAPA has undertaken a few different approaches. The first was an attempt to create a Regional Transmission organization with entities throughout the Rocky Mountain Region. This effort did not come to past. WAPA's second option was to choose a new Reliability Coordinator from outside the Western Interconnect and introduce an Energy Imbalance Service very similar to the established Western Energy Imbalance Market (WEIM) provided by California Independent System Operator. This new WAPA market offering is called the Western Energy Imbalance Service (WEIS). In addition to the new Reliability Coordinator and new Market, WAPA has also joined a new reserve sharing group called the Northwest Power Pool (NWPP). The NWPP contract requirements differ from the reserve sharing group that existed before.

The inception of the new Reliability coordinator, the WEIS, and the entry into the NWPP has caused WAPA to strive for consistency, and uniformity. WAPA is also trying to ensure costs are aligned with the different products and services they are providing. The Balancing Area Services Agreement is WAPA's solution to these issues. It is an outline of expectations and the types of services that have been subscribed to by the customers. From Staff's perspective this agreement only formalizes the services requested from WAPA and services for which we are exempt. Los Alamos County's obligations do not change under this agreement. Prior to this, each subscription was managed separately and the exemption for the requirement of reserves was never formalized.

Alternatives

There are no alternatives. WAPA is the Balancing Authority for Laramie River Station, their Tariff has been approved at FERC which obligates us to pay the most current rates. This agreement does not change Los Alamos County's obligations, it lays them out in one place which eases tracking and formally list exemptions for required services.

Fiscal and Staff Impact

The cost of this service was included in Electric Productions fiscal year budget. The time staff spent on this effort is considered normal business in Electric Production Operations. This effects Power Operation much like the WEIM which is currently being implemented, however it is on a much smaller scale due Los Alamos only having Generation in WAPA's Balancing Area.

Attachments

A - 20-RMR-3182 Los Alamos BASA

B - 20-RMR-3182 Los Alamos Exhibit A

AGREEMENT NO. 20-RMR-3182

BETWEEN

INCORPORATED COUNTY OF LOS ALAMOS-DEPARTMENT OF PUBLIC UTILITIES

AND

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION

WESTERN AREA COLORADO MISSOURI BALANCING AUTHORITY

FOR

BALANCING AUTHORITY SERVICES

AGREEMENT NO. 20-RMR-3182

BETWEEN

INCORPORATED COUNTY OF LOS ALAMOS-DEPARTMENT OF PUBLIC UTILITIES

AND

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION

WESTERN AREA COLORADO MISSOURI BALANCING AUTHORITY

FOR

BALANCING AUTHORITY SERVICES

Table of Contents

<u>Section</u>	<u>Title</u>	<u>Page No.</u>
1.	Preamble	1
2.	Explanatory Recitals.....	2
3.	Definitions.....	2
4.	Agreement.....	11
5.	Other Agreements	11
6.	Entire Agreement	12
7.	Term and Termination	12
8.	BA Services.....	15
9.	Transmission Service Providers within the BA	19
10.	Reliability Coordinator	19
11.	WECC/NERC Dues	20
12.	Settlements and Billing	20
13.	Data Requirements.....	20
14.	Business Practices	20
15.	Specific Requirements.....	21
16.	Point(s) of Interconnection Metering, Communications, Scheduling, and Operations Requirements	21
17.	Sensitive Information and Information Security	21
18.	General Contract Provisions.....	21
19.	Creditworthiness Procedures	21
20.	Amendments	21
21.	Exhibits.....	22
22.	Authority to Execute	22
	Signature Clause	23
Exhibits		

AGREEMENT NO. 20-RMR-3182

BETWEEN

INCORPORATED COUNTY OF LOS ALAMOS-DEPARTMENT OF PUBLIC UTILITIES

AND

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION

WESTERN AREA COLORADO MISSOURI BALANCING AUTHORITY

FOR

BALANCING AUTHORITY SERVICES

1. PREAMBLE: This Balancing Authority Services Agreement (Agreement) is made this ____ day of _____, 2020 (Effective Date), pursuant to the Acts of Congress approved June 17, 1902 (32 Stat. 388); August 4, 1939,(53 Stat. 1187); December 22, 1944 (58 Stat. 887); April 11, 1956 (70 Stat. 105); August 16,1962, (76 Stat. 389); August 4, 1977 (91 Stat. 565); and Acts amendatory or supplementary to the foregoing Acts; between the UNITED STATES OF AMERICA, Department of Energy, acting by and through the Administrator, WESTERN AREA POWER ADMINISTRATION (WAPA) and INCORPORATED COUNTY OF LOS ALAMOS-DEPARTMENT OF PUBLIC UTILITIES (Los Alamos or Customer), a corporation organized and existing under the laws of the State of New Mexico, its successors and assigns; each sometimes individually called Party and both collectively called Parties.

2. EXPLANATORY RECITALS:

2.1 WAPA's Rocky Mountain Region (RMR) operates the Western Area Colorado Missouri Balancing Authority (WACM).

2.2 As a Balancing Authority (BA), WACM is the entity responsible for evaluating and integrating short-term resource plans and maintaining Load-interchange-generation balance within its Balancing Authority Area (BAA) and supporting real-time interconnection frequency.

2.3 Customer (1) is operationally responsible for Load and/or generator resources and/or (2) operates a transmission system; and/or (3) is a Transmission Owner and/or (4) is a Transmission Service Provider and/or (5) is a Transmission Provider, in the WACM BAA. WACM, thus, requires Customer to execute this Agreement to set forth the terms and conditions of Balancing Authority services and Customer's obligations to WACM.

3. DEFINITIONS: For purposes of this Agreement, capitalized terms defined in this Section shall have the meaning set forth below whether used in the singular or plural. In addition to the definitions provided below, definitions used in the NERC Glossary of Terms Used in Reliability Standards (NERC Glossary), as supplemented or amended, are included by reference. If there is a conflict

between the definitions provided below and the definitions used in NERC Reliability Standards Glossary, the definitions set forth herein shall prevail:

- 3.1 Ancillary Services: As defined in Section 8.1.
- 3.2 Balancing Authority (BA): As defined in the NERC Glossary.
- 3.3 BA Area (BAA): As defined in the NERC Glossary.
- 3.4 BA Real Power Losses Service: Defined in WAPA Rate Schedule L-AS7.
- 3.5 BA Services: The services which include, but are not limited to, the BA Real Power Losses Service and Ancillary Services provided by WACM, as specified in this Agreement.
- 3.6 Business Practice: WACM's rules, standards, and practices that are published on its OASIS, or subsequent WAPA website, and (i) relate to BA Services, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Agreement.

- 3.7 Colorado River Colorado Missouri Transmission System (CRCM): RMR, based in Loveland, Colorado, operates and maintains the WAPA transmission facilities in Arizona, Colorado, New Mexico, Utah, and Wyoming which were constructed to market and deliver power from the Salt Lake City Area Integrated Projects under the TSP code CRCM.
- 3.8 Energy Imbalance Service: Defined in WAPA Rate Schedule L-AS4.
- 3.9 Enforcement Authority: FERC, Electric Reliability Organization (ERO), or Regional Entities with enforcement authority pursuant to a delegation order from an ERO or FERC for the purpose of proposing and enforcing reliability standards.
- 3.10 Events of Default: Defined in Section 6 of Exhibit H.
- 3.11 FERC: Federal Energy Regulatory Commission or successor organization(s).
- 3.12 Generator Imbalance Service: Defined in WAPA Rate Schedule L-AS9.
- 3.13 Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the

exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215(a)(4).

- 3.14 Independent System Operator (ISO): As defined in 16 U.S.C. § 796(28).

- 3.15 Load: Defined in the NERC Glossary.

- 3.16 Loveland Area Projects Transmission (LAPT): RMR, based in Loveland, Colorado, operates and maintains WAPA's transmission facilities in Colorado, Wyoming, Montana, and Nebraska, which were constructed to market and deliver power from the Loveland Area Projects under the TSP code LAPT.

- 3.17 Metered Subsystem: A subsystem within a BA that balances its resources and Loads through generation capacity and energy schedules and is defined by meters that measure net energy transfers into and out of their

electric subsystem boundary. This arrangement is sometimes referred to as a boundary metered subsystem or a bubble.

- 3.18 NERC: North American Electric Reliability Corporation or successor organization(s).
- 3.19 Net Energy for Load (NEL): Means net generation on or interconnected to an electric system plus energy received from others less energy delivered to others through interchange and is measured in MWh/year. It includes system losses but excludes energy required for storage of energy at energy storage facilities.
- 3.20 Open Access Same-time Information System (OASIS): Internet-based tool for sharing information on transmission prices and product availability.
- 3.21 Point(s) of Interconnection: Metering point(s) where the Customer's transmission or distribution system, load and generation facilities (including behind the meter generation) that are/is the Customer's responsibility within the WACM BA, require(s) certain BA Services, as shown in Exhibit A.
- 3.22 Reactive Supply and Voltage Control from Generation or Other Sources Service: Defined in WAPA Rate Schedule L-AS2.

- 3.23 Regional Entity: A regional entity as defined under Section 215(e)(4) of the Federal Power Act, authorized to enforce reliability standards for NERC under a delegation agreement approved by FERC.
- 3.24 Regional Transmission Organization (RTO): As defined in 16 U.S.C. § 796(27).
- 3.25 Regulation and Frequency Response Service: Defined in WAPA Rate Schedule L-AS3.
- 3.26 Reliability Coordinator (RC): Defined in the NERC Glossary.
- 3.27 Reserve Energy: Defined in the WACM Sub-Entity Reserve Sharing Agreement, or, if Customer is not a party to the WACM Sub-Entity Reserve Sharing Agreement, Reserve Energy is as defined in WACM's Business Practices.
- 3.28 Reserve Sharing Group (RSG): A group whose members consist of two or more BAs that collectively maintain, allocate, and supply operating reserves required for each BA's use in recovering from contingencies within the group. Scheduling energy from an Adjacent Balancing Authority to aid

recovery need not constitute reserve sharing provided the transaction is ramped in over a period the supplying party could reasonably be expected to load generation in (e.g., ten minutes). If the transaction is ramped in quicker (e.g., between zero and ten minutes) then, for the purposes of disturbance control performance, the areas become a RSG. Examples are the Northwest Power Pool (NWPP) and the Southwest Reserve Sharing Group (SRSG).

- 3.29 Scheduling, System Control, and Dispatch Service: Defined in WAPA Rate Schedule L-AS1.
- 3.30 Sensitive Information: Defined in Exhibit G.
- 3.31 Spinning Reserve Service: Defined in WAPA Rate Schedule L-AS5.
- 3.32 Supplemental Reserve Service: Defined in WAPA Rate Schedule L-AS6.
- 3.33 Transmission Operator: Defined in the NERC Glossary.
- 3.34 Transmission Owner: Defined in the NERC Glossary.

- 3.35 Transmission Provider (TP): an entity that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service in the WACM BAA.
- 3.36 Transmission Service Provider (TSP): an entity that administers a transmission tariff and provides Transmission Service to Transmission Customers under applicable Transmission Service agreements.
- 3.37 TSP BA Customer: A TSP or TP who offers transmission service in the WACM BAA, including but not limited to a TSP or TP who offers transmission service under that TSP's Open Access Transmission Tariff (OATT).
- 3.38 Uncontrollable Force: Shall mean any cause beyond the control of the Party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or non-action by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence of such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome.

Nothing contained herein shall be construed to require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any of its obligations under the Agreement by reason of an Uncontrollable Force shall give prompt written notice of such fact to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.

3.39 WACM: The Western Area Colorado Missouri BA, which is the BA operated by WAPA's RMR. WACM includes portions of Arizona, Colorado, Montana, Nebraska, New Mexico, South Dakota, Utah, and Wyoming. References in this Agreement to "WACM" should be interpreted as "WAPA performing its functions in the capacity of the operator of WACM." Where the Agreement references "WAPA," it is to WAPA and is not limited to WAPA in the capacity as WACM.

3.40 WECC: The Western Electricity Coordinating Council or successor organization(s).

3.41 Western Energy Imbalance Service (WEIS): The Western Energy Imbalance Service Market which is administered by the Southwest Power Pool and which WACM will utilize to provide Energy Imbalance and

Generator Imbalance Services upon the commencement of the WEIS Market, which is anticipated to be February 1, 2021.

4. AGREEMENT: The Parties agree to the terms and conditions set forth herein.

5. OTHER AGREEMENTS:

5.1 The purpose of this Agreement is to set forth the terms and conditions of BA Services and the Parties' obligations related to BA Services. As of the Effective Date of this Agreement, however, Customer, has the following contracts/agreements with WAPA, along with associated exhibits, as supplemented or amended, that contain terms that address the subject matter of this Agreement:

17-RMR-2821 Generator Imbalance and Transmission Losses

Terms of the above-identified existing agreements/contracts take priority, and are controlling, over this Agreement. This Agreement does not supersede or amend the terms of any existing contracts/agreements between the Parties.

5.2 When a contract/agreement, identified in Section 5.1 above, terminates or is amended, either by its own terms or by mutual agreement of the Parties, the Parties will review Exhibit A to determine if it needs to be amended or

revised to address that termination or amendment, but in any event, the Customer must continue to procure applicable BA Services identified in Section 8.1 of this Agreement through a contract with WAPA, or WACM; acquiring services from its TSP or TP, including LAPT or CRCM; self-providing the services; acquiring the services from a third party; or a combination of the foregoing; thus satisfying Section 8.3.

5.3 The WACM Sub-Entity Reserve Sharing Agreement between the Parties is not superseded or replaced by this Agreement.

6. ENTIRE AGREEMENT: Subject to the limitations set forth in Section 5 above, this Agreement and the Exhibits hereto, constitute the entire and integrated agreement between the Parties relating to the rates, terms, and conditions set out in this Agreement and its Exhibits as of the Effective Date.

7. TERM AND TERMINATION: The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until August 1, 2030, unless terminated earlier as set forth below:

7.1 Termination by Agreement: This Agreement may be terminated at any time by mutual written agreement of the Parties.

- 7.2 Termination Upon Notice: Except as provided in Section 7.5, WAPA may terminate this Agreement at any time by providing a Notice of Termination to the other Party at least six (6) months prior to the termination date; Provided, That the Parties may mutually extend the termination date if necessary for Customer to transition to a new Balancing Authority or make alternative arrangements; Further Provided, That the termination date shall be the last day of the month. Customer may terminate this Agreement at any time by providing a Notice of Termination to WAPA six (6) months prior to the termination date; Provided, That the termination date with respect to Customer shall extend through the last day of a month.
- 7.3 Early Termination for an Event of Default: If an Event of Default occurs, the Non-Defaulting Party may terminate this Agreement with respect to the Defaulting Party by providing a Notice of Termination at least thirty (30) calendar days prior to the termination date; Provided, That the termination date shall be the last day of a month.
- 7.4 Early Termination Due to Extended Uncontrollable Force: If, as a result of an Uncontrollable Force a Party is unable to meet an obligation hereunder for a period greater than ninety (90) calendar days, then the other Party shall have the right to terminate this Agreement by providing a Notice of

Termination within thirty (30) calendar days after the expiration of such ninety (90) calendar days period.

- 7.5 Early Termination Due To Balancing Authority Ceasing Operations As Balancing Authority, Including If The Balancing Authority Responsibilities Are Transferred To A Regional Transmission Organization: Either Party may terminate this Agreement, if any time after the Effective Date, an ISO, RTO, or other organization, agency or authority is approved by FERC to serve as the Balancing Authority for what is now the WACM BAA; Provided, That under this provision, either Party will notify the other Party no less than twelve (12) months prior to the effective date of termination of this Agreement, to the extent such notice is consistent with applicable FERC orders.
- 7.6 Notice of Termination: Notice of Termination of the Agreement shall be in writing and shall state: (a) the effective date of such termination, (b) the provision of this Agreement under which termination is being effectuated, and (c) the basis for the termination. Notice under this Section 7.6 shall be provided consistent with Exhibit H of this Agreement.
- 7.7 Effect of Termination: Upon the effective date of any termination of this Agreement, WAPA's responsibilities under this Agreement, including for

WACM's provision of BA Services to Customer, will cease in its entirety and Customer will be solely liable for alternative arrangements for the services under this Agreement, including arrangements for BA Services. The Parties will cooperate, consistent with Good Utility Practice, to facilitate the transfer of functions under this Agreement to another BA and effectuate the termination within the applicable notice period.

8. BA SERVICES:

- 8.1 The BA Services provided within the WACM BAA include, but are not limited to BA Real Power Losses Service and the following Ancillary Services: (i) Scheduling, System Control, and Dispatch Service; (ii) Reactive Supply and Voltage Control from Generation or Other Sources Service; (iii) Regulation and Frequency Response Service; (iv) Energy Imbalance and Generator Imbalance Services; and (v) Spinning and Supplemental Reserve Services.
- 8.2 BA Services provided by WACM, which are set forth in Exhibit A, shall be paid for in accordance with rates, charges, and conditions set forth in WACM's current rate schedules as posted on WAPA's RMR website and LAPT OASIS and as may be superseded from time to time.

- 8.3 Customer shall obtain BA Services, by: (i) purchasing from WACM; (ii) self-providing; (iii) acquiring from a third party as agreed upon by WACM; or (iv) a combination thereof, as applicable based on the service received. In Exhibit A, Customer and WACM indicate how Customer obtains each BA Service provided pursuant to this Agreement. For ease of reference, Exhibit A may also reflect each BA Service that Customer obtains under other contracts/agreements with WAPA, including those contracts identified in Section 5.1; however, in such case, Exhibit A will include a clear indication of those BA Services provided pursuant to this Agreement.
- 8.4 BA Services other than Energy Imbalance Service and Generator Imbalance Service under WEIS: Within the WACM BAA, WACM will utilize the TSP BA Customer's transmission system, without a WACM transmission reservation, to provide BA Services, other than Energy Imbalance Service and Generator Imbalance Service under WEIS. Energy Imbalance Service and Generator Imbalance Service under WEIS are covered below.
- 8.5 Energy Imbalance Service and Generator Imbalance Service under WEIS: WACM intends to participate in the WEIS, once it is operational, and will use the WEIS to provide Energy Imbalance Service and Generator

Imbalance Service. Sections 8.5.1 and 8.5.2 below address transmission use in relation to the WEIS.

8.5.1 Customer, who is a WEIS market participant (BA MP), agrees to provide WACM, who will pass the information on to WEIS, accurate information about BA MP's transmission capacity and/or transmission rights that are available for use by WACM and the WEIS, which will be used as part of the WEIS and also for the provision of Energy Imbalance Service and Generator Imbalance Service upon commencement of WEIS.

8.5.2 A TSP BA Customer who is not a WEIS market participant (TSP NMP) agrees to identify, on a yearly basis and update as deemed needed or appropriate by the TSP NMP, transmission capacity on its transmission system that the TSP NMP agrees to make available to WACM and WEIS, without a WACM transmission reservation, for the sole purpose of providing TSP NMP (and its transmission service customers, as applicable) Energy Imbalance Service and Generation Imbalance Service. The identified transmission capacity will not be used for any broader WEIS market purpose unless agreed to by the TSP NMP Customer. WACM agrees to communicate the transmission capacity limit supplied by the TSP NMP to the WEIS for

inclusion in the WEIS Security Constrained Economic Dispatch. Any transmission rights identified under this Section 8.5.2 will be intra-hour, as available, and at the lowest transmission priority recognized by FERC.

- 8.6 Notwithstanding any other provision of this Agreement, Customer agrees WACM is under no obligation to provide a BA Service set forth in Exhibit A if Customer's transmission rights are inadequate for WACM to provide that BA Service to Customer. If WACM determines Customer's transmission rights are inadequate for WACM to provide a BA Service set forth in Exhibit A to Customer, WACM will notify Customer. Customer will have the opportunity to cure such inadequacy within thirty (30) calendar days of such notice. If Customer fails to cure the inadequacy, WACM may cease providing that BA Service on the sixtieth (60th) calendar day following Customer's receipt of notice. WACM will cease invoicing Customer for such BA Service and the Parties will take steps to update Exhibit A to reflect this change of service. If Customer disagrees with WACM's determination that Customer's transmission rights are inadequate, Customer can dispute WACM's determination through the Dispute Resolution Procedures in Exhibit H, however, WACM will not be required to provide that BA Service during the pendency of the Dispute Resolution Procedures.

9. TRANSMISSION SERVICE PROVIDERS WITHIN THE BA:

9.1 Nothing in this Agreement relieves any TSP BA Customer from its responsibility for ensuring that each transmission customer and generator interconnecting to its transmission system has arrangements for all applicable BA Services consistent with the terms of the TSP BA Customer's OATT and any other applicable agreements.

9.2 WACM will only authorize the operation and energization of new resources and/or load within the WACM BAA if the entity operationally responsible for such resources and/or load has incorporated such resources and/or load into an existing BA Services Agreement, a new BA Services Agreement has been executed with WAPA that includes such new resources and/or load, or the new resource and/or load has been incorporated into alternative contractual arrangements acceptable to both WACM and the responsible entity. WACM shall work with the responsible entity to ensure compliance with this requirement as expeditiously as possible.

10. RELIABILITY COORDINATOR: The Parties obligations regarding Reliability Coordinator Services, if any, are set forth in in Exhibit C.

11. WECC/NERC DUES: Customer will be responsible for its pro rata share of WECC/NERC dues based on the ratio of Customer's annual NEL within the WACM BAA to the total annual NEL within the WACM BAA. If WECC and/or NERC bills Customer directly, then Customer will pay such dues directly to WECC and/or NERC. Considering this provision, any charge for WECC/NERC dues will be separately listed on an invoice and not subject to netting provisions provided otherwise in this Agreement.
12. SETTLEMENTS AND BILLING: The Settlement and Billing procedures are set forth in Exhibit D.
13. DATA REQUIREMENTS: The data requirements are set forth in Exhibit F.
14. BUSINESS PRACTICES: When finalized, WACM will post on OASIS an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. WACM will also post on OASIS an electronic link to a statement of the process by which WACM will add, delete, or otherwise modify WACM's Business Practices. Such process shall set forth the means by which WACM shall provide reasonable advance notice to Customer of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures.

15. SPECIFIC REQUIREMENTS: Any specific requirements of Customer, such as needing regulatory approval, will be as set forth in Exhibit E.

16. POINT(S) OF INTERCONNECTION METERING, COMMUNICATIONS, SCHEDULING, AND OPERATIONS REQUIREMENTS: The Parties' Point(s) of Interconnection, Metering, Communications, Scheduling and Operations requirements are set forth in Exhibit F.

17. SENSITIVE INFORMATION AND INFORMATION SECURITY: The Parties' obligations regarding information security and confidentiality are set forth in Exhibit G.

18. GENERAL CONTRACT PROVISIONS: General contract provisions applicable to this Agreement are set forth in Exhibit H.

19. CREDITWORTHINESS PROCEDURES: The Parties agree to comply with WAPA's Creditworthiness Procedures, which are attached hereto as Exhibit I.

20. AMENDMENTS: This Agreement may be revised from time to time by a written instrument signed by both Parties.

21. EXHIBITS: The initial exhibits to this Agreement, as they may be amended or revised from time to time by a written instrument signed by both Parties, are attached to this Agreement and are incorporated by reference as if stated fully herein. New exhibits may be added in the future as required and shall be amended and made part of this Agreement by mutual written agreement of the Parties.

22. AUTHORITY TO EXECUTE: Each individual signing this Agreement certifies that the Party on whose behalf he or she has signed has duly authorized such individual to execute this Agreement that binds and obligates the Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the date first written above.

WESTERN AREA POWER ADMINISTRATION

By: _____
Jonathan A. Aust

Title: Vice President of Operations
for CRSP, DSW and RMR

Address: 5555 East Crossroads Boulevard
Loveland, CO 80538-8986

Date: _____

INCORPORATED COUNTY OF LOS
ALAMOS-DEPARTMENT OF PUBLIC
UTILITIES

By: _____
Philo Shelton

Title: Utilities Manager

Address: 10000 Central Avenue, Suite 130
Los Alamos, NM 87544

Date _____

Witness:

By: _____

Title: _____

BALANCING AUTHORITY SERVICES

1. This Exhibit B, made this ____ day of _____, 2020, to be effective under and as a part of Agreement No. 20-RMR-3182, hereinafter called Agreement, shall become effective concurrent with the Agreement, and shall remain in effect until superseded by another Exhibit B; Provided, This Exhibit B or any superseding Exhibit B shall terminate by the expiration or termination of the Agreement.

2. Definitions of the BA Services provided by WACM are defined in the applicable rate schedules:
 - 2.1 Scheduling, System Control, and Dispatch Service (Scheduling Service):
As defined in Rate Schedule L-AS1.

 - 2.2 Reactive Supply and Voltage Control from Generation or Other Sources Service (VAR Support Service): As defined in Rate Schedule L-AS2.

 - 2.3 Regulation and Frequency Response Service (Regulation Service): As defined in Rate Schedule L-AS3.

 - 2.4 Energy Imbalance Service: As defined in Rate Schedule L-AS4.

- 2.5 Spinning Reserve Service: As defined in Rate Schedule L-AS5.

- 2.6 Supplemental Reserve Service: As defined in Rate Schedule L-AS6.

- 2.7 BA Real Power Losses Service: As defined in Rate Schedule L-AS7.

- 2.8 Generator Imbalance Service: As defined in Rate Schedule L-AS9.

- 3. CUSTOMER'S BALANCING AUTHORITY SERVICES:
 - 3.1 If Customer is TSP BA Customer, WACM will provide, and Customer is required to purchase Scheduling Service as provided in Rate Schedule L-AS1.

 - 3.2 BA Real Power Losses:
 - 3.2.1 For transactions associated with load in the BAA, Customer is required to submit to WACM balanced load forecasts and actual meter data with losses included, as indicated under Rate Schedule L-AS7.

- 3.2.2 For scheduled transactions that utilize transmission systems within the BAA but are not associated with load in the BAA, WACM will charge TSP BA Customer under Rate Schedule L-AS7.
- 3.3 Customer shall obtain all other BA Services by: (i) purchasing from WACM; (ii) self-providing; (iii) acquiring from a third party as agreed upon by WACM; or (iv) a combination thereof, as applicable based on the service received. In Exhibit A, Customer and WACM indicate how Customer obtains each BA Service.
- 3.4 If WACM determines Customer is not adequately providing for any of the necessary BA Services, it will provide or acquire the necessary BA Services on behalf of Customer in accordance with the applicable rate schedules and pass through the cost incurred for those services to Customer. If Customer disagrees with WACM's determination that Customer is not adequately providing the necessary BA Services, it can dispute WACM's determination through the Dispute Resolution Procedures in Exhibit H.
- 3.5 The BA Services provided to Customer under this Agreement will be indicated for each meter in Exhibit A of this Agreement.

4. WACM may modify the charges for BA Services upon written notice to the Customer; provided that any change to the charges to the Customer shall be as set forth in subsequent rate schedules promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Customer to become attached and made part of the applicable Service Agreement. WACM shall charge the Customer in accordance with the rate then in effect.

5. EXHIBIT REVISIONS: This Exhibit B may be modified, by written instrument signed by the Parties, in accordance with Section 21 of the Agreement.

RELIABILITY COORDINATOR

1. This Exhibit C, made this ____ day of _____, 2020, to be effective under and as a part of Agreement No. 20-RMR-3182, hereunder called Agreement, shall become effective concurrent with this Agreement and shall remain in effect until superseded by another Exhibit C; Provided, This Exhibit C or any superseding Exhibit C shall terminate upon expiration or the termination of the Agreement.

2. EXPLANATORY RECITALS:

2.1 Southwest Power Pool (SPP) Reliability Coordinator (RC) performs reliability coordinator functions for the SPP RC service area in accordance with North American Electric Reliability Corporation (NERC) Reliability Standards and Western Electric Coordinating Council (WECC) Regional Reliability Standards, as may be amended from time to time, for the Bulk Electric System (BES) facilities as well as the transmission facilities which are lower than 100-kV that can impact the reliability of the BES.

2.2 WAPA RMR, in its capacity as the WACM BA and a Transmission Operator within the WACM BAA within the SPP RC service area, entered into a Reliability Coordinator Services Agreement with SPP (Contract No. 18-RMR-2969).

- 2.3 Customer either (a) receives RC Services from SPP directly through an effective RC service contract with SPP (SPP RC Customers) or (b) receives RC Services through WAPA's contract with SPP for RC Services, Contract No. 18-RMR-2969, (RC Passthrough Customers) on behalf of those entities that did not sign a separate agreement with SPP RC.
- 2.4 For any Customer who is a SPP RC Customer (meaning any Customer that has an effective RC Service contract with SPP directly), only Sections 1, 2.4, 5, and 6 of this Exhibit C are applicable and all other sections will be deemed inapplicable and will not be considered a part of this Agreement. If the Customer's separate contract with SPP for RC Service terminates, the Parties will need to revise this Agreement to the extent necessary or applicable.
- 2.5 Under WAPA's contract with SPP (Contract No. 18-RMR-2969), SPP assesses various charges to WAPA for RC Services, including an annual payment allocated on the total NEL within the WACM BAA.
- 2.6 For RC Passthrough Customers, this Exhibit provides the terms for payment of the RC Passthrough Customers' share of costs for the

provision of RC Services under WAPA's SPP RC Contract (Contract No. 18-RMR-2969).

3. RC PASSTHROUGH CUSTOMER'S ANNUAL SHARE OF SPP RC CHARGES:

3.1 Annually/or as required, WAPA will calculate the costs it incurred from SPP to provide RC Services for the WACM BAA, inclusive of any other associated costs.

3.2 The costs that WAPA incurred over the course of the year will then be assigned to each RC Passthrough Customer based on its pro-rata share. The RC Passthrough Customer's pro rata share is calculated by finding the quotient of its NEL divided by the WACM adjusted NEL. WACM adjusted NEL is the total WACM NEL minus the NEL within the WACM BAA for entities that have contracted directly with SPP for RC Services.

3.3 WAPA shall invoice each RC Passthrough Customer by taking the RC Passthrough Customer's pro rata share and multiplying it by WACM's cost to provide RC Services.

4. PAYMENT: Annually WAPA will invoice RC Passthrough Customers and the RC Passthrough Customers will pay for their share of SPP RC assessments

for dues, costs, or charges based on each RC Passthrough Customer's proportional share of Load within the WACM BAA.

- 4.1 WAPA shall invoice RC Passthrough Customers annually for the RC Passthrough Customers' share of SPP's dues, costs, or charges, for providing RC Services. These charges will be based upon the invoices WAPA receives from SPP and where not directly attributable to the RC Passthrough Customer will be passed through based on the Customer's NEL within the WACM BAA.
- 4.2 RC Passthrough Customer shall follow the instructions on the invoice and pay the full amount by the due date.
5. NOTICES: Notices will be provided consistent with the Notice provisions in Exhibit H.
6. EXHIBIT REVISIONS: This Exhibit C may be modified, by written instrument signed by the Parties, in accordance with Section 21 of the Agreement.

SETTLEMENTS/BILLING

1. This Exhibit D, made this ____ day of _____, 2020, to be effective under and as a part of Agreement No. 20-RMR-3182, hereinafter called the Agreement, shall become effective on the date first written above and shall remain in effect until superseded by another Exhibit D; Provided, This Exhibit D or any superseding Exhibit D shall terminate upon expiration or termination of the Agreement.

2. WAPA will provide centralized billing and payment services under this Agreement for all credits or charges related to applicable BA Services.

3. MONTHLY, WAPA WILL:
 - 3.1 Invoice Customer for the applicable BA Services provided by WACM, pursuant to this Agreement, as specified in Exhibit A and in accordance with the then applicable rate schedules.¹

 - 3.2 For RC Passthrough Customers, WAPA will invoice Customer for its pro rata cost share of the RC Services as described in Exhibit C.

¹ Exhibit A identifies the meters for BA Services provided under this Agreement, and that WAPA will bill under this Agreement. Exhibit A, also, for reference, identifies the meters that receive BA Services through other agreements (for example, LAPT and CRCM NITS agreements) that WAPA does not bill under this Agreement.

- 3.3 Provide preliminary data for review and confirmation of settlements calculations and charges on Customer's monthly power invoice.
- 3.4 Perform checkouts on meter data for interties, generation, and Load.
- 3.5 Perform checkouts on net schedule data and shares of jointly owned generation.

4. BILLING AND PAYMENT:

- 4.1 For BA Services furnished pursuant to this Agreement during the preceding month WAPA will issue invoices to Customer on or about ten (10) business days after the end of the monthly billing period.
- 4.2 If WAPA is unable to issue timely monthly invoice(s), WAPA may elect to render estimated invoice(s). Such estimated invoice(s) shall be subject to the same payment provisions as final invoice(s), and any applicable adjustments will be shown on a subsequent monthly invoice.
- 4.3 Payment of invoices issued by WAPA are due and payable by the owing Party before the close of business on the twentieth (20th) calendar day after the date of issuance of each invoice or the next business day thereafter if

said day is a Saturday, Sunday, or Federal holiday. Invoices shall be considered paid when payment is received by WAPA or by the Customer. Invoices will be paid electronically or via the Automated Clearing House method of payment unless a written request to make payments by mail is submitted by one Party to the other Party. Should either Party agree to accept payments by mail, these payments will be accepted as timely and without assessment of the charge provided for in Section 5 of this Exhibit D, Nonpayment of Bills in Full When Due, if a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

- 4.4 The Parties agree that net billing procedures may be used, at WAPA's discretion, for payments due WAPA by Customer and for payments due Customer by WAPA for BA Services. Payments due one Party in any month shall be offset against payments due the other Party in such month, and the resulting net balance shall be paid to the Party in whose favor such balance exists. The Parties shall exchange such reports and information that either Party reasonably requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.
- 4.5 To the extent consistent with the provisions of the Prompt Payment Act and Contract Disputes Act, Customer may, in good faith, dispute the correctness

of any statement or any adjustment to a statement, rendered under this Agreement or adjust any statement for any arithmetic or computational error within twenty-four (24) months of the date the statement, or adjustment to a statement, was rendered. If a statement or portion thereof, or any other claim or adjustment arising under this Agreement is disputed, Customer shall provide written notice to WAPA (the "Billing Dispute Notice") which: (a) states the good faith basis for the dispute; (b) specifies the amount in dispute; and (c) provides documentation reasonably supporting the determination of the disputed amount. Thereafter, the Parties will follow the Dispute Resolution procedures set forth in Exhibit H, Section 7. Customer shall make payment of the disputed amount under protest and thereafter shall be repaid, credited or reimbursed by WAPA for any amount determined to be refundable, with interest allowable under applicable law, after the resolution of such dispute.

5. NONPAYMENT OF BILLS IN FULL WHEN DUE:

5.1 Invoices not paid in full by Customer by the due date specified on the invoice shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. WAPA will also assess a fee of Twenty-Five Dollars (\$25.00) for processing a late payment. Payments received will first be

applied to the charges for late payment assessed on the principal and then to payment of the principal.

- 5.2 If a Customer payment is not received by WAPA on or before the due date indicated on the invoice, Customer shall be subject to interest payments and penalties as prescribed under 5 C.F.R. 1315.10 and the Prompt Payment Act, 31 U.S.C. 3900, as applicable.
6. EXHIBIT REVISIONS: This Exhibit D may be modified, by written instrument signed by the Parties, as provided for in Section 21 of the Agreement.

SPECIFIC REQUIREMENTS

1. This Exhibit E, effective under and as a part of Agreement No. 20-RMR-3182, hereinafter called Agreement, shall become effective concurrent with the Agreement, and shall remain in effect until superseded by another Exhibit E; Provided, This Exhibit E or any superseding Exhibit E shall terminate upon the expiration or termination of the Agreement.

2. SPECIFIC REQUIREMENTS:

2.1 CHOICE OF LAW AND JURISDICTION FOR COURT ACTION: Section 14 of Exhibit H of this Agreement is deleted and replaced with the following: Customer is a political subdivision of the State of New Mexico (State) and is organized and created under and by virtue of the laws of the State. Customer's authority under this Agreement is governed by the laws of the State, which impose certain limitations on the obligations of the Customer under this Agreement. The Parties agree that this Agreement will be governed by Federal law to the extent it is applicable; otherwise the laws of the State govern, without giving effect to any conflict of laws rules. For the avoidance of doubt and by way of illustration and not limitation, New Mexico laws govern Customer's obligations under this Agreement applicable to public records, liability, indemnification and its payment obligations and that

Exhibit E
Agreement No. 20-RMR-3182
INCORPORATED COUNTY OF LOS ALAMOS-
DEPARTMENT OF PUBLIC UTILITIES
Page 2 of 2

any provisions of this Agreement, including Exhibits, inconsistent with this Exhibit E shall be construed to conform to this Exhibit E.

3. EXHIBIT REVISIONS: This Exhibit E may be modified, by written instrument signed by the Parties, in accordance with Section 21 of the Agreement.

POINT(S) OF INTERCONNECTION, METERING, COMMUNICATIONS,
SCHEDULING AND OPERATIONS

1. This Exhibit F, made this ____ day of _____, 2020, to be effective under and as a part of Agreement No. 20-RMR-3182, hereinafter called Agreement, shall become effective concurrent with the Agreement, and shall remain in effect until superseded by another Exhibit F; Provided, This Exhibit F or any superseding Exhibit F shall terminate by the expiration or termination of the Agreement.

2. POINT(s) OF INTERCONNECTION: The Point(s) of Interconnection, between Customer and WACM (including behind the meter generation that is Customer's responsibility), are listed in Exhibit A hereto. The Parties shall agree to Customer's Point(s) of Interconnection or Metered Subsystem boundaries (if applicable) as set forth in Exhibit A and required by this subsection.
 - 2.1 Metering: The meters, metering system equipment, and data shall be in compliance with WAPA's Meter Policy dated 07/20/2018 or as superseded (Meter Policy).
 - 2.1.1 For any meters and metering system equipment that is not currently in compliance with WAPA's Meter Policy, the Parties will agree to a plan to bring the meters and any necessary metering system

equipment into compliance or to contractually determine another arrangement agreeable with the Parties.

2.1.2 The Exhibit A may require changes from time to time. When changes are required, either Customer or WACM will notify the other Party of the required changes to the Exhibit A. The Parties shall discuss and mutually agree to any additional metering required in accordance with the Agreement, this Exhibit F, and WAPA's current Meter Policy.

2.1.3 Exhibit A shall be revised to reflect any necessary changes to the Point(s) of Interconnection or Metered Subsystem (if applicable), as mutually agreed to by the Parties.

2.2 The purpose of maintaining Customer's Point(s) of Interconnection or Metered Subsystem (if applicable) in Exhibit A is to maintain an accurate account of Customer's resources and load which it has operational responsibility within the WACM BA. Additionally, Exhibit A identifies Customer's applicable arrangements for BA Services as well as identifying the BA Services the WACM BA provides to Customer.

2.3 The net scheduled interchange between WACM and Customer shall be compared hourly, or as modified and agreed upon between the Parties,

based upon current WACM Business Practices, with the net actual integrated interchanges as determined by the telemetering of Customer's Point(s) of Interconnection or Metered Subsystem (if applicable) to determine the deviation from schedule, or energy/generator imbalance. It is the intent of the Parties that net energy/generator imbalance calculated on an hourly basis (using accumulated five (5) minute intervals) will be maintained as near to zero (0) as possible through the employment of standard utility operating practices except as otherwise agreed to by WACM for reliability requirements.

3. COMMUNICATION AND DATA REQUIREMENTS:

3.1 Customer agrees to supply WACM any information reasonably necessary to provide the BA Services outlined in this Agreement, including such information required in accordance with Good Utility Practice, applicable NERC or WECC reliability standards, NWPP Reserve Sharing requirements and WEIS requirements or those of any successor organizations. WACM will include its data requirements in WACM's Business Practice and update as appropriate consistent with the process described in the WACM Business Practices. In the event Customer believes certain data requirements are inapplicable to it, Customer may request a waiver from WACM.

3.2 Customer shall provide dedicated communication links or other communication facilities to the Point(s) of Interconnection or Customer's Metered Subsystem (if applicable), which are reasonably requested by WACM, to facilitate automatic data transfers and allow WAPA to operate WACM in accordance with NERC and WECC standards.

3.2.1 For any dedicated communication links, other communication facilities, and telemetered data that are not currently in compliance with WAPA's Meter Policy, the Parties agree to bring the dedicated communication links, other communication facilities, and telemetered data into compliance or to document the alternative arrangements agreeable with the Parties.

3.3 Telemetered data from the Point(s) of Interconnection or Metered Subsystem (if applicable) shall be made available to WACM in accordance with WAPA's Meter Policy, effective 07/20/2018, or as superseded. WACM in coordination with Customer will determine what telemetered data is required to meet the operational requirements for WACM.

3.4 If Customer does not provide the required metering data and communication links, WACM will estimate the meter data for Customer and

any costs or payments associated with that data will be made based upon WACM's estimate until Customer provides the required meter data and communication links.

- 3.5 WACM will use the meter data/processes it currently has available to calculate any charges or payments associated with BA Services. In the event Customer would like to make changes to the meter data used by WACM, Customer will be responsible for all costs associated with purchasing and installing any new metering equipment or system changes.
4. SCHEDULING: Customer shall submit, or make arrangements to submit, schedules based upon WACM Business Practices. Customer will have the opportunity to review and comment on proposed changes to the WACM Business Practices.
5. OPERATIONS: To reliably operate the WACM BAA, WACM needs to comply with various requirements including, but not limited to compliance with applicable FERC, NERC, and WECC reliability standards; Reliability Coordinator requirements; Reserve Sharing Group requirements; and Energy Imbalance Market requirements, such as WEIS (or any successor organization of the above), and the WACM Business Practices, as each of these requirements may be

updated from time to time. WACM has included provisions in this Agreement necessary for WACM to comply with these requirements.

- 5.1 Customer shall pay for modification to the control and/or accounting equipment of WAPA required as a result of providing a BA Service specifically to Customer under this Agreement upon WAPA's presentation of invoice and documentation of such modifications. Such costs shall be defined and agreed upon between WAPA and Customer prior to such modifications being made.
- 5.2 Each Party shall be responsible for providing, maintaining, and monitoring its operating reserve capacity in accordance with applicable NERC, WECC, and appropriate RSG or successor organizations' requirements.
- 5.3 Each Party shall be responsible for providing its appropriate share of capacity and energy losses within its portion of WACM, incurred either in supplying energy to its own Loads or scheduled transactions not for load.
- 5.4 Customer's revenue metering at the Point(s) of Interconnection or Customer's Metered Subsystem (if applicable), provided in accordance with WAPA's Meter Policy, and identified in Exhibit A, shall be used to determine the Customer's Load responsibility, including losses.

6. Technical Committee: WACM shall establish a BAA Technical Committee. The Technical Committee shall include at least one (1) representative from WAPA and one (1) representative from each party who executes a BA Services Agreement. As such, Customer will have one (1) representative. The Technical Committee shall provide guidance to and shall facilitate the coordination and interaction between the WACM BA customers and WAPA.

7. EXHIBIT REVISIONS: This Exhibit F may be modified, by written instrument signed by the Parties, as provided for in Section 21 of the Agreement.

SENSITIVE INFORMATION
AND INFORMATION SECURITY

1. This Exhibit G, effective under and as a part of Agreement No. 20-RMR-3182, hereinafter called Agreement, shall become effective concurrent with the Agreement, and shall remain in effect until superseded by another Exhibit G; Provided, This Exhibit G or any superseding Exhibit G shall terminate upon expiration or termination of the Agreement.

2. SENSITIVE INFORMATION:
 - 2.1 Parties may possess certain non-public, sensitive (but unclassified) information or Critical Energy Infrastructure Information (CEII) (collectively, Sensitive Information) which they wish to protect against disclosure.

 - 2.2 The term "Sensitive Information," as used in this Exhibit G, means information of any kind, in whatever form, including without limitation, business data, specifications, drawings, sketches, models, samples, reports, plans, forecasts, current or historical data, computer programs or documentation, and all other technical and financial data, whether disseminated orally, in writing, electronically or otherwise.

To be “Sensitive Information,” however, the Sensitive Information needs to be provided by a party in possession (disclosing Party) and received by another Party (receiving Party) and marked pursuant to Section 2.3 below.

2.3 All information from a disclosing Party that should be protected hereunder as Sensitive Information shall:

2.3.1 If in writing or other tangible form, be conspicuously labeled on every page as “Sensitive,” “Confidential,” or “CEII” with a similar legend at the time of delivery and if so labeled shall be considered “Sensitive Information.”

2.3.2 If oral Information is identified as Sensitive Information and, if subsequently it is reduced to writing by affected Party(ies), whether electronically or otherwise, it shall be treated as Sensitive Information and shall be labeled in accordance with this Section 2.3.

2.4 Treatment of Sensitive Information: Each Party agrees to preserve, to the maximum extent permitted by law, the confidentiality of Sensitive Information supplied to it by another Party either during the negotiations leading to this Agreement or during the course of implementing, performing or winding up this Agreement. Except as provided in Section 2.5, this

Sensitive Information may not be disclosed outside of the receiving Party without written approval of the disclosing Party.

- 2.5 Authorized Disclosures: For reliability purposes, a Party may provide Sensitive Information of another Party to the FERC, NERC, WECC, RC, or RSG, subject to any applicable Non-Disclosure Agreement (NDA), including but not limited to, the Western Interconnected Data Sharing Agreement (WIDSA) and Operating Reliability Data (ORD) Agreement and, provided however, the Party disclosing Sensitive Information provides advance notice to the Party whose Sensitive Information will be disclosed in advance of that disclosure. A Party may also disclose Sensitive Information received from another Party to the receiving Party's affiliates, auditors, attorneys, consultants, agents, advisors, persons providing financing to the receiving Party, and to other third parties, including other WACM customers, only as may be necessary for the receiving Party to perform its obligations under this Agreement; Provided, That any such persons agree to be bound by the confidentiality provisions of this Agreement. Notwithstanding anything contained in this Section 2.5, Sensitive Information may be disclosed, to the extent required by applicable law, (a) to any governmental authority, including WECC or NERC according to the Compliance Monitoring and Enforcement Programs, requiring such Sensitive Information be disclosed and (b) pursuant to the Freedom of Information Act (FOIA) or other

disclosure laws; Provided further, That: (a) such Sensitive Information is submitted under applicable provisions, if any, for confidential treatment by such governmental authority or under the FOIA or other disclosure law; (b) prior to such disclosure, the Party who supplied the information is given notice of the disclosure requirement (if time permits and the receiving Party's counsel determines that such notice is permitted by law) so that it may take at its own risk and expense whatever action it deems appropriate, including intervention in any proceeding and the seeking of an injunction to prohibit such disclosure; and (c), if disclosure to a governmental authority or required by FOIA or other disclosure law, the Party subject to the governmental authority or disclosure requirement endeavors to protect the confidentiality of any Sensitive Information to the extent reasonable under the circumstances and to use its good faith efforts to prevent the further disclosure of any Sensitive Information.

- 2.6 Any disclosing Party shall have the right at any time to correct, by written notification to the receiving Party, any failure to designate information as Sensitive Information. Immediately upon receiving said notification, receiving Party shall treat such information as Sensitive Information, and shall protect the information in accordance with this Exhibit G.

3. SURVIVAL OF CONFIDENTIALITY OBLIGATIONS: Sensitive Information received from another Party shall be kept confidential in accordance with the terms of this Agreement for at least five (5) years after the expiration of this Agreement, or such longer period as may be prescribed by governmental authority or applicable law.

4. RIGHT TO REMEDIES: In the event of an unauthorized disclosure to a third party, the Parties agree that there is no adequate remedy at law and accordingly, in addition to any other available legal or equitable remedies, a Party will be entitled to an injunction against such breach without any requirement to post a bond as a condition of such relief.

5. EXHIBIT REVISIONS: This Exhibit G may be modified by written instrument signed by the Parties, in accordance with Section 21 of the Agreement.

GENERAL CONTRACT PROVISIONS

1. This Exhibit H, effective under and as a part of Agreement No. 20-RMR-3182, hereinafter called Agreement, shall become effective concurrent with the Agreement, and shall remain in effect until superseded by another Exhibit H; Provided, This Exhibit H or any superseding Exhibit H shall terminate upon the expiration or termination of the Agreement.

2. NOTICES AND AUTHORIZED REPRESENTATIVES:
 - 2.1 Any notice, demand, or request specifically required by the Agreement to be in writing shall be considered properly given when delivered in person or sent by postage prepaid registered or certified mail, commercial delivery service, facsimile, electronic means, or by other means with prior agreement of the Parties, to each Party's authorized representative at the principal offices of the Party. The designation of the person to be notified may be changed at any time by similar notice. Where facsimile or electronic means are utilized for any communication covered by this Provision, the sending party shall keep a contemporaneous record of such communications and shall verify receipt by the other Party.

- 2.2 The Parties may agree on alternative methods of giving operational and scheduling notices.
- 2.3 Each Party to the Agreement, by written notice to the other, shall designate the representative(s) who is (are) authorized to act on its behalf with respect to those matters contained in the Agreement. Each Party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.
- 2.4 Despite the requirements of this Section 2, where any provision of this Agreement requires a Party to furnish any particular data, information, or notice in a specified manner or within a specified time period, such provision shall control.
3. EFFECT OF SECTION HEADINGS: Section headings or Provision titles appearing in the Agreement or Exhibits are inserted for convenience only and shall not be construed as interpretations of text.
4. SEVERABILITY: Wherever possible, each provision of this Agreement (including any Exhibits hereto) shall be interpreted in a manner as to be effective and valid under applicable law, but if any provision contained herein shall be found or ruled to be invalid, illegal, or unenforceable in any respect and for any reason, such

provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality, or unenforceability without invalidating the remainder of the provision or any other provision of this Agreement, and in such event, the Parties shall attempt to negotiate amendments to this Agreement that would permit each Party to realize the equivalent value of the economic bargain contemplated by this Agreement absent such finding or ruling.

5. UNCONTROLLABLE FORCE: Neither Party to the Agreement shall be considered to be in default in performance of any of its obligations under the Agreement, except to make payment as specified herein, when a failure of performance shall be due to an Uncontrollable Force.

6. EVENTS OF DEFAULT: The following events are defaults (each a “default” before the passing of applicable notice and cure periods, and an “Event of Default” thereafter):
 - 6.1 The failure to make, when due, any payment, credit, or reimbursement required by this Agreement, if such failure is not remedied within sixty (60) calendar days after receipt of written notice of such failure is given to the Defaulting Party by the Non-Defaulting Party, an Event of Default will have occurred.

- 6.2 Any representation or warranty made by a Party herein that is false or misleading in any material respect when made or when deemed made or repeated, then an Event of Default will have occurred.
- 6.3 The failure to perform any material covenant or material obligation set forth in this Agreement, if the failure to perform the material covenant or material obligation is not remedied within sixty (60) calendar days after receipt of written notice thereof to the Defaulting Party, then an Event of Default will have occurred.
- 6.4 If Customer fails to provide collateral as set forth in the Creditworthiness Procedures, an Event of Default will have occurred, and WAPA may suspend service under this Agreement to Customer no sooner than fifteen (15) business days after WAPA notifies Customer of the suspension of service. The suspension of service shall continue until Customer provides collateral. Thereafter, WAPA may terminate service under Section 7.3 of the Agreement, Termination in the Event of Default.

7. DISPUTE RESOLUTION:

- 7.1 Negotiations: The Parties shall attempt in good faith to resolve all disputes arising out of, related to or in connection with this Agreement promptly by

negotiation. A Party may give the other Party written notice of any dispute not resolved in the normal course of business, setting forth in reasonable detail the particulars of the dispute (each such notice, including a Billing Dispute Notice, a “Dispute Notice”). Each Party shall designate a Representative who shall meet at a mutually acceptable time and place within ten (10) calendar days after delivery of such Dispute Notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and attempt to resolve the dispute. The Parties agree to provide and exchange supporting facts, records and information regarding the dispute (including calculation and bases) as part of the good faith negotiations. If the matter has not been resolved within thirty (30) calendar days after a Party’s receipt of a Dispute Notice, either Party may pursue all remedies available, either by law or in equity.

7.2 Confidentiality: The existence, contents, or results of any negotiation under this Section 7 shall be deemed to be Sensitive Information.

8. NO EXPANSION OF JURISDICTION, WAIVER OF DEFENSES, LIABILITY FOR PENALTIES, OR INCONSISTENT OBLIGATIONS:

- 8.1 WAPA has not waived or conceded any defense, including sovereign immunity, intergovernmental immunity, or lack of subject matter jurisdiction in any action against it by an Enforcement Authority.
- 8.2 WAPA has not accepted any liability, responsibility, or obligation to pay any civil monetary penalties or fines imposed by an Enforcement Authority to which it would not have been subject in the absence of this Agreement.
- 8.3 SPP WEIS WITHDRAWAL: Under the terms of this Agreement, WACM will not charge Customer withdrawal payments WAPA incurs under Section 12.6 of the Western Joint Dispatch Agreement.
9. PENALTIES:
- 9.1 **If, notwithstanding Sections 8.1 and 8.2 above of this Exhibit H,** WACM is assessed penalties by an Enforcement Authority, including monetary penalties and costs for required mitigation (collectively “penalty costs”), for confirmed violations of the NERC Reliability Standards and WECC Regional Reliability Standards applicable to Balancing Authorities, Customer may be either directly assigned such penalty costs or may be assigned a portion of such penalty costs, but only to the extent set forth in the remaining subsections of Section 9 of this Exhibit H. For the avoidance

of doubt, this Section 9, including all subsections, apply only to violations of Reliability Standards and penalty costs, related to WAPA's status as the WACM Balancing Authority.

9.2 Direct Assignment of Costs Where Violation Can be Directly Assigned: If an Enforcement Authority assesses penalty costs against WACM for any violation of one or more NERC Reliability Standards or Regional Reliability Standards applicable to Balancing Authorities, and the Customer's conduct or omission directly caused or directly contributed to the cause of the violation(s), Customer will be responsible for all or a proportion of the penalty cost; provided that WACM notified the Customer of the underlying enforcement proceeding and the enforcement proceeding results in a finding that the Customer's conduct or omission directly contributed to or directly caused the violation.

9.2.1 WACM will notify Customer whose conduct or omission is believed to have directly contributed to or directly caused the violation in advance of any enforcement proceeding. The notice will inform Customer that WACM intends to directly assign the penalty costs or a portion of the penalty cost to Customer under Section 9.3, including the basis for such direct assignment, and inform Customer that Customer may seek to participate in the enforcement proceeding. A

failure by Customer to participate in enforcement proceeding does not prevent WACM from the direct assignment of costs under this Section 9.2.1.

9.3 Spreading of Costs Where Violation Cannot Be Directly Assigned: If an Enforcement Authority assesses one or more penalty costs against WACM for any violation of one or more NERC Reliability Standards or Regional Reliability Standards applicable to Balancing Authorities and WACM is determined to be responsible for the violation or the entity responsible for the violation cannot otherwise be determined, WACM will notify the Customer as soon as possible after receiving notification by FERC, NERC, WECC and/or the applicable Regional Entity of an assessment of a penalty cost. In such a situation, Customer will be financially obligated to pay a portion of the penalty costs in proportion to the Customer's NEL share within the WACM BAA.

9.4 Payment: If WACM is assessed penalty costs, WACM will invoice Customer in accordance with Exhibit D (Settlement/Billing), and Customer will pay such invoice within sixty (60) calendar days of the date of the invoice; Provided however, in no circumstance will WACM invoice a Customer before the final conclusion of any enforcement proceeding or

conclusion of any Dispute Resolution undertaken pursuant to Section 7 of this Exhibit H.

- 9.5 The existence of an Uncontrollable Force does not excuse a Party's responsibility for penalty costs under this Section 9.
- 9.6 If Customer has executed a WACM Sub-Entity Reserve Sharing Agreement, any Customer obligations for penalties or sanctions arising under that agreement are set forth in that agreement and are governed by that agreement, consistent with Section 5.3 of the Agreement. Likewise, if Customer has executed a Reliability Coordinator Services Agreement directly with the Southwest Power Pool or a successor Reliability Coordinator, any Customer obligations for penalties or sanctions arising under that agreement are set forth in that agreement and are governed by that agreement.
- 9.7 Any allocation of a penalty cost or request for payment under this Section 9 will be subject to the dispute resolution procedures contained in Section 7 of this Exhibit H.
10. DUTY TO MITIGATE: Each Party agrees that it has a duty to mitigate damages, and each covenant that it will use reasonable efforts to minimize any damages it

may incur as a result of the other Party's performance or nonperformance of this Agreement.

11. COOPERATION OF CONTRACTING PARTIES: If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the Agreement, it becomes necessary by reason of any emergency or extraordinary condition for either Party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the Party so requested shall cooperate, to the extent consistent with Good Utility Practice, with the other and render such assistance as the Party so requested may determine to be available and consistent with Good Utility Practice. The Party making such request, upon receipt of properly itemized bills from the other Party, shall reimburse the Party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the Party rendering assistance. Issuance and payment of bills for services provided by WAPA shall be in accordance with Exhibit D Sections 4 (Billing and Payment) and 5 (Nonpayment of Bills in Full When Due). WAPA shall pay bills issued by Customer for services provided as soon as the necessary vouchers can be prepared which shall normally be within thirty (30) days.

12. ASSIGNMENT: No voluntary transfer of the Agreement or of the rights of a Party under the Agreement shall be made without the prior written approval of the other Party. Any voluntary transfer of the Agreement or of the rights of a Party under the Agreement made without the prior written approval of the other Party may result in the termination of the Agreement; Provided, That the written approval shall not be unreasonably withheld; Provided further, That if Customer operates a project financed in whole or in part by the Rural Utilities Service, Customer may transfer or assign its interest in the Agreement to the Rural Utilities Service or any other department or agency of the Federal Government without such prior written approval; Provided further, That any successor to or assignee of the rights of Customer, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the Agreement to the same extent as though such successor or assignee were the original customer under the Agreement; and, Provided further, That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Section 12. No sale, assignment, transfer, or other disposition permitted by this Agreement shall affect, release, or discharge any Party from its rights or obligations under this Agreement, except as may be expressly provided by this Agreement or by written agreement of the Parties.

13. NO THIRD PARTY RIGHTS: Except as otherwise specifically provided in this Agreement, the Parties do not intend to create rights in or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation, or undertaking established herein.
14. CHOICE OF LAW AND FORUM: Federal law shall control the obligations and procedures established by this Agreement and the performance and enforcement thereof. The forum for litigation arising from this Agreement shall exclusively be a federal court of the United States, unless the Parties agree to pursue alternative dispute resolution.
15. FURTHER ASSURANCES: If either Party determines in its reasonable discretion that any further instruments, assurances, or other things are necessary to carry out the terms of this Agreement, the other Party shall use a good faith effort to execute and deliver all such instruments or assurances, and do all things reasonably necessary to carry out the terms of this Agreement.
16. SURVIVAL OF OBLIGATIONS: Upon the expiration or termination of the Parties' obligations under this Agreement, any monies, penalties, credits, reimbursements or other charges due and owing under this Agreement shall be paid, credited, or reimbursed, any corrections or adjustments to payments previously made shall be determined, and any refunds, credits, or reimbursements due shall be made, as

soon as practicable but no later than sixty (60) calendar days after such termination except WAPA may be unable to invoice all charges within sixty (60) calendar days after such termination and, thus WAPA will invoice Customer as soon as practicable and such invoice will be paid within thirty (30) calendar days after receipt of such invoice. All penalty, indemnity, confidentiality obligations and audit rights shall survive the termination of this Agreement in accordance with their respective terms. Upon the effective date of any termination of this Agreement, each Party's obligations provided for in this Agreement will survive termination and remain in effect solely for the purpose of complying with the provisions of this Section 16.

17. WAIVERS: No waiver of all or any part of this Agreement shall be valid unless it: (a) is reduced to writing; (b) expressly states that the Parties agree to such waiver; and (c) is signed by the Parties. Except as specifically set forth herein, a Party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions as to any future violation thereof, nor prevent it from enforcing each and every provision of this Agreement at such time or at any time thereafter.

18. LIABILITY:

- 18.1 Indemnification: Except as otherwise provided in Section 9 of this Exhibit H, and to the extent allowed by law, Customer shall indemnify and hold harmless WAPA and, defend WAPA's officers, employees and agents and contractors, and at the request of WAPA, defend WAPA from and against all liabilities, actions, claims, losses, costs, damages, penalties and expenses (including without limitation reasonable legal fees) of any kind or nature whatsoever that may at any time be brought against or incurred or suffered by WAPA, including from a third party, relating to and/or arising from, or connected to Customer's representations, covenants or other obligations arising out of this Agreement. Nothing in this provision prevents Customer from disputing charges issued by WAPA.
- 18.2 The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.
19. CONTINGENT UPON APPROPRIATIONS AND AUTHORIZATION:
- 19.1 Where activities provided for in the Agreement extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the

continued performance of the United States' obligations under the Agreement. In case such appropriation is not made, Customer hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

19.2 In order to receive and expend funds advanced from Customer necessary for the continued performance of the obligations of the United States under the Agreement, additional authorization may be required. In case such authorization is not received, Customer hereby releases the United States from those contractual obligations and from all liability due to the lack of such authorization.

20. COVENANT AGAINST CONTINGENT FEES: Customer warrants that no person or selling agency has been employed or retained to solicit or secure the Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Customer for the purpose of securing business. For breach or violation of this warranty, WAPA shall have the right to annul the Agreement without liability or in its discretion to deduct from the Agreement price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

21. CONTRACT WORK HOURS AND SAFETY STANDARDS: The Agreement, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 3701, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 3701-3708, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

22. EQUAL OPPORTUNITY EMPLOYMENT PRACTICES: Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that Customer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into the Agreement, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

23. USE OF CONVICT LABOR: Customer agrees not to employ any person undergoing sentence of imprisonment in performing the Agreement except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.

24. AGREEMENT SUBJECT TO COLORADO RIVER COMPACT: Where the energy sold under the Agreement is generated from waters of the Colorado River system, the Agreement is made upon the express condition and with the express covenant that all rights under the Agreement shall be subject to and controlled by the Colorado River Compact approved by Section 13 (a) of the Boulder Canyon Project Act of December 21, 1928, 43 U.S.C. §§ 617a-e, and the Parties to the Agreement shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by WAPA under the Agreement, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by WAPA under the Agreement.
25. EXHIBIT REVISIONS: This Exhibit H may be modified by written instrument signed by the Parties, as provided for in Section 21 of the Agreement.

CREDITWORTHINESS PROCEDURES

1. This Exhibit I, made this ____ day of _____, 2020, to be effective under and as a part of Agreement No. 20-RMR-3182, hereinafter called the Agreement, shall become effective on the date first written above and shall remain in effect until superseded by another Exhibit I; Provided, That this Exhibit I or any superseding Exhibit I shall terminate upon expiration or termination of the Agreement.

2. APPLICABILITY:

2.1 These Creditworthiness Procedures apply to Customer for service provided under this Agreement.

2.2 The word "Customer" in these Creditworthiness Procedures refers to the Customer signing this Agreement.

3. EVALUATION OF INFORMATION:

3.1 WAPA's Chief Financial Officer (CFO) shall conduct creditworthiness evaluations in consultation and coordination with the appropriate Regional Manager or CRSP Management Center Manager.

3.2 Customers not in default of their financial commitments to WAPA under an existing contract within the last twelve (12) months of the date of these procedures shall be deemed creditworthy. Customers .I, determined to be creditworthy are not subject to an initial creditworthiness evaluation as set forth in Section 3.3 of this Exhibit I.

3.3 New Customers and existing Customers that have defaulted on their financial commitments to WAPA under an existing contract within the last twelve (12) months of the date of these procedures, shall be subject to a creditworthiness evaluation.

3.4 WAPA will evaluate the following criteria when conducting a creditworthiness evaluation:

3.4.1 Is the Customer on WAPA's subscribed rating service watch list, currently at or below "BB" on Standard & Poor's ratings (for example); or

3.4.2 Is the Customer currently in bankruptcy proceedings, or, based on objective and reliable financial reporting, expected to seek bankruptcy protection in the near future; or

3.4.3 Is the Customer experiencing significant financial hardship or distress that a reasonable examiner of creditworthiness, applying reasonable creditworthiness standards, would find material to decisions concerning credit?

3.5 If WAPA determines, based on any of the criteria above, that a Customer's ability to make payments under this Agreement is in substantial doubt, the Customer will be deemed non-creditworthy. Upon deeming a Customer non-creditworthy, WAPA will promptly provide written notice of such determination and the basis for its determination to the Customer. Customers may contest WAPA's creditworthiness determination as set forth in Section 4 of this Exhibit I.

4. CONTESTING CREDITWORTHINESS DETERMINATION:

4.1 Within five (5) business days of receiving written notice of a non-creditworthiness determination, the Customer may contest WAPA's creditworthiness determination by submitting a written notice to WAPA explaining its reasons for contesting the determination. The notice must include the name of a designated senior representative authorized to represent the Customer. The written notice contesting WAPA's creditworthiness determination shall be referred to WAPA's CFO who will

issue a written decision to the designated senior Representative of the Customer within three (3) business days of receiving the Customer's notice.

4.2 Should the Customer disagree with the CFO's decision, the Customer may appeal the decision by submitting a written notice to WAPA's Administrator within three (3) business days of receiving the CFO's decision. WAPA's Administrator will issue a written decision within three (3) business days of receiving the Customer's notice.

4.3 The requirement to provide collateral security shall be stayed during the process of contesting a creditworthiness determination. Any such stay of the requirement to provide collateral security shall expire upon Customer's receipt of the CFO's written decision or, as applicable, the Administrator's written decision upholding a non-creditworthiness determination.

5. ADVERSE MATERIAL ISSUE/CHANGE:

5.1 An adverse material issue or change is an occurrence or event that results in a Customer experiencing significant financial hardship or distress such that a reasonable examiner of creditworthiness, applying reasonable creditworthiness standards, would find material to decisions concerning credit. Examples of an adverse material issue/change that would be

reviewed by WAPA include, but are not limited to, a bankruptcy filing, being placed on a credit watch list, and a criminal indictment of a corporation or corporate officers.

5.2 WAPA's CFO will initially review the issue/change to determine if a creditworthiness evaluation is necessary. If so, WAPA will apply the criteria set forth in Section 3.4 of this Exhibit I to evaluate the impact of the issue/change. If WAPA determines that, based on an adverse material change, a Customer's ability to make payments under this Agreement is in substantial doubt, it will determine the Customer non-creditworthy and document the decision. A Customer deemed non-creditworthy will be required to provide collateral in accordance with this Exhibit I.

5.3 The Customer will provide WAPA a notice of adverse material changes in its financial condition (and, as applicable, the financial condition of its guarantor) within ten (10) calendar days from the time the Customer learns of an adverse material change. In addition, WAPA may, through its own efforts, learn of occurrences or events that it may consider an adverse material change.

5.4 In the case of a failure by a Customer to report an event or occurrence that results in a Customer experiencing significant financial hardship or distress,

but who is otherwise current on its contractual payments, WAPA will consult with the Customer and consider the circumstances surrounding the failure to report before making any decision on creditworthiness.

6. COLLATERAL SECURITY:

6.1 In the event WAPA determines a Customer is non-creditworthy in accordance with Section 3.5, WAPA will notify the Customer in writing of its determination as well as the basis for its determination. The Customer must provide collateral within thirty (30) calendar days of receipt of the initial written notice provided by WAPA under Section 3.5 above (or as otherwise agreed in writing between the Customer and WAPA's CFO).

6.2 The required amount of security will be based on the maximum total estimated service charge for outstanding service provided by WAPA under this Agreement, but not yet paid by the Customer, plus an advance of sixty (60) calendar days of estimated service under this Agreement as collateral. WAPA shall have the right to liquidate or draw upon all or a portion of the Customer's collateral provided in order to satisfy the Customer's total net obligation to WAPA. The Customer shall within five (5) business days, or as agreed in writing between WAPA and the Customer, replace any liquidated or drawn-upon collateral. Upon the completion of twelve (12)

consecutive months of timely payments under this Agreement, WAPA shall credit the Customer the advanced collateral. If a Customer provides collateral consisting of advance payments for service, WAPA will not collect nor credit interest on such collateral.

6.3 Acceptable collateral includes:

6.3.1 Payment in advance for service; or

6.3.2 An unconditional and irrevocable standby letter of credit as security to meet the Customer's responsibilities and obligations. If this form of collateral is used, it will comply with the requirements as stated in the Uniform Customs and Practice for Documentary Credits; or

6.3.3 An irrevocable and unconditional corporate guaranty from an entity that satisfies the creditworthiness requirements.

7. SUSPENSION OF SERVICE:

7.1 If a Customer fails to provide collateral as set forth above, WAPA may suspend or terminate service under this Agreement to the Customer no sooner than fifteen (15) business days after WAPA notifies the Customer

of the suspension of service. The suspension of service shall continue until the Customer provides collateral.

- 7.2 Such a suspension of service will not relieve the Customer of liability for minimum charges, if applicable, during the time service is so suspended.
- 7.3 The rights reserved to WAPA herein shall be in addition to all other remedies available to WAPA, either by law or in equity, for the breach of any of the terms hereof.
8. NOTICE REQUIREMENTS: Any notice, demand, or request specifically required by these Creditworthiness Procedures to be in writing shall be considered properly given when delivered in person or sent by postage prepaid registered or certified mail, commercial delivery service, facsimile, electronic, prepaid telegram, or by other means with prior agreement of the Parties, to each Party's Representative at the principal offices of the Party. The designation of the person to be notified may be changed at any time by similar notice. Where facsimile or electronic means are utilized for any communication covered by this Section 8, the sending Party shall keep a contemporaneous record of such communications and shall verify receipt by the other Party.

9. EXHIBIT REVISIONS: This Exhibit I may be modified by written instrument signed by the Parties, as provided for in Section 21 of the Agreement.

EXHIBIT A

POINT(s) of INTERCONNECTION	POD Voltage	Meter Name	METER	TSP	Scd 1 S&D	Scd 2 VAR	Scd 3 Reg	Scd 4 EI	Scd 5 Reserves (Spinning)	Scd 6 Reserves (Supplemental)	Real Power Losses (L-AS7)	Transformation Losses	Scd 9 GI	Real Time Meter	NOTES
Generation															
NA	NA		LRS 2 - LAC	CRCM	NA	NA	NA	NA	NWPP - Deminimus	NWPP - Deminimus	NA	NA	CRCM		Generation
NA	NA		LRS 3 - LAC	CRCM	NA	NA	NA	NA	NWPP - Deminimus	NWPP - Deminimus	NA	NA	CRCM		Generation

LEGEND	
BTM	Behind the Meter
CRCM	CRSP Transmission Service
LAPT	LAP Transmission Service
NT - X (B = BH, BA=Bsin, T=Tri-State, etc.)	Network Service on other TSP
NWPP	Northwest Power Pool
Self	BA Services Self-Supply
WACM	BA Services from WACM
	BA Services from WACM on behalf of a Non-Federal
WACM - TSP	Transmission Service Provider
SPP	Southwest Power Pool
	(Computer Calculated Losses)
	transformer losses based on specific transformer & that
CCLs	transformer's test constants
Y	Yes
NA	Not Applicable

*This Exhibit A will be revised periodically. In the interim, as meters are placed in or removed from service, the service shall be reflected appropriately in all scheduling, accounting, and billing until such time as the meter change is incorporated in a revised Exhibit A.



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.: 6.C
Index (Council Goals): DPU FY2021 - 1.0 Provide Safe and Reliable Utility Services
Presenters: James Alarid, Deputy Utilities Manager - Engineering
Legislative File: OR0875-20

Title

Incorporated County of Los Alamos Ordinance No. 706; Loan/Grant Agreement with the New Mexico Finance Authority for Otowi Well #2 Pump House and Equipment and Otowi Well #4 Motor Control Center Project

Recommended Action

I move that the Board of Public Utilities approve Incorporated County of Los Alamos, New Mexico Ordinance No. 706 Authorizing The Execution And Delivery Of A Loan And Subsidy Agreement (“Loan Agreement”) By And Between the Incorporated County Of Los Alamos, New Mexico (The “Governmental Unit”) And The New Mexico Finance Authority, Evidencing A Special Limited Obligation Of The Governmental Unit To Pay A Principal Amount Of No More Than \$2,773,418, Together With Expenses, If Any, And Administrative Fees, Thereon, And To Accept A Loan Subsidy Of No More Than \$79,832, For The Purpose Of Financing The Costs Of (I) Designing And Constructing A Well House, Pumps And The Associated Equipment For Otowi Well #2 And (Ii) Replacing The Motor Control Center To Otowi Well #4; Providing For The Pledge And Payment Of The Principal, Administrative Fees And Interest Due Under The Loan Agreement Solely From The Net Revenues Of The Joint Utility System Of The Governmental Unit; Setting An Interest Rate For The Loan; Approving The Form Of And Other Details Concerning The Loan Agreement; Ratifying Actions Heretofore Taken; Repealing All Action Inconsistent With This Ordinance; And Authorizing The Taking Of Other Actions In Connection With The Execution And Delivery Of The Loan Agreement, and forward to Council with a recommendation for approval. I further move to authorize the County Attorney to make nonsubstantive changes to the documents prior to Council approval.

Staff Recommendation

Staff recommends that the Board approve as presented

Body

On September 16, 2020, staff presented to the Utility Board the details of two low interest loan programs available to the DPU through the New Mexico Finance Authority. In addition, the economics were presented for financing some planned capital improvement projects through these loan programs. The Utility Board authorized staff to proceed with financing some large capital improvements through these programs. This loan is issued through the Drinking Water State Revolving Loan (DWSRL) Program administered by the New Mexico Finance Authority.

The proceeds will pay for construction of a well house and equipping the recently drilled Otowi Well #2 and the replacement of the motor control center at Otowi Well #4. Otowi Well #2 will serve as replacement well for one of wells in the Pajarito Well Field that are nearing the end of their useful life. Otowi Well #2 will produce 1,300 gallons per minute, which will make it one of the best producing wells in the system. Otowi Well #2 has an estimated useful life of 40-50 years and replacement of the motor control center in Otowi Well #4 will ensure another 20 years of reliable operation.

The loan amount is \$2,773,418, over a 25 year term, at an interest rate of 1%. The annual payment will be \$125,932 for this loan beginning in July 2022. An additional \$79,832 will be granted to DPU as a subsidy which will not have to be paid back. The subsidy is a fortunate bonus to the DPU available at the time of our application. The ordinance will be introduced in the February 2, 2021 Council meeting and a public hearing on the Ordinance is scheduled in the February 23, 2021 Council meeting. The closing of the loan agreement is scheduled to take place on April 9, 2021 and the project will be advertised for bids soon after closing.

Alternatives

If the ordinance is not approved staff will bring the project for approval at a future date funded by water production capital funds.

Fiscal and Staff Impact

None

Attachments

A - Ordinance No. 706

Thereupon, there were officially filed with the County Clerk copies of a proposed Ordinance and Water Project Fund Loan/Grant Agreement in final form, the proposed Ordinance being as hereinafter set forth:

[Remainder of page intentionally left blank.]

INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

ORDINANCE NO. 706

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT (“LOAN AGREEMENT”) BY AND BETWEEN THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO (THE “GOVERNMENTAL UNIT”) AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN \$2,773,418, TOGETHER WITH EXPENSES, IF ANY, AND ADMINISTRATIVE FEES, THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$79,832, FOR THE PURPOSE OF FINANCING THE COSTS OF (I) DESIGNING AND CONSTRUCTING A WELL HOUSE, PUMPS AND THE ASSOCIATED EQUIPMENT FOR OTOWI WELL #2 AND (II) REPLACING THE MOTOR CONTROL CENTER TO OTOWI WELL #4; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE JOINT UTILITY SYSTEM OF THE GOVERNMENTAL UNIT; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

Capitalized terms used in the following recitals have the same meaning as defined in Section 1 of this Ordinance, unless the context requires otherwise.

WHEREAS, the Governmental Unit is a legally and regularly created, established, duly organized and existing incorporated county under and pursuant to the laws of the State and more specifically, Article X, Section 5, New Mexico Constitution, is a qualifying entity under the Water Project Finance Act and is qualified for financial assistance as determined by the Finance Authority and approved by the Water Trust Board pursuant to the Board Rules and the Policies and the Act; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the Governmental Unit and the public it serves that the Loan Agreement be executed and delivered and that the financing of the construction of the Project take place by executing and delivering the Loan Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than as described on the Term Sheet, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation which is currently outstanding; and

WHEREAS, there have been presented to the Governing Body, and there presently are on file with the County Clerk, this Ordinance and the form of the Loan Agreement; and

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan Agreement is to be used for governmental purposes of the Governmental Unit; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the Finance Authority (or its assigns) for the payment of amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Loan Agreement, which are required to have been obtained by the date of the Ordinance have been obtained or are reasonably expected to be obtained prior to the Closing Date.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO:

Section 1. Definitions. Capitalized terms defined in this Section 1 shall, for all purposes, have the meaning herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

“Administrative Fee” or “Administrative Fee Component” means the 0.25% annual fee payable to the Finance Authority as 0.125% of the Loan Agreement Principal Amount then outstanding as a part of each Loan Agreement Payment for the costs of originating and servicing the Loan.

“Aggregate Disbursements” means, at any time after the Closing Date, the sum of all Disbursements.

“Aggregate Forgiven Disbursements” means the amount of Subsidy provided in the form of principal forgiveness, and shall at any time after the Closing Date be equal to the product of the Subsidy times the Aggregate Disbursements, up to the Maximum Forgiven Principal.

“Aggregate Repayable Disbursements” means, at any time after the Closing Date, the Aggregate Disbursements less the Aggregate Forgiven Disbursements.

“Approved Requisition” means a requisition in the form of Exhibit “C” to the Loan Agreement, together with supporting documentation submitted to and approved by the Finance Authority pursuant to Section 4.2 of the Loan Agreement.

“Authorized Officers” means any one or more of the Chair of the Governing Body, Vice Chair of the Governing Body, County Manager, Utilities Manager and the County Clerk of Governmental Unit.

“Bonds” means drinking water state revolving loan fund revenue bonds, if any, issued hereafter by the Finance Authority and related to the Loan Agreement and the Loan Agreement Payments.

“Closing Date” means the date of execution, delivery and funding of the Loan Agreement authorized by this Ordinance.

“Debt Service Account” means the debt service account established in the name of the Governmental Unit and administered by the Finance Authority to pay the Loan Agreement Payments under the Loan Agreement as the same become due.

“Disbursement” means an amount caused to be paid by the Finance Authority for an Approved Requisition for costs of the Project, including the Expense Fund Component.

“DWSRLF Act” means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended; NMSA 1978; and enactments of the Governing Body relating to the Loan Agreement, including this Ordinance.

“Drinking Water State Revolving Loan Fund” means the drinking water state revolving loan fund established by the DWSRLF Act.

“Environmental Protection Agency” means the Environmental Protection Agency of the United States.

“Expense Fund” means the expense fund hereby created to be held and administered by the Finance Authority to pay Expenses.

“Expense Fund Component” means an amount equal to one percent (1%) of each Disbursement for the Project, minus any amount forgiven under the Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

“Expenses” means the Finance Authority’s costs of issuance of the Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the Finance Authority in administering the Loan Agreement, including legal fees.

“Final Loan Agreement Payment Schedule” means the schedule of Loan Agreement Payments due on the Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

“Final Requisition” means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of the Loan Agreement.

“Finance Authority” means the New Mexico Finance Authority, created by the New Mexico Finance Authority Act, NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

“Fiscal Year” means the period commencing on July 1 of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

“Governing Body” means the duly organized County Council of the Governmental Unit and any successor governing body of the Governmental Unit.

“Governmental Unit” means the Incorporated County of Los Alamos, New Mexico.

“Gross Revenues” has the meaning given to that term in the Loan/Grant Agreement.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Ordinance and not solely to the particular section or paragraph of this Ordinance in which such word is used.

“Interest Component” means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each Disbursement.

“Interest Rate” means the rate of interest on the Loan Agreement as shown on the Term Sheet.

“Loan” means the funds to be loaned to the Governmental Unit by the Finance Authority pursuant to the Loan Agreement, up to the Maximum Principal Amount.

“Loan Agreement” means the loan and subsidy agreement and any amendments or supplements thereto, including the exhibits attached to the loan agreement.

“Loan Agreement Payment” means, collectively, the Principal Component, the Interest Component, Expenses, and the Administrative Fee Component to be paid by the Governmental Unit as payment on the Aggregate Repayable Disbursements under the Loan Agreement, as shown on Exhibit “B” thereto.

“Loan Agreement Principal Amount” means, as of any date of calculation, the Aggregate Repayable Disbursements (including the Expense Fund Component) then outstanding.

“Maximum Forgiven Principal” means the maximum amount of loan subsidy available in the form of principal forgiveness, which is equal to 2.797% of the Maximum Principal Amount. The Maximum Forgiven Principal is \$79,832.

“Maximum Repayable Principal” means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to the Loan Agreement, and is equal to the Maximum Principal Amount less the Maximum Forgiven Principal. The Maximum Repayable Principal is \$2,773,418.

“Maximum Principal Amount” means \$2,853,250.

“Net System Revenues” means the Gross Revenues of the System owned and operated by the Governmental Unit minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacement and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the water utility system.

“NMSA” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

“Operation and Maintenance Expenses” has the meaning given to that term in the Loan/Grant Agreement.

“Ordinance” means this Ordinance No. 706 adopted by the Governing Body of the Governmental Unit on February 23, 2021, approving the Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet to the Loan Agreement, as supplemented from time to time in accordance with the provisions hereof.

“Parity Obligations” means any obligations of the Governmental Unit under the Loan Agreement and any other obligations now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on a parity with the Loan Agreement, including any such obligations shown on the Term Sheet.

“Pledged Revenues” means the Net System Revenues of the Governmental Unit pledged to the payment of the Loan Amount and Administrative Fee pursuant to this Ordinance and the Loan/Grant Agreement and described in the Term Sheet.

“Project” means the project described in the Term Sheet.

“Senior Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues superior to the lien created by the Loan Agreement, including any such obligations shown on the Term Sheet.

“State” means the State of New Mexico.

“Subordinated Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by the Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

“Subsidy” means the subsidy in the form of principal forgiveness for the Governmental Unit, to be applied proportionally at the time of each Disbursement to the Governmental Unit, being 2.797% of such Disbursement.

“System” means the electric, gas, water and wastewater system of the Governmental Unit, owned and operated by the Governmental Unit, and of which the Project, when completed, will form part.

“Term Sheet” means Exhibit “A” to the Loan Agreement.

“Unrequisitioned Principal Amount” means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of the Loan Agreement.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Governing Body and officers of the Governmental Unit directed toward the acquisition and completion of the Project, and the execution and delivery of the Loan Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan Agreement. The acquisition and completion of the Project and the method of financing the Project through execution and delivery of the Loan Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Governmental Unit.

Section 4. Findings. The Governmental Unit hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. Moneys available and on hand for the Project from all sources other than the Loan Agreement are not sufficient to defray the cost of acquiring and constructing the Project.

B. The Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

C. It is economically feasible and prudent to defray, in whole or in part, the costs of the Project by the execution and delivery of the Loan Agreement.

D. The Project and the execution and delivery of the Loan Agreement in the Maximum Principal Amount pursuant to the DWSRLF Act to provide funds for the financing of the Project are necessary or advisable in the interest of the public health, safety, and welfare of the residents and the public served by the Governmental Unit.

E. The Governmental Unit will acquire and construct the Project, in whole or in part, with the net proceeds of the Loan.

F. Other than as described on the Term Sheet, the Governmental Unit does not have any outstanding obligations payable from Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement.

G. The net effective interest rate on the Maximum Principal Amount does not exceed the current market rate, which is the maximum rate permitted by federal law.

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Governmental Unit and acquiring and constructing the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the DWSRLF Act, execute and deliver the Loan Agreement evidencing a special limited obligation of the Governmental Unit to pay a principal amount of \$2,773,418 and interest thereon, and to accept a loan subsidy in the amount of \$79,832 and the execution and delivery of the Loan Agreement is hereby authorized. The Governmental Unit shall use the proceeds of the Loan and Subsidy (i) to finance the Project and (ii) to pay the Administrative Fee and Expenses of the Loan Agreement and the costs of issuance of the Bonds, if any. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement shall be in substantially the form of the Loan Agreement presented at the meeting of the Governing Body at which this Ordinance was adopted. The Loan shall be in an amount not to exceed the Maximum Principal Amount of \$2,853,250. The Loan Agreement Principal Amount shall be payable in installments of principal due on May 1 of the years designated in the Final Loan Agreement Payment Schedule and bear interest payable on May 1 and November 1 of each of the years designated in the Final Loan Agreement Payment Schedule, at the interest rate designated in the Loan Agreement, including Exhibit "A" thereto, which rate includes the Administrative Fee.

Section 6. Approval of Loan Agreement. The form of the Loan Agreement as presented at the meeting of the Governing Body at which this Ordinance was adopted is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the County Clerk is hereby authorized to affix the seal

of the Governmental Unit on the Loan Agreement and attest the same. The execution of the Loan Agreement by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Special Limited Obligation. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in the Loan Agreement and shall be payable solely from the Pledged Revenues. The Loan Agreement, together with interest thereon and other obligations of the Governmental Unit thereunder, shall be a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Ordinance, and the Loan Agreement shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement may not look to any general or other fund of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Ordinance nor in the Loan Agreement, nor any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues) or as imposing a pecuniary liability or a charge upon the general credit of the Governmental Unit or against its taxing power, nor shall a breach of any agreement contained in this Ordinance, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement shall never constitute an indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8. Disposition of Proceeds; Completion of Acquisition and Completion of the Project.

A. Debt Service Account; Disbursements. The Governmental Unit hereby consents to creation of the Debt Service Account to be held and maintained by the Finance Authority as provided in the Loan Agreement.

The proceeds derived from the execution and delivery of the Loan Agreement shall be disbursed promptly upon receipt of an Approved Requisition (as defined in the Loan Agreement).

Until the acquisition and completion of the Project or the date of the Final Requisition, the money disbursed pursuant to the Loan Agreement shall be used and paid out solely for the purpose of acquiring and constructing the Project in compliance with applicable law and the provisions of the Loan Agreement.

B. Prompt Completion of the Project. The Governmental Unit will complete the Project with all due diligence.

C. Certification of Completion of the Project. Upon the acquisition and completion of the Project, the Governmental Unit shall execute and send to the Finance

Authority a certificate stating that the completion of and payment for the Project has been completed.

D. Finance Authority Not Responsible for Application of Loan Proceeds.

The Finance Authority shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9. Deposit of Pledged Revenues; Distributions of the Pledged Revenues and Flow of Funds.

A. Deposit of Pledged Revenues. Pledged Revenues shall be paid directly by the Governmental Unit to the Finance Authority in an amount sufficient to pay principal, interest, Administrative Fees, Expenses and other amounts due under the Loan Agreement, as provided in Section 5.2 of the Loan Agreement.

B. Termination on Deposits to Maturity. No payment shall be made into the Debt Service Account if the amount in the Debt Service Account totals a sum at least equal to the entire aggregate amount of Loan Agreement Payments to become due as to principal, interest on, Administrative Fees and any other amounts due under the Loan Agreement, in which case moneys in such account in an amount at least equal to such principal, interest and Administrative Fee requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the Governmental Unit and used as provided in Section 9.C of this Resolution.

C. Use of Surplus Revenues. After making all the payments required to be made by this Section and any payments required by outstanding Parity Obligations, any moneys remaining in the Debt Service Account shall be transferred to the Governmental Unit on a timely basis and applied to any other lawful purpose, including, but not limited to, the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or purposes authorized by the Governmental Unit, the Constitution and laws of the State, as the Governmental Unit may from time to time determine.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan Agreement, the Pledged Revenues are hereby authorized to be pledged, and are hereby pledged, and the Governmental Unit grants a lien on the Pledged Revenues and security interest therein, for the payment of the principal, interest, Administrative Fees, and any other amounts due under the Loan Agreement, subject to the uses thereof permitted by and the priorities set forth in this Resolution. The Loan Agreement constitutes an irrevocable first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein and therein, and the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement without the express prior written approval of the Finance Authority.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions,

affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance, the Loan Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Ordinance and the Loan Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance and the Loan Agreement including, but not limited to, the execution and delivery of closing documents and reports in connection with the execution and delivery of the Loan Agreement, and the publication of the summary of this Ordinance set out in Section 17 of this Ordinance (with such changes, additions and deletions as may be necessary).

Section 12. Amendment of Ordinance. Prior to the Closing Date, the provisions of this Ordinance may be supplemented or amended by ordinance of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. After the Closing Date, this Ordinance may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 13. Ordinance Irrepealable. After the Closing Date, this Ordinance shall be and remain irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall 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 15. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Ordinance, it shall be recorded in the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the Council Chair and County Clerk, and the title and general summary of the subject matter contained in this Ordinance (set out in Section 17 below) shall be published in a newspaper which is of general circulation in the Governmental Unit, and the Ordinance shall be in full force and effect thereafter, in accordance with law.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

[Form of Summary of Ordinance for Publication.]

Incorporated County of Los Alamos, New Mexico
Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. 706, duly adopted and approved by the County Council of the Incorporated County of Los Alamos on February 23, 2021. A complete copy of the Ordinance is available for public inspection during normal and regular business hours in the office of the County Clerk, at 1000 Central Avenue, Los Alamos, New Mexico.

The title of the Ordinance is:

INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO
ORDINANCE NO. 706

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT (“LOAN AGREEMENT”) BY AND BETWEEN THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO (THE “GOVERNMENTAL UNIT”) AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN \$2,773,418, TOGETHER WITH EXPENSES, IF ANY, AND ADMINISTRATIVE FEES, THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$79,832, FOR THE PURPOSE OF FINANCING THE COSTS OF (I) DESIGNING AND CONSTRUCTING A WELL HOUSE, PUMPS AND THE ASSOCIATED EQUIPMENT FOR OTOWI WELL #2 AND (II) REPLACING THE MOTOR CONTROL CENTER TO OTOWI WELL #4; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE JOINT UTILITY SYSTEM OF THE GOVERNMENTAL UNIT; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

The title sets forth a general summary of the subject matter contained in the Ordinance.

This notice constitutes compliance with NMSA 1978, § 6-14-6.

[End of Form of Summary for Publication.]

Section 18. Execution of Agreements. The Governmental Unit through its Governing Body agrees to authorize and execute all such agreements with the New Mexico Finance Authority as are necessary to consummate the Loan contemplated herein and consistent with the terms and conditions of the Loan Agreement and this Ordinance.

PASSED, APPROVED AND ADOPTED THIS 23RD DAY OF FEBRUARY, 2021.

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO

By _____
Randell T. Ryti, Council Chair

ATTEST:

By _____
Naomi D. Maestas, County Clerk

[Remainder of page intentionally left blank.]

Governing Body Member _____ then moved adoption of the foregoing Ordinance duly seconded by Governing Body Member _____.

The motion to adopt said Ordinance, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye: _____

Those Voting Nay: _____

Those Absent: _____

_____ (__) Members of the Governing Body having voted in favor of the motion, the Council Chair declared the motion carried and the Ordinance adopted whereupon the Council Chair and County Clerk signed the Ordinance upon the records of the minutes of the Governing Body.

After consideration of other matters not relating to the Ordinance, the meeting on motion duly made, seconded and carried, was adjourned.

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO

By _____
Randall T. Ryti, Council Chair

ATTEST:

By _____
Naomi D. Maestas, County Clerk

[Remainder of page intentionally left blank.]

STATE OF NEW MEXICO

)

) ss.

COUNTY OF LOS ALAMOS

I, Naomi D. Maestas, the duly qualified and acting County Clerk of the Incorporated County of Los Alamos (the "Borrower/Grantee"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the County Council of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called regular meeting via Zoom webinar on February 23, 2021 at the hour of 6:00 p.m., insofar as the same relate to the adoption of Ordinance No. 706 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. 21-01, adopted and approved on January 5, 2021, in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of April, 2021.

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO

By _____
Naomi D. Maestas, County Clerk

5762993_2

EXHIBIT "A"

Notice and Agenda of Meeting

Authorizing Ordinance
Incorporated County of Los Alamos, Loan No. DW-5456

A-1

135



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.: 6.D
Index (Council Goals): DPU FY2021 - 1.0 Provide Safe and Reliable Utility Services
Presenters: Jack Richardson, Deputy Utilities Manager - GWS Services
Legislative File: 13698-20

Title

Vactor Truck Emergency Rental Approval Expenditure Authority in the Amount of \$119,000.00 for Maintaining the Wastewater Collection System

Recommended Action

I move that the Board of Public Utilities approve an increase of \$69,000.00 in the Wastewater System budget authority for a total amount of \$119,000.00 for extension of the agreement (time and amount) for the emergency rental of a Vactor Truck for maintaining the wastewater collection system.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

The existing Vactor Truck, used mainly for wastewater collection system cleaning (routine and emergency), but also used for assisting with water main breaks and other GWS operations endured serious failure and was sent to the New Mexico authorized shop in Albuquerque for repairs. These repairs were estimated to take multiple months before the equipment could be returned to active duty. The new Vactor Truck, ordered to supplement the existing Vactor Truck, would not be ready for delivery until 2021. In order to maintain functioning of the GWS sewer response crew an emergency rental Vactor Truck agreement was initiated.

The existing Vactor Truck was returned for duty to DPU in November 2020 but since then this Vactor Truck has required two additional separate trips to the shop for repairs and it has been available for duty for only two weeks since November. It remains in the shop as of the date of this meeting and we hope to receive the existing Vactor Truck back for duty, and it actually be able to remain in service, sometime in late January/early February 2021. The latest date for delivery of the new Vactor Truck is now end of February 2021.

Between 7-28-2020 and 12-16-2020 DPU has been invoiced \$64,518.62. The approval of this budget authority are for total expenditures for the Vactor Truck rental above the \$50,000 limit. The additional \$69,000.000, plus the limit amount of \$50,000.00 provides for a total budget for this emergency rental of \$119,000.000 which would allow for use of the rental Vactor Truck through the end of April 2021. Hopefully, DPU can end the rental period earlier after using either the returned existing Vactor Truck or the new Vactor Truck for a few weeks to ensure one or both function and do not break down.

Alternatives

The alternative to not approving this Purchase Order is to return the rental Vactor Truck immediately and try to maintain our GWS systems without a critical piece of equipment. This might be doable with increased overtime personnel hours and equipment but would be very inefficient. Delaying maintenance of the wastewater collection system is not an option during emergency sewer backup calls and/or major water pipeline breaks needing debris cleanup in order to begin repairs.

Fiscal and Staff Impact

A total unbudgeted maximum expenditure of up to \$119,000.00. Currently the budget for WC 2141 WC Main Line Flushing is being utilized for this unplanned expenditure. No adverse staff impact would result from this approval. Staff impact would be adverse with additional overtime if this approval request is denied.

Attachments

none



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.: 6.E
Index (Council Goals): DPU FY2021 - 1.0 Provide Safe and Reliable Utility Services
Presenters: Steve Cummins, Deputy Utilities Manager - Power Supply
Legislative File: AGR0727-20

Title

Approval of AGR21-937 Non-Tariff Wires to Wires Interconnection Update Study Agreement with the Public Service Company of New Mexico (PNM) for the Third Power Line to Los Alamos County

Recommended Action

I move that the Board of Public Utilities approve the Non-Tariff Wire to Wires Interconnection Update Study Agreement No. AGR21-937 between the Incorporated County of Los Alamos and the Public Service Company of New Mexico in the amount of 64,595.00, plus a 10% contingency for a total amount of \$71,054.50 plus applicable NMGR.

Staff Recommendation

Staff recommends approving the Non-Tariff Wire to Wires Interconnection Update Study Agreement between the Incorporated County of Los Alamos and the Public Service Company of New Mexico.

Body

The current import capability into the Los Alamos Service area is approximately 116 MW and the Los Alamos peak load is currently at 92 MW. The current 10-year load forecast shows a forecasted load of 134 MW in 2026.

Every year the County is required to submit a Loads and Resources forecast to the Public Service Company of New Mexico (PNM) on March 1st, per our Network Operating Agreement. PNM use this data for transmission planning which requires some information on where the resources originate to serve the network customers forecasted load.

In 2011 at Los Alamos County's request, PNM looked at several options for increasing the import capability into Los Alamos service area. Options one included the construction of the SN line which consist of approximately 12 miles of new 115 kV transmission line facilities from the Norton substation to the Southern Technical Area (STA) substation; Option two is the upgrade of two existing transmissions lines into Los Alamos, the NL and RL lines to include larger conductors; and Option three was a combination of Option 1 and 2 as a staged approach.

Since the 2011 study there have been several factors effecting the forecasted peak load but primarily driven by programmatic changes at LANL. The Los Alamos National Laboratories load forecast is very dynamic with supercomputing and other energy intensive programs that may or

may not get congressional funding making planning more difficult. The most recent load forecast is believed to be more certain based on LANL's mission so they are proceeding with option 1 from the 2011 study.

With this agreement PNM will perform an updated system impact study and provide a detailed cost estimate for the interconnection at the Norton Substation which is a significant portion of the overall cost estimate for the proposed SN line. DOE NNSA is planning on requesting congressional funding in their upcoming budget.

Construction of the third line is tentatively planned for 2023. The NNSA, United States Forest Service and the Bureau of Land Management are working jointly on the Environmental Assessment to ensure all environmental impacts are addressed for the project.

Alternatives

The alternatives were studied in the 2011 report and building the third line into Los Alamos was determined to be the best option for serving the Los Alamos forecasted loads when considering contingency planning where one line is out of service.

Fiscal and Staff Impact

The 115 KV transmission system owned and operated by DOE-NNSA is an approved resource with the Electric Coordination Agreement. The cost of the study will be shared at approximately 80/20 DOE and County. The estimated cost is \$64,595.00 with a ten percent contingency. Staff impact is minimal and consider part of our normal work load.

Attachments

A - AGR21-937 PNM System Impact Study Agreement

NON-TARIFF WIRES TO WIRES INTERCONNECTION UPDATE STUDY AGREEMENT

This **NON-TARIFF INTERCONNECTION STUDY AGREEMENT** (“Agreement”) is made and entered into this ____ day of January, 2021, by and between the Incorporated County of Los Alamos, a body politic and corporate, existing as a political subdivision under the constitution and laws of the State of New Mexico (“Transmission Service Customer”), and Public Service Company of New Mexico, a corporation existing under the laws of the State of New Mexico (“PNM”). Transmission Service Customer and PNM each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Transmission Service Customer requested, by letter dated September 29th, 2020, that PNM update information from a 2011 Transmission Service Study that provided benefits and costs for adding a third 115 kV line to serve Transmission Service Customer’s projected load increases in the White Rock and Los Alamos communities, as well as projected load increases of the Los Alamos National Laboratory; and

WHEREAS, there are two (2) existing 115kV transmission lines that connect PNM’s transmission network to Transmission Service Customer’s network for delivery of network resources to Transmission Service Customer at STA Station (which is measured at Transmission Service Customer’s STA Station) and ETA Station (as measured by the flow at PNM’s Norton Station and less the PNM Buckman load), respectively referred to herein as the “RL line” and “NL line”; and

WHEREAS, the Transmission Service Customer’s updated load forecast provided to PNM in March 2020 indicated that transmission system upgrades are now needed to serve a 146 MW load requirement by December 2026 and to have a load serving capacity of 200 MW to serve planned load growth beyond the 10-year forecast; and

WHEREAS, the projected December 2026 load level could significantly exceed the 137 MVA firm capability that could be achieved with reconductoring the NL Line, construction of a third transmission line, rather than the alternative of replacing conductor on both RL and NL lines, is the preferred solution; and

WHEREAS, the third line will be routed between PNM’s Norton 115 kV Switching Station and Transmission Service Customers STA Station with an approximate length of 12 miles and is herein referred to as the “SN Line”; and

WHEREAS, Transmission Service Customer desires that PNM undertake an analysis to update the system impacts and benefits to Transmission Service Customer’s load serving capability with addition of the SN Line and the potential additional benefit of adding a series reactor to the NL line or series capacitor to the RL line while identifying if other limitations in the Northeast Area of New Mexico (“NEA”) could limit the possible benefits (hereafter “Study”); and

WHEREAS, Transmission Service Customer is legally restricted from providing advance payment for the Study; and

WHEREAS, Transmission Service Customer also desires that PNM update the preliminary cost estimates associated with the Norton interconnection of the SN line and provide a generic cost estimate for addition of the series reactor on the NL line recognizing that if Transmission Service Customer chooses to proceed, a facilities study will be required to refine the cost estimate; and

WHEREAS, the 115 kV system within Los Alamos Service Area is owned and operated by the U.S. Department of Energy National Nuclear Security Administration (“NNSA”);

WHEREAS, PNM will lead the Study and/or cause the Study to be performed by a third-party consultant (“Study Consultant”); and

WHEREAS, the Transmission Service Customer recognizes that the Study is not being completed pursuant to PNM’s OATT, and the Parties therefore recognize and concur that this Agreement and the Study not be posted on the PNM’s Open Access Same-Time Information System and any and all information shared between the Parties and any and all results of the Study may be subject to non-disclosure pursuant to Sections 7 and 8 of the Agreement.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1.0 PERFORMANCE OF STUDY

(A) PNM hereby agrees to undertake the Study in the manner provided for and subject to the terms and conditions of this Agreement. The Study will specify and estimate costs of the equipment, engineering, procurement and construction work needed for interconnection of the SN line at the Norton Switching Station and determine a size and generic cost estimate for addition of a series reactor to the NL line to optimize the benefit of the SN line. PNM shall use its sole discretion (subject to Section 3.0 , *Scope of Study* and Section 4.0, *Study Standards*) as to the scope, details and methods used in its performance of the Study. Transmission Service Customer will provide such information as reasonably requested by PNM to complete the Study. PNM will make reasonable efforts to complete the Study and deliver a draft report within ninety (90) days from the date of final signature of this Agreement.

(B) PNM agrees to provide or obtain all necessary labor (including the retention of third-party contractors), materials, facilities, equipment, transportation and supervision necessary to perform the Study for Transmission Service Customer. PNM shall prepare a report on the results of the Study (“Study Report”).

(C) The effective date of this Agreement shall be the date of last signature of the Parties below.

2.0 COST OF THE STUDY

Transmission Service Customer agrees to pay PNM in accordance with Section 6.0 of this Agreement. PNM estimates the cost of the Study to be \$64,595, as described in Appendix B, attached hereto and made a part hereof. This estimated cost is a not-to-exceed amount without prior written authorization by the Transmission Service Customer.

3.0 SCOPE OF STUDY

The scope of the Study shall be limited to steady state contingency analysis and shall be subject to the assumptions set forth in Appendix A, attached hereto and made a part hereof. The Study Report shall provide an estimate of the cost and schedule associated with the engineering, equipment, procurement and construction work needed for the construction of the Norton interconnection and series reactor addition.

4.0 STUDY STANDARDS

PNM will perform the Study in a manner consistent with Appendix A. In performing the Study, PNM will use Good Utility Practice as defined in the OATT and standards outlined by the North American Electric Reliability Corporation and the Western Electricity Coordinating Council. Each Party will perform its obligations as set forth in this Agreement in a manner consistent with regional practices, applicable laws and regulations, and the organizational nature of each Party.

5.0 INFORMATION REQUESTS

PNM may request additional information during the course of the Study regarding Transmission Service Customer's proposed use of PNM's transmission system or design of the SN line, STA station, or ETA station. Transmission Service Customer shall furnish, within five (5) business days, written responses to reasonable requests for information submitted by PNM. On technical questions related to facilities of NNSA, PNM technical personnel may communicate directly with LANL and NNSA personnel.

6.0 PAYMENT FOR STUDY WORK

(A) At the time of execution of this Agreement, Transmission Service Customer shall provide PNM proof of the contract amount is reserved and dedicated for the cost of the Study of \$64,595. Transmission Service Customer shall not be required to pay any costs of the Study until the Study has been Completed. On completion of the Study Report, PNM shall charge via written invoice and Transmission Service Customer shall pay the actual costs of the Study. Transmission Service Customer shall make payments, unless otherwise specified, to PNM by check or electronic funds transfer to the bank and account number listed below:

Wells Fargo Bank
PNM Misc. Depository

Non-Tariff Interconnection Wires to Wires Interconnection Update Study Agreement

Albuquerque, New Mexico
 Bank Acct # 651-10036-98 ABA # 121-000-248
 Attention: Wes Wilson

(B) Any payments not received from Transmission Service Customer by the due date(s) stated herein shall accrue interest at the rate provided for in 18 CFR 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the payment, to the date of the payment receipt by PNM that may be permitted by law.

7.0 OWNERSHIP OF STUDY RESULTS

Studies, reports, analyses, work papers, summaries, plans and other documents arising out of this Study are solely the property of PNM. A copy of the Study will be provided to Transmission Service Customer, subject to the provisions of Section 8 of this Agreement. All studies, computer input and output data, planning, operating and other documents, assumptions, and any other material shall remain in PNM's files, but copies shall be made available and supplied to Transmission Service Customer upon request.

Transmission Service Customer may share such copies with its technical consultants and LANL/NNSA provided that Transmission Service Customer shall be responsible for advising its technical consultants and LANL/NNSA that such materials may be confidential and prohibited from disclosure pursuant to Section 8 of this Agreement as well as local, state, or federal restrictions related to disclosure. It is specifically understood by and between the Parties to this Agreement that Transmission Service Customer may share copies of studies, reports, analyses, work papers, summaries, plans and other documents arising out of the Study with LANL/NNSA in connection with NNSA's analysis of possible impact to its facilities. Disclosure of information provided to LANL/NNSA is subject to the terms of the Freedom of Information Act limitations and restrictions.

8.0 NON-DISCLOSURE OF INFORMATION

(A) Transmission Service Customer and its consultants shall consider all information provided by PNM and all studies, reports, analyses, work papers, summaries, plans and other documents arising out of the Study to be proprietary provided the information is clearly marked "Confidential" and PNM identifies the reason(s) why it considers the information proprietary and unless such information is available through public sources. Transmission Service Customer shall not publish or disclose proprietary information, other than as provided under Section 7.0 (above), for any purpose without the prior written consent of PNM. The preceding sentence shall not be construed to prohibit Transmission Service Customer from disclosing information as required by applicable law, policy or regulation. Prior to any such disclosure Transmission Service Customer shall advise PNM of the basis for disclosing the Study or any of PNM's proprietary information that is not available through public sources. PNM will not unreasonably deny Transmission Service Customer's request to disclose the Study or other materials arising out of the Study.

(B) PNM shall consider all information provided by Transmission Service Customer to be proprietary unless such information is available through public sources. PNM shall not publish or

disclose proprietary information for any purpose without the prior written consent of Transmission Service Customer. The preceding sentence shall not be construed to prohibit PNM from disclosing information as required by applicable law, policy or regulation. Prior to any such disclosure PNM shall advise the Transmission Service Customer of the basis for disclosing the Study or any of the Transmission Service Customer's other proprietary information that is not available through public sources.

(C) In the event that Transmission Service Customer or its employees/agents, receives a request for inspection of records under the Inspection of Public Records Act, NMSA 1978, §§ 14-2-1 to 14-2-12 ("IPRA") that encompasses confidential information provided by PNM, Transmission Service Customer will advise PNM within ten (10) business days of such request and of the specific records that Transmission Service Customer believes are responsive to such request. PNM shall advise Transmission Service Customer within five (5) business days which of those records (if any) Company claims constitute confidential information, and the basis (if any) for withholding those records from inspection under IPRA. In the event of a disagreement between Transmission Service Customer and PNM as to the validity of withholding any specific records from public inspection pursuant to IPRA, PNM and Transmission Service Customer agree to submit the issue to a court of competent jurisdiction on an expedited basis, and with each party bearing its own costs and attorney fees in connection with any such proceeding. PNM agrees that in the event a court of competent jurisdiction determines that particular records in Transmission Service Customer's possession are subject to public inspection, under no circumstances shall such inspection or production of those records be considered a violation of this Agreement, and under no circumstances may PNM seek any monetary damages against Transmission Service Customer for such inspection/production.

(D) This provision of this section shall survive the termination of this Agreement.

9.0 TERMINATION

(A) Unless otherwise provided in this Agreement, this Agreement shall terminate upon the final payment or refund of costs as provided herein.

(B) PNM shall have the right to terminate the Agreement at any time by providing written notice to Transmission Service Customer if Transmission Service Customer materially breaches the Agreement and fails to cure such material breach within thirty (30) days. All expenses incurred by PNM for the benefit of Transmission Service Customer prior to such termination shall continue to be the sole responsibility of Transmission Service Customer.

(C) Transmission Service Customer may terminate the Agreement at any time by providing written notice to PNM. Following such termination by Transmission Service Customer, PNM shall determine actual expenses incurred by PNM on behalf of Transmission Service Customer under this Agreement. PNM will refund any amount paid by Transmission Service Customer in excess of actual costs. Transmission Service Customer shall be responsible for any reasonable amounts

incurred by PNM in excess of the estimated costs of the Study. Any amount incurred by PNM that is within 10% of the estimated costs of the Study are deemed to be reasonable.

10.0 NOTICES

(A) All notices hereunder shall be in writing and shall be delivered to the Parties at the following addresses:

To PNM:

Laurie Williams
 Director, Transmission & Substation Engineering
 Public Service Company of New Mexico
 2401 Aztec Rd. NE
 MS-Z220
 Albuquerque, New Mexico 87107

Phone: 505-241-0641
 Fax: 505-241-4363
 Email: Laurie.Williams@pnm.com

To TRANSMISSION SERVICE CUSTOMER:

Steve Cummins
 Deputy Utility Manager, Power Production
 Incorporated County of Los Alamos 1000
 Central Ave., Suite 130
 Los Alamos, New Mexico 87544

Phone: (505) 662-8333
 Fax: (505) 662-8005
 Email: Robert.cummins@lacnm.us

(B) Such notices shall be deemed to have been served when personally delivered or upon receipt as evidenced by a facsimile confirmation, U.S. Postal Service receipt of mail or evidence of delivery by a private express mail service.

11.0 GOVERNING LAW AND VENUE

This Agreement shall in all respects be interpreted, construed and enforced in accordance with the substantive laws of the State of New Mexico without regard to its choice of law or conflict of law principles, except to the extent that such laws may be preempted by the laws of the United States of America, and also in accordance with the procedural laws of the State of New Mexico or the United States, whichever is applicable. Any action at law or judicial proceeding instituted by a Party relating to this Agreement shall be instituted only in the state or federal courts of the State of New Mexico, unless otherwise agreed to by both Parties.

12.0 FORCE MAJEURE

Neither Party shall be considered to be in default in the performance of any of its obligations hereunder (other than its obligations to make payment of amounts owing pursuant hereto) if failure of performance shall be due to an uncontrollable force ("Uncontrollable Force"). The term Uncontrollable Force shall mean any cause beyond the control of the Party affected, including but not limited to failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, labor dispute, sabotage, act of terrorism and restraint by court order or public authority which by exercise of due diligence and foresight such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any obligations by reason of an Uncontrollable Force shall exercise due diligence to remove such inability with all reasonable dispatch.

13.0 LIABILITY AND INDEMNITY

PNM shall perform hereunder consistent with the Study Standards set out in Section 3.0, *Scope of Study*, but in no event shall either Party be liable to the other Party for indirect or consequential damages or for lost profits.

To the extent permitted by law, Transmission Service Customer shall at all times indemnify, defend and hold PNM harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from PNM's performance under this agreement, except in cases of gross negligence or intentional wrongdoing by PNM.

The provisions of this section 13 shall survive the termination of this Agreement.

14.0 ASSIGNMENTS

Neither Party shall assign this Agreement unless the other Party consents to such assignment, which consent shall not be unreasonably withheld.

15.0 ENTIRE AGREEMENT

This Agreement supersedes any and all proposals and/or understandings, oral and written, relating to the Study, between the Parties and constitutes their sole and only Agreement relating to the Study, and it shall not be construed as creating any obligation of either Party to construct facilities, interconnect to PNM's system or for PNM to provide transmission service.

16.0 AMENDMENT

The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

17.0 NO PARTNERSHIP

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or to act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

18.0 SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

19.0 WARRANTIES

While PNM will perform the Study using Good Utility Practice, PNM makes no warranties or representations regarding the results of the Study; Transmission Service Customer shall use its own knowledge, skill and expertise in interpreting or implementing the results of the Study.

20.0 SURVIVAL OF OBLIGATIONS AND LIABILITIES

The termination of this Agreement shall not relieve either Party of its obligations, duties, requirements or rights under this Agreement incurred or vested prior to termination of this Agreement or which, pursuant to the terms hereof, must be fulfilled after the date of termination of this Agreement.

21.0 EXECUTION BY COUNTERPARTS

This Agreement may be executed in any number of counterparts, and upon execution of this Agreement by both Parties, the executed counterparts together shall have the same force and effect as an original instrument as if both Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart hereof without impairing the legal effect of any signature thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

22.0 SEVERABILITY

The Parties agree that if any provision of this Agreement is found invalid unenforceable by law, the remaining sections of this Agreement shall remain in full force.

23.0 NON-DISCRIMINATION

During the term of this Agreement, the Parties shall not discriminate against any person in the performance of the obligations of this Agreement, with regard to race, color, religion, sex, age, ethnicity, national origin, sexual orientation or gender identity, disability or veteran status.

24.0 LEGAL RECOGNITION OF ELECTRONIC SIGNATURES

The parties warrant that the persons signing this agreement have full legal authority to bind their respective organization and that pursuant to NMSA 1978 § 14-16-7, the parties agree that this Agreement may be signed by electronic signature.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: _____

Name: Laurie Williams

Title: Director, Transmission & Substation Engineering

Date: _____

THE INCORPORATED COUNTY OF LOS ALAMOS

By: _____

Name: Philo Shelton

Title: Utilities Manager

Date: _____

Appendix A Non-Tariff Interconnection Facilities Study

**ASSUMPTIONS TO BE USED IN CONDUCTING THE
NON-TARIFF INTERCONNECTION FACILITIES STUDY**

The Study Results will only include information to specify and estimate the PNM cost of the equipment, engineering, procurement and construction work needed for SIS Option 1 to accommodate the Project.

Base Cases

Four PNM Ten-Year-Plan (TYP) base cases will be used to evaluate the improvement options:

- I. 2025 summer peak case
- II. 2025 winter peak case
- III. 2030 summer peak case
- IV. 2030 winter peak case

PNM TYP base cases are based on WECC approved base cases. These cases are used for analysis of transmission system reliability in accordance with Western Electricity Coordinating Council (“WECC”) and North American Electric Reliability Corporation (“NERC”) Transmission Planning Standards.

Study Option: The SIS will assess the addition of a new 115 kV transmission line from Norton to STA (“SN line”). The SN line will be approximately 12 miles in length and provides a third path from the PNM system to the Transmission Service Customer’s system. The addition of a series reactor on the NL line or a series capacitor on the RL line will be evaluated for mitigation of an NL line overload and to balance the flow of power on the NL and RL lines in the event of an SN line outage.

PNM owns the terminal facilities necessary to facilitate the interconnection of the SN line at Norton station (e.g. the A frame, circuit breakers, and open bay position) with the exception of certain protection and controls equipment.

For the purposes of this study, it is assumed that cost and construction responsibility for this option will belong to the Transmission Service Customer including R-O-W, permits, licenses, or easements including protection and controls for these facilities. Accordingly, for purposes of this study, PNM cost estimates will be limited to the Norton termination.

Project Data:

SN line, 12 miles of 1-954 MCM (ACSR) per phase, with 115 kV design.	MVA Rating=200 nominal
--	------------------------

Assumptions include:

- Except for large industrial loads, all loads within the NEA cut set are scaled proportionally.

- No post-contingency load is tripped except for qualified RAS.
- The ETA SVC is set to absorb 0 to 10 MVARs during pre-contingency conditions; however, the full -45 to +135 MVAR operating range of the ETA will be available for voltage control during contingencies. The study may identify reactive compensation additions within the Los Alamos system to meet this criteria.

Generation dispatch for the Study cases will be adjusted as needed to identify reasonable conditions that affect load serving in Transmission Service Customer's system.

Incremental resources for serving the Transmission Service Customer's load will be imported at Four Corners.

The following preliminary list of system contingencies will be simulated in the Study:

N-1 Contingencies

1. Four Corners - West Mesa 345 kV
2. San Juan - Rio Puerco 345 kV
3. BA-Norton 345 kV
4. Norton - Hernandez 115 kV
5. Norton - ETA 115 kV
6. B-A - STA 115 kV
7. Algodones - Norton - Zia 115 kV
8. Norton-Zia 115 kV
9. San Juan - Ojo 345 kV
10. Ojo - Taos 345 kV
11. Ojo-Hernandez 115 kV
12. Diamond Tail-Clines Corners 345 kV Line 1
13. BA-Diamond Tail 345 kV Line 1
14. Rio Puerco - BA 345 kV Line 1
15. Los Alamos County Internal Transmission Customer Contingencies to be provide by Los Alamos County

N-2 Contingencies

1. Norton - ETA and Norton-STA 115 kV lines if sharing structures or paralleling for more than one mile or sharing a common breaker at Norton post-third line
2. B-A - STA line and Norton-STA 115 kV lines if sharing common structures or paralleling for more than one-mile or sharing a common breaker at STA post-third line
3. ETA SVC and ETA-STA 115 kV line (check for common mode).
4. Study will not explore N-1-1 conditions. It is assumed that RAS or import curtailments will be implemented to address operations when one-line is out of service.

Criteria

The power flow voltage performance criteria throughout the Study will be included in the report and match the criteria used in recent PNM System Impact Studies. The criteria are NERC/WECC performance requirements as well as applicable additions and exceptions for the New Mexico transmission system.

Stability Criteria

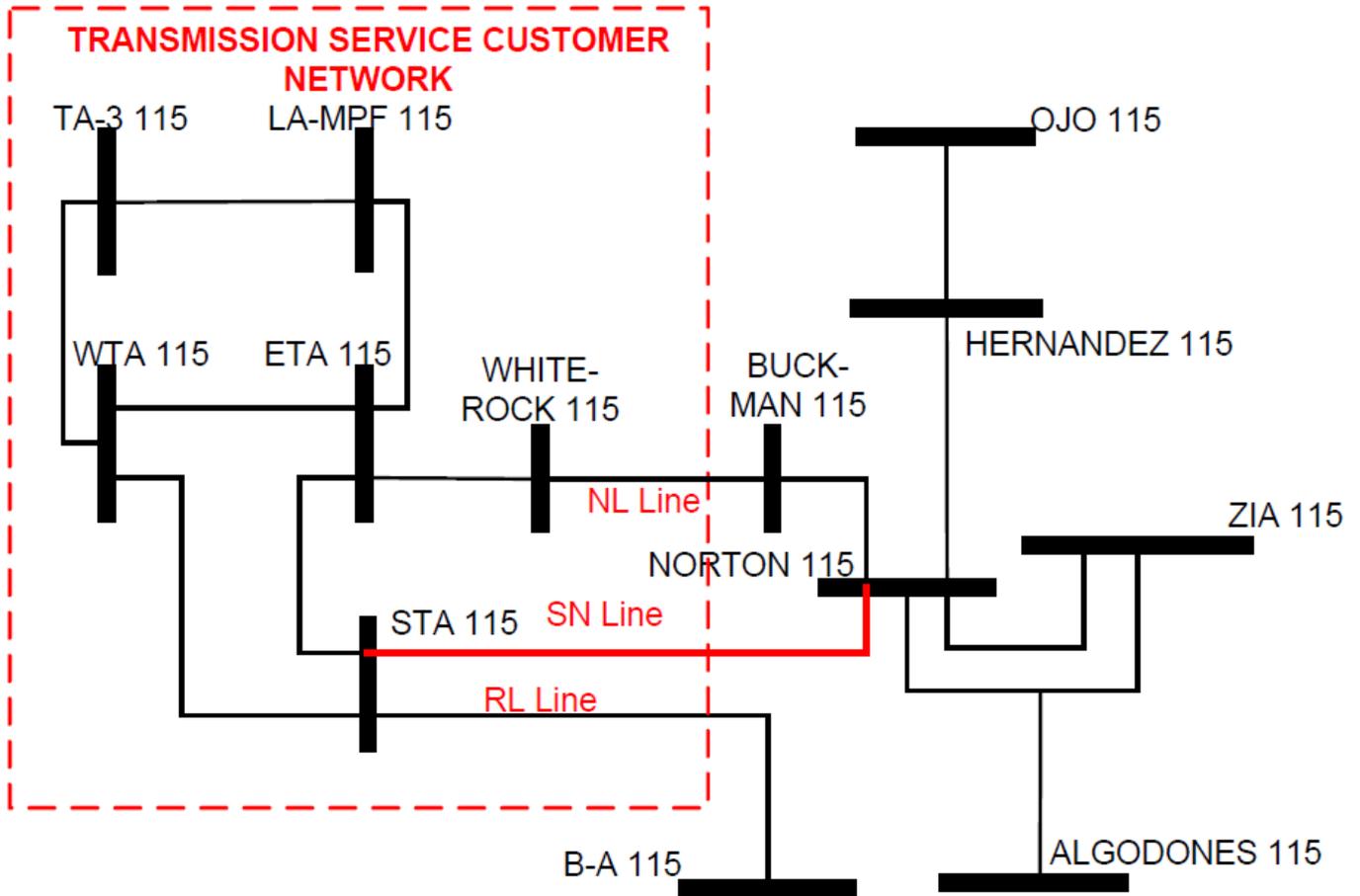
Stability analysis is not expected to define limitations to the Transmission Service Customers import capability and is not being performed. As a result stability criteria is not included.

Deliverables Report

A report containing results of the Study will be issued. The following information will be included, and additional information if applicable, as determined by PNM.

1. Summary
2. General descriptions of the existing and proposed System Improvements.
3. Preliminary discussion of right-of-way and environmental concerns or requirement needs for station additions for the Norton Interconnection.
4. Preliminary general arrangement drawing or one-lines for the Norton interconnection.
5. Preliminary cost estimates and construction schedule for the System Improvements that specifically will be owned and operated by PNM.
6. A generic cost estimate and construction schedule will be developed for addition of a series reactor to the NL line.

Exhibit A Third Line One-Line



New Line (“SN line”) from Norton to STA

**APPENDIX B INTERCONNECTION FACILITIES STUDY ESTIMATE OF NON-TARIFF
INTERCONNECTION FACILITIES STUDY COSTS**

Group	Activity	Hours		Costs Estimates
3 rd Party Engineering Firm	Transmission Design			
	Protection & Controls Design			
	Series Reactor Design			
	Total Engineering Estimate			\$50,000
Transmissi on	Study Review and Report	120		
	Contract Management	4 0		
	Total PNM Hours	1 6 0		
	Estimated Loaded Cost (\$ per hour)			\$ 85
	PNM Costs			\$ 13,600
	Gross Receipts Tax		7.3125 %	\$995
	TOTAL			\$64,595



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.:	6.F
Index (Council Goals):	DPU FY2021 - 3.0 Be a Customer Service Oriented Organization that is Communicative, Efficient, and Transparent
Presenters:	Carrie Walker, Chair of the Board of Public Utilities
Legislative File:	13469-20

Title

Affirmation of the Incorporated County of Los Alamos Open Meetings Resolution No. 21-01

Recommended Action

I move that the Board of Public Utilities affirm Incorporated County Of Los Alamos Resolution No. 21-01; 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. 21-01.

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. 21-01

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 21-01

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 STANDING COUNTY BOARDS, COMMISSIONS AND POLICYMAKING BODIES

WHEREAS, the Council wishes to establish minimum standards of reasonable notice to the public for meetings of the Council, including its meetings as the County Indigent Hospital and County Health Care Board, and all standing County boards, commissions and policymaking bodies listed in Schedule "A;" and

WHEREAS, the democratic ideal is best served by a well-informed public, and sunshine laws generally require that public business be conducted in full public view, that the actions of public bodies be taken openly, and that the deliberations of public bodies be open to the public; and

WHEREAS, the Open Meetings Act states that, except as may be otherwise provided in the Constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission, administrative adjudicatory body or other policymaking body held for the purpose of formulating public policy, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times [Section 10-15-1B NMSA 1978]; and

WHEREAS, when it is difficult or impossible for a member to attend a meeting in person, the member may participate by means of a conference telephone or similar communications equipment [Section 10-15-1C NMSA 1978]; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public [Section 10-15-1D NMSA 1978]; and

WHEREAS, the Open Meetings Act requires the Council of the Incorporated County of Los Alamos to determine annually what constitutes reasonable notice of its public meetings and those of all County boards, commissions and policymaking bodies [Section 10-15-1D NMSA 1978]; and

WHEREAS, the Council wishes to establish the minimum standards of reasonable notice to the public for all public meetings of the Council and for all public meetings of all County boards, commissions and policymaking bodies for the year 2021 and until a new resolution concerning public meetings is adopted.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Incorporated County of Los Alamos that:

1. All meetings of the Council, including its meetings as the County Indigent Hospital and County Health Care Board, shall be held at the time and place indicated in the meeting notice. All meetings of the Council shall be held on the dates specified in the schedule attached to this Resolution as Schedule "B" 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.

2. Notice of regular meetings of all County boards, commissions and policymaking bodies listed on Schedule "A" 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 standing County board, commission or policymaking body shall be held at the time and at the place indicated in the meeting notice. Each County board, commission and policymaking body 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 5 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 5 of this Resolution; provided, however, that every County board, commission or policymaking body 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.

3. 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 County board, commission or policymaking body listed in Schedule "A," 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.

4. 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 County boards, commissions and policymaking bodies listed in Schedule "A" 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 County board, commission or policymaking body listed on Schedule "A," 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.

5. For the purposes of regular meetings described in paragraphs 1 and 2 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.

6. For the purposes of special meetings described in paragraph 3 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.

7. For the purposes of emergency meetings described in paragraph 4 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.

8. 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."

9. The Council, including when meeting as the County Indigent Hospital and County Health Care Board, and all County boards, commissions and policymaking bodies listed on Schedule "A" 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 County board, commission or policymaking body, 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, a County board, commission or policymaking body 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.

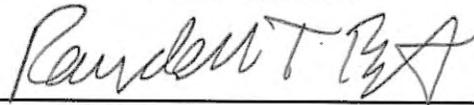
(d) Except as provided in the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by a vote of the Council, including when meeting as the County Indigent Hospital and County Health Care Board, or respective County board, commission or policymaking body, in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

10. 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.

11. 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 5th day of January, 2021.

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



**Randall T. Ryti,
Council Chair**

ATTEST:



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



SCHEDULE "A"

COUNTY BOARDS, COMMISSIONS AND POLICYMAKING BODIES

**Art in Public Places Board
Board of Adjustment (formerly Variance Board)
Board of Public Utilities
Community Development Advisory Board
DWI Planning Council
Environmental Sustainability Board
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
Transportation Board
Valuation Protests Board**



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.: 6.G
Index (Council Goals): DPU FY2021 - N/A
Presenters: Carrie Walker, Chair of the Board of Public Utilities
Legislative File: 13470-20

Title

Approval of Meeting Agenda Outline for 2021

Recommended Action

I move that the Board of Public Utilities approve the meeting agenda outline for 2021 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 2021

- 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 Administrator'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 Reports

- a. Electric Distribution Reliability Report
- b. Accounts Receivable Report
- c. Safety Incident Report
- d. Project Status Reports

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

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.:	6.H
Index (Council Goals):	DPU FY2021 - 3.0 Be a Customer Service Oriented Organization that is Communicative, Efficient, and Transparent
Presenters:	Carrie Walker, Chair of the Board of Public Utilities
Legislative File:	13472-20

Title

Approval of Board of Public Utilities Meeting Calendar for 2021

Recommended Action

I move the Board of Public Utilities approve the proposed Board meeting calendar for 2021.

Staff Recommendation

Staff recommends that the Board of Public Utilities approved the proposed BPU Meeting Calendar for 2021.

Body

In accordance with Incorporated County of Los Alamos Resolution No. 21-01 regarding Open Meetings, notice of regular meetings of all county boards, commissions and policymaking bodies shall be given ten days in advance of the meeting date. **Each County board, commission and policymaking body may adopt a schedule of its regular meetings for the present calendar year or the balance thereof.** For purposes of paragraph 5 of the Resolution (regarding notice requirements), **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 5;** provided, however, that every County board, commission or policymaking body must still post and provide to the media a copy of the agenda prior to each regularly scheduled meeting as required under the Resolution.

Alternatives

The Board could choose not to approve a calendar for 2021 at this time or could make changes, but would need to agree on a date and time for the February regular meeting.

Fiscal and Staff Impact

None

Attachments

A - Proposed Board of Public Utilities Meeting Calendar for 2021

2021 Los Alamos County Board of Public Utilities Meeting Calendar

DRAFT 01/20/2021

- BPU Meeting Dates
- LAC Holidays

Unless otherwise advertised, the Board of Public Utilities (BPU) meets the third Wednesday of every month at 5:30PM. While COVID-19 social distancing orders are active, meetings will be held remotely. ***Changes will be noted in red.**

Special meetings are scheduled as needed and may be held remotely or in different locations. They are not included on this calendar.

Agendas and special meeting notices are published at least 72 hours prior to meetings. If you would like to be added to the distribution to receive e-mail notices of BPU meetings, please e-mail jaime.kephart@lacnm.us

Email comments to the BPU bpu@lacnm.us

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 the County Human Resources Division at 505-662-8040 at least one 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 Department of Public Utilities at 505-662-8132 if a summary or other type of accessible format is needed.

January						
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						

February						
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						

March						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
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DEPT OF PUBLIC UTILITIES
LOS ALAMOS COUNTY NEW MEXICO
Electricity, Water, Gas &

1000 Central Ave, Suite 130
Los Alamos, NM 87544
505.662.8333
Fax 505.662.8005
ladpu.com/DPU



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.: 7.A
Index (Council Goals): DPU FY2021 - 1.0 Provide Safe and Reliable Utility Services
Presenters: Philo Shelton, Utilities Manager
Legislative File: 13588-20

Title

Consideration of Alternatives to the Baldrige Performance Excellence Program

Recommended Action

I move that the Board of Public Utilities support DPU applying for Accreditation with American Public Works Association (APWA) and use elements from the ISO program to support this APWA application for Accreditation as an alternative to applying for another Zia or Malcolm Baldrige application with Quality New Mexico in year 2025.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

This discussion is a continuation of the discussion held on November 18th. It was extended so that a representative from Los Alamos National Lab could be present to discuss their experience with the APWA accreditation process.

Background

This past fiscal year the Board of Public Utilities (BPU) choose to apply for a Zia award from Quality New Mexico (QNM) to satisfy a charter requirement that every five years an outside agency review DPU's operations. QNM administers the New Mexico Performance Excellence Awards program based on the national Malcolm Baldrige framework for performance excellence. Attached is the feedback report prepared by the QNM examiners upon review of DPU's 2019 Zia application and a two-day site visit which included interviews with staff and stakeholders, as well as an audit of various documents.

While we did not win the Zia Award, we were recognized at the Roadrunner level (just below the Zia Award) with a score ranging between 327 to 430 points. Zia Award winners score above 525 points and Malcolm Baldrige winners score above 625 out of a possible 1000 points.

The feedback report details DPU's strengths and opportunities for improvement for seven categories: 1) Leadership, 2) Strategic Planning, 3) Customer Focus, 4) Measurement, Analysis, and Knowledge Management, 5) Employee Focus, 6) Operations Focus, and 7) Results.

Steps DPU Plans to Implement

Overall, this review process identified areas we need to focus on as we continue our journey to improve DPU's operations. We learned from our executive briefing with QNM that to earn a Zia

award DPU needs procedures to review trends and methods for integration of continuous improvement by review of data and metrics and finally a process to document how we adjust to help improve our trends. QNM describes this as cycles for improvement and DPU needs to have better systems for learning and integration. Therefore, staff recommends DPU needs to better document Standard Operating Procedures (SOPs) that are tied to performance metrics that can be reviewed at least annually in order to have a process for systematic evaluations to be performed.

In April 2020 after review of the attached feedback report, BPU asked staff to identify alternatives to Baldrige Performance Excellence Program. It was planned to be covered at the annual strategic planning meeting; however, we ran short of time to complete this task. The attached PowerPoint provides some review of staff's reaction to the Zia Application and then there are a review of various quality improvement programs. As part of this presentation, we have two guest speakers, one on APWA Accreditation and the other on ISO. Dawn Reed will also continue to facilitate our discussion on this topic.

Recommendation

In seeking a means to better document Standard Operating Procedures (SOPs) that are tied to performance metrics that can be reviewed at least annually, the APWA Accreditation program is a cost-effective alternative to Baldrige. This APWA Accreditation is good for four years before one needs to apply for re-accreditation. In applying for accreditation, there is a two to three-day site visit by other professionals in our industry who should offer more applicable feedback regarding our operations. Also, APWA has an accreditation manual to use for the development of SOPs and where APWA may not have applicable SOPs, staff proposes to use the ISO industry standards and benchmarks. The APWA accreditation process should fulfill the charter requirement that "every five years an outside agency review DPU's operations," and meet the desired outcome to strengthen our SOP's that are tied to appropriate industry metrics which are then reviewed by industry professionals as part of an accreditation process.

Alternatives

BPU could direct staff to continue to apply for a Zia award from Quality New Mexico (QNM) as part of the five-year management audit requirement and establishing a budget of \$100,000 for this application.

Fiscal and Staff Impact

It is anticipated to cost \$25,000 in materials, memberships and application costs. Regardless of any quality program, staff time is required for developing and updating SOPs and review of metrics in preparation for an application. Once AMI is on-line, the hiring a conservation specialist will assist with integration of the data collected, maintain and schedule review of SOP's and hence get the department on a path of continuous improvement as well as this position will help meet BPU's environmental sustainability goals.

Attachments

- A - 2019 Feedback Report
- B - PowerPoint Presentation

2019 New Mexico Performance Excellence Awards Program



2019 Feedback Report



*New Mexico Performance
Excellence Awards*

QUALITY NEW MEXICO®

December 2019



Mr. Philo Shelton
Utilities Manager
Los Alamos Department of Public Utilities
1000 Central Avenue, Suite 130
Los Alamos, NM 87544

Congratulations on your 2019 Roadrunner Recognition achievement! We commend your organization for its 'commitment to performance excellence'.

Your organization's Self-Assessment was formally reviewed by members of the NMPEA Board of Examiners in the seven categories as defined by the Baldrige Framework for Excellence®. Its Criteria is used worldwide to guide operations, improve performance, and achieve sustainable results.

The following Feedback Report was prepared by members (Team) of the Board of Examiners in response to your Self-Assessment. It describes areas identified as strengths and opportunities for improvement. The report contains the Team's observations about your organization. It is not intended to be judgmental or prescriptive. You will decide what is most important to you and how best to address the opportunities. We are optimistic that the comments are relative and clear so you can incorporate them into your improvement process.

The following segments of your Feedback Report are intended to help better understand and use the information:

- *2019-20 Baldrige Framework for Excellence® – 'systems perspective' reference*
- *Executive Summary – most important strengths or outstanding practices and significant opportunities*
- *Organizational Profile – Linkages and Alignment – your Profile is a critical element to understand the context of your organization*
- *Item-Level Strengths and Opportunities for Improvement with Comment Tags – Criteria focused 'topics' conveyed by Examiners*
- *Appendix A Scoring Bands – the Band most descriptive of achievement level in overall processes and results – identified in the Executive Summary*
- *Appendix B Scoring Range Descriptions – the Range most descriptive of achievement in Item processes and results – identified in each Criteria Item*

If you have any questions or general feedback on your report, we look forward to hearing from you. We are here to support your efforts along your 'journey to excellence'.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Zevenbergen".

Alan Zevenbergen
Administrator, New Mexico Performance Excellence Awards
alan@quality-newmexico.org

www.qualitynewmexico.org

TABLE OF CONTENTS

Table of Contents	3
Baldrige Framework for Excellence®	4
Executive Summary	5
Organizational Profile - Linkages and Alignment	11
Details of Strengths and Opportunities For Improvement	15
Category 1 – Leadership	15
Item 1.1 – Senior Leadership	15
Item 1.2 – Governance and Societal Responsibilities	17
Category 2 – Strategic Planning	19
Item 2.1 – Strategy Development	19
Item 2.2 – Strategy Implementation	22
Category 3 – Customer Focus	24
Item 3.1 – Voice of the Customer	24
Item 3.2 – Customer Engagement	25
Category 4 – Measurement, Analysis, and Knowledge Management	27
Item 4.1 – Measurement, Analysis, and Improvement of Organizational Performance	27
Item 4.2 – Management of Information, Knowledge, and Information Technology	29
Category 5 – Workforce Focus	31
Item 5.1 – Workforce Environment	31
Item 5.2 – Workforce Engagement	33
Category 6 – Operations Focus	35
Item 6.1 – Work Processes	35
Item 6.2 – Operational Effectiveness	37
Category 7 – Results	39
Item 7.1 – Product and Process Results	39
Item 7.2 – Customer- Focused Results	41
Item 7.3 – Workforce-Focused Results	42
Item 7.4 – Leadership and Governance Results	43
Item 7.5 – Financial and Market Results	44
Scoring Band Descriptors Appendix A	45
Scoring Ranges Appendix B	46



EXECUTIVE SUMMARY

Your Self-Assessment for Los Alamos Department of Public Utilities (DPU), hereafter called DPU, was submitted, reviewed, and scored at Level 4 Zia.

Throughout the review process, your team of Examiners used four factors to evaluate your Processes: Approach, Deployment, Learning and Integration (Categories 1-6); and four factors to evaluate Results: Levels, Trends, Comparisons, and Integration (Category 7).

Your Feedback Report reflects strengths and opportunities for improvement in these factors that will be beneficial in your pursuit of continuous improvement along your 'excellence journey'.

The following Executive Summary provides feedback on the organization's most important or outstanding practices and significant opportunities, concerns or vulnerabilities in response to both Process and Results Items.

Key Themes - Processes

For overall Process Items (1.1 thru 6.2), you scored in Band 3. Please refer to Appendix A for the Scoring Band Descriptors.

a. The most important strengths or outstanding practices (of potential value to other organizations) are:

Valuing Stakeholders

- s1 DPU delivers value to its stakeholders through its Strategic Planning Process, key work process design, and key product and work process requirements. Step 1 of the Strategic Planning Process, Gather Input, allows for consideration of the needs of key stakeholders. Stakeholder input is gathered prior to strategic planning and strategic planning goals are aligned to stakeholder requirements. DPU uses its key work process design process to identify performance requirements and develop processes that deliver the desired level of service for all utilities and all stakeholders. DPU determines key product and work process requirements from customers' needs and expectations. Process owners identify stakeholder requirements collected throughout several listening and learning methods. Key communities are those that receive or are impacted by DPU's products and services. This systematic approach may help ensure plans and actions meet differing stakeholder needs and avoid adverse impact on any stakeholders. (Supported by comments from: 1.2, 2.1, and 6.1)

Organizational Knowledge via Dashboards

s2 DPU drives organizational innovation with new and accumulated knowledge embedded in its dashboard and performance measures. Senior leaders monitor, respond to, and manage actual performance at three levels: enterprise, operational and work unit with a clear line of sight from SOs to key performance measures. Senior leaders and superintendents monitor a variety of measures and actively seek benchmarks for all key measures tied to customer and organizational performance requirements. Key outcomes are sustained through dashboard reviews during the SPP and their relevance is considered during monthly discussions. Gaps that can be addressed easily are assigned to a manager; longer-term or complex issues are addressed as an action plan modification or new strategic objectives. New measures may be developed in response to management or operational concerns or regulatory changes. Finally, DPU ensures the quality of organizational data and information, safeguarding and improving information and knowledge, through its use of a Data Quality Management Program. (Figure 4.2-1) This management-by-fact approach to measure and analyze DPU's performance may mitigate its comparative data limitations of having a small customer base with one very large industrial customer. (Supported by comments from: 1.1, 2.2, 4.1, and 4.2)

High Expectations for the Workforce

s3 DPU sets high expectations for the workforce with its accountability for performance incorporated in its organizational culture of supporting its workforce

- to achieve goals and work on career progression through its performance planning and appraisal process;
- to align individual performance goals with Mission, Vision, and Values, Strategic Planning Processes, and Key Performance Indicators;
- to assess performance continually; and
- to raise the bar to improve the process.

Senior leaders encourage the workforce to contribute and to embrace meaningful change through all-hands meetings to help all employees understand their role to achieve goals, objectives, and needed changes and to understand the big picture, and how individual scopes of work intermingle. DPU's focus on success includes developing its workforce with a critical skills matrix which is used to direct training of staff to assume mission critical tasks and to show employees what training they need to be competitive for their position. This approach may help DPU achieve its vision to be a high performing utility. (Supported by comments from: 1.1, 5.1, and 5.2)

b. The most significant opportunities, concerns, or vulnerabilities are:

Listening to the Customer

01 While specific approaches include publishing quarterly and annual reports, budget and audit performance, dashboard reviews of reliability, customer satisfaction, and ad hoc committees, it is not clear how these approaches are integrated within a larger context. A customer-focused organization addresses not only the product and service characteristics that meet basic customer requirements but also those unique features and characteristics that differentiate DPU from competitors. DPU may be unable to identify unique features and characteristics that differentiate DPU from competitors if it has no process for listening to competitors' customers or a process to manage complaints. DPU may struggle to understand how it is part of a larger business ecosystem and may miss opportunities as they arise and needs change if DPU does not communicate with or engage key partners and key customers as part of leading DPU. While DPU partners with LAC Economic Development to identify what infrastructure new developers for housing or business might need in its effort to listen to potential customers to obtain actionable information, it may miss opportunities for new and possibly innovative relationships that a systems perspective may provide. Integrating customer focus into its processes may help DPU fulfill its customer requirement of quality performance since the ultimate judges of its performance and the quality of its products and services is the customer. (Supported by comments from: 1.1, 3.1, and 3.2)

Organizational Learning

02 While major improvements in response times often require new work systems and/or the simplification of work processes, DPU does not provide evidence of cycles of learning for the processes that ensure effective management of its operations. DPU showcases many approaches that help it design, manage, and improve key products and work processes, but evidence that these approaches have been improved or fine-tuned over time is not provided. Organizational learning includes both continuous improvement of existing approaches and significant change or innovation, leading to new goals, approaches, products, and markets. Identifying strategic opportunities and taking intelligent risks as part of its learning culture and integrating learning in its processes for promotion of legal and ethical behavior and its action plans to key suppliers, partners, and collaborators may help DPU meet its customer requirement of quality performance. (Supported by comments from: 1.1, 2.2, 6.1, and 6.2)

Supplier Focus

03 DPU utilizes its on-call contractor to perform work if the workload exceeds its workforce capability, but it does not appear to have a process to prepare for and manage any periods of workforce growth. A focus on success includes developing suppliers; and creating a supportive environment for taking intelligent risks and encouraging innovation. Major improvements in response times often require agile supplier networks. DPU deploys its action plans to key suppliers, partners, and collaborators via a contract or agreement or the State Procurement Code to ensure that it achieves its key strategic objectives. However, this approach may not have the ability for rapid changeover from one process or one location to another. The pursuit of sustained growth and performance leadership requires a strong future orientation and a willingness to make long-term commitments to suppliers. However, DPU has limited evidence of supplier feedback and performance management processes. Having a supply-network focus may assist DPU in demonstrating its core competency for strategic planning for sustainability to support its vision to explore diversified and innovative solutions. (Supported by comments from: 2.2, 4.1, 5.1, and 6.1)

Key Themes - Results

For overall Results Items (7.1 thru 7.5), you scored in Band 2. Please refer to Appendix A for the Scoring Band Descriptors.

c. Considering the organization’s key factors, the most significant strengths found in its results are:

Regulatory Requirements

S1 DPU provides results which support its consideration of societal well-being and customer-focused excellence. The results for meeting and exceeding all legal and regulatory requirements (Figure 7.4-7), zero violations with safe drinking water (Figure 7.4-8) and 100% regulatory compliance for drinking water (Figure 7.4-5) may allow DPU to meet its mission of providing safe and reliable utility services in an economically and environmentally sustainable fashion. (Supported by comments from: 7.4)

System Reliability

S2 Product performance is performance relative to measures and indicators of product and service characteristics that are important to customers such as product reliability. Results in Figure 7.1-3 Average System Availability Index, Figure 7.1-6 Reportable Main Pipeline Leaks per 100 Miles of Pipeline, and Figure 7.1-8 Water Main Breaks per 100 Miles of Main Pipeline show value to its customers. DPU's ability to address the customer requirement of reliability may be enhanced with such an approach to ensure customer-focused excellence. (Supported by comments from: 7.1)

**Workforce
Engagement**

s3 Organizational success depends on an engaged workforce that benefits from meaningful work, clear organizational direction, the opportunity to learn, and accountability for performance. DPU values its workforce as indicated in Figure 7.4-1 "I know what is expected of me at work" which shows good performance levels, Figure 7.3-2 "Materials and Equipment to Do My Work Right" which shows results exceeding industry benchmark for "Good", and Figure 7.3-8 Employee Engagement which shows improvement from 2016 to 2018. Good performance levels in these areas may assist DPU with its strategic challenges specific to the workforce of the need to cross train and increasing workload. (Supported by comments from: 7.3, and 7.4)

d. Considering the organization's key factors, the most significant opportunities, vulnerabilities, and/or gaps (related to data, comparisons, linkages) found in its results are:

Segmentation

01 DPU has identified its customer groups as residential, commercial, and large customers yet the corresponding results are lacking. Some results are provided for residential customers (Figures 7.2-3, 7.2-7) and commercial customers (Figures 7.2-2, 7.2-6, 7.2-8) but not for large customers. Some customer-focused results are provided where no customer segmentation is mentioned (Figures 7.2-1, 7.2-4, and 7.2-5). Segmented results may aid DPU with customer-focused excellence which demands constant sensitivity to changing and emerging customer and market requirements and to the factors that drive customer engagement. (Supported by comments from: 7.2)

**Customer
Satisfaction**

02 Customers are the ultimate judges of DPU's performance and the quality of its products and services. Figure 7.2-7, Overall Net Promoter Score (Residential), provides adverse levels of DPU's results for the "likely to recommend" question for its residential customer segment on the customer survey. DPU shows adverse trends from FY2011-FY2017 in Figure 7.2-2 Customer Satisfaction (Commercial) in all segments of its commercial customers and Figure 7.2-3, Customer Satisfaction (Residential), in all segments of its residential customers. DPU shows adverse trends in its customer wait times from FY 2016 - FY 2018 (Figure 7.2-1), Average Customer Phone Wait Time (minutes), and in Abandoned Call Rate for All Customer Segments (Figure 7.1-25). A consistent focus on customer satisfaction, addressing these adverse trends, may help DPU achieve its values for its community by being communicative, organized, and transparent. (Supported by comments from: 7.1 and 7.2)

Utility Prices 03 A customer-focused organization addresses the product and service characteristics that meet basic customer requirements. In market performance, there are adverse trends in the average water bill for residents from FY2013 to FY2018 (Figure 7.5-12 Average Residential Bill (Water)). DPU's average residential electric bill shows decreased performance levels (i.e., increased bills) (Figure 7.5-9 Average Residential Bill (Electric)) for the years 2015-2018. These results may indicate that DPU is not meeting its customer requirement of affordability and value. (Supported by comments from: 7.5)

ORGANIZATIONAL PROFILE - LINKAGES AND ALIGNMENT

The Organizational Profile captures the key influences on how the organization operates and the key challenges it faces. It is considered a 'snapshot' that captures the spirit and culture of the organization.

The following chart shows what the Examiners found as they reviewed your responses to the Profile questions and looked for linkages in the body of your application.

P.1	Organizational Description			
P.1a	Organizational Environment	Described in Profile? Yes / No	Were there associated Processes?	Were there associated Results?
P.1a(1)	What are your organization's main product offerings ?	YES	YES	YES
P.1a(1)	What is the relative importance of each to your success?	YES	YES	YES
P.1a(1)	What mechanisms are used to deliver your products?	YES	YES	YES
P.1a(2)	What are your stated mission, vision, and values ?	YES	YES	YES
P.1a(2)	What are your organization's core competencies and what is their relationship to your mission?	YES	YES	YES
P.1a(3)	What is your workforce profile ?	YES	YES	YES
P.1a(3)	What recent changes have you experienced in workforce composition or your workforce needs ?	NO	NO	NO
P.1a(3)	What are your workforce or employee groups and segments , the educational requirements for these different employee groups and segments, and key drivers that engage them in achieving your mission and vision?	YES	YES	YES
P.1a(3)	What are your organized bargaining units (union representation)?	YES	NO	NO
P.1a(3)	What are your organization's special health and safety requirements?	YES	YES	YES
P.1a(4)	What are your major facilities, technologies, and equipment ?	YES	YES	YES
P.1a(5)	What is the regulatory environment under which you operate?	YES	YES	YES

P.1 Organizational Description				
P.1a	Organizational Environment	Described in Profile? Yes / No	Were there associated Processes?	Were there associated Results?
P.1a(5)	What are the key applicable occupational health and safety regulations; accreditation, certification, or registration requirements; industry standards; and environmental, financial, & product regulations?	YES	YES	YES
P.1b(1)	What are your organizational structure and governance system?	YES	YES	YES

P.1 Organizational Description (cont'd)				
P.1b	Organizational Relationships	Described in Profile? Yes / No	Were there associated Processes?	Were there associated Results?
P.1b(1)	What are the reporting relationships among your governance board, senior leaders, and parent organization, as appropriate?	YES	YES	YES
P.1b(2)	What are your key market segments, customer / student / patient groups, and/or stakeholder groups, as appropriate?	YES	YES	YES
P.1b(2)	What are their key requirements and expectations for your products, support services, and operations?	YES	YES	YES
P.1b(2)	What are the differences in these requirements and expectations among market segments, customer / student / patient groups, and stakeholder groups?	YES	YES	YES
P.1b(3)	What are your key types of suppliers, partners, and collaborators?	YES	YES	YES
P.1b(3)	What role do they play in your work systems, especially in the production and delivery of your key products and customer / student / patient support services and in enhancing your organization's competitiveness?	YES	YES	YES
P.1b(3)	What are your organization's key mechanisms for two-way communication with suppliers, partners, and collaborators?	YES	YES	NO

P.1 Organizational Description (cont'd)				
P.1b	Organizational Relationships	Described in Profile? Yes / No	Were there associated Processes?	Were there associated Results?
P.1b(3)	What role , if any, do these organizations play in contributing and implementing innovations in your organization?	YES	YES	YES
P.1b(3)	What are your key supply chain requirements?	YES	YES	YES

P.2 Organizational Situation				
P.2a	Competitive Environment	Described in Profile? Yes / No	Were there associated Processes?	Were there associated Results?
P.2a(1)	What is your competitive position ?	NO	NO	NO
P.2a(1)	What are your relative size and growth in your industry or the markets you serve?	YES	YES	YES
P.2a(1)	How many and what types of competitors does you have?	YES	NO	YES
P.2a(2)	What key changes, if any, are affecting your competitive situation, including changes that create opportunities for innovation and collaboration, as appropriate?	YES	YES	YES

P.2 Organizational Situation (cont'd)				
P.2b	Strategic Context	Described in Profile? Yes / No	Were there associated Processes?	Were there associated Results?
P.2a(3)	What key sources of comparative and competitive data are available from within your industry?	YES	YES	YES
P.2a(3)	What key sources of comparative data are available from outside your industry?	YES	YES	YES
P.2a(3)	What limitations, if any, affect your ability to obtain or use these data?	YES	YES	YES
P.2b	What are your key strategic challenges and advantages in the areas of business/ education services/ health care services, operations, societal responsibilities, and workforce?	YES	YES	YES

P.2 Organizational Situation (cont'd)				
P.2c	Performance Improvement System	Described in Profile? Yes / No	Were there associated Processes?	Were there associated Results?

P.2c	What are the key elements of your performance improvement system, including your processes for evaluation and improvement of key organizational projects and processes?	YES	YES	YES
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DETAILS OF STRENGTHS AND OPPORTUNITIES FOR IMPROVEMENT

Category 1 – Leadership

Item 1.1 – Senior Leadership

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

<i>Setting Vision and Values</i>	s1	Senior leaders set DPU's vision and values through strategic planning. Senior leaders deploy the Mission, Vision, and Values through the Leadership System by making decisions and strategies consistent with Mission, Vision, and Values, Safety Culture Vision, and Code of Ethics. This process may help DPU realize its vision to be a high performing utility matched to its community.
<i>Employees Communication</i>	s2	Senior leaders communicate with and engage the entire workforce through Monthly Exchange meetings and annual All-Hands Meetings. The meetings allow employees to bring up improvements or problems, discuss processes, highlight successes, and help all employees understand their role to achieve goals, objectives, and needed changes. An example of refinement of the Monthly meetings is rotation through each division twice per year. This approach may help DPU maintain its key strategic advantage of a supportive management.
<i>Creating an Environment for Success</i>	s3	DPU uses a system for creating an environment for success (Figure 1.1-6 Create Environment for Success Now & Future). Senior leaders actively develop and assess approaches for success focusing on the mission and provide forums for agility. This system may assist DPU in leveraging its core competency of Strategic Planning for Sustainability.
<i>Succession Planning</i>	s4	DPU's senior leaders participate in succession planning and the development of future organizational leaders with its critical skills matrix, where critical duties are defined and employees with similar duties/skills are assessed. This matrix is used to 1) direct training of staff to assume mission critical tasks, 2) show employees what training they need to be competitive for that position and 3) show management where resources need to be placed to avoid disruption of mission critical activities. This approach may highlight DPU's process evaluation and improvement and embedded improvement cycles of its workforce development internal promotions process.
<i>Create a Focus on Action</i>	s5	DPU's senior leaders create a focus on action through the Leadership System (Figure 1.1-1) with systematic processes to review DPU's objectives with dashboards. Dashboards flow down to reviews between Deputies and Superintendents. Senior leaders and superintendents monitor a variety of measures and actively seek benchmarks for all key measures. Needed actions are identified and expectations are set. This approach may support DPU in meeting the key customer requirement of creating value.

OPPORTUNITIES FOR IMPROVEMENT

- | | | |
|--|----|--|
| <i>Promoting Legal and Ethical Behavior</i> | 01 | Senior leaders demonstrate their commitment to legal and ethical behavior (Figure 1.1-4), but DPU does not describe cycles of evaluation and improvement for this approach. This may assist DPU in leveraging its core competency of accountable management. |
| <i>Communication with Partners and Customers</i> | 02 | DPU does not describe how it communicates with or engages key partners and key customers as part of leading DPU. A systematic approach to communication with these groups may help DPU enhance its core competency of building customer and partner relations. |

Item 1.2 – Governance and Societal Responsibilities

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

- | | | |
|--|----|--|
| <i>Governance System</i> | s1 | DPU ensures responsible governance by using a closed-loop governance system. (Figure 1.2-2) Members must complete and submit financial and conflict of interest documents required of all senior LAC personnel. Fiscal accountability is assured through budget approval. These approaches may help DPU to strengthen its value of its community by being communicative, organized, and transparent. |
| <i>Performance Evaluation</i> | s2 | DPU evaluates the performance of its senior leaders annually and its governance board every five years during Charter-mandated audit. The results of these evaluations are used to improve effectiveness of leaders and the Board and compensation for all non-union workforce members, including senior leaders, is based on performance. This approach may assist DPU in sustaining its key strategic advantage of having quality staff with expertise. |
| <i>Legal and Regulatory Compliance</i> | s3 | DPU addresses current and anticipates future legal, regulatory, and community concerns with its products and operations using key compliance and risk processes. Measures and goals are shown for each area of operation. (Figure 1.2-4) This approach may help DPU strengthen its mission to provide safe and reliable utility services in an economically and environmentally sustainable fashion. |
| <i>Ethical Behavior</i> | s4 | DPU promotes and ensures ethical behavior in all interactions by training on and deploying the code of ethics (Figure 1.2-5). Promoting ethics with suppliers, partners, and stakeholders is done through contracts and other legal agreements. Ethical breaches are included in dashboard reviews. This approach may help to maintain DPU's mission to provide safe and reliable utility services in an economically and environmentally sustainable fashion. |
| <i>Societal Well-Being</i> | s5 | DPU considers societal well-being and benefits as part of both strategy and daily operations by aligning strategic planning goals to address societal well-being. Four of its six strategic focus areas contain objectives which address societal well-being: Operations & Performance, Financial Performance, Customer & Community and Environmental Sustainability. (Figure 2.1-4) In daily operations, monitoring, inspection and surveying keep its customers and community safe by providing high quality water, detecting and repairing gas leaks, and maintaining electric poles and lines and collecting and treating wastewater to be safely released into the environment. Such an approach may assist DPU in leveraging its core competency of building customer and partner relations. |

Community Support

- 56 DPU determines areas of community involvement by those that align with its values and core competencies and that DPU can contribute to positively. Identified as those that receive or are impacted by DPU's products and services, key communities include Los Alamos, Los Alamos County and White Rock. This approach may help to enhance DPU's core competency of building customer and partner relationships.

OPPORTUNITIES FOR IMPROVEMENT

Stakeholder Interests

- 01 While DPU ensures responsible governance through its closed-loop governance system (Figure 1.2-2), there is no refinement of the process. Refinements in its governance system to protect its stockholder interests may strengthen its leadership system mechanisms to improve systems.

Category 2 – Strategic Planning
Item 2.1 – Strategy Development

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

- Strategy Development* s1 DPU's annual strategic planning process consists of five key process steps. (Figure 2.1-1) Short term planning horizons (1-5 years) are captured in action plans under appropriate objectives. Longer-term planning horizons (5-40 years) typically come from guiding documents such as the 10-year capital improvement plan, 40-year water plan, future energy resources, etc. The strategic planning process has transitioned through ten iterations since 2009 to include workshops, alignment with the Baldrige criteria, its Asset Management Team, Core Competencies and Strategic Challenges/Strategic Advantages. This refined approach may assist DPU in achieving its vision to be a high performing utility matched to its community, contributing to its future with diversified and innovative utility solutions.
- Organizational Agility* s2 DPU's strategic planning process addresses organizational agility with its breadth of gathering inputs for strategic planning. It also includes workforce capability and capacity while aligning strategic plans with stakeholder requirements and strategic consideration by scanning the final plan for core competencies, stakeholders, workforce, strategic advantages and strategic challenges. Workforce capacity is considered as action plans and timelines are set and DPU continually seeks new ideas in the utility industry as well as achieving operational efficiencies. This approach may assist DPU in fulfilling its community partners' stakeholder requirement of innovation.
- Innovation Input* s3 Innovation Input is a source of innovative ideas, captured in the Innovation Inventory. (Figure 7.1-25a) Leaders research and present new ideas on the first day of the strategic planning process. As the strategic planning process develops, each objective is assessed for its potential to use innovation as part of action planning. Innovative opportunities that achieve efficiencies and align with Focus Areas are considered. Leaders decide which strategic opportunities are intelligent risks to pursue by evaluating innovative opportunities using several processes including cost/benefit analyses, feasibility studies, master plans and engineering analysis. Having this approach may help DPU to retain its competitive position and achieve its vision to operate as a highly innovative, competitive utility that exceeds customer expectations.

Strategy Considerations

54 Strategy Considerations are addressed through robust input gathering prior to planning. Sources include stakeholder input, operational data, and future projections. Market changes, such as the price of natural gas and supplier shortages resulting from regional and national natural disasters, are also considered. Other data sources such as regulatory or technology changes are studied for impact on operations and potential changes DPU must or might make. From the evaluation results, DPU redefines its strategic challenges and strategic advantages. (Figure P.2-2) DPU's ability to execute is considered as workforce and budget place limits on what can be accomplished on an annual basis. Having this process may help DPU address its competitive position to retain the charter to provide utility services.

Work Systems and Core Competencies

55 DPU's Core Competencies are addressed in the Strategic Planning Process. Key work processes are accomplished by the workforce as they are chartered to do so. (Figure P.1-0) Most key processes (reflected in the strategic objectives) that interface with customers are accomplished by the workforce. Larger or longer-term capital improvement projects may be outsourced based on strategic planning prioritization. Core Competencies are reviewed annually during strategic planning to determine if goals and objectives are aligned to at least one core competency. This systematic approach may strengthen DPU's core competency of strategic planning for sustainability.

Goals

56 DPU's most important goals for its strategic objectives are: GOAL 1.0 Provide Safe & Reliable Utility Service; GOAL 2.0 Achieve & Maintain Excellence; GOAL 3.0 - Be a Customer Service Oriented Organization That is Communicative, Efficient & Transparent; GOAL 4.0 - Sustain a Capable, Satisfied, Engaged, Ethical & Safe Workforce Focused on Customer Service; and GOAL 5.0 - Achieve Environmental Sustainability. Definition of strategic objectives includes key focus areas, goals, objectives, and timetables. (Figure 2.1-4) Strategic planning goals are aligned to stakeholder requirements, core competencies, challenges, advantages, and opportunities. This approach may help DPU sustain its competitive position of operating as a highly innovative, competitive utility that exceeds customer expectations.

Strategic Objective Considerations 57 DPU uses its Strategic Planning Process to consider its Strategic Objectives and how those Strategic Objectives achieve appropriate balance among varying and potentially competing organizational needs. Step 1 of the Strategic Planning Process, Gather Input, allows for consideration of the needs of key stakeholders. Step 2, Develop Plan (Prioritize/align performance objectives), allows for balancing short- and longer-term planning horizons. The SWOT analysis is used to address strategic challenges and strategic advantages. DPU considers needs of key stakeholders as input and stakeholders are a part of the final check when strategic objectives have been determined. (Figure 2.1-4) This approach may assist DPU to meet its key stakeholder requirements of reliability and sustainability.

OPPORTUNITIES FOR IMPROVEMENT

Determining Which Key Processes to do In-House or Outsource 01 While DPU outsources larger or longer-term Capital Improvement Plan projects and work that can be done by another party more economically, there is no process for determining which key processes should be completed in-house or outsourced. Without such a process, DPU may be hindered in fulfilling its mission of providing utility services in an economic manner.

Core Competencies 02 Although DPU has a process for reviewing core competencies, DPU does not show a process to determine future organizational core competencies and work systems it will need. Such a process may assist DPU in leveraging its strategic advantage of a vertically integrated supply chain which enables diversified options.

Item 2.2 – Strategy Implementation

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

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| <i>Action Plans</i> | s1 | Each goal has one to eight strategic objectives (Figure 2.1-4). Each strategic objective has at least one action plan that typically sets out one year's actions and outcomes. The Utilities Manager assigns goals to each Deputy that are then included in the respective Deputy's performance planning and appraisal for the upcoming year. The Deputies develop action plans with the asset management team and appropriate staff. (Figure 2.1-4) This approach may demonstrate DPU's community values of being communicative, organized & transparent. |
| <i>Resource Allocation</i> | s2 | Each of the eight asset management team (AMT) members evaluates work practices and system needs to develop annual operations and maintenance and capital improvement budgets for their utility. Considering compliance risks, strategic objectives, and action plans, each AMT member presents a proposed operation and management and capital improvement projects budget for the next fiscal year with an update on potential issues. The resulting budgets are then analyzed in a ten-year financial forecast model to understand impacts to utility rates, cash reserves, the need to borrow or issue bonds, or other impacts to financial viability. Proposed projects and budgets are modified or deferred if the work will cause unfavorable financial results or other risk. Such a process may enhance DPU's ability to leverage its core competency of accountable management. |
| <i>Workforce Plans</i> | s3 | DPU's short and longer-term Workforce plans are developed from the workforce focus area or from a new capability change required by any other focus area. (Figure 2.2-2) DPU considers potential workforce impacts during strategic planning and creates action plans to use the workforce most effectively to execute strategy. This approach may support DPU's core competency of strategic planning for sustainability that supports its vision to explore diversified & innovative solutions. |
| <i>Performance Measures Alignment</i> | s4 | DPU's overall action plan measurement system reinforces organizational alignment by tracking measures for each key work process. The clear line of sight from Strategic Objectives to key performance measures to dashboards enables DPU to track, analyze, and improve at three levels: enterprise, operational, and work unit. Action plans are refined to align performance measures with Baldrige Criteria categories. This approach may help DPU to realize its vision to be a high performing utility matched to its community, contributing to its future with diversified and innovative utility solutions. |

Performance Projections 55 DPU's key performance measures or indicators for performance projections for its short- and longer-term planning horizons are monitored during dashboard reviews. Gaps that can be addressed easily are assigned to a manager; longer-term or complex issues are addressed as an Action Plan modification or new Strategic Objectives. This approach may assist DPU in meeting its stakeholder requirement of a reliable utility.

OPPORTUNITIES FOR IMPROVEMENT

Action Plan Implementation 01 While DPU deploys its action plans to key suppliers, partners, and collaborators via a contract or agreement to ensure that it achieves its key strategic objectives, there is no approach to evaluate and improve its processes. This may help mitigate the key strategic business challenge of its reliance on LANL.

Workforce Plans 02 Although DPU has a focus area on workforce plans (Figure 2.2-2), DPU does not show a process for how the plans address potential impacts on their workforce members and any potential changes in workforce capability and capacity needs. Having such an approach may help DPU to enhance its value of its employees being safe, ethical and a professional organization that encourages continuous learning.

Action Plan Modification 03 DPU did not describe a process to recognize and respond when circumstances require a shift in action plans and rapid execution of new plans. This type of process may help DPU in demonstrating its natural resources values of being innovative and having progressive solutions.

Category 3 – Customer Focus

Item 3.1 – Voice of the Customer

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

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| <i>Current Customers</i> | s1 | DPU listens to, interacts with, and observes current customers to obtain actionable information through its customer communication system of listen, analyze, and improve. It employs a variety of methods to listen to different customers and across customer life cycles using listening, interacting, and observing processes at different frequencies. This systematic approach may assist DPU in optimizing its core competency of building customer and partner relations that supports customer, partner and community values. |
| <i>Customer Segmentation</i> | s2 | DPU determines customer groups and market segments using industry standards of resident and commercial. DPU uses customer data to anticipate changing product and service requirements such as use of net promoter score data to enhance website and social media access. This systematic approach may help DPU retain its core competency of strategic planning for sustainability which supports a vision to explore diversified and innovative solutions. |
| <i>Product Offerings</i> | s3 | DPU determines customer and market needs and requirements for its product offerings and services through citizen committees like the Future Energy Resources Committee (FERC). FERC provides a detailed analysis and review of requirements and provides specific input for how to best set a direction for carbon neutrality. FERC evolved into a continuous process to determine changing customer needs and new markets and to create opportunities to expand relationships with current customers. This approach may help DPU in continuing to build on its core competency of accountable management. |

OPPORTUNITIES FOR IMPROVEMENT

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| <i>Immediate and Actionable Feedback</i> | 01 | While DPU describes daily interactions with customers through social media, email, community events, etc., a systemic approach to gathering immediate and actionable feedback was not described. An integrated approach may help to strengthen the value of being service-oriented for customers. |
| <i>Potential Customers Competitors</i> | 02 | There is no description of DPU's process for listening to competitors' customers. A systematic method for listening to competitors' customers may assist DPU in reflecting its code of ethics by being collaborative, progressive, and innovative. |

Item 3.2 – Customer Engagement

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

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| <i>Customer Access and Support</i> | S1 | DPU enables customers to conduct business, seek information and support, and communicate with DPU across its customer segments through key support and communication methods. (Figure 3.2-3) This approach may help DPU meet its customers' requirements of excellent customer service and online/in-person access. |
| <i>Satisfaction Dissatisfaction and Engagement</i> | S2 | DPU uses a biennial customer survey, feedback from communications with the Customer Care Center and field crews, emails, phone calls, social media and public meetings to determine customers' satisfaction and dissatisfaction. Feedback is examined and weighed against other strategic objectives, long-term goals, available resources, revenues, and alignment with Mission, Vision, and Values. Results are segmented by customer group and discussed through the Strategic Planning Process. This systematic approach may allow DPU to attain its vision of being a high performing utility matched to its community. |
| <i>Satisfaction Relative to Other Organizations</i> | S3 | In order to determine satisfaction relative to competitors, customers of other organizations and industry benchmarks, DPU compares commercial and residential Net Promoter Scores with utility industry scores through the Tempkin Group. Using promoter/passive/detractor and 'heat map analysis', DPU determines where it needs to focus improvements. This process may demonstrate the organization's performance improvement system of continuous improvement initiatives. |
| <i>Voice-of-the-Customer</i> | S4 | DPU uses voice of the customer methods such as citizen committees and market data to build a more customer-focused culture and to support operational decision-making by making it an integral part of the strategic planning process. Senior leaders evaluate how the voice of the customer and market data align with the Mission, Vision, and Values, other strategic objectives and long-term goals to arrive at various initiatives. The strategic planning process also weighs resources and available revenues with the benefits to prioritize such initiatives, which ultimately changes products, services and delivery mechanism. This approach may assist DPU in fulfilling its customer requirement of quality performance. |

OPPORTUNITIES FOR IMPROVEMENT

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| <i>Complaint Management</i> | O1 | DPU does not describe a process to manage complaints. Having such a process could benefit DPU's customer requirement of excellent customer service. |
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**Customer
Relationship
Management**

- 02 DPU markets, builds, and manages relationships with customers trust, efficiency, reliability, and excellence in publishing quarterly and annual reports, budget and audit performance, dashboard reviews of reliability, customer satisfaction, and ad hoc committees. However, customer relationship management is not integrated into other processes throughout the organization. Having an integrated approach to customer relationship management may mitigate DPU's strategic challenges of reliance on LANL and rate increases for infrastructure.

Category 4 – Measurement, Analysis, and Knowledge Management

Item 4.1 – Measurement, Analysis, and Improvement of Organizational Performance

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

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| <i>Performance Measures Selection</i> | s1 | DPU selects data and information to use in tracking daily operations and overall organizational performance based on use and intent of the reporting. Selection is based on reporting for three key purposes: 1) Informational for the Board of Public Utilities (BPU), Council and the public; 2) Budgetary for staff and development of annual budgets, cost control and rate structure; and 3) Operational for staff in tracking performance, response to changed conditions, problem detection, operations realignment or reprioritization. This approach may help DPU leverage its core competency of accountable management. |
| <i>Comparative Data</i> | s2 | Comparative data and information are selected from a variety of external sources by identifying comparisons needed and selecting comparative data from available sources. (Figure 4.1-2) It assesses variability of data, establishes performance benchmarks, compares performance to benchmark in performance reviews, and periodically reassess. (Figure 4.1-3) This approach may support DPU's core competency of strategic planning for sustainability to support its vision to explore diversified & innovative solutions. |
| <i>Measurement Agility</i> | s3 | DPU ensures that its performance measurement system can respond to rapid or unexpected organizational or external changes and provide timely data by reviewing key performance measures for relevance annually as part of the strategic planning and budgeting processes. Dashboard measures are reviewed during the strategic planning process and their relevance is considered during monthly discussions. New measures may be developed in response to management or operational concerns or regulatory changes. If needed, an action plan is developed and deployed. This approach may demonstrate DPU's strategic advantage of supportive management and its close-knit culture. |
| <i>Future Performance</i> | s4 | DPU projects its future performance through asset management teams and the 10-year financial plan. Findings are compared to the performance goals and benchmarks established in the strategic plan. Comparative and competitive data are used in DPU's annual budget projections, using comparative and competitive data and reviewing projected budget versus actual sales volumes. This systematic approach could strengthen DPU's value of being service oriented and fiscally responsible. |

OPPORTUNITIES FOR IMPROVEMENT

Continuous Improvement and Innovation

- 01 While DPU deploys its priorities for continuous improvements and opportunities to suppliers, partners, and collaborators to ensure organizational alignment based on its individual relationships, there is no refinement of the relationship process. Evaluation and improvement of this process may fulfill the stakeholder requirement of its community partners by being innovative.

Item 4.2 – Management of Information, Knowledge, and Information Technology

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

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| <i>Quality</i> | s1 | DPU verifies and ensures the quality of organizational data and information, safeguarding and improving information and knowledge, through use of a Data Quality Management Program. (Figure 4.2-1) DPU and the entire County manage electronic and other data and information to ensure accuracy, validity, integrity, reliability and timeliness. Enterprise resource planning for the municipality's software has a robust approach to management of this organizational knowledge. This process may help to enhance the value of being an ethical organization. |
| <i>Availability</i> | s2 | DPU ensures the availability of organizational data and information through the use of its Data Needs and Availability System that provides a comprehensive approach to determining the key requirements and delivery of the data and information to all users. (Figure 4.2-2) It ensures availability of organizational data and information by emphasizing system reliability and employing a wide variety of information distribution methods to make sure the users of the data including the workforce, suppliers, partners, collaborators and customers have access to their needed data at all times. This approach may assist DPU in realizing its vision of being a high performing utility. |
| <i>Knowledge Management</i> | s3 | DPU systematically builds and manages organizational knowledge through the utilities, including customers, workforce, partners/suppliers and other key stakeholders. The value of knowledge is increased through knowledge transfers and sharing of knowledge within DPU and with stakeholders, promoting collaboration, transparency and diverse perspectives related to the evaluation of knowledge and data-driven decisions supported with knowledge. This systematic approach may assist DPU in continuous improvement and delivery of its product offerings. |
| <i>Best Practices</i> | s4 | DPU systematically shares best practices through multiple approaches, both internally within DPU and externally through communication methods. (Figure 1.1-5) DPU identifies external organizations that are high performing by comparing results to its key performance measures. This systematic approach may help DPU achieve its vision, to contribute to its future with diversified and innovative utility solutions. |

Item 4.2 – Management of Information, Knowledge, and Information Technology

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

Organizational Learning 55 DPU uses knowledge and resources to embed learning in the way it operates using its organizational learning system. (Figure 4.2-3) It shows the elements of 1) Data & Knowledge, 2) Performance measurement systems, 3) Performance review system, 4) Learning & innovation, and 5) Continuous improvement and Plan, Do, Study, Act. It aligns with its Leadership System and capitalizes on its culture of innovation and PDSA. This approach may demonstrate its process evaluation and evaluation approach for strategic planning of focus area, goals, and action plans.

OPPORTUNITIES FOR IMPROVEMENT

Availability 01 DPU does not have a process to ensure the reliability of its information technologies system. Having a process could help DPU meet the customer requirement of reliability.

Category 5 – Workforce Focus

Item 5.1 – Workforce Environment

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

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| <i>Workforce Accomplishment</i> | s1 | DPU organizes and manages the workforce with established divisions. The Utilities Manager sets the tone for the year outlining the strategic goals and objectives at the all-hands meeting. The first of the Asset Management Team's quarterly meetings is a Governance meeting which includes the Senior Management Team. The work is then scheduled for the workforce during performance, planning, and appraisal sessions. DPU's goals and objectives are translated into budget, staffing, resources, scheduling of work, timing and milestones. Adjustments are made as needed. Development and training opportunities are provided to ensure success after meeting informally with staff to provide feedback, coaching, progress reports and other guidance throughout the year. This process may enhance DPU's core competency of employee development. |
| <i>Workforce Change Management</i> | s2 | DPU describes a process for addressing workforce change management which includes "inplacement" of current staff. This process, as demonstrated by the re-education of the meter reader resources in anticipation of the industry's move toward Advanced Metering Infrastructure, demonstrates DPU's value of its employees and supports workforce engagement. |
| <i>Workplace Environment</i> | s3 | DPU addresses workplace health, security, and accessibility through processes developed in DPU's Quarterly Safety Committee, strategic challenges, Los Alamos County Risk Department, and Employee safety and health training provided by the Risk Department. DPU tracks employee training through an employee training data base. The data base automates the processes, including enrollment for training, and sends reminders to supervisors when the employee's training is about to expire. These processes may help DPU fulfill its employee stakeholder requirement of a safe workplace. |
| <i>New Workforce Members</i> | s4 | DPU utilizes Los Alamos County's standardized recruiting and hiring process using local and area newspapers and posting on DPU's website. (Figure 5.1-2) DPU ensures the fit of new workforce members with its organizational culture through Mission, Vision, Values, and Code of Ethics. It provides mentors as demonstrators of desired behaviors who monitor new hires during the probationary period where an assessment for the fit of new hires with the culture is included, and emphasized in employee orientation. This process may relate to DPU's culture through hiring of qualified staff. |

Item 5.1 – Workforce Environment

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

Capability and Capacity Needs S5 DPU assesses its workforce capability and capacity needs with its Strategic Planning Process and Asset Management Team process. During the budgeting process, each division evaluates how staffing needs can be met based on the department goals, Capital Improvement Plan projects and maintenance needs using regular staff, contracted help, or temporary staff. This approach may complement DPU's core competency of strategic planning for sustainability by supporting its vision to explore diversified & innovative solutions.

OPPORTUNITIES FOR IMPROVEMENT

Workforce Growth O1 While DPU utilizes its on-call contractor to perform work if the workload exceeds its workforce capability, it does not appear to have a process to prepare for and manage any periods of workforce growth. Having such a process may mitigate DPU's strategic operations challenge of flat or declining sales.

Item 5.2 – Workforce Engagement

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

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| <i>Key Drivers of Workforce Engagement</i> | s1 | DPU determines the key drivers of workforce engagement as part of setting Workforce strategic goals: Establish goals; survey workforce; update and revise goals; communicate feedback; analyze results and feedback to meet goals. DPU improved the process by switching to the Gallup survey in 2016. This approach may be an example of DPU's process evaluation and improvement with embedded improvement cycles for workforce development training. |
| <i>Assessment of Engagement</i> | s2 | For indicators to assess and improve workforce engagement, DPU sets targets, and monitors and tracks them via dashboards. Indicators include voluntary and total turnover, grievances, sick leave and safety by division. For all but safety, DPU sets targets better (lower) than Bureau of Labor standards. Indicator tracking may help DPU further develop its core competency of employee development to support employee value. |
| <i>Performance Management</i> | s3 | DPU's workforce performance management system supports high performance with its annual Performance Planning and Approval process and informal performance feedback opportunities which encourages and motivates employees for high performance to utilize their full potential. Performance Management includes: 1) Clarify expectations, aligning individual performance goals with Mission Vision Values, the Strategic Planning Process, and KPI, 2) Assess performance continually, and 3) Raise the bar by recommending improvements and improving the process. This process may demonstrate DPU's employee and partner values of being a safe, ethical, and professional organization that encourages continuous learning. |
| <i>Performance Development</i> | s4 | DPU learning and development system supports personal development with Performance Planning and Approval where employees are asked to include a goal for their professional and personal improvement. Employees are encouraged and supported to solve customer problems, make or recommend changes and offer improvement suggestions. Staff is coached and new employees are mentored to ensure that their learning and development is reinforced. This process may be an opportunity to sustain the key workforce engagement driver by allowing the opportunity for employees to do what they do best. |

Item 5.2 – Workforce Engagement

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

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| <i>Learning and Development Effectiveness</i> | 55 | DPU evaluates the effectiveness and efficiency of learning and development processes through review of organizational measures, customer surveys and in many dashboards and reports. Certifications are an essential part of learning and development in the public utilities industry. In April 2018, DPU implemented LITMOS, a cloud-based learning management system. LITMOS allows managers to author, distribute and track web-based training courses, as well as schedule and track instructor-led courses. This approach may help DPU strengthen the employee value of being a safe, ethical organization that encourages continuous learning. |
| <i>Career Development</i> | 56 | DPU manages career development for its workforce by having supervisors and employees discuss and plan for future growth and training opportunities and then providing financial support. DPU also uses a critical skills matrix, which defines the key skills required for management and leadership positions. This approach to developing employees may demonstrate DPU's value of encouraging continuous learning. |
| <i>Organizational Culture</i> | 57 | To ensure that its organizational culture supports its vision and values, and benefits from the diverse ideas, cultures, and thinking of its workforce with its workforce satisfaction and engagement process, DPU 1) supports Workforce to achieve goals and work on career progression through the Performance Planning and Appraisal, 2) encourages idea sharing, suggestions for improvements and participation in lessons learned, 3) involves those who do the work in planning, design and budgeting of projects and 4) empowers employees to solve customer problems. This approach may help DPU sustain its core competency of employee development to support employee value. |

OPPORTUNITIES FOR IMPROVEMENT

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| <i>Segmented Key Drivers of Employee Engagement</i> | 01 | While DPU assesses employee engagement using the Gallup Employee Engagement Survey, and reviews segmented results, the key drivers of employee engagement are not segmented. Not segmenting the key drivers may result in some employee groups being less engaged or disengaged - a key workforce engagement driver. |
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Category 6 – Operations Focus

Item 6.1 – Work Processes

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

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| <i>Key Product and Process Requirements</i> | s1 | DPU identifies its key work processes and key requirements for each key work process. (Figure 6.1-2) DPU determines key product and work process requirements from customers' needs and expectations. Process owners identify stakeholder requirements, collected through several listening and learning methods. The process owner designs and develops procedure, implements deployment and training, and performs the work. This approach may help DPU achieve its vision to be a high performing utility matched to the community, contributing to its future with diversified and innovative utility solutions. |
| <i>Work Process Design</i> | s2 | DPU designs its products and work processes to meet requirements by assembling teams of subject matter experts to ensure that organizational knowledge is leveraged. Process owners have the authority to evaluate risk and build agility into their processes. When the analysis indicates a necessary opportunity for improvement exists, a redesign is completed using PDSA. This refined approach may help DPU to enhance its value of managing natural resources through innovative and progressive solutions. |
| <i>Process Implementation</i> | s3 | DPU ensures that day-to-day operation of work processes meet key process requirements by 1) designing procedures to guide the workforce in meeting identified requirements when completing the work and 2) tracking and analyzing in-process performance measures and adjusting work processes or retraining staff as necessary. End-of-process performance measures track product or service quality. This approach may help DPU fulfill its mission of providing safe and reliable utility services in an economically and environmentally sustainable fashion. |
| <i>Support Processes</i> | s4 | DPU's key support processes are determined based upon the support needed to sustain the overall operations of DPU. (Figure 6.1-3) These are essential to supporting key work processes and services in DPU's day-to-day operations and are determined by how they provide value to customers, enhance financial return, or leverage organizational success. This process may help DPU in fulfilling its key customer requirement of providing excellent customer service. |
| <i>Innovation Management</i> | s5 | DPU leverages its Innovation Management System, following the PDSA steps, to guide its pursuit of innovation. Opportunities for innovation are assessed based on unmet needs and intelligent risk before resources are dedicated and an implementation plan is created. This approach may help to strengthen the core competency of strategic planning for sustainability. |

OPPORTUNITIES FOR IMPROVEMENT

Supply-Network Management

- 01 DPU selects suppliers using the State Procurement Code. However, there is little evidence of supplier feedback and performance management processes. Having a systematic vendor performance management approach may support DPU's core competency of building partner relationships.

Product and Process Improvement

- 02 Although DPU uses PDSA as its primary approach to improve overall process effectiveness (Figure P.2-3), it is not apparent that this approach is deployed to all products and processes. For example, while improvement ideas are brought to management or the process owners' attention for consideration so the Standard Operating Procedures (SOPs) can be updated, SOPs are not being consistently updated in a timely manner. Having a systematic approach to do so may help to strengthen DPU's core competency of accountable management.

Item 6.2 – Operational Effectiveness

This Process Item scored in the 30%-45% Range. Please refer to Appendix B for the Process Scoring Guidelines for description of this Range.

STRENGTHS

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|---|----|--|
| <i>Process Efficiency and Effectiveness</i> | s1 | DPU incorporates efficiency and effectiveness factors into its work processes and prevents defects, service errors, and rework through its dashboard reviews, operating procedure reviews, its asset management program, and standardized methods and procedures. Having this systematic approach may aid DPU in meeting its key workforce engagement driver of the opportunity to do what its employees do best. |
| <i>Security and Cyber Security</i> | s2 | DPU ensures security and cyber security of sensitive or privileged data and information by deploying the County's defense-in-depth network approach and remains aware of emerging security threats using a variety of resources and vendors. This systematic approach may help DPU in fulfilling its stakeholder requirements of its community partners to be trustworthy. |
| <i>Safe Operating Environment</i> | s3 | DPU seeks to create a safety culture where employees practice safety every hour on the job, while no one is watching, because employees want to, not because employees have to. In support of this culture of safety, DPU employs multiple approaches. (Figure 6.2-1) This approach may help DPU demonstrate its values of being a safe, ethical and professional organization. |
| <i>Business Continuity</i> | s4 | DPU ensures its preparedness for disasters or emergencies by developing preparedness plans for the Dam and hydroelectric generating plants (regulatory requirement) and electric, gas and water curtailment plans. It uses the PDSA approach designating Safety and Emergency Response as a key work process, using its key work process design process to identify performance requirements and develop processes. This delivers the desired level of service for all utilities and all stakeholders, considering prevention, continuity of operations and recovery, vulnerabilities and threats, risk mitigation. This also includes ways to ensure the availability of a well-prepared workforce, reliable suppliers and partners. This approach may help DPU meet its customer requirement of reliability. |

OPPORTUNITIES FOR IMPROVEMENT

- | | | |
|---------------------------|----|---|
| <i>Cost of Operations</i> | o1 | There is no evidence of an approach to managing operational costs - 1) minimization of inspections, test, and process and performance audits and 2) balancing of need for cost control and efficiency with the needs of customers. Having an approach to managing costs may increase the ability of DPU to provide evidence to support the need for rate increases, which is a strategic challenge. |
|---------------------------|----|---|

OPPORTUNITIES FOR IMPROVEMENT

Integration of Cybersecurity Practices

- 02 While DPU ensures the security of sensitive or privileged data and information by requiring all employees, vendors and partners with access to its data to sign a confidentiality and data usage agreement, it is unclear how the process is aligned with other work processes. Integration and alignment of process may help DPU demonstrate its employees and partners value of being a safe, ethical, and professional organization.

Category 7 – Results

Item 7.1 – Product and Process Results

This Results Item scored in the 30%-45% Range. Please refer to Appendix B for the Results Scoring Guidelines for description of this Range.

STRENGTHS

- | | | |
|--|----|---|
| <i>Average System Availability Index</i> | s1 | Average System Availability Index (ASAI) (ED) shows good performance levels for DPU's system reliability. (Figures 7.1-3) Levels are well above the APPA benchmark from 2013 to 2018, showing a beneficial trend from 2013 to 2018. These results may help DPU mitigate its key strategic operations challenge of an aging infrastructure that makes it hard to maintain reliable service. |
| <i>Main Pipeline Leaks</i> | s2 | For its gas distribution product, DPU shows good performance levels and a beneficial trend for Reportable Main Pipeline Leaks per 100 Miles of Pipeline below the APGA national standard benchmark for FY 2015 to FY 2018 (Figure 7.1-6) The number of gas leaks per 100 miles of main pipeline is a measure of the overall quality and reliability of the gas distribution system. Good performance in this area may help to fulfill the key customer requirement of reliable utility services for the gas customer segment. |
| <i>Emergency Exercises Completed</i> | s3 | The percent of required emergency exercises completed shows good performance from FY2014 to FY2018. (Figure 7.1-26) Good results in this area may assist DPU in meeting its customer requirement of reliability. |

OPPORTUNITIES FOR IMPROVEMENT

- | | | |
|-------------------------------------|----|---|
| <i>Electric System Interruption</i> | 01 | DPU lacks beneficial trends for interruption measures for its electric products. Figure 7.1-2 Electric System Average Interruption Duration Index (SAIDI), Figure 7.1-4 Customer Average Interruption Duration Index (CAIDI) and Figure 7.1-5 System Average Interruption Frequency Index (SAIFI) have some years with good performance levels but show varying historic performance and some adverse trends. Having good performance levels and beneficial trends in its interruption measures may help DPU to sustain its mission of providing reliable utility services. |
| <i>Water Distribution</i> | 02 | DPU does not show good performance levels in water distribution products. Figure 7.1-11 Water Main Breaks per 100 Miles and Figure 7.1-12 Water Service Affordability show levels above the AWWA Benchmark or the AWWA benchmark modified for New Mexico for the years FY2016 through FY2019. Having good performance could help DPU in its customer requirement of affordability and value. |

- O&M Expenditures* 03 O&M Expenditures per All Accounts (ED) (Figure 7.1-16) and Expenditures per 100 Miles of Main Pipeline (Figure 7.1-24) show adverse trends for both the amount of money spent on operations and maintenance per customer (for FY 2018) and expenditures per 100 miles of main pipeline (from FY 2015 through FY 2018). Having good performance may help to leverage DPU's key strategic operations advantage of excellent maintenance and CIP execution.
- Abandoned Call Rate for All Customer Segments* 04 Abandoned Call Rate for All Customer Segments (Figure 7.1-25) shows the beginning of an adverse trend as the abandoned call rate increased from FY 2016 through FY 2019. Adverse trends in this area might impact the ability of DPU to meet the requirements of its customers such as online/in-person access.
- Safety and Emergency Preparedness Results* 05 There are no safety and emergency preparedness results which differ by location or process type. Having these segmented results may help DPU to achieve its vision to be a high performing utility matched to the community, contributing to its future with diversified and innovative utility solutions.
- Supply Network Performance* 06 While Major Supplier Survey Satisfaction (Figure 7.1-28) includes current performance levels for supplier satisfaction, results for key measures or indicators of the performance of DPU's supply network, including its contribution to enhancing DPU's performance are not provided. If DPU had these results, it may be able to improve management of supplier network requirements, which mirror the customer requirements such as quality performance and reliability, enabling DPU to provide reliable and adequate utilities.

Item 7.2 – Customer- Focused Results

This Results Item scored in the 30%-45% Range. Please refer to Appendix B for the Results Scoring Guidelines for description of this Range.

STRENGTHS

- | | | |
|--|----|---|
| <i>Customer Satisfaction and Dissatisfaction Results</i> | S1 | The results for DPU's key measures of customer satisfaction and dissatisfaction are illustrated in its biennial customer satisfaction survey by customer; Customer Satisfaction (Commercial) (Figure 7.2-2) and Customer Satisfaction (Residential) (Figure 7.2-3). The results in both residential and commercial customers show its overall measures approaching goal or a Good Rating with segmentation by electric, gas, water, wastewater, overall, field crews, and CCC. This good performance may help DPU realize its vision of being a high performing utility matched to the community. |
| <i>Public Communication</i> | S2 | Results for customer engagement from public communications such as press releases, bill inserts, advertisements, radio interviews, reports, and public meetings show its highest performing levels for Public Communication in CY 2018. (Figure 7.2-4) This good performance may help DPU to leverage its key strategic workforce advantage of quality staff with expertise. |
| <i>Customer Engagement</i> | S3 | Results for Social Media Engagement and Online Forum Posts show the beginning of a beneficial trend for FY2016 - FY2018, with current performance levels well above target. (Figure 7.2-5) This beneficial trend may assist DPU in addressing its customer requirement of online/in-person access. |
| <i>Commercial Net Promoter Score</i> | S4 | Net Promoter Score (Commercial) provides good current performance levels for likely to recommend question for its commercial customer segment on the customer survey. (Figure 7.2-6) This good performance may help to mitigate DPU's key business strategic challenge of rate increases for infrastructure. |

OPPORTUNITIES FOR IMPROVEMENT

- | | | |
|---------------------------------------|----|---|
| <i>Residential Net Promoter Score</i> | O1 | The Overall Net Promoter Score (Residential) shows current performance below goal and a decrease in performance for the likely to recommend question for its residential customer segment on the customer survey. (Figure 7.2-7) If DPU had good performance in this area, it may be better able to mitigate the operations key strategic challenge of flat or declining sales. |
|---------------------------------------|----|---|

Item 7.3 – Workforce-Focused Results

This Results Item scored in the 30%-45% Range. Please refer to Appendix B for the Results Scoring Guidelines for description of this Range.

STRENGTHS

- | | | |
|--|----|---|
| <i>Workforce Capability and Capacity</i> | s1 | Results for capability and capacity, required as part of employee job requirements, show good performance levels for Competency Levels & Compliance with Certification/License Training Requirements. (Figure 7.3-1b) This good performance may allow DPU to leverage its workforce strategic advantage of having quality staff with expertise. |
| <i>Workforce Engagement Results</i> | s2 | DPU exceeded the industry target for engagement on the Gallup Engagement Survey questions that captured whether employees have the equipment to do their work in 2016 and 2018 (Figure 7.3-2) and whether they have the opportunity to do what they do best every day in 2018 (Figure 7.3-6). These good performance levels may aid DPU in fulfilling the workforce requirement of job satisfaction/engagement. |
| <i>Workforce Climate</i> | s3 | As a measure of workforce climate (integrity and ethics), DPU's results for involuntary separations (when the employee is not a good fit) show very good performance. There have been 0% involuntary separations for fiscal years 2015, 2016, 2018, and 2019. Such good results may assist DPU in sustaining the workforce strategic advantage of having a close-knit culture. |

OPPORTUNITIES FOR IMPROVEMENT

- | | | |
|------------------------------|----|--|
| <i>Workforce results</i> | o1 | The lack of historical performance data in several areas regarding workforce results precludes any trend analysis. Examples include Materials and Equipment to Do my Work Right (Figure 7.3-2), Overall Satisfaction (Figure 7.3-5), "I have the opportunity to do what I do best every day" (Figure 7.3-6) and Employee Engagement (Figure 7.3-8). Having beneficial trends in these areas may assist DPU in enhancing its workforce strategic advantage of quality staff with expertise. |
| <i>Workforce Development</i> | o2 | There is a decline in performance levels for workforce development for FY 2015 - FY 2018. (Figure 7.3-10) Specifically, results show that four (4) people completed the county academy training starting in FY 2015 to 3 people completed the training in FY 2018. Having beneficial trends may help DPU strengthen its core competency of employee development. |

Item 7.4 – Leadership and Governance Results

This Results Item scored in the 30%-45% Range. Please refer to Appendix B for the Results Scoring Guidelines for description of this Range.

STRENGTHS

- | | | |
|---|----|---|
| <i>Leadership</i> | S1 | DPU shows good performance levels related to leadership. The survey question, "I know what is expected of me at work" shows good performance levels and exceeds the industry benchmarks in 2016 and 2018. (Figure 7.4-1) This may aid DPU in enhancing the employee value of being a safe, ethical, and professional organization. |
| <i>Governance System</i> | S2 | Results for the governance system show consistently high-performance levels for FY 2016, FY 2017, and FY 2018 for key aspects of its governance system. The aspects include Accountability for Strategy and Senior Leader Actions, Fiscal Accountability, Independence & Effectiveness & Audits, Transparency in Operations, Selection of Governance Members, Protection of Stakeholders & Rate Payers, and Succession Planning for Senior Leaders. (Figure 7.4-4a) These good results may help DPU achieve its vision of being a high performing utility matched to its community, contributing to its future with diversified & innovative utility solutions. |
| <i>Drinking Water Compliance</i> | S3 | Regulatory results for Drinking Water Compliance shows consistently high-performance levels between FY 2013 and FY 2018. (Figure 7.4-5) DPU meets the American Waterworks Association's target of 100% during this time period. Such very good performance may help DPU fulfill its mission of providing safe and reliable utility services. |
| <i>Ethics</i> | S4 | Results related to ethics show consistently high-performance levels for Code of Ethics Training for FY 2016, FY 2017, FY 2018, and FY 2019. (Figure 7.4-9) This good performance may help to fulfill the stakeholder requirement of being trustworthy. |
| <i>Power Derived from Renewable Sources</i> | S5 | Results for societal contributions show performance levels better than the state of New Mexico for CY2013 - CY2016 for percentage of power derived from renewable sources. (Figure 7.4-10) Good performance levels may support DPU's valuing of natural resources through innovative and progressive solutions. |

OPPORTUNITIES FOR IMPROVEMENT

- | | | |
|--|----|---|
| <i>Measuring Two-Way Communication</i> | O1 | DPU does not have results for encouraging two-way communication. Having these results may help DPU to sustain the key workforce engagement driver of talking about progress. |
| <i>Regulatory Compliance</i> | O2 | DPU shows an adverse trend in WWTP Compliance for FY2013 - FY2017. (Figure 7.4-6) However, the performance level for FY2018 shows improvement to 99.84%. Being able to demonstrate good performance levels and beneficial trends may support DPU's mission of providing safe and reliable utility services. |

Item 7.5 – Financial and Market Results

This Results Item scored in the 30%-45% Range. Please refer to Appendix B for the Results Scoring Guidelines for description of this Range.

STRENGTHS

- Average Residential Gas Bill* s1 Results for marketplace performance shows good performance. The results for Average Residential Bill (Gas) show a beneficial trend for FY 2014 through FY 2018. (Figure 7.5-10) Bills have consistently decreased from \$61 in FY 2014 to \$41 in FY 2018 below the target benchmark from NM Gas Company. These good results may contribute to DPU's ability to strengthen its customer value by being service oriented and fiscally responsible as well as being communicative, organized and transparent to the community.
- Strategy Achievement* s2 DPU shows 13 of its 21 strategic objectives results with consistent "At or Above Goal" performance for FY 2016 through FY 2018. (Figure 7.5-13 Strategy Achievement) These results are monitored and measured with multiple KPMs. This excellent performance may strengthen DPU's strategic operations advantage of good utilization of funds.

OPPORTUNITIES FOR IMPROVEMENT

- Financial Performance - Past Due Receivables* s1 The is no evidence of a beneficial trend in this area. While FY2018 performance for DPU's past due receivables reflects improvement in working with customers to get their bills paid on time, the results from FY 2016 and FY 2017 show a decline, with the amount past due increasing from \$5,421 to \$7,032. (Figure 7.5-8) Longer term good performance and beneficial trends in this area may aid DPU in demonstrating its core competency of accountable management.
- Financial Performance - Average Residential Electric Bill* s2 Financial performance for DPU's average residential electric bill shows decreased performance levels (i.e., increased bills) for the years 2015-2019. (Figure 7.5-9) Having good performance for these results may help to mitigate DPU's strategic operations challenge of flat or declining sales.
- Financial Performance - Average Residential Water Bill* s3 Although performance levels are consistently better than its benchmark comparison, DPU's Average Residential Bill (Water) from FY2013 to FY2015 shows an adverse trend. (Figure 7.5-12) Beneficial trends may be able to enhance DPU's core competency of building customer relationships.

SCORING BAND DESCRIPTORS APPENDIX A

Band Score	Band Number	PROCESS Descriptor
0-150	1	The organization demonstrates early stages of developing and implementing approaches to the basic Criteria requirements, with deployment lagging and inhibiting progress. Improvement efforts are a combination of problem solving and an early general improvement orientation.
151-200	2	The organization demonstrates effective, systematic approaches generally responsive to the basic Criteria requirements, with some areas or work units in the early stages of deployment. The organization has developed a general improvement orientation that is forward-looking.
201-260	3	The organization demonstrates effective, systematic approaches responsive to the basic requirements of most Criteria items, with areas or work units still in the early stages of deployment. Key processes are beginning to be systematically evaluated and improved.
261-320	4	The organization demonstrates effective, systematic approaches generally responsive to the overall Criteria requirements. Deployment may vary in some areas or work units. Key processes benefit from fact-based evaluation and improvement, and approaches are being aligned with overall organizational needs.
321-370	5	The organization demonstrates effective, systematic, well-deployed approaches responsive to the overall requirements of most Criteria items. The organization demonstrates a fact-based, systematic evaluation and improvement process and organizational learning, including innovation, that result in improving the effectiveness and efficiency of key processes.
371-430	6	The organization demonstrates refined approaches generally responsive to the multiple Criteria requirements. These approaches are characterized by the use of key measures, good deployment, and innovation in most areas. Organizational learning, including innovation and sharing of best practices, is a key management tool, and there is some integration of approaches with current and future organizational needs.
431-480	7	The organization demonstrates refined approaches responsive to the multiple Criteria requirements. It also demonstrates innovation, excellent deployment, and good-to-excellent use of measures in most areas. There is good-to-excellent integration of approaches with organizational needs, with organizational analysis, learning through innovation, and sharing of best practices as key management strategies.
481-550	8	The organization demonstrates outstanding approaches fully responsive to the multiple Criteria requirements. Approaches are fully deployed and demonstrate excellent, sustained use of measures. There is excellent integration of approaches with organizational needs. Organizational analysis, learning through innovation, and sharing of best practices are pervasive.

Band Score	Band Number	RESULTS Descriptor
0-125	1	A few results are reported responsive to the basic Criteria requirements. These results generally lack trend and comparative data.
126-170	2	Results are reported for several areas responsive to the basic Criteria requirements and the accomplishment of the organization's mission. Some of these results demonstrate good performance levels. The use of comparative and trend data is in the early stages.
171-210	3	Results address areas of importance to the basic Criteria requirements and accomplishment of the organization's mission, with good performance being achieved. Comparative and trend data are available for some of these important results areas, and some trends are beneficial.
211-255	4	Results address some key customer/stakeholder, market, and process requirements, and they demonstrate good relative performance against relevant comparisons. There are no patterns of adverse trends or poor performance in areas of importance to the overall Criteria requirements and the accomplishment of the organization's mission.
256-300	5	Results address most key customer/stakeholder, market, and process requirements, and they demonstrate areas of strength against relevant comparisons and/or benchmarks. Improvement trends and/or good performance are reported for most areas of importance to the overall Criteria requirements and the accomplishment of the organization's mission.
301-345	6	Results address most key customer/stakeholder, market, and process requirements, as well as many action plan requirements. Results demonstrate beneficial trends in most areas of importance to the Criteria requirements and the accomplishment of the organization's mission, and the organization is an industry* leader in some results areas.
346-390	7	Results address most key customer/stakeholder, market, process, and action plan requirements. Results demonstrate excellent organizational performance levels and some industry* leadership. Results demonstrate sustained beneficial trends in most areas of importance to the multiple Criteria requirements and the accomplishment of the organization's mission.
391-450	8	Results fully address key customer/stakeholder, market, process, and action plan requirements and include projections of future performance. Results demonstrate excellent organizational performance levels, as well as national and world leadership. Results demonstrate sustained beneficial trends in all areas of importance to the multiple Criteria requirements and the accomplishment of the organization's mission.

* "Industry" refers to other organizations performing substantially the same functions, thereby facilitating direct comparisons

Process Scoring Guidelines (For Use with Categories 1-6)

SCORE	DESCRIPTION
0% or 5%	<ul style="list-style-type: none"> No SYSTEMATIC APPROACH to item requirements is evident; information is ANECDOTAL. (A) Little or no DEPLOYMENT of any SYSTEMATIC APPROACH is evident. (D) An improvement orientation is not evident; improvement is achieved by reacting to problems. (L) No organizational ALIGNMENT is evident; individual areas or work units operate independently. (I)
10%, 15%, 20%, or 25%	<ul style="list-style-type: none"> The beginning of a SYSTEMATIC APPROACH to the BASIC REQUIREMENTS of the item is evident. (A) The APPROACH is in the early stages of DEPLOYMENT in most areas or work units, inhibiting progress in achieving the BASIC REQUIREMENTS of the item. (D) Early stages of a transition from reacting to problems to a general improvement orientation are evident. (L) The APPROACH is ALIGNED with other areas or work units largely through joint problem solving. (I)
30%, 35%, 40%, or 45%	<ul style="list-style-type: none"> An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the BASIC REQUIREMENTS of the item, is evident. (A) The APPROACH is DEPLOYED, although some areas or work units are in early stages of DEPLOYMENT. (D) The beginning of a SYSTEMATIC APPROACH to evaluation and improvement of KEY PROCESSES is evident. (L) The APPROACH is in the early stages of alignment with the basic organizational needs identified in response to the Organizational Profile and other process items. (I)
50%, 55%, 60%, or 65%	<ul style="list-style-type: none"> An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the OVERALL REQUIREMENTS of the item, is evident. (A) The APPROACH is WELL DEPLOYED, although DEPLOYMENT may vary in some areas or work units. (D) A fact-based, SYSTEMATIC evaluation and improvement PROCESS and some organizational LEARNING, including INNOVATION, are in place for improving the efficiency and effectiveness of KEY PROCESSES. (L) The APPROACH is ALIGNED with your overall organizational needs as identified in response to the Organizational Profile and other process items. (I)
70%, 75%, 80%, or 85%	<ul style="list-style-type: none"> An EFFECTIVE, SYSTEMATIC APPROACH, responsive to the MULTIPLE REQUIREMENTS of the item, is evident. (A) The APPROACH is well DEPLOYED, with no significant gaps. (D) Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING, including INNOVATION, are KEY management tools; there is clear evidence of refinement as a result of organizational-level ANALYSIS and sharing. (L) The APPROACH is INTEGRATED with your current and future organizational needs as identified in response to the Organizational Profile and other process items. (I)
90%, 95%, or 100%	<ul style="list-style-type: none"> An EFFECTIVE, SYSTEMATIC APPROACH, fully responsive to the MULTIPLE REQUIREMENTS of the item, is evident. (A) The APPROACH is fully DEPLOYED without significant weaknesses or gaps in any areas or work units. (D) Fact-based, SYSTEMATIC evaluation and improvement and organizational LEARNING through INNOVATION are KEY organization-wide tools; refinement and INNOVATION, backed by ANALYSIS and sharing, are evident throughout the organization. (L) The APPROACH is well INTEGRATED with your current and future organizational needs as identified in response to the Organizational Profile and other process items. (I)

Results Scoring Guidelines (For Use with Category 7)

SCORE	DESCRIPTION
0% or 5%	<ul style="list-style-type: none"> • There are no organizational PERFORMANCE RESULTS, or the RESULTS reported are poor. (Le) • TREND data either are not reported or show mainly adverse TRENDS. (T) • Comparative information is not reported. (C) • RESULTS are not reported for any areas of importance to the accomplishment of your organization’s MISSION. (I)
10%, 15%, 20%, or 25%	<ul style="list-style-type: none"> • A few organizational PERFORMANCE RESULTS are reported, responsive to the BASIC REQUIREMENTS of the item, and early good PERFORMANCE LEVELS are evident. (Le) • Some TREND data are reported, with some adverse TRENDS evident. (T) • Little or no comparative information is reported. (C) • RESULTS are reported for a few areas of importance to the accomplishment of your organization’s MISSION. (I)
30%, 35%, 40%, or 45%	<ul style="list-style-type: none"> • Good organizational PERFORMANCE LEVELS are reported, responsive to the BASIC REQUIREMENTS of the item. (Le) • Some TREND data are reported, and most of the TRENDS presented are beneficial. (T) • Early stages of obtaining comparative information are evident. (C) • RESULTS are reported for many areas of importance to the accomplishment of your organization’s MISSION. (I)
50%, 55%, 60%, or 65%	<ul style="list-style-type: none"> • Good organizational PERFORMANCE LEVELS are reported, responsive to the OVERALL REQUIREMENTS of the item. (Le) • Beneficial TRENDS are evident in areas of importance to the accomplishment of your organization’s MISSION. (T) • Some current PERFORMANCE LEVELS have been evaluated against relevant comparisons and/or BENCHMARKS and show areas of good relative PERFORMANCE. (C) • Organizational PERFORMANCE RESULTS are reported for most KEY CUSTOMER, market, and PROCESS requirements. (I)
70%, 75%, 80%, or 85%	<ul style="list-style-type: none"> • Good-to-excellent organizational PERFORMANCE LEVELS are reported, responsive to the MULTIPLE REQUIREMENTS of the item. (Le) • Beneficial TRENDS have been sustained over time in most areas of importance to the accomplishment of your organization’s MISSION. (T) • Many to most TRENDS and current PERFORMANCE LEVELS have been evaluated against relevant comparisons and/or BENCHMARKS and show areas of leadership and very good relative PERFORMANCE. (C) • Organizational PERFORMANCE RESULTS are reported for most KEY CUSTOMER, market, PROCESS, and ACTION PLAN requirements. (I)
90%, 95%, or 100%	<ul style="list-style-type: none"> • Excellent organizational PERFORMANCE LEVELS are reported that are fully responsive to the MULTIPLE REQUIREMENTS of the item. (Le) • Beneficial TRENDS have been sustained over time in all areas of importance to the accomplishment of your organization’s MISSION. (T) • Industry and BENCHMARK leadership is demonstrated in many areas. (C) • Organizational PERFORMANCE RESULTS and PROJECTIONS are reported for most KEY CUSTOMER, market, PROCESS, and ACTION PLAN requirements. (I)



Alternatives to Baldrige

November 18, 2020

Facilitated by Humans Strategies, LLC

BPU Meeting Objectives

1. Review and set conservation objectives (50 min)
2. What did we learn from Zia and Baldrige (20 min)
3. Baldrige (Zia) alternatives (20 min)
4. Affirm MVV (20 min)
5. Input to and prioritization of FY2022 Focus Areas and Goals and Objectives(50 min)

2. What Have We Learn From the Zia Application Baldrige Process?



Why Baldrige? Past recipients have seen improvements in:

- Revenue
- Market Share
- Employee involvement and engagement
- Cost/waste/error reductions
- ROA, ROI and ROE
- Product Reliability

"The [Baldrige] Criteria help you link your strategy, your human capital process, your leadership development process, all of your core operations together and help them focus on what your customers actually want." ~ Scott McIntyre, Managing Partner, Price WaterHouse Coopers

2. What Did We Learn From the Baldrige Process? Benefits & Improvements - Jack Richardson



- **Providing a framework for a culture of continuous improvement.** Following the Baldrige methodology for performance excellence has helped us demonstrate our value of being an “organization that encourages continuous learning.”
- **Becoming a more data driven organization.** Dashboards and graphics were created to include Key Operating Performance Measures and to measure year-to-year and multi-year comparisons of efficiency, reliability, safety and effectiveness.
- **Improved transparency in planning, budgeting and rate setting.** The presentations of 10-year and 20-year projections for rates, budgets and CIPs were improved by incorporating better visual graphics and creating simple stories to share with leadership, stakeholders and the community.
- **Operating Procedures Committee.** We have a better appreciation for the importance of well documented, easily available and regularly maintained Standard Operating Procedures for the benefit of current staff, but more importantly, for successful staff transitions and succession.

2. What Did We Learn From the Baldrige Process? Benefits & Improvements – Julie Williams-Hill



- **Strategic Planning.** A 2009 OFI flagged an undefined method to plan the future. As such, an annual strategic planning process was developed to align the plans with our MVV and stakeholder feedback and communicate these plans to employees via all-hands meetings, strategic plan posters and quarterly exchange meetings.
- **Deployment, Integration and Learning.** Each feedback report flags new areas where we have developed a procedure but it has not been *deployed* to the employees, *integrated* into our business model and reviewed so that we can *learn and improve*. This ties into the Plan/Do/Study/Act (PDSA) process. For example, we learned that our procedure for maintaining standard operating procedures had been developed, but not yet successfully deployed or integrated.
- **Tracking the right measures.** A 2014 OFI identified that our LA SCORES (measures being tracked and reported to BPU and Council quarterly) did not align to our MVV and strategic objectives. Therefore, they didn't help us to make decisions on the health of our department. Many of the measures have been refined to address this.
- **Monopoly.** The most recent feedback from the 2019 QNM team was that DPU should not be complacent in its position as a monopoly. Customers do have choices (e.g., rooftop solar with batteries, gray water systems, water harvesting, etc.). This has helped us to understand that our business model needs to be flexible and able to adapt.
- **Safety Culture.** The department has implemented several successful safety initiatives as a result of the Baldrige process. These include the creation of a written Safety Culture Vision, the DPU Safety Committee, the Safety Employee of the Quarter program, and regular monthly reporting on accidents and the OSHA incident rates.

2. What Did We Learn From the Baldrige Process? Challenges with Implementation – James Alarid



- **Right fit for DPU?** In the 2019 QNM site visit debrief, the lead examiner said that given DPU's structure and governance, we will never meet the criteria in certain areas.
- **Minimal actionable recommendations.** My observation after presenting the feedback to the Board was, they felt there were minimal actionable recommendations, and they questioned the applicability of a quality management program that does not fit our organization. (Only Customer Service Issues tracking software was budgeted.)
- **Staff effort.** The level of staff time and effort required to continuously track performance against the Baldrige criteria and then apply for recognition is huge. I believe using a consultant to prepare the application is a necessity.
- **Competing priorities.** As contributing member to three applications and supervisor of the DPU QNM lead for ten years, I have observed the needs of our daily work/schedule and quality management initiatives compete.
- **Need QNM Examiners.** To make our best effort on a future QNM application, we should have staff participating as QNM Examiners.
- **Low scores that are difficult to understand.** I felt that the 2019 Zia application was much better than the evaluation team's assessment of 30%-40% out of the 100% in all categories.
- **Management audit Charter requirement.** The next management audit will be due in four years and we need to pick a path now to work towards over the next four years. Recommend deciding now if QNM/Baldrige feedback report satisfies the management audit requirement.

3. Baldrige Alternatives - Philo



- Consider Hiring a Consultant to Perform a Management Audit
 - Charter identifies “at least every five years thereafter, the BPU shall employ a qualified consultant to review, comment and make recommendations as to the operation and condition of the County Utilities.”
 - The Baldrige Zia Application reviewed operations but did not review the condition of the Utilities
 - The last comprehensive condition assessment performed by a qualified consultant was performed in 2000.
 - This Fiscal Year \$50,000 was budgeted in each fund for a total of \$200,000 to perform a condition assessment by a qualified consultant.
 - A Comprehensive Management Audit by a qualified consultant to review, comment and make recommendations as to the operation and condition of the County Utilities would cost between \$300,000 to \$400,000.

3. Baldrige Alternatives - Philo



J.D. Powers Customer Service Survey

- Includes Utility benchmarking, performance improvement, and certifications and answers the following questions:
 - [1. How does your customer service organization stand up against others?](#)
 - [2. How are you performing in specific service channels?](#)
 - [3. What can you do to improve?](#)
 - [4. What are top performing call centers doing to excel?](#)
 - [5. What does it take to have a certified customer service program?](#)
- **2020 Utilities Climate Leadership Program and Benchmarks**
- **Customer Service Survey is Budgeted for \$50,000 this Fiscal Year**

3. Baldrige Alternatives - Philo



APWA Accreditation Program (Every Four Years)

- Create impetus for organization self-improvement and stimulate general raising of standards
- Offer a voluntary evaluation and education program rather than government-regulated activity
- Recognize good performance and provide motivation to maintain and improve performance
- Improve performance and the provision of services
- Increase professionalism
- Instill pride among agency staff, elected officials and the local community
- Cost is between \$10,000 and \$15,000 plus staff preparation time over two years on average and comes with a Management Practices Manual to use.

3. Baldrige Alternatives - Philo



APWA Accreditation Example:

What does APWA Accreditation mean for the City of Golden?

- Accreditation means our Public Works Department is one of the premier, best-managed, professional Public Works Departments in North America.
- Accreditation means the Public Works Department's management practices and policies have been tested against nationally-established practices through an independent review by public works professionals from across the nation.
- Accreditation means the residents of Golden can feel confident that their Public Works Department is committed to continuous improvement in providing responsible stewardship of the City's infrastructure.
- Accreditation means Golden's Public Works Department is providing services in the most efficient manner possible, ensuring its citizens good value for their dollar.
- Accreditation means that complying with the best available, nationally-recognized management practices provides protection against spurious law suits by unscrupulous attorneys.
- Finally, accreditation means that compliance with the established management practices ensures that Public Works is adhering to the most sustainable methods of conducting its business.

3. Baldrige Alternatives - Philo



APWA Accreditation Program (Every Four Years)

- Review of Los Alamos National Laboratory's APWA Accreditation Program Presented by Lawrence Chavez, Deputy Director for Utilities and Institutional Facilities

3. Baldrige Alternatives - Dawn



- Shingo
 - +Work culture, improvement, sustainability, focused on behaviors
 - No expertise in NM
 - Tuition \$45,000, consulting \$100k + /year; similar in length to Baldrige
- ISO
 - +World-wide standards, better products and services, productivity
 - More process than enterprise & culture oriented
 - \$60-80k/year; at least 3-4 year effort
- Human Strategies Alternative Assessment
 - +Tailored Baldrige-based assessments, significantly less than Zia in cost and effort
 - No true score or award
 - \$25k-50k

3. Baldrige Alternatives - Dawn

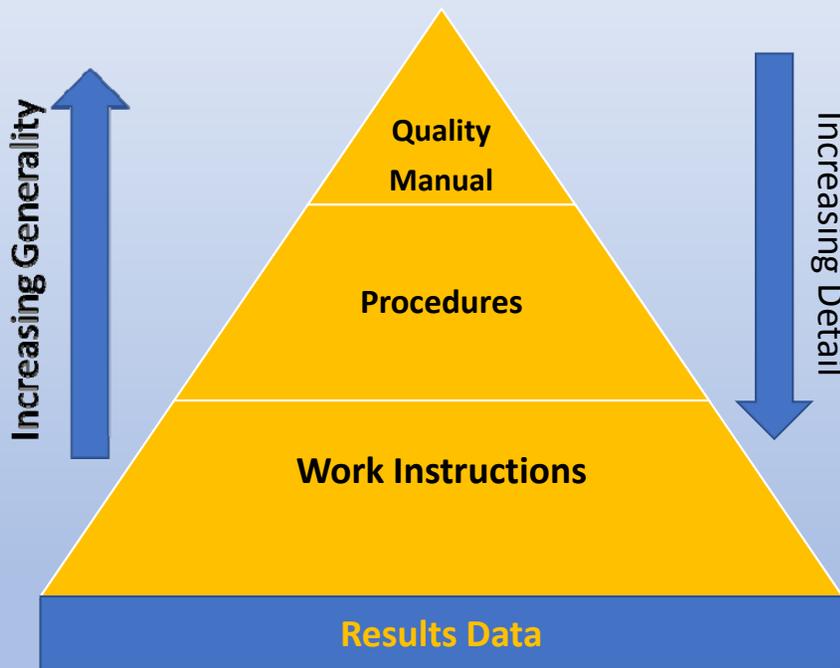


- Additional ISO presentation by Mr. Graham Barlett

Why Mess with a QMS?

- Why mess with a financial system? So you can plan and execute the best way to serve your customers!
 - Why mess with a QMS? So you can plan and execute the best way to serve your customers!
-
- The first tells you how well you are spending your financial resources to meet customer needs
 - The second tells you how well your resources are performing to meet customer needs

What does a Quality Management System look like?



- **Quality Manual** explains how your quality and business management systems integrate
- **Procedures** provide information on how to conduct general processes
- **Work Instructions** detail how to conduct specific processes
- **Results data** reveal how processes are performing

Performance

- Are your resources working effectively?
 - Do your people have the competence and the tools to do their job?
 - Are your work process functioning as they should?
 - How much “waste” is produced?
 - How do you know?
- Are you continually improving your operations, seeking innovative ways to provide services?
- Is your management team fully committed to answering the above questions and seeking higher and higher levels of operational excellence?

Learn to
crawl
before
you try
to run

- The ISO 9001 standard represents the minimum requirements for running a quality operation.
- Without the basics, being a Baldrige level organization can be almost impossible.
- Step-by-step learn how to set performance objectives, how to measure those objectives, how to analyze your processes, how to improve their effectiveness, and how to make your workforce proud and dedicated to making the organization the best it can be.

3. Baldrige Alternatives



Discussions, Questions, and Direction by BPU



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.:	7.B
Index (Council Goals):	DPU FY2021 - 5.0 Achieve Environmental Sustainability; DPU FY2021 - 3.0 Be a Customer Service Oriented Organization that is Communicative, Efficient, and Transparent
Presenters:	Julie Williams-Hill, Public Relations Manager
Legislative File:	13694-20

Title

Survey Results for Board of Public Utilities' Environmental Goals

Recommended Action

None

Staff Recommendation

None

Body

At the October 20, 2020 Board of Public Utilities meeting, members of the BPU requested that the department conduct a survey of the community to determine the level of support or opposition to the newly adopted environmental goals. DPU staff selected vendor Triton Polling and Research to conduct the survey to a statistically significant sample of Los Alamos citizens to ensure a 95 percent confidence level with a margin of error of +/- 4.3 percent.

Triton Polling and Research conducted the live phone survey and online email survey from December 14th through December 18th and obtained 515 responses. The survey results indicate that there is more citizen support for each environmental goal than citizen opposition.

Alternatives

None

Fiscal and Staff Impact

None

Attachments

A - Power Point Presentation - Survey Results of DPU Environmental Goals

B - Triton Polling & Research Top Line Results

C - Triton Polling & Research - Methodology Results

Survey Results of DPU Environmental Goals

Los Alamos Department of Public Utilities
Presentation to the Board of Public Utilities
January 20, 2021

Overview

- Survey of DPU environmental goals
- Results (Support/Opposition)
- Citizen Committee conservation initiatives
- Conservation Plan

Survey of DPU environmental goals

- DPU tasked to survey community on the support/opposition of environmental goals adopted by BPU in Oct. 2020
- DPU hired Triton Polling & Research to conduct survey
- Survey conducted Dec. 14 - 18
- Sampled 515 citizens in Los Alamos County
- Method: Live survey via landlines & cell phones; online via email.
 - Phone: 481 | Email: 34
- Margin of error: 95 percent confidence level (+/- 4.3 percent)

Environmental goals

Goals adopted by the BPU on October 21, 2020

FOCUS AREA - ENVIRONMENTAL SUSTAINABILITY

GOAL - 5.0 Achieve environmental sustainability.

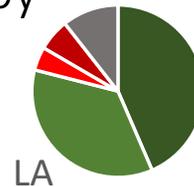
●●●●●●●	7	5.1 OBJECTIVE - ELECTRIC (EP & ED) Be a carbon neutral electric provider by 2040.
●●●●	4	5.2 OBJECTIVE - Electric efficiency is promoted through targeted electric conservation programs. Increase local solar peak production to 6 MW by 2040. (This is 30% of local solar produced based on LAC peak load of 18 MW)
●	1	5.3 OBJECTIVE - WATER (DW) – Reduce potable water use by 12% per capita per day by 2030 using a 2020 calendar year-end baseline.
●●●●●	5	5.4 OBJECTIVE - GAS – Reduce natural gas usage by 5% per capita per heating degree day by 2030 using a 2020 calendar year-end baseline and support elimination of natural gas usage by 2070.
●●	2	5.5 OBJECTIVE - SEWER (WT) – Provide <u>Class 1A</u> effluent water in LAC. is provided in White Rock.

Survey Questions

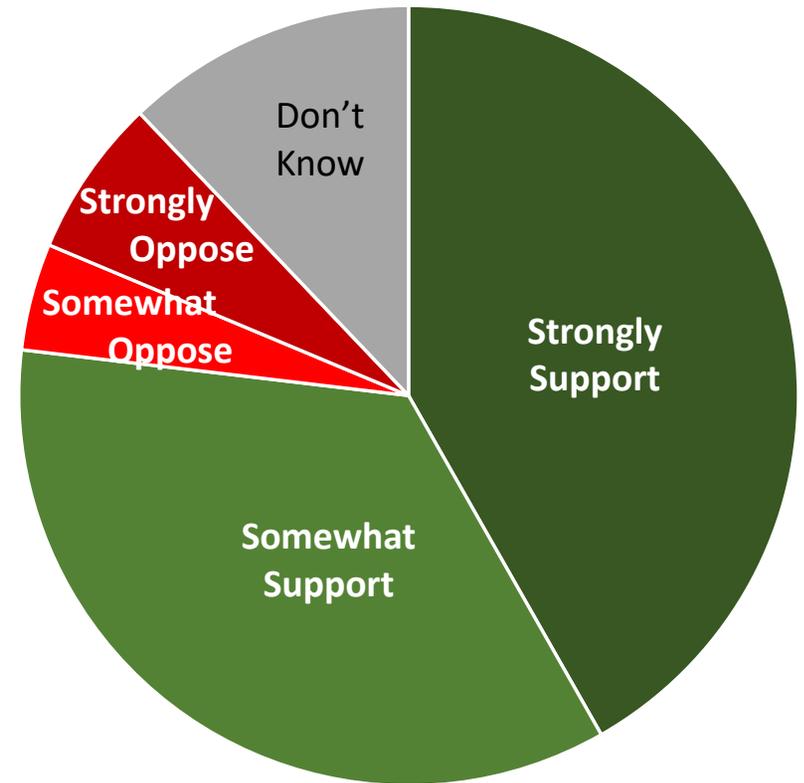
1. **Do you support or oppose** the Los Alamos Dept of Public Utilities' goal to be a carbon neutral electric provider by 2040?
2. Currently Los Alamos **has approximately 2 megawatts of local solar**. **Do you support or oppose** the Los Alamos Dept of Public Utilities' goal to increase local solar (such as roof top solar panels) to 6 megawatts by 2040?
3. **Do you support or oppose** the Los Alamos Dept of Public Utilities' goal to reduce today's drinking water use by 12 percent by 2030?
4. **Do you support or oppose** the Los Alamos Dept of Public Utilities' goal to reduce today's natural gas use by 5 percent by 2030?
5. **Do you support or oppose** the Los Alamos Dept of Public Utilities' goal to eliminate **natural gas usage** by 2070 (requiring all energy use be from carbon neutral electricity)?
6. **Do you support or oppose** the Los Alamos Dept of Public Utilities' goal to improve the reclaimed wastewater that is used to irrigate county and school turf so that it is the highest quality possible for unrestricted urban uses?

SURVEY RESULTS

Q1. Support/oppose DPU goal to be a carbon-neutral electric provider by 2040?



	<u>%Support</u>	<u>%Oppose</u>
Total	76.9	11.0
LA	79.0	10.4
WR	72.0	12.3

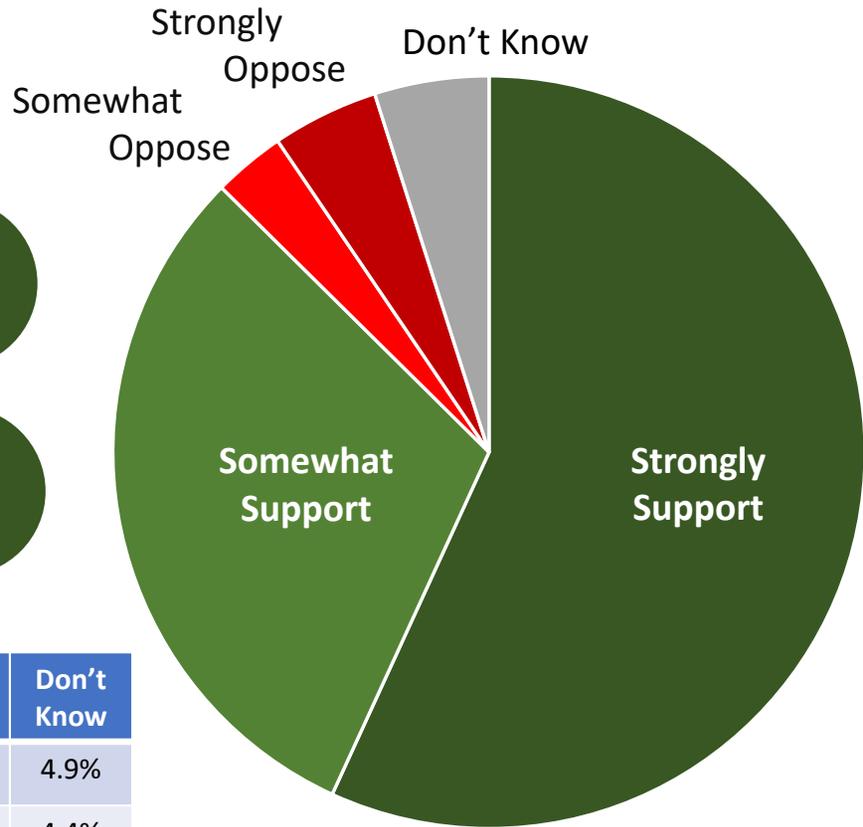
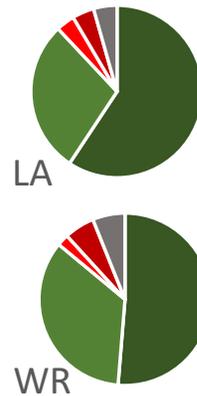


TOTAL RESPONSES

	Total Responses	Strongly Support	Somewhat Support	Somewhat Oppose	Strongly Oppose	Don't Know
Total	515	41.8%	35.1%	4.4%	6.6%	12.1%
LA	357	43.5%	35.5%	4.4%	6.0%	10.6%
WR	158	37.7%	34.3%	4.5%	7.8%	15.7%

Q2. Currently DPU has ~2 MW of local solar. Support/oppose DPU goal to increase local solar to 6 MW by 2040?

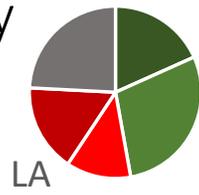
	<u>%Support</u>	<u>%Oppose</u>
Total	87.4	7.7
LA	88.0	7.6
WR	86.0	7.9



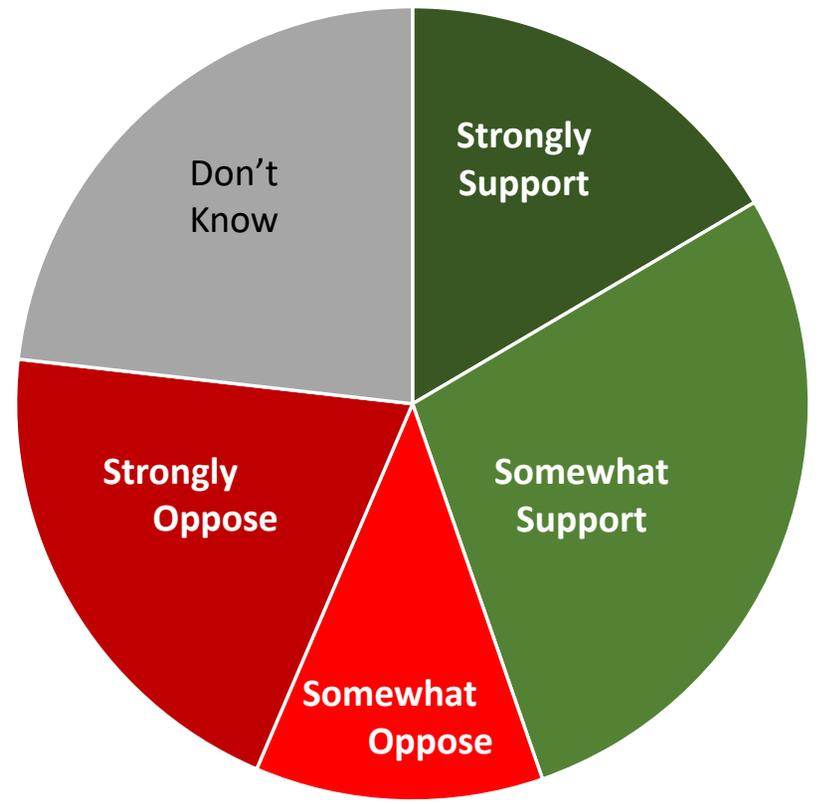
TOTAL RESPONSES

	Total Responses	Strongly Support	Somewhat Support	Somewhat Oppose	Strongly Oppose	Don't Know
Total	515	56.8%	30.6%	3.1%	4.6%	4.9%
LA	357	59.3%	28.7%	3.5%	4.1%	4.4%
WR	158	51.3%	34.7%	2.2%	5.7%	6.1%

Q3. Support/oppose the DPU goal to reduce today's drinking water use by 12 percent by 2030?



	<u>%Support</u>	<u>%Oppose</u>
Total	44.7	32.1
LA	47.2	28.7
WR	39.1	40.0

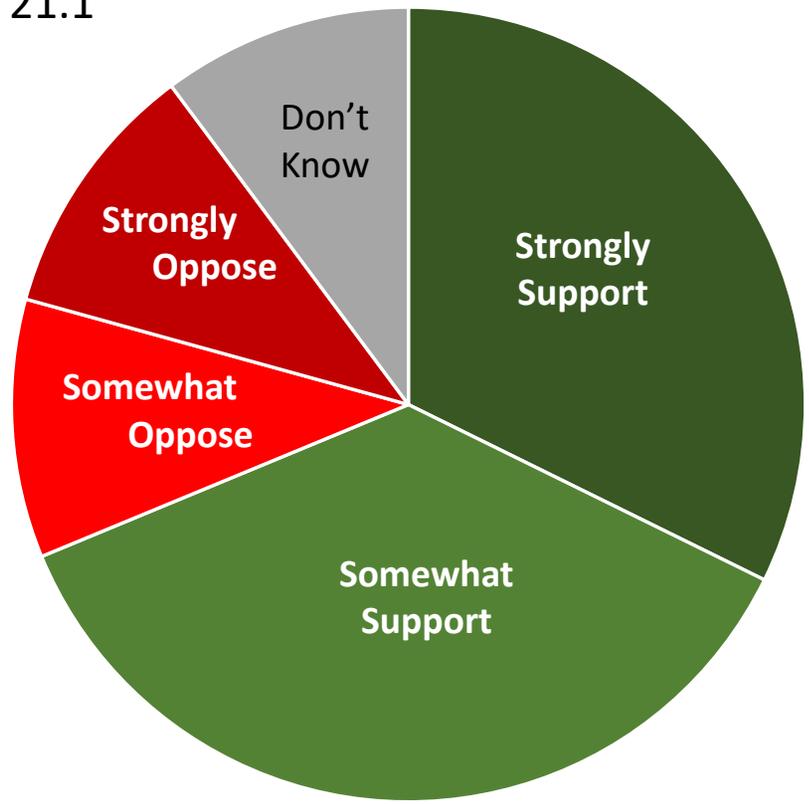
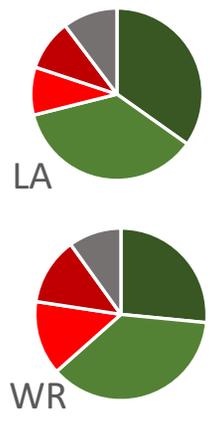


TOTAL RESPONSES

	Total Responses	Strongly Support	Somewhat Support	Somewhat Oppose	Strongly Oppose	Don't Know
Total	515	16.5%	28.2%	11.7%	20.4%	23.2%
LA	357	18.3%	28.9%	12.2%	16.5%	24.2%
WR	158	12.6%	26.5%	10.7%	29.3%	20.9%

Q4. Support/oppose DPU goal to reduce today's natural gas use by 5 percent by 2030?

- Support %: 68.8
- Oppose %: 21.1



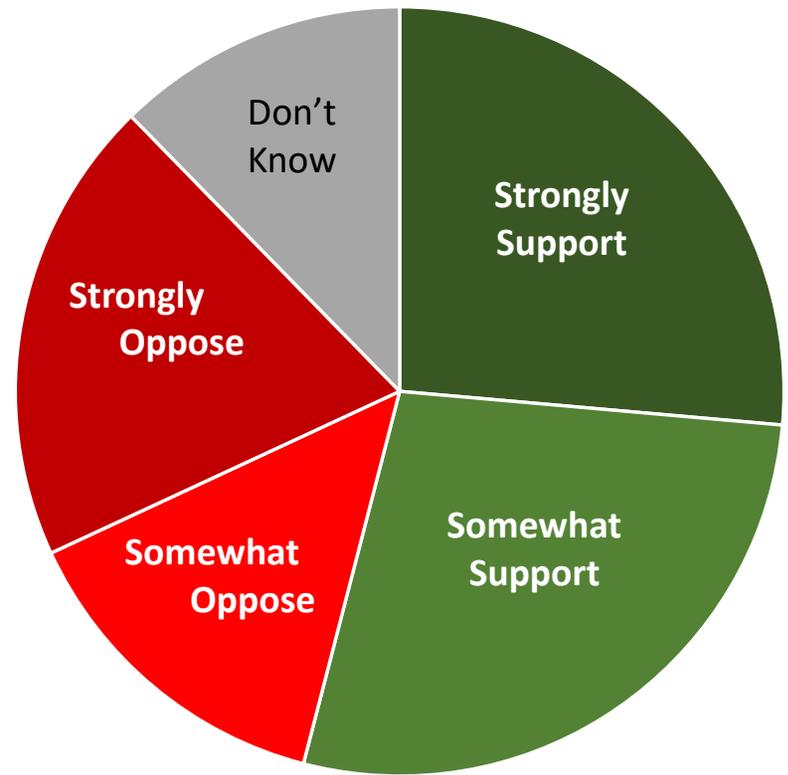
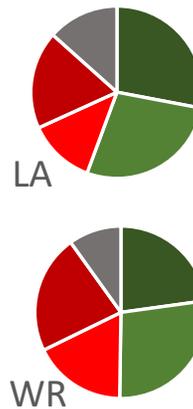
TOTAL RESPONSES

	<u>%Support</u>	<u>%Oppose</u>
Total	68.8	21.1
LA	71.1	18.6
WR	63.4	26.6

	Total Responses	Strongly Support	Somewhat Support	Somewhat Oppose	Strongly Oppose	Don't Know
Total	515	32.3%	36.5%	10.5%	10.5%	10.2%
LA	357	34.8%	36.3%	9.0%	9.6%	10.3%
WR	158	26.5%	36.9%	13.9%	12.7%	9.9%

Q5. Support/oppose DPU goal to eliminate natural gas usage by 2070?

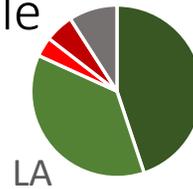
	<u>%Support</u>	<u>%Oppose</u>
Total	54.0	33.7
LA	55.7	31.0
WR	50.2	40.8



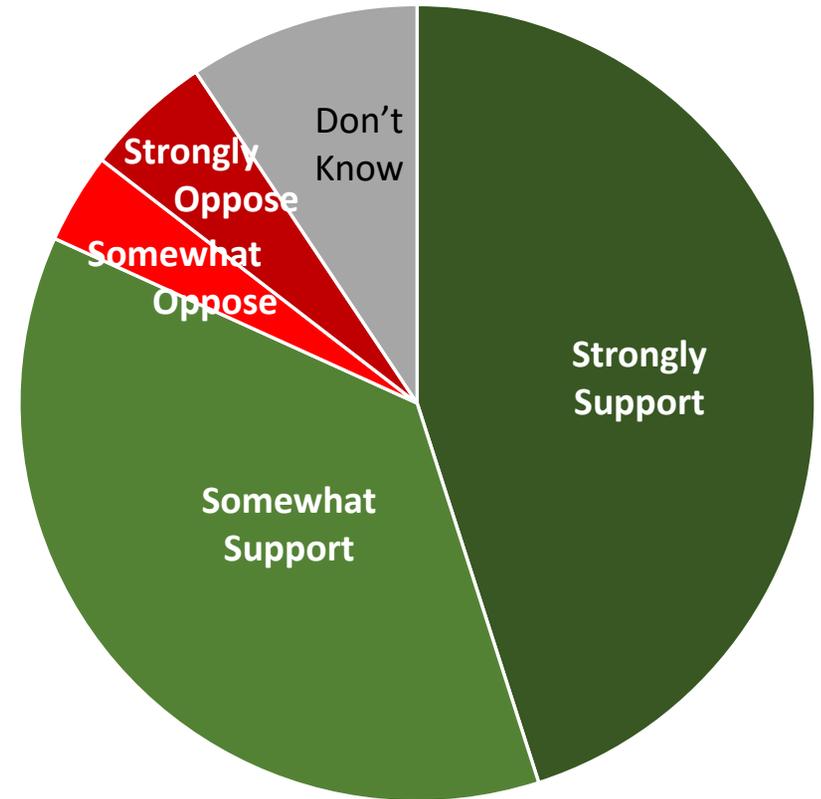
TOTAL RESPONSES

	Total Responses	Strongly Support	Somewhat Support	Somewhat Oppose	Strongly Oppose	Don't Know
Total	515	26.4%	27.6%	14.1%	19.6%	12.3%
LA	357	28.0%	27.7%	12.6%	18.4%	13.4%
WR	158	22.8%	27.4%	17.5%	22.3%	9.9%

Q6. Support/oppose DPU goal to improve reclaimed wastewater used to irrigate Co. & school turf to highest quality possible for unrestricted urban uses?



	<u>%Support</u>	<u>%Oppose</u>
Total	81.8	8.8
LA	81.8	9.1
WR	81.6	8.3



	Total Responses	Strongly Support	Somewhat Support	Somewhat Oppose	Strongly Oppose	Don't Know
Total	515	45.1%	36.7%	3.7%	5.2%	9.4%
LA	357	44.9%	36.9%	3.7%	5.4%	9.1%
WR	158	45.3%	36.3%	3.6%	4.7%	10.1%

Citizen Committee Conservation Initiatives

- A volunteer citizen committee was tasked to recommend conservation initiatives for Los Alamos
- The committee met several times throughout the spring & summer of 2020
- Members prepared a report and presented recommended conservation initiatives to the BPU in July 2020
- With adopted BPU conservation goals, DPU will attempt to incorporate citizen committee recommendations into an updated Energy and Water Conservation Plan.

C	COMM	EFFRT	INITIATIVE	C	COMM	EFFRT	INITIATIVE
EDUCATION	EGW	A	AMI data education	PRTN	EGW	A	Coord. & support LAPS
	EG	A	Encourage programmable thermostats & controllers		W	X	Free delivery of tumbled glass/mulch when replacing turf
	EG	A	Publish Standards: thermostat setting & energy savings	ORDINANCE	W	\$XT	Granular tiered rates (100 gal.)
	EGW	A	" <u>Conserv. happens</u> " unit costs increase; early adopters save		W	\$XT	Reduce outdoor water use, rates
	EG	A	General Energy Efficiency		EG	\$XT	Convert elec./gas monthly svc charges to minimum charges
	W	A	Reduce outdoor water: xeriscape, rain harvesting		W	\$XT	Eliminate monthly svc. charge for water
EGW	\$X	Add "Residential Avg" to bills for comparison	E		\$XT	Accommodate customer PPA hybrid solar	
CUS	EGW	\$X	Add "Residential Avg" to bills for comparison	NOT DPU JURISDICTION	EGW	XT	Waive permit fees <u>bldg</u> improvements that cut utility use (CDD/Council)
RESEARCH	EGW	XT	Pursue grants for appliance rebates & publicize		E	XT	Eliminate most streetlights (PW/Council)
	W	\$XT	Reduce outdoor water use incentives		E	XT	Eliminate fees to set up off-grid solar (State & CDD fees)
C=Category COMM=Commodity (E: Electric, G: Gas, W: Water) PRTN=Partnership CUST=Customize/Working w/vendor EFFRT=Effort to Implement <ul style="list-style-type: none"> • \$=Additional budget to implement; • X=Extra or Additional Staff Resources; • T=Time; • A=Adequate Staff and Budget to implement. 					E	XT	Solar-ready roofs and siting for new construction (CDD/Council)
					G	XT	No natural gas hookups to new bldgs. (CDD/Council)

Conservation Plan

- DPU will update the energy & water conservation plan inhouse
- Where possible, DPU will incorporate recommended committee initiatives
- Other committee initiatives will need additional research or coordination & cooperation from other jurisdictions
- At a later date, DPU will bring the conservation plan to BPU for consideration and adoption
- At the Council's direction, the County is seeking citizens to participate on a committee to address greenhouse gas emissions (w/BPU a representative).
- DPU will also coordinate efforts with this committee as appropriate



Top Line Results

Los Alamos, New Mexico Community Survey

Conducted: 12/14/2020 through 12/18/2020

Survey Type: Live Interview Telephone & Email to Web

N = 515

Telephone = 481N

Email to Web = 34N

Margin of Error at 95% Confidence Level: +/- 4.3%

Weighting Applied: Age, Gender and Race

Q0. Do you currently live in Los Alamos county?

	Count	Percent	Cumulative Percent
Yes	515	100.0	100.0

Q1. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to be a carbon-neutral electric provider by 2040?

	Count	Percent	Cumulative Percent		
Strongly support	215	41.8	41.8		
Somewhat support	181	35.1	76.9	Total % support	76.9
Somewhat oppose	23	4.4	81.3	Total % oppose	11.0
Strongly oppose	34	6.6	87.9		
Not Sure / Don't Know	62	12.1	100.0		
Total	515	100.0			

Q2. Currently Los Alamos has approximately 2 megawatts of local solar. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to increase local solar (such as roof top solar panels) to 6 megawatts by 2040?

	Count	Percent	Cumulative Percent		
Strongly support	293	56.8	56.8		
Somewhat support	157	30.6	87.4	Total % support	87.4
Somewhat oppose	16	3.1	90.5	Total % oppose	7.7
Strongly oppose	24	4.6	95.1		
Not Sure / Don't Know	25	4.9	100.0		
Total	515	100.0			

Q3. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to reduce today's drinking water use by 12 percent by 2030?

	Count	Percent	Cumulative Percent		
Strongly support	85	16.5	16.5		
Somewhat support	145	28.2	44.7	Total % support	44.7
Somewhat oppose	60	11.7	56.4	Total % oppose	32.1
Strongly oppose	105	20.4	76.8		
Not Sure / Don't Know	119	23.2	100.0		
Total	515	100.0			

Q4. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to reduce today's natural gas use by 5 percent by 2030?

	Count	Percent	Cumulative Percent		
Strongly support	166	32.3	32.3		
Somewhat support	188	36.5	68.8	Total % support	68.8
Somewhat oppose	54	10.5	79.3	Total % oppose	21.1
Strongly oppose	54	10.5	89.8		
Not Sure / Don't Know	52	10.2	100.0		
Total	515	100.0			

Q5. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to eliminate natural gas usage by 2070 (requiring all energy use be from carbon neutral electricity)?

	Count	Percent	Cumulative Percent		
Strongly support	136	26.4	26.4		
Somewhat support	142	27.6	54.0	Total % support	54.0
Somewhat oppose	72	14.1	68.1	Total % oppose	33.7
Strongly oppose	101	19.6	87.7		
Not Sure / Don't Know	63	12.3	100.0		
Total	515	100.0			

Q6. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to improve the reclaimed wastewater that is used to irrigate county and school turf so that it is the highest quality possible for unrestricted urban uses?

	Count	Percent	Cumulative Percent		
Strongly support	232	45.1	45.1		
Somewhat support	189	36.7	81.8	Total % support	81.8
Somewhat oppose	19	3.7	85.5	Total % oppose	8.8
Strongly oppose	27	5.2	90.6		
Not Sure / Don't Know	48	9.4	100.0		
Total	515	100.0			

What is your gender?

	Count	Percent	Cumulative Percent
Female	261	50.7	50.7
Male	254	49.3	100.0
Total	515	100.0	

What is your age?

	Count	Percent	Cumulative Percent
18-34	91	17.7	17.7
35-44	95	18.4	36.1
45-54	88	17.0	53.2
55-64	100	19.5	72.6
65-74	76	14.8	87.4
75-84	39	7.6	95.0
85+	14	2.8	97.8
Prefer not to answer	11	2.2	100.0
Total	515	100.0	

How would you describe yourself?

	Count	Percent	Cumulative Percent
White or Caucasian	354	68.8	68.8
Hispanic or Latino	85	16.4	85.3
Black or African American	3	.7	85.9
Asian	12	2.3	88.3
Another not listed	32	6.3	94.5
Not Sure / Don't Know	28	5.5	100.0
Total	515	100.0	

Zipcode

	Count	Percent	Cumulative Percent
87544	356	69.1	69.1
87547	159	30.9	100.0
Total	515	100.0	

City

	Count	Percent	Cumulative Percent
Los Alamos	357	69.4	69.4
White Rock	157	30.6	100.0
Total	515	100.0	

Methodology

	Count	Percent	Cumulative Percent
Email	34	6.6	6.6
Telephone	481	93.4	100.0
Total	515	100.0	

		Methodology					
		Email		Telephone		Total	
		Count	Percent	Count	Percent	Count	Percent
Q1. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to be a carbon-neutral electric provider by 2040?	Strongly support	22	65.0%	193	40.1%	215	41.8%
	Somewhat support	9	25.1%	172	35.8%	181	35.1%
	Somewhat oppose	1	2.5%	22	4.6%	23	4.4%
	Strongly oppose	1	2.5%	33	6.9%	34	6.6%
	Not Sure / Don't Know	2	4.8%	61	12.6%	62	12.1%
	Total	34	100.0%	481	100.0%	515	100.0%
Q2. Currently Los Alamos has approximately 2 megawatts of local solar. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to increase local solar (such as roof top solar panels) to 6 megawatts by 2040?	Strongly support	24	71.9%	268	55.8%	293	56.8%
	Somewhat support	4	13.0%	153	31.8%	157	30.6%
	Somewhat oppose	2	5.1%	14	3.0%	16	3.1%
	Strongly oppose	2	4.7%	22	4.6%	24	4.6%
	Not Sure / Don't Know	2	5.2%	24	4.9%	25	4.9%
	Total	34	100.0%	481	100.0%	515	100.0%
Q3. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to reduce today's drinking water use by 12 percent by 2030?	Strongly support	12	36.0%	73	15.2%	85	16.5%
	Somewhat support	7	21.0%	138	28.7%	145	28.2%
	Somewhat oppose	3	7.7%	58	12.0%	60	11.7%
	Strongly oppose	4	12.5%	101	20.9%	105	20.4%
	Not Sure / Don't Know	8	22.8%	112	23.2%	119	23.2%
	Total	34	100.0%	481	100.0%	515	100.0%
Q4. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to reduce today's natural gas use by 5 percent by 2030?	Strongly support	15	43.1%	152	31.5%	166	32.3%
	Somewhat support	7	21.9%	180	37.5%	188	36.5%
	Somewhat oppose	4	10.4%	51	10.5%	54	10.5%
	Strongly oppose	2	5.0%	53	10.9%	54	10.5%
	Not Sure / Don't Know	7	19.6%	46	9.5%	52	10.2%
	Total	34	100.0%	481	100.0%	515	100.0%
Q5. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to eliminate natural gas usage by 2070 (requiring all energy use be from carbon neutral electricity)?	Strongly support	16	45.7%	120	25.0%	136	26.4%
	Somewhat support	6	18.8%	136	28.2%	142	27.6%
	Somewhat oppose	5	16.2%	67	13.9%	72	14.1%
	Strongly oppose	4	12.9%	97	20.1%	101	19.6%
	Not Sure / Don't Know	2	6.4%	61	12.7%	63	12.3%
	Total	34	100.0%	481	100.0%	515	100.0%
Q6. Do you support or oppose the Los Alamos Dept of Public Utilities' goal to improve the reclaimed wastewater that is used to irrigate county and school turf so that it is the highest quality possible for unrestricted urban	Strongly support	17	51.4%	215	44.6%	232	45.1%
	Somewhat support	8	22.3%	182	37.7%	189	36.7%
	Somewhat oppose	1	4.2%	18	3.6%	19	3.7%
	Strongly oppose	1	2.8%	26	5.3%	27	5.2%
	Not Sure / Don't Know	7	19.4%	42	8.7%	48	9.4%
	Total	34	100.0%	481	100.0%	515	100.0%
What is your gender?	Female	6	18.3%	255	52.9%	261	50.7%
	Male	28	81.7%	226	47.1%	254	49.3%
	Total	34	100.0%	481	100.0%	515	100.0%
What is your age?	18-34	4	12.2%	87	18.1%	91	17.7%
	35-44	6	18.4%	89	18.4%	95	18.4%
	45-54	5	13.6%	83	17.2%	88	17.0%
	55-64	9	26.3%	91	19.0%	100	19.5%
	65-74	7	19.4%	69	14.4%	76	14.8%
	75-84	2	6.3%	37	7.7%	39	7.6%
	85+	0	0.0%	14	3.0%	14	2.8%
	Prefer not to answer	1	3.8%	10	2.1%	11	2.2%
	Total	34	100.0%	481	100.0%	515	100.0%
How would you describe	White or Caucasian	27	79.6%	327	68.1%	354	68.8%
	Hispanic or Latino	3	7.9%	82	17.0%	85	16.4%
	Black or African American	0	0.0%	3	.7%	3	.7%

How would you describe yourself?	Asian	3	7.5%	9	2.0%	12	2.3%
	Another not listed	1	2.5%	31	6.5%	32	6.3%
	Not Sure / Don't Know	1	2.5%	27	5.7%	28	5.5%
	Total	34	100.0%	481	100.0%	515	100.0%
Zipcode	87544	31	90.4%	325	67.6%	356	69.1%
	87547	3	9.6%	156	32.4%	159	30.9%
	Total	34	100.0%	481	100.0%	515	100.0%
City	Los Alamos	32	95.3%	325	67.6%	357	69.4%
	White Rock	2	4.7%	156	32.4%	157	30.6%
	Total	34	100.0%	481	100.0%	515	100.0%
Methodology	Email	34	100.0%	0	0.0%	34	6.6%
	Telephone	0	0.0%	481	100.0%	481	93.4%
	Total	34	100.0%	481	100.0%	515	100.0%



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.: 7.C
Index (Council Goals): DPU FY2021 - 5.0 Achieve Environmental Sustainability
Presenters: Steve Cummins
Legislative File: 13757-21

Title

Approval of Amendment No. 1 to the Power and Renewable Energy Credit Sales Agreement, County Agreement No. AGR20-926 between Uniper Global Commodities North America, LLC and the Incorporated County of Los Alamos, New Mexico.

Recommended Action

I move that the Board of Public Utilities approve Amendment No. 1 to AGR20-936, 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.

Staff Recommendation

Staff recommends approval as presented.

Body

In January 2020, the Board and Council approved a Power and Renewable Energy Credit Sales Agreement with Uniper Global Commodities North America, LLC. The Contract Quantity is a Firm 15 MW's Around the Clock (ATC) Power Purchase Agreement (PPA). It is a take-or-pay PPA for a 15 year term with no escalator. The energy and capacity will be sourced primarily from a wind and solar projects located in New Mexico.

Since the contract was executed there has been extreme upward pricing pressure in the California Independent System Operator (CAISO) & Desert Southwest Western Electricity Coordinating Council (WECC) resulting in the following:

- Developers pricing from forward curves have increased;
- Tighter liquidity for firming intermittent resources;
- Pressure on Engineering, Procurement, and Construction companies to get assets on faster combine with COVID has created a tighter labor market.

Section 3.2 (b) of the Agreement provides that "Seller has executed such Facility contracts, on terms satisfactory to Seller in its sole discretion, to purchase the complete Contract Quantity." In consideration of the historic shift in power prices over 2020, Uniper has requested a \$3.00/MWh increase to the LAC/Uniper PPA to compensate for upward pricing pressure experienced in 2020.

The current contract price is \$36.67/MWh. With the requested \$3.00/MWh to meet the contract conditions precedent, section 3.2 of the agreement, the new Contract Price will be \$39.67/MWh. The Average increases observed in forward WECC power pricing is 27%. Uniper's requested increase to LAC Contract Price is 8%. Uniper has tried to bear as much of the market price increases witnessed given the California and greater WECC price blow out in August 2020.

Even with the increased price staff believes it's a good choice for Los Alamos County and it fits well with the County's resource portfolio and Carbon Neutral 2040 strategic initiative. On January 13, 2021 the Operating Committee for the Electric Coordination Agreement (ECA) approved the increase as an approved resource.

Alternatives

Not approve this Amendment at this time and pursue other replacement resources. Staff is not recommending this alternative since transmission capacity is the limiting factor with these renewable projects specifically in the eastern part of New Mexico where there is an abundance of wind. The current transmission capacity has already been allocated to these projects. New transmission lines could take decades to acquire the permits and build the infrastructure.

Fiscal and Staff Impact

The cost of this PPA Amendment is \$394,200.00 on an annual basis and \$5,913,000.00 over the 15 year term of the PPA. The cost per MW hour is in alignment with the budget for market purchases for the next two years and lower than what was forecast for years 3 through 15 resulting in a savings. There is no impact to staff.

Attachments

- A - Uniper PPA Amendment Presentation
- B - County Agreement No. AGR20-926
- C - AGR20-926-A1 Uniper Final



Updated Generation Profile & Market Fundamentals Impacts

1/8/2021

Privileged and Confidential

Average Annual Expected Generation available from Solar

Solar Generation(p50)													
HOUR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	0.00	0.00	0.00	0.08	2.32	3.42	1.72	0.11	0.00	0.00	0.00	0.00	0.00
6	0.00	0.00	0.83	6.03	10.29	11.74	8.54	6.36	3.39	1.07	0.00	0.00	0.00
7	0.42	3.28	8.57	14.70	15.52	16.67	13.29	12.60	11.23	8.70	4.56	0.89	0.89
8	7.09	10.50	16.01	17.68	17.80	18.17	15.22	15.27	15.00	14.42	11.53	7.42	7.42
9	10.82	13.64	16.56	17.32	18.49	18.42	16.75	16.54	15.69	13.85	12.94	10.29	10.29
10	10.89	14.29	15.85	17.15	18.41	18.56	17.46	17.06	15.14	13.46	12.28	10.66	10.66
11	10.71	13.25	15.82	17.79	17.08	18.03	17.42	14.86	15.10	13.24	11.37	9.55	9.55
12	10.36	12.47	15.26	17.33	17.53	17.65	16.79	15.11	13.69	13.15	11.37	9.95	9.95
13	10.79	12.86	14.66	16.49	17.69	18.02	15.91	13.75	14.12	13.97	11.32	9.58	9.58
14	11.33	12.05	15.09	15.67	16.80	17.58	13.47	12.68	14.59	13.22	11.22	10.41	10.41
15	11.28	10.14	14.09	15.05	15.45	14.91	11.52	11.81	13.95	11.50	9.34	8.94	8.94
16	4.97	7.94	12.37	13.38	13.69	14.10	10.03	10.69	11.16	6.46	2.93	2.57	2.57
17	0.00	1.76	4.99	6.89	9.36	11.64	7.65	6.46	3.89	0.46	0.00	0.00	0.00
18	0.00	0.00	0.00	0.83	3.13	4.56	3.03	1.54	0.00	0.00	0.00	0.00	0.00
19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	2749.07	3252.92	4653.13	5291.33	6000.25	6103.90	5233.08	4800.21	4408.33	3828.42	2965.87	2487.75	51,774

- P50 expected volumes of Solar generation from a 25MW nameplate capacity facility located at SJ/4C 345

Average Annual Expected Generation available from Wind

Wind Resource (p50)													
Hour	January	February	March	April	May	June	July	August	September	October	November	December	
0	12	9	10	8	11	7	6	5	6	8	9	11	
1	11	11	10	8	6	6	5	5	4	9	9	13	
2	14	10	10	8	8	6	5	4	7	10	9	11	
3	12	10	9	9	9	6	3	4	6	10	9	11	
4	13	12	9	10	8	6	5	5	8	10	9	14	
5	12	11	9	8	6	5	4	4	4	8	10	11	
6	10	9	9	7	5	4	4	3	3	8	8	11	
7	9	9	6	6	6	4	2	3	3	6	7	9	
8	8	8	7	6	6	3	3	2	2	5	7	9	
9	10	9	8	7	6	3	2	2	3	7	7	11	
10	10	9	7	8	8	4	2	2	6	7	8	9	
11	10	11	7	10	10	4	1	2	5	8	8	9	
12	8	9	8	10	9	5	3	2	2	7	8	9	
13	10	12	9	11	10	5	3	2	3	6	10	9	
14	9	13	9	11	10	7	4	3	3	8	9	10	
15	9	9	9	11	12	8	4	3	5	8	8	11	
16	8	8	11	9	12	8	5	5	5	7	7	9	
17	8	8	9	9	9	9	5	5	5	5	8	9	
18	9	8	9	8	7	7	5	5	5	8	9	9	
19	13	10	8	10	6	8	4	6	6	8	7	11	
20	11	11	11	12	8	9	6	5	6	9	10	11	
21	12	12	10	11	12	8	5	5	5	10	8	13	
22	10	11	10	11	13	8	7	4	6	9	8	11	
23	8	10	9	11	10	7	7	5	7	10	9	10	
Total	7606	6677	6650	6597	6355	4410	3119	2812	3505	5967	5951	7805	Total 67,454

- Average annual wind from 3 different projects interconnected to the Western Sprit Transmission line and delivered to 4C 345 Switchyard:
 - Duran Mesa Wind Farm
 - Tecolote Wind Farm
 - Clines Corner Wind Farm



Average Annual Expected Generation available NOT in excess of 15MW ATC from Wind & Solar

Wind + Solar (p50 expected)

	January	February	March	April	May	June	July	August	September	October	November	December	
0	12	9	10	8	11	7	6	5	6	8	9	11	
1	11	11	10	8	6	6	5	5	4	9	9	13	
2	14	10	10	8	8	6	5	4	7	10	9	11	
3	12	10	9	9	9	6	3	4	6	10	9	11	
4	13	12	9	10	8	6	5	5	8	10	9	14	
5	12	11	9	8	8	9	6	4	4	8	10	11	
6	10	9	9	13	15	15	12	9	7	9	8	11	
7	10	12	15	15	15	15	15	15	14	15	11	10	
8	15	15	15	15	15	15	15	15	15	15	15	15	
9	15	15	15	15	15	15	15	15	15	15	15	15	
10	15	15	15	15	15	15	15	15	15	15	15	15	
11	15	15	15	15	15	15	15	15	15	15	15	15	
12	15	15	15	15	15	15	15	15	15	15	15	15	
13	15	15	15	15	15	15	15	15	15	15	15	15	
14	15	15	15	15	15	15	15	15	15	15	15	15	
15	15	15	15	15	15	15	15	15	15	15	18	15	
16	13	15	15	15	15	15	15	15	15	13	10	12	
17	8	10	14	16	15	15	13	12	9	5	8	9	
18	9	8	9	9	10	12	8	6	5	8	9	9	
19	13	10	8	10	6	8	4	6	6	8	7	11	
20	11	11	11	12	8	9	6	5	6	9	10	11	
21	12	12	10	11	12	8	5	5	5	10	8	13	
22	10	11	10	11	13	8	7	4	6	9	8	11	
23	8	10	9	11	10	7	7	5	7	10	9	10	
	31	28	31	30	31	30	31	31	30	31	30	31	
	9,198	8,138	8,923	8,819	8,936	8,122	7,513	7,209	7,085	8,336	7,938	9,245	99,463

** 99,463 MWh of LAC's 131,000 MWh load served by on network wind and Solar (Approx. 76%)**



Average Annual Expected Generation available from Wind & Solar

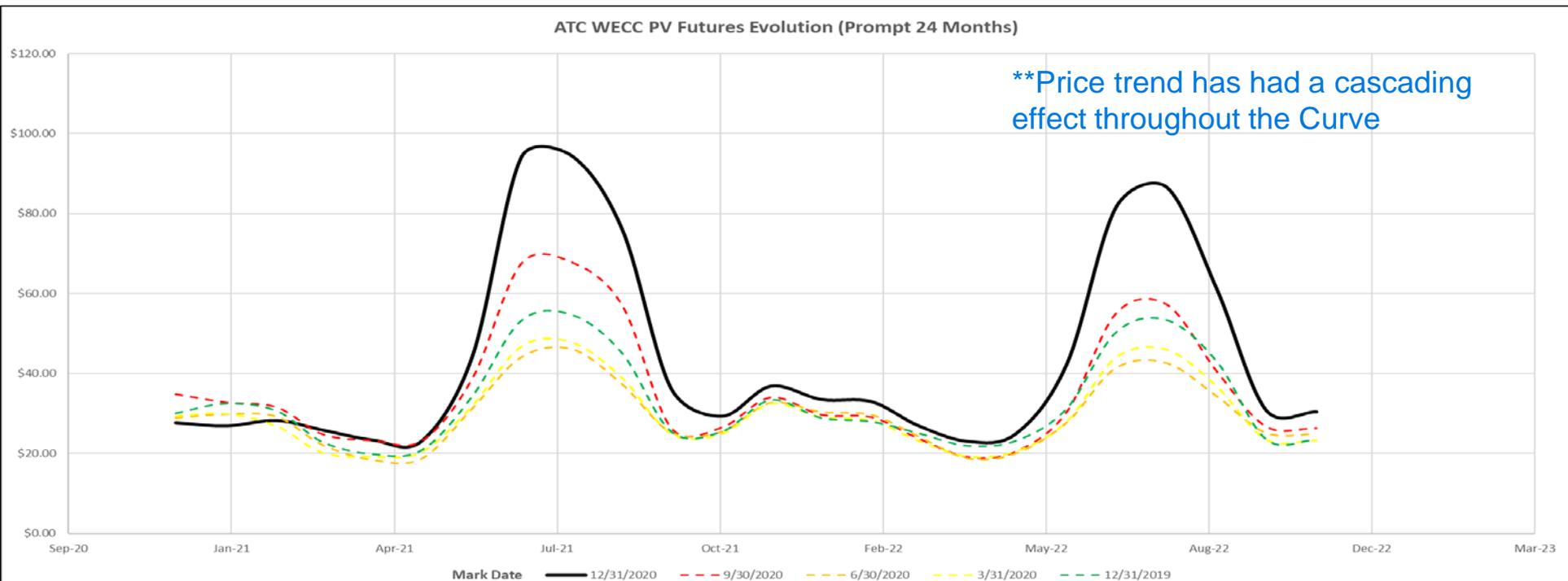
Wind + Solar (p50 expected)													
	January	February	March	April	May	June	July	August	September	October	November	December	
0	12	9	10	8	11	7	6	5	6	8	9	11	
1	11	11	10	8	6	6	5	5	4	9	9	13	
2	14	10	10	8	8	6	5	4	7	10	9	11	
3	12	10	9	9	9	6	3	4	6	10	9	11	
4	13	12	9	10	8	6	5	5	8	10	9	14	
5	12	11	9	8	8	9	6	4	4	8	10	11	
6	10	9	9	13	16	16	12	9	7	9	8	11	
7	10	12	15	21	21	21	16	15	14	15	11	10	
8	15	18	23	24	24	22	18	17	17	20	18	17	
9	21	22	25	24	24	22	19	19	19	21	20	21	
10	21	24	23	25	26	22	20	19	21	21	20	20	
11	21	24	23	28	27	22	19	17	20	21	19	18	
12	18	22	23	27	27	22	19	17	16	21	20	19	
13	20	25	24	28	28	23	18	16	17	20	21	18	
14	20	25	24	27	27	25	17	15	18	21	20	20	
15	20	19	24	26	27	23	16	15	19	19	18	20	
16	13	16	23	23	26	22	15	15	16	13	10	12	
17	8	10	14	16	18	21	13	12	9	5	8	9	
18	9	8	9	9	10	12	8	6	5	8	9	9	
19	13	10	8	10	6	8	4	6	6	8	7	11	
20	11	11	11	12	8	9	6	5	6	9	10	11	
21	12	12	10	11	12	8	5	5	5	10	8	13	
22	10	11	10	11	13	8	7	4	6	9	8	11	
23	8	10	9	11	10	7	7	5	7	10	9	10	
	31	28	31	30	31	30	31	31	30	31	30	31	
	10,355	9,818	11,303	11,889	12,355	10,514	8,352	7,613	7,913	9,795	8,917	10,292	119,116

Eligible Resources for Wind & Solar became more expensive:

- Wind became more expensive given supply tightness for eligible resources (location based);
- More robust wind profile;
- Solar resource pivoting from Jicarilla 345 to SJ/4C Common Bus (premium product/location)



Historic Shift in Forward Power Prices since Execution



Mark Date	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Delta % YoY	(8%)	(17%)	(8%)	13%	18%	11%	29%	77%	73%	69%	42%	15%	10%	16%	18%	8%	5%	8%	36%	62%	62%	42%	31%	30%
Delta \$ YoY	(\$2.36)	(\$5.55)	(\$2.36)	\$2.99	\$3.54	\$2.28	\$9.97	\$40.90	\$39.81	\$31.00	\$10.76	\$3.85	\$3.50	\$4.62	\$5.00	\$1.95	\$1.10	\$1.83	\$11.23	\$31.37	\$33.32	\$18.08	\$7.28	\$6.97

Results of Extreme Upward Pricing Pressure in CAISO & Desert Southwest (WECC):

- Developers pricing from forward curves have increased;
- Tighter liquidity for firming;
- Pressure on EPC companies to get assets on faster combine with Covid has created a tighter labor market.



Path to closing out Condition Precedents of PPA

- PPA Section 3.2 (b) provides that *“Seller has executed such Facility contracts, on terms satisfactory to Seller in its sole discretion, to purchase the complete Contract Quantity.”*
- In consideration of the historic shift in power prices over 2020 Uniper must request a \$3.00/MWh increase to the LAC/Uniper PPA (No. AGR20-926) to compensate for upward pricing pressure experienced in 2020 and during COVID.
 - Current Contract Price = \$36.67/MWh
 - Proposed Contract Price = \$39.67/MWh
 - Average increases observed in forward WECC power pricing = 27%
 - Uniper’s requested increase to LAC Contract Price = 8%

Uniper has tried to bear as much of the market price increases witnessed given the California and greater WECC price blow out this August.

POWER AND RENEWABLE ENERGY CREDIT SALES AGREEMENT

BY AND BETWEEN

UNIPER GLOBAL COMMODITIES NORTH AMERICA, LLC, SELLER

AND

INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO, BUYER

COUNTY AGREEMENT No. AGR20-926

TABLE OF CONTENTS

	<u>Page</u>
1. DEFINITIONS; INTERPRETATION.....	3
1.1 Definitions.....	3
1.2 Interpretation.....	8
2. TERM.	8
2.1 Term of the Agreement.....	8
2.2 Expiration and Termination.....	9
3. FACILITY DETERMINATION AND CONDITIONS PRECEDENT.....	9
3.1 Seller's Facility Determination.....	9
3.2 Conditions Precedent to Seller's obligations.....	9
4. PURCHASE AND SALE.....	10
4.1 Purchase and Sale.....	10
4.2 Renewable Sources.....	11
4.3 Point of Delivery.....	12
4.4 Delivered Rate.....	12
4.5 Costs of Transmission and Scheduling.....	12
4.6 Metering.....	13
4.7 Credit Protections.....	13
5. FORCE MAJEURE.....	13
6. BILLING AND PAYMENT.....	13
6.1 Invoices.....	13
6.2 Payment Disputes.....	14
6.3 Records.....	14
6.4 Audits.....	14
7. NO WARRANTIES; LIMITATIONS OF LIABILITY; SOVEREIGN IMMUNITY.....	15
7.1 NO WARRANTIES.....	15
7.2 NO CONSEQUENTIAL DAMAGES.....	15
7.3 SOVEREIGN IMMUNITY.....	15
8. REPRESENTATIONS AND WARRANTIES; COVENANTS.....	15
8.1 Representations and Warranties.....	15

8.2	Buyer Representations and Warranties.....	16
9.	EVENTS OF DEFAULT; REMEDIES.....	17
9.1	Events of Default	17
9.2	Remedies.....	18
10.	NOTICES.....	18
10.1	Means of Notice.....	18
10.2	Notice Addresses	19
10.3	Changes to Notice Addresses.....	19
11.	MISCELLANEOUS.	19
11.1	Entirety.....	19
11.2	Choice of Law.....	19
11.3	Dispute Resolution.....	19
11.4	Headings; Attachments	21
11.5	Amendments	21
11.6	Further Assurances.....	21
11.7	Relationship of the Parties	21
11.8	Forward Contract	21
11.9	Confidentiality	21
11.10	Non-Waiver.....	21
11.11	Assignment; No Third Party Beneficiaries	22
11.12	Joint Preparation	22
11.13	Severability	22
11.14	Counterparts.....	22

POWER AND REC SALES AGREEMENT

THIS POWER AND RENEWABLE ENERGY CREDIT SALES AGREEMENT, dated as of the Effective Date, is entered into by and between Uniper Global Commodities North America, LLC, hereafter “Seller” and the Incorporated County of Los Alamos, New Mexico, hereafter “Buyer.”

RECITALS

WHEREAS, the Incorporated County of Los Alamos (“County”) was created pursuant to the New Mexico Constitution, Article X, Section 5 and is a political subdivision and local public body of the State of New Mexico; and

WHEREAS, the County is a properly incorporated home rule county and municipal body as provided and authorized in the New Mexico Constitution, Art. X, Section 6; and

WHEREAS, the New Mexico Constitution, the Municipal Electric Generation Act, NMSA 1978, §§ 3-24-11 *et seq.*, and NMSA 1978, §§ 3-24-1 authorize and sanction a municipal government’s purchase of electrical power through long term power purchase agreements for the supply of municipal electricity; and

WHEREAS, the County is not subject to the limitations of the Bateman Act, NMSA 1978, §§ 6-6-11 *et seq.*; and

WHEREAS, the County intends to increase its renewable energy power resources to meet its adopted future carbon neutral goals; and

WHEREAS, Seller wishes to sell, and Buyer wishes to buy, a firm and shaped block of energy, with associated environmental attributes, principally sourced from renewable generation facilities interconnected to the Public Service of New Mexico’s transmission system.

TERMS OF AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS; INTERPRETATION.

1.1 Definitions.

- a. “Agreement” means this Power and RECS Sales Agreement, including all exhibits attached hereto.
- b. “Alternate Point of Delivery” shall have the meaning specified in Section 4.1(a).
- c. “Applicable Program” means the program pursuant to which RECS are defined or such other scheme or standard agreed to by the Parties.

- e. “Bankrupt” or “Bankruptcy” means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it which is not dismissed within thirty (30) days, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.
- f. “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.
- g. “Buyer” means the Incorporated County of Los Alamos through its Department of Public Utilities, a municipal utility agency located in Los Alamos, New Mexico.
- h. “Commercial Operation” means the Facility has been issued all full and final certifications required for achieving commercial operation of the Wind Resource and the Solar Resource and such resources are operationally capable of generating their full capacity and transmitting power.
- i. “Commercial Operation Date” means the date of Commercial Operation provided that if Commercial Operation is different in respect of the Wind Resource or the Solar Resource, the earlier of such dates.
- j. “Contract Quantity” means fifteen megawatts every hour in a twenty-four-hour day for the Term of the Agreement.
- k. “Default Rate” means the lower of (i) 400 basis points over the then-current U.S. prime rate, as listed in the Money Rates Section of the *Wall Street Journal* on the first day of the month in which such interest was calculated, and (ii) the maximum lawful rate. Except as otherwise expressly provided in the Agreement, interest shall be calculated on a monthly basis.
- l. “Defaulting Party” means a Party that is in default under this Agreement.
- m. “Delivered Rate” means (i) with respect to the Contract Quantity, \$36.67 per megawatt-hour and (ii) with respect to Supplemental Solar Energy or Supplemental Wind Energy, the relevant S&P Global Platts Megawatt Daily Palo Verde Day-Ahead On-Peak or Off-Peak price, as applicable, plus \$0.75 per REC.
- n. “Effective Date” means January 28, 2020.

- o. “Environmental Attributes” means Renewable Energy Certificates, carbon trading credits, emissions reductions credits, emissions allowances, green tags, Green-e certifications, or other entitlements, certificates, products, or valuations attributed to the Resource Energy or the Project, as applicable, and its displacement of conventional energy generation, or any other entitlement pursuant to any federal, state, or local program applicable to renewable energy sources, whether legislative or regulatory in origin, as amended from time to time, and excluding, for the avoidance of doubt, any tax attributes.
- p. “Event of Default” means an uncured default as set forth in Section 9.
- q. “Expiration Date” means the date which is fifteen (15) years from the Commercial Operation Date.
- r. “Extension Term” has the meaning provided in Section 2.1.
- s. “Facility” means the asset(s) owned, controlled and operated by a third party or third parties with whom the Seller has contracted to provide the Resource Energy and RECs which includes both the Wind Resource and the Solar Resource and noticed to Buyer pursuant to Section 3.1. This definition of “Facility” as used throughout this Agreement shall encompass multiple Facilities if applicable and each Facility as described by the generator name, generator identification number, location and type of resource shall be provided by Seller to Buyer in the form of Exhibit A upon execution of the Seller’s contract with the asset and such Exhibit A will be incorporated into and made a part of this Agreement.
- t. “Force Majeure Event” means any cause, activity, event, condition or circumstance (1) beyond the reasonable control of the Party affected or the Facility, (2) not the result of acts or omissions by the Party affected, which (3) prevents the performance by such Party or the Facility hereunder, including:
 - i. natural phenomena, including flood, earthquake, storm, drought, fire, lightning strikes, pestilence, epidemic, or catastrophe;
 - ii. act of God, war, riot, civil disturbance or disobedience, strike, labor dispute, labor disturbance, shortage of labor or material, sabotage, restraint by court order or public authority; or
 - iii. in respect of RECs, the unavailability of WREGIS for transfers of the RECs or any governmental action which makes the RECs illegal, unenforceable or constitutes an abandonment of all or part of the Applicable Program with respect to RECs.

Notwithstanding the foregoing, a Force Majeure Event will not include any cause, activity, event, condition or circumstance resulting from a failure to exercise due care on the part of the Party asserting the existence of Force Majeure Event, provided that such Party shall in no case be obligated to settle strikes or other labor disturbances and provided further that with respect to Buyer as the Party declaring

Force Majeure, Force Majeure does not include any action taken by the Buyer in its governmental capacity.

- u. “Interest Rate” means the lower of (i) 200 basis points over the then-current U.S. prime rate, as listed in the Money Rates Section of the *Wall Street Journal* on the first day of the month in which such interest was calculated, and (ii) the maximum lawful rate. Except as otherwise expressly provided in this Agreement, interest shall be calculated on a monthly basis.
- v. “Market Purchased Energy” means power obtained from the market and provided to Buyer to meet the Contract Quantity provided however that such Market Purchased Energy shall not have associated RECS and further that such Market Purchased Energy may be purchased from non-wind and solar resources.
- w. “NITS Agreement” or “NITSA” means the service agreement for Network Integration Transmission Service between Buyer and PNM.
- x. “Non-Defaulting Party” means the Party that is not the Defaulting Party under this Agreement.
- y. “Index Price” means the published hourly price published by a verifiable third-party publication under the listing applicable to the geographic location closest in proximity to the Point of Delivery.
- z. “Party” means each of Seller and Buyer, and “Parties” means Seller and Buyer.
- aa. “Point of Delivery” means (i) with respect to the Purchased Energy, the Four Corners substation or any other point of delivery mutually agreed between the Parties or (ii) upon notice by Seller of the Facility location pursuant to Section 3.1 such other point of delivery added to Buyer’s NITSA to support such location.
- bb. “PNM” means Public Service Company of New Mexico.
- cc. “PNM OATT Schedule 4 Tariff” means the Schedule 4 in respect of Energy Imbalance Service pursuant to the PNM Open Access Transmission Tariff as such Schedule 4 may be amended by PNM from time to time.
- dd. “PNM OATT Schedule 9 Tariff” means the Schedule 9 in respect of Generator Imbalance Service pursuant to the PNM Open Access Transmission Tariff as such Schedule 9 may be amended by PNM from time to time.
- ee. “Purchased Energy” means all of the electric power scheduled to Buyer which may be energy from the Wind Resource or Solar Resource to satisfy all or part of the Contract Quantity, Supplemental Energy confirmed by Seller pursuant to Section 4.1(c) or Market Purchased Energy.
- ff. “Renewable Energy Certificate” or “RECs” means the Environmental Attributes, associated with the generation of one (1) MWh of Resource Energy from the Facility actually delivered to and accepted by Buyer.

- gg. “Resource Energy” shall mean power from the Wind Resource and the Solar Resource which may be attributable to the Contract Quantity or Supplemental Energy.
- hh. “Seller” means Uniper Global Commodities North America, LLC.
- ii. “Settlement Amount” means, with respect to a termination by a Non-Defaulting Party, an amount (positive or negative) equal to (a) the difference (positive or negative) to such Non-Defaulting Party between the present value of the payments to be made and received under this Agreement (less the costs and expenses to be incurred in performing this Agreement) during the remaining term of this Agreement and the present value of the payments to be made and received (less the costs and expenses to be incurred) under transaction(s) replacing this Agreement, plus (b) attorneys’ fees and expenses, brokerage fees and commissions and other third-party transaction costs and expenses to be reasonably incurred by the Non-Defaulting Party in entering into transaction(s) replacing this Agreement, attorneys’ fees and expenses to be reasonably incurred by the Non-Defaulting Party in connection with the termination of this Agreement and any other reasonable incremental costs and expenses to be reasonably incurred by such Non-Defaulting Party in connection with the termination of this Agreement and/or in entering into transaction(s) replacing this Agreement.
- jj. “Solar Resource” means the solar farm located at the Facility and interconnected with the transmission grid associated with the NITSA.
- kk. “Supplemental Energy” means additional Supplemental Wind Energy or Supplemental Solar Energy production in any given hour during the Term.
- ll. “Supplemental Solar Energy” means additional solar power offered by Seller, in its sole discretion, from the Solar Resource above the Contract Quantity which Seller has agreed, in its sole discretion, to provide.
- mm. “Supplemental Wind Energy” means additional wind power offered by Seller, in its sole discretion, from the Wind Resource above the Contract Quantity which Seller has agreed, in its sole discretion, to provide.
- nn. “Tax” or “Taxes” means each federal, state, county, local and other (a) net income, gross income, gross receipts, sales, use, ad valorem, business or occupation, transfer, franchise, profits, withholding, payroll, employment, excise, property or leasehold tax and (b) customs, duty or other fee, assessment or charge of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amount with respect thereto.
- oo. “Term” shall have the meaning specified in Section 2.1.
- pp. “Termination Notice” means a notice to terminate this Agreement delivered by a Non-Defaulting Party following an Event of Default by the other Party.

- qq. “Wind Resource” means the wind farm at the Facility and interconnected with the transmission grid associated with the NITSA.
- rr. “WECC” means the Western Electricity Coordinating Council.
- ss. “WREGIS” means the Western Renewable Energy Generation Information System.
- tt. “WSPP Agreement” means the WSPP Agreement effective March 26, 2018.

1.2 Interpretation. In this Agreement, unless a clear contrary intention appears:

- a. time is of the essence;
- b. the singular number includes the plural number and vice versa;
- c. reference to any person includes such person’s successors and assigns (regardless of whether such person’s successors and assigns are expressly referenced in the provision) but, in case of a Party hereto, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually;
- d. reference to any agreement (including this Agreement), document, act, statute, law, instrument, or tariff means such agreement, document, act, statute, law, instrument, or tariff as amended, modified, replaced or superseded and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof, regardless of whether the reference to the agreement, document, act, statute, law, instrument, or tariff, expressly refers to amendments, modifications, replacements, or successors;
- e. reference to any Section, or Exhibit means such Section of this Agreement, or such Exhibit to this Agreement, as the case may be;
- f. “including” (and with correlative meaning “include”) means including without limiting the generality of any description succeeding such term, regardless of whether words such as “without limitation” are expressly included in the applicable provision;
- g. relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including”; and
- h. the term “or” is not exclusive, regardless of whether “and/or” is used in the applicable provision.

2. TERM.

- 2.1 Term of the Agreement. This Agreement shall be binding and effective as of the Effective Date. The Term shall continue until the Expiration Date, unless terminated earlier in

accordance with the terms of Section 3.2 or Section 9 of this Agreement. The term may also be extended by an additional five (5) years beyond the Expiration Date (the “Extension Term”), which shall be accomplished by the Buyer providing notice to Seller of its intention to extend no earlier than five (5) years following the Effective Date and no later than one (1) year prior to the Expiration Date. Seller will then use reasonable efforts to extend its contract with the Facility for a term equal to the Extension Term, provided however that, if Seller is unable to so extend the Facility arrangement within six (6) months prior to the Expiration Date Seller may notify Buyer that the Term shall end on the Expiration Date. The Delivered Rate shall be renegotiated and mutually agreed between the parties for any Extension Term.

2.2 Expiration and Termination. Upon termination of this Agreement for any reason prior to the Expiration Date, or upon the expiration of this Agreement as of the Expiration Date, this Agreement will no longer be effective, subject, however, to the following provisions:

- a. Any payment obligation incurred by Buyer prior to such termination or expiration shall survive until payment is received by Seller in full, with interest as provided herein.
- b. Any other fixed or accrued obligation incurred by either Party prior to such termination or expiration, and all obligations hereunder with respect to indemnification and confidentiality, shall survive until the obligation is fully discharged.
- c. Termination by either Party shall not constitute a waiver of, and shall not otherwise prejudice, the terminating Party’s right to claim and recover damages for any default of the other Party under this Agreement, including a default that gave rise to such termination.

3. FACILITY DETERMINATION AND CONDITIONS PRECEDENT.

3.1 Seller’s Facility Determination. Seller shall negotiate with the Facility to obtain sufficient Wind Resource and Solar Resource to meet the Contract Quantity obligation. Seller’s contract with the Facility may be negotiated, executed and effective after the Effective Date of this Agreement. Upon the effectiveness of such Facility agreement between Seller and the Facility, Seller will provide notice to Buyer of the Facility and the Point of Delivery in respect of such Facility and Buyer will apply for and obtain, pursuant to Section 3.2(a) below the final approval for such Point of Delivery in its NITSA.

3.2 Conditions Precedent to Seller’s obligations. In order for the delivery of Purchased Energy to commence under this Agreement, all conditions precedent below must be met by both the Buyer and the Seller as specified:

- a. Buyer must obtain final approval to include all Points of Delivery in its NITSA, or alternate transmission arrangement, to accept physical delivery of Purchased Energy.

- b. Seller has executed such Facility contracts, on terms satisfactory to Seller in its sole discretion, to purchase the complete Contract Quantity.
- c. Buyer has promptly reviewed Seller-provided Facility specifications, as contracted by Seller pursuant to Section 1.1(s), and agreed in writing that such Facility is satisfactory for the purposes of this Agreement (including the estimated ability and capacity of the Facility to generate RECs). Such approval from Buyer shall not be unreasonably withheld. Once approved, the Parties agree to attach the Facility specifications as an Exhibit to this Agreement.
- d. The Facility has achieved full Commercial Operation provided however, if the Wind Resource or the Solar Resource achieve Commercial Operation at different times, the delivery of the Contract Quantity will commence on the date of such Commercial Operation of the first Facility to achieve full Commercial Operation.
- e. The Facility's approvals and plans must meet the requirements of the Applicable Program for the sale of RECs and be approved by such Applicable Program.

4. PURCHASE AND SALE.

4.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, throughout the Term, Buyer will purchase, and Seller will sell, the Purchased Energy and the RECs.

- a. The Contract Quantity shall be met by scheduling power first from the Wind Resource and the Solar Resource as available using Buyer's NITSA from the Point of Delivery. Seller will first deliver the power generated by the Facility and delivered to Seller from the Facility (absent a Force Majeure or Buyer failure) to satisfy the Contract Quantity prior to delivering Market Purchased Energy. In accordance with the preceding sentence, if all, or some Wind Resource or Solar Resources, are not available to satisfy the Contract Quantity in whole or in part Seller shall schedule Market Purchased Energy to meet the Contract Quantity on a day-ahead or real-time schedule delivered to an acceptable Point of Delivery on PNM's network (the "Alternate Point of Delivery"). If Contract Quantity purchased pursuant to this Section 4.1(a) becomes unavailable due to missed wind or solar forecasts, and Seller cannot resupply the Contract Quantity owed to Buyer with Market Purchased Energy, the Parties will settle each megawatt-hour of undelivered energy as follows: the Seller shall pay Buyer an amount for the positive difference, if any, when the Delivered Rate is subtracted from the amount paid by the Buyer per megawatt-hour in a commercially reasonable manner to replace such deficiency. If no such replacement is available, then the Seller shall pay Buyer an amount for the positive difference, if any, when the Delivered Rate is subtracted from the actual cost of replacement power per megawatt-hour or as assessed by PNM through the PNM OATT Schedule 4 Tariff and as evidenced by information provided by Buyer. Any Supplemental Energy shall be scheduled as available and agreed pursuant to Section 4.1(c) below.
- b. Buyer shall receive and accept all RECs. Seller will transfer all RECs through the WREGIS tracking system on a quarterly basis beginning four months after the

Commercial Operation Date of the relevant Wind Resource or Solar Resource. Quarterly transfers shall include all RECs minted by the Facility and received by Seller in its WREGIS account on the date of such transfer from both the energy supplied from the Facility as Contract Quantity pursuant to Section 4.1(a) and Supplemental Energy. Seller shall ensure that no transferred RECs have been retired through WREGIS or any other tracking system prior to transfer to Buyer. Buyer will accept such RECs within a commercially reasonable period of time after such transfer by Seller. If Buyer fails to accept any such transfer, Seller shall not be responsible for any imposed fines, sanctions, or losses administered by WREGIS.

- c. Seller will offer Buyer, on either a day-ahead or a real-time basis, such quantity of Supplemental Energy as it may have available from time to time in its sole discretion. Buyer may elect to purchase such Supplemental Energy at the price specified in Section 1.1(m) “Delivered Rate” as applicable and will promptly, but in no event later than the time specified by Buyer in its offer (which in respect of real-time offers may be immediate), notify Seller in writing using email or other instant messaging of its intent to purchase. Buyer and Seller will cooperate to nominate and schedule such Supplemental Energy to Buyer at the Point of Delivery associated with the relevant producing Solar Resource or Wind Resource and Buyer will accept such Supplemental Energy at such Point of Delivery. Supplemental Energy shall be scheduled as Service Schedule B (Unit Commitment Service) from the WSPP Agreement.
- d. Seller shall pay or cause to be paid all Taxes on or with respect to the Purchased Energy arising before the applicable Point of Delivery and with respect to RECS arising prior to transfer in WREGIS to Buyer. Buyer shall pay or cause to be paid all Taxes on Purchased Energy or the transaction from the applicable Point of Delivery and with respect to RECS arising at and after transfer in WREGIS to Buyer. If Seller is required by law to remit or pay Taxes that are the responsibility of Buyer hereunder, Buyer shall promptly reimburse Seller for such Taxes. If Buyer is required by law to remit or pay Taxes that are Seller’s responsibility hereunder, Buyer may deduct such amounts from payments to Seller hereunder; if Buyer elects not to deduct such amounts from Seller’s payments, Seller shall promptly reimburse Buyer for such amounts upon request. Nothing shall obligate or cause a Party to pay or be liable to pay any Taxes for which it is exempt under law. A Party that is exempt at any time and for any reason from one or more Taxes shall bear the risk that such exemption shall be lost, or the benefit of such execution be reduced.
- e. Buyer shall be responsible for ensuring that the Purchased Energy is designated as a Network Resource under the NITSA. “Network Resource” shall have the same meaning as described in the NITSA.

4.2 Renewable Sources. Buyer agrees and understands that on network renewable resources will be delivered as Purchased Energy and also agrees that additional Purchased Energy needed to meet the Contract Quantity may be from market purchases that have no associated renewable attributes or qualities. It is Seller’s intention under this Agreement to deliver the maximum available Resource Energy to fulfill the Contract Quantity. On

an annual basis starting in the calendar year after the Commercial Operation Date of the first operational Facility, Seller shall supply to Buyer a generation report for the Facilities with relevant information regarding each Facility's annual performance.

- 4.3 Point of Delivery. Except to the extent excused by Force Majeure or Buyer's failure to meet its obligations hereunder, Seller will deliver and sell to Buyer, and Buyer will receive and purchase from Seller, the Purchased Energy at the applicable Point of Delivery for such Purchased Energy, or, with respect to Purchased Energy which is Market Purchased Power, an Alternate Point of Delivery. As between the Parties, Seller shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of all Purchased Energy prior to the applicable Point of Delivery, including any Alternate Point of Delivery, and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby), of the Purchased Energy at and from the Point of Delivery, including any Alternate Point of Delivery. Seller represents and warrants that it will deliver all Purchased Energy and RECs to Buyer free and clear of all liens, claims or encumbrances created by any person. With respect to RECs, title and risk of loss shall transfer to Buyer when Seller transfers the RECs to Buyer's account in WREGIS.
- 4.4 Delivered Rate. Buyer shall pay to Seller the Delivered Rate as applicable, which Delivered Rate shall be without escalation throughout the Term. The Delivered Rate shall be renegotiated and mutually agreed between the Parties for any Extension Term.
- 4.5 Costs of Transmission and Scheduling.
- a. Seller will arrange and pay the costs of, and will otherwise be responsible for, the transmission and delivery of the Purchased Energy to and at the applicable Point of Delivery, or any Alternate Point of Delivery. Seller will schedule or arrange for scheduling services with appropriate transmission providers to deliver the Purchased Energy to the Point of Delivery or any Alternate Point of Delivery, in accordance with WECC scheduling conventions.
 - b. Buyer will arrange and pay the costs of, and will otherwise be responsible for, the transmission and distribution of the Purchased Energy from the applicable Point of Delivery or any Alternate Point of Delivery, to its customers.
 - c. Buyer shall be responsible for all transmission and ancillary service agreements and shall be responsible for costs required to receive the Purchased Energy from the applicable Point of Delivery and to deliver such Purchased Energy to its own facilities or customers.
 - d. Buyer shall not be responsible for any Generator Imbalance Services, as defined in the PNM OATT as Schedule 9, that may arise in connection to the Purchased Energy.

4.6 Metering.

- a. Purchased Energy will be measured and determined by means of metering equipment installed by PNM in accordance with the NITSA at the applicable Point of Delivery or Alternate Point of Delivery.
- b. Seller will deliver and sell to Buyer, and Buyer will receive and purchase from Seller, the Purchased Energy at the Point of Delivery. Title to and risk of loss as to all Purchased Energy shall pass from Seller to Buyer at the applicable Point of Delivery, including any Alternate Point of Delivery, as applicable. Buyer has sole responsibility for the operation, maintenance and repair of the systems, facilities and other assets that it owns and shall bear all risk of loss with respect thereto. As between the Parties, Buyer shall bear all risk of liability to third parties with respect to the operation, maintenance and repair of the systems, facilities and other assets at and after the Point of Delivery or Alternate Point of Delivery, as applicable.

4.7 Credit Protections. If either party (“X”) has reasonable grounds for insecurity regarding the performance of any obligation under this Agreement (whether or not then due) by the other party (“Y”) (including, without limitation, as a result of the occurrence of a material change in the creditworthiness or financial condition of Y), X may demand Adequate Assurance of Performance. If Seller is party Y, “Adequate Assurance of Performance” shall mean reasonably sufficient security as mutually agreed between the parties. If Buyer is party Y, “Adequate Assurance of Performance” shall mean reasonably sufficient security as mutually agreed between the parties to the extent such security is permissible under New Mexico law, including Article IX (State, County and Municipal Indebtedness) of the New Mexico Constitution.

5. FORCE MAJEURE.

Neither Party shall be considered in breach of this Agreement or liable for any delay or failure to comply with this Agreement, if and to the extent that such delay or failure is attributable to the occurrence of a Force Majeure Event; provided that the Party claiming relief as a result of the Force Majeure Event shall promptly (i) notify the other Party in writing of the existence and details of the Force Majeure Event; (ii) exercise all reasonable efforts to minimize delay caused by such Force Majeure Event; (iii) notify the other Party in writing of the cessation of such Force Majeure Event; and (iv) resume performance of its obligations hereunder as soon as practicable thereafter.

6. BILLING AND PAYMENT.

6.1 Invoices. As soon as reasonably practicable in the month following the month of delivery, Seller shall invoice Buyer for the amount of Purchased Energy delivered. Each Purchased Energy invoice shall include the amount of Purchased Energy for the month most recently ended, the payment due for the Purchased Energy, and the total amount due.

All invoices will be sent to Buyer, addressed as follows:

c/o Los Alamos County Utilities
Attn: Power System Supervisor
1000 Central Ave. Suite 130
Los Alamos NM, 87544
lacpower@lacnm.us
Phone: (505)662-8333
Fax: (505)662-8005

All payments under this Agreement shall be due and payable in full by wire transfer of immediately available funds, as designated by Seller, on the 20th calendar day of the month following the month of delivery or, if such day is not a Business Day, then on the next Business Day.

- 6.2 Payment Disputes. Undisputed amounts not paid when due shall accrue interest from (and including) the due date to (but excluding) the date of payment at the Interest Rate. If Buyer, in good faith, disputes any amount due pursuant to an invoice or statement rendered to it by Seller pursuant to this Agreement, Buyer will notify Seller in writing of the specific basis for the dispute and shall pay the undisputed portion on or before the date such payment is due. If any amount disputed by Buyer is determined to be due to Seller, or if the Parties otherwise resolve the dispute, the amount due shall be paid within ten (10) Business Days after such determination or resolution, along with interest accrued at the Interest Rate from (and including) the original date such payment was due to (but excluding) the date paid.
- 6.3 Records. Each Party shall keep and maintain all records as may be necessary or useful in performing or verifying any calculations made pursuant to this Agreement, or in verifying such Party's performance hereunder in accordance with the New Mexico Public Records Act, NMSA 1978, Section 14-2-1 et seq.
- 6.4 Audits. Each Party, through its employees, authorized agents and/or professional advisors, shall have the right, at its sole expense and upon reasonable advance notice to the other Party, during normal business hours of the other Party, to request copies of the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made hereunder or to verify the other Party's performance of its obligations hereunder. Upon request, each Party shall provide to the other Party such reasonable requested information which may include statements evidencing the quantities of energy delivered at the Point of Delivery. If any statement is found to be inaccurate, a corrected statement shall be issued and any amount due hereunder will be promptly paid and shall bear interest calculated at the Interest Rate from (and including) the date of the overpayment or underpayment to (but excluding) the date of receipt of the reconciling payment. Notwithstanding the above, no adjustment shall be made with respect to any statement or payment hereunder unless a Party asserts its challenge to the accuracy of such payment or statement within one (1) year after the date of such statement or payment.

7. NO WARRANTIES; LIMITATIONS OF LIABILITY; SOVEREIGN IMMUNITY.

- 7.1 NO WARRANTIES. NEITHER PARTY MAKES ANY WARRANTY EXCEPT AS SET FORTH HEREIN. WITHOUT LIMITING THE FOREGOING, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED.
- 7.2 NO CONSEQUENTIAL DAMAGES. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE.
- 7.3 SOVEREIGN IMMUNITY. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR APPLIED, WHETHER DIRECTLY OR BY IMPLICATION, TO WAIVE, REDUCE OR LIMIT BUYERS'S RIGHTS, PRIVILEGES OR IMMUNITIES AS A POLITICAL SUBDIVISION OF THE STATE OF NEW MEXICO OR OTHER FORM OF PUBLIC OR GOVERNMENT ENTITY FROM (1) ANY LIABILITY FOR ANY TORT ARISING DIRECTLY UNDER THE NEW MEXICO TORT CLAIMS ACT EXCEPTING THE LIABILITY FOR DAMAGES CONTEMPLATED BY NMSA 1978, §41-4-8 OR OTHER PROVISIONS OF THAT ACT, AND (2) ANY SUIT, ACTION, CASE OR LEGAL PROCEEDING INVOLVING A CLAIM OF TITLE TO OR INTEREST IN REAL PROPERTY AS CONTEMPLATED BY NMSA 1978, §42-11-1.

8. REPRESENTATIONS AND WARRANTIES; COVENANTS.

- 8.1 Representations and Warranties. As of the Effective Date, each Party hereby represents and warrants to the other Party as follows:
- a. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation or establishment;
 - b. it has all regulatory authorizations necessary for it legally to perform its obligations under this Agreement, including obtaining the approval of any governmental agency, such as (if necessary) the New Mexico Department of Finance and Administration; the representative or representatives executing this Agreement on behalf of such Party are duly authorized by such Party to execute and deliver this Agreement; and the signature or signatures made on behalf of such Party at the end of this Agreement are sufficient legally to bind such Party to all the terms and conditions of this Agreement;
 - c. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

- d. this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any equitable defenses;
- e. it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- f. there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
- g. no Event of Default, or occurrence that with the passing of time or giving of notice or both would become an Event of Default, with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement; and
- h. it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement.

8.2 Buyer Representations and Warranties. As of the Effective Date, Buyer hereby represents and warrants to the Seller as follows:

- a. all acts necessary to the valid execution, delivery and performance of this Agreement, including without limitation, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures has or will be taken and performed as required under any acts, ordinances, bylaws or other regulations;
- b. all persons making up the governing body of Buyer are the duly elected or appointed incumbents in their positions and hold such positions in good standing in accordance with applicable law;
- c. entry into and performance of this Agreement by Buyer is for a proper public purpose within the meaning of applicable law and all other relevant constitutional, organic or other governing documents;
- d. the term of this Agreement does not extend beyond any applicable limitation imposed by applicable law or other relevant constitutional, organic or other governing documents;
- e. the obligations to make payments hereunder are unsubordinated obligations and such payments are (a) operating and maintenance costs (or similar designation) which enjoy first priority of payment at all times under any and all bond ordinances

or indentures to which it is a party, applicable law and all other relevant constitutional, organic or other governing documents or (b) otherwise not subject to any prior claim under any and all bond ordinances or indentures to which it is a party, applicable law and all other relevant constitutional, organic or other governing documents and applicable law and are available without limitation or deduction to satisfy all Buyer's obligations hereunder;

- f. entry into and performance of this Agreement by the Buyer will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any obligation of Buyer otherwise entitled to such exclusion; and
- g. obligations to make payments hereunder do not constitute any kind of indebtedness of Buyer or create any kind of lien on, or security interest in, any property or revenues of Buyer which, in either case, is proscribed by any provision of applicable law or any other relevant constitutional, organic or other governing documents, any order or judgment of any court or other agency of government applicable to it or its assets, or any contractual restriction binding on or affecting it or any of its assets.
- h. Buyer shall provide Seller with the documents evidencing its authority to enter into, execute, deliver and perform this Agreement which may be in the form of ordinances, resolutions, public notices and other documents.

9. EVENTS OF DEFAULT; REMEDIES.

9.1 Events of Default. The following occurrences shall constitute Events of Default:

- a. Failure by a Party to make any payment required hereunder when due if such failure is not remedied within ten (10) Business Days after receipt by the Defaulting Party of written notice of such failure; provided, that the payment in question is not the subject of a good faith dispute pursuant to Section 6.2.
- b. Unexcused failure by a Party to perform any other material obligation hereunder, and such failure is not remedied within thirty (30) days after receipt by the Defaulting Party of written notice of such failure; provided, that so long as a Defaulting Party has initiated and is diligently attempting to effect a cure, the Defaulting Party's cure period shall extend for an additional thirty (30) days or such longer period as is reasonably necessary to effect such cure.
- c. Any representation or warranty made by a Party pursuant to Section 8 shall have been false in any material respect when made that, if capable of being remedied, is not remedied within ten (10) days after receipt by the Defaulting Party of written notice of such falsity; provided, that so long as a Party has initiated and is diligently attempting to effect a cure, the Party's cure period shall extend for an additional thirty (30) days.

- d. A Party is or becomes Bankrupt.
- e. A Party assigns this Agreement in violation of Section 11.11.
- f. A Party fails to provide Adequate Assurance of Performance within five (5) Business Days of a request pursuant to Section 4.7.

9.2 Remedies. If an Event of Default occurs with respect to a Defaulting Party, then in addition to any other remedies available to the Non-Defaulting Party under this Agreement or at law or in equity, the Non-Defaulting Party in its sole discretion may give the Defaulting Party a Termination Notice, which shall designate the date upon which this Agreement shall be terminated. Interest on any overdue, unpaid amounts as of such date shall accrue at the Default Rate from (and including) the date of the Termination Notice to (but excluding) the date actually paid.

In addition to the above, upon termination of this Agreement as a result of an Event of Default, the Non-Defaulting Party shall (a) calculate, in a commercially reasonable manner, the Settlement Amount (whether positive or negative). The Settlement Amount, if positive, shall be payable by the Defaulting Party to the Non-Defaulting Party and, if negative, shall be payable by the Non-Defaulting Party to the Defaulting Party, in each case subject and according to this Section) and (b) give to the Defaulting Party a written statement explaining in reasonable detail the Non-Defaulting Party's calculations; provided, however, that the calculation of the Settlement Amount must be supported by reference to information supplied by one or more un-affiliated third parties, such as an Index Price, (or, only if information from un-affiliated third parties is unavailable, information from internal sources (including affiliates) that are of the same type used by the Non-Defaulting Party in the regular course of its business for the valuation of similar transactions), which may include quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads, credit quality or other relevant market data in the relevant markets, but it is expressly agreed that neither Party shall be required to enter into a replacement transaction in order to determine the Settlement Amount. The Settlement Amount included in the Non-Defaulting Party's statement shall be paid by the applicable Party within ten (10) Business Days after receipt of the written statement; provided, however, that, if the Non-Defaulting Party owes the Settlement Amount, the Settlement Amount shall not be due and payable until the Non-Defaulting Party has assured itself, in a commercially reasonable manner, that all amounts due and owing to it arising out of or relating to this Agreement have been irrevocably and indefeasibly paid in full (including not being subject to recoupment risk as a result of Bankruptcy or otherwise). In the event of any termination of this Agreement as a result of an Event of Default, the Non-Defaulting Party shall have the right to offset or set off against any amounts that may be owed to the Defaulting Party arising out of or relating to this Agreement against any amounts that are owed by the Defaulting Party to the Non-Defaulting Party arising out of or relating to this Agreement.

10. NOTICES.

10.1 Means of Notice. A written notice or other communication concerning this Agreement shall be effective upon receipt or refusal of delivery if given in writing and delivered by

hand, overnight courier, registered or certified mail (with return receipt requested or proof of delivery) or facsimile (with receipt confirmed), properly addressed or directed as set forth in the next subsection.

- 10.2 Notice Addresses. A notice or communication is properly directed for purposes of this Section 10.2 when it is directed or addressed to the following addresses:

Seller: Uniper Global Commodities North America LLC
Attn: Legal & Compliance
181 W Madison Street, Suite 3450
Chicago, IL 60602
UGCNALegal@uniper.energy

Buyer: Incorporated County of Los Alamos c/o Los Alamos County Utilities
1000 Central Ave. Suite 130
Los Alamos NM, 87544
lacpower@lacnm.us
Phone: (505)662-8333
Fax: (505)662-8005

- 10.3 Changes to Notice Addresses. Either Party may change any portion of its contact information above by giving written notice of such change to the other Party.

11. MISCELLANEOUS.

- 11.1 Entirety. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof. Any representation, inducement, promise or agreement that is not expressly set forth or incorporated by reference in this Agreement shall be of no force or effect.

- 11.2 Choice of Law. This Agreement shall be governed, construed and interpreted in accordance with the laws of the state of New Mexico, without regard to principles of conflicts of law.

- 11.3 Dispute Resolution.

- a. In the event of a dispute, within ten (10) days following the delivered date of a written request by either Party, (i) each Party shall appoint a representative, and (ii) the Parties' representatives shall meet, negotiate and attempt in good faith to resolve the dispute quickly, informally and inexpensively. If the Parties' representatives cannot resolve the dispute within thirty (30) days after commencement of negotiations, within ten (10) days following any request by either Party at any time thereafter, each Party's representative (a) shall independently prepare a written summary of the dispute describing the issues and claims, (b) shall exchange its summary with the summary of the dispute prepared by the other Party's representative, and (c) shall submit a copy of both summaries to a senior officer of each Party with authority to irrevocably bind the Party to a resolution of the dispute.

Within ten (10) Business Days after receipt of the dispute summaries, the senior officers for both Parties shall negotiate in good faith to resolve the dispute. If the senior offices Parties are unable to resolve the dispute within fourteen (14) days following receipt of the dispute summaries, the Parties shall submit their dispute to binding arbitration and shall otherwise conform to the requirements set forth below.

- b. Arbitration as set forth herein shall be effected by a panel of three (3) arbitrators in accordance with the provisions of this Section 11.3(b) and in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time of the arbitration; provided, however, that notwithstanding any provisions of such rules, the Parties shall have the right to take depositions and obtain discovery regarding the subject matter of the arbitration in accordance with the Federal Rules of Evidence. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. The arbitrators shall determine all questions of fact and law relating to any controversy, claim or dispute hereunder, including whether or not any such controversy, claim or dispute is subject to the arbitration provisions contained herein.
- c. Any Party desiring arbitration shall serve on the other Party and the New Mexico office of the American Arbitration Association, in accordance with the Commercial Arbitration Rules, its Notice of Intent to Arbitrate, which shall be filed in writing concurrently with the American Arbitration Association, and shall be accompanied by the name of an arbitrator suggested by the Party serving the notice. The Party served with the notice shall advise the other Party in writing of the name of its suggested arbitrator within ten (10) days after receipt of such notice. Within twenty (20) days after the notice has been made, the two arbitrators shall choose a third arbitrator who shall act as chairperson of the arbitral proceedings. If the two arbitrators chosen by the Parties do not agree upon a third arbitrator within twenty (20) days after the filing of the notice, then, upon the application of either Party, the third arbitrator shall be selected in accordance with the Commercial Arbitration Rules. The arbitration proceedings provided hereunder are hereby declared to be self-executing, and it shall not be necessary to petition a court to compel arbitration. All arbitration proceedings shall be held in New Mexico. The Parties shall bear their own costs associated with any required travel to and from such location. The arbitrator shall make a determination within three (3) months after the dispute is submitted for arbitration.
- d. Notwithstanding the existence of a dispute, and until the expert or arbitrator, as applicable, renders a decision, each Party shall be obligated to fulfill its obligations and continue its performance in accordance with the terms hereof. Any payment due or payable by either Party to the other Party shall not be withheld on account of the occurrence or continuance of any expert resolution or arbitration proceedings. Neither Party shall make any public statements with respect to any disputes hereunder without the prior consent of the other Party unless compelled to do so in connection with the arbitration, or by a governmental or regulatory authority having jurisdiction over such Party or such dispute.

- 11.4 Headings; Attachments. The headings used for the Sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement. Any and all exhibits and attachments referred to in this Agreement are, by such reference, incorporated in and made a part of this Agreement for all purposes.
- 11.5 Amendments. This Agreement shall not be altered or amended except by an instrument in writing executed by authorized officers of the Parties.
- 11.6 Further Assurances. The Parties acknowledge that the performance of each Party's obligations under this Agreement will frequently require the assistance and cooperation of the other Party. Each Party therefore agrees, in addition to those provisions in this Agreement specifically providing for assistance from one Party to the other, that it will at all times during the Term cooperate with the other Party and provide all reasonable assistance to the other Party to help the other Party perform its obligations hereunder.
- 11.7 Relationship of the Parties. This Agreement shall not be interpreted or construed to (a) create an association, joint venture or partnership between the Parties or impose any partnership obligation or liability on either Party, (b) create any agency relationship between the Parties or impose any fiduciary duty of any kind on either Party, (c) create a trust or impose any trust obligations of any kind on either Party, or (d) constitute a lease of property of any kind. Other than as expressly set forth herein, neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or act as or be an agent or representative of, or otherwise bind, the other Party.
- 11.8 Forward Contract. The Parties acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code.
- 11.9 Confidentiality. Neither Party shall disclose confidential information (other than to such Party's employees, lenders, investors, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except (a) in order to comply with any applicable law, regulation or any exchange, control area or independent system operator rule, including the New Mexico Inspection of Public Records Act, NMSA 1978, Section 14-2-1 *et seq.*, or in respect of the Applicable Program or (b) in connection with any court or regulatory proceeding; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation, without the need to post bond.
- 11.10 Non-Waiver. Any waiver at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not waive any subsequent default or any other matter. Any delay, short of the statutory period of limitation, in asserting or enforcing any right hereunder shall not waive such right. The assertion or enforcement of any right hereunder at any time shall be without prejudice to the subsequent assertion or enforcement of the same right or any other right.

11.11 Assignment; No Third-Party Beneficiaries.

- a. Neither Party shall assign this Agreement, in whole or in part, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed provided however that, Seller may without the consent of the Buyer (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an affiliate of the Seller or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of the Seller. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective permitted successors and assigns.
- b. The obligations of Seller or Buyer hereunder, as applicable, will be binding upon any future purchaser, lessee, owner or operator of the facilities, assets or business comprising such Buyer's electric system.
- c. No provision hereof is intended to confer or shall confer a legal right or other benefit upon any person who is not a Party. No provision hereof is intended to create or shall create a legal duty or obligation to any person who is not a Party.

11.12 Joint Preparation. This Agreement was prepared jointly by the Parties, each Party having had access to advice of its own counsel, and not by either Party to the exclusion of the other Party, and shall not be construed against one Party or the other as a result of the manner in which this Agreement was prepared, negotiated or executed.

11.13 Severability. If any of the terms, covenants or conditions of this Agreement shall be held invalid or unenforceable in whole or in part, the effectiveness and enforceability of the remainder of this Agreement shall not be affected thereby.

11.14 Counterparts. This Agreement may be executed in counterparts, all of which, taken together, shall have the same effect as though all signers had executed one and the same document.

Signature Page Follows

IN WITNESS WHEREOF, the Parties have caused this Power Sales Agreement to be executed, effective as of the Effective Date.

UNIPER GLOBAL COMMODITIES NORTH AMERICA, LLC (“SELLER”)

By: _____
Title: _____

By: _____
Title: _____

INCORPORATED COUNTY OF LOS ALAMOS (“BUYER”)

By: _____
Title: _____

Attested by: _____
Name: _____

Date:

**AMENDMENT NO. 1
INCORPORATED COUNTY OF LOS ALAMOS
SERVICES AGREEMENT NO. 20-926**

This **AMENDMENT NO. 1** is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("Buyer"), and **Uniper Global Commodities North America LLC**, a limited liability corporation ("Seller"), to be effective for all purposes January 21, 2021. Seller and Buyer are sometimes hereinafter referred to collectively as the "Parties" and individually as "Party."

WHEREAS, County and Contractor entered into Agreement No. 20-926, dated as of January 28, 2020, (the "Agreement") for Power and Renewable Energy Credit Sales Agreement; and

WHEREAS, the Board of Public Utilities approved this Amendment at a public meeting held on January 20, 2021; and

WHEREAS, the County Council approved this Amendment at a public meeting held on January 26, 2021; and

WHEREAS, pursuant to Section 11.5 of the Agreement, the Parties wish to amend the Agreement; and

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

To delete **Section 1.1(m) "Delivered Rate"** in its entirety and replace with the following:

m. "Delivered Rate" means (i) with respect to the Contract Quantity, \$39.67 per megawatt-hour and (ii) with respect to Supplemental Solar Energy or Supplemental Wind Energy, the relevant S&P Global Platts Megawatt Daily Palo Verde Day-Ahead On-Peak or Off-Peak price, as applicable, plus \$0.75 per REC.

Except as expressly modified by this Amendment, the terms and conditions of the Agreement remain unchanged and in effect.

Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Agreement. This Amendment No. 1 shall be construed as supplementing and forming part of the Agreement and shall be read accordingly.

This Amendment No. 1 shall be binding upon and inure to the benefit of the permitted successors and assigns of the Parties hereto. This Amendment No. 1 shall be governed, construed and interpreted in accordance with the laws of the state of New Mexico, without regard to principles of conflicts of law.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 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

UNIPER GLOBAL COMMODITIES NORTH AMERICA
LLC, A LIMITED LIABILITY CORPORATION

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



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.: 8.A
Index (Council Goals): DPU FY2021 - N/A
Presenters: Carrie Walker, Chair of the Board of Public Utilities
Legislative File: 13686-20

Title

2020 Board of Public Utilities Annual Self-evaluation

Recommended Action

None

Staff Recommendation

None

Body

The board will begin the annual self-evaluation of its own performance as outlined in section 3.9 of the BPU Procedures Manual. The current self-evaluation follows the template originally taken from the APPA Handbook for Public Power Policymakers with modifications by the Board during past evaluations.

Alternatives

The Board could choose to postpone this item.

Fiscal and Staff Impact

None

Attachments

A - Final Self-evaluation from 2019

**BOARD OF PUBLIC UTILITIES SELF-EVALUATION
CALENDAR YEAR 2019**

Approved January 15, 2020

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.

QUESTION	SCORE	COMMENTS
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?	5.0	
B. Do all Board members participate in a formal orientation?	4.3	
C. Are Board procedures adhered to regarding bylaws, open meeting requirements, compliance with legal regulations, etc.?	5.0	
D. Are meeting packets complete and distributed prior to meetings?	4.8	
E. Is the length of Board meetings appropriate?	4.0	Some members noted that, while having brief/efficient meetings is desirable, skipping background information may be confusing for the public. An interest was expressed in making materials more easily available, in particular through the county website. The chair took the action item to research this possibility.
F. Is there an annual Board calendar?	5.0	
G. Does the Board receive sufficient information to make good decisions?	3.5	Several members noted that DPU was responsive to requests for additional information.
H. Are decisions made in a timely manner?	4.3	
II. BOARD POLICY AREAS		
A. Accountability		
1. Does the Board understand its obligation to see the organization acts	5.0	

**BOARD OF PUBLIC UTILITIES SELF-EVALUATION
CALENDAR YEAR 2019**

Approved January 15, 2020

in the best interests of DPU customer and citizens of the county?		
2. Does the Board act with diligence and objectivity on behalf of DPU customers and the County?	5.0	
B. Responsibility		
1. Do Board members understand their roles?	4.8	
2. Do Board members understand the difference between their policy role and management’s administrative role?	4.3	
3. Do Board members actions reflect this understanding?	4.5	
C. Policy Direction		
1. Do Board members understand the mission, goals and strategies of the organization?	4.5	
2. Does the Board give clear directions to management on the mission and goals of the organization?	4.5	
3. Does the Board spend appropriate time on policy consideration and direction versus operational issues?	4.5	
D. Monitoring		
1. Does the Board have a system for receiving and monitoring information about the DPU’s organizational performance?	4.0	The board expressed interest in exploring how to better monitor customer service (e.g. numbers and types of complaints.) The board requested a discussion of this topic in the coming months.
2. Are there systems for corrective action where performance is below standard or reward when performance is above standard?	3.0	The board noted the DPU management audit has provided a framework for ensuring continuous improvement in operations. The board felt this question should be revised for clarity in future evaluations.

**BOARD OF PUBLIC UTILITIES SELF-EVALUATION
CALENDAR YEAR 2019**

Approved January 15, 2020

3. Are organizational goal setting and achievements taken into account during the DPU Manager's evaluation?	4.8	
E. Other Communication and Advocacy		
1. Does the Board represent the community interests it serves?	4.5	Members felt several questions in this section could be consolidated during future evaluations.
2. Does the Board communicate the value of the organizations to its stakeholders?	3.5	Members noted that the board relies heavily on the DPU for much communication with the public.
3. Does the Board seek input and involve its stakeholders in policy considerations and decisions?	3.3	Some members noted members of the public often send comments to Council rather than the BPU. The Council liason and the subcommittee may be helpful avenues for hearing more community feedback.
4. Do Board members support the organization publicly?	3.8	Some members noted this question felt repetitive.
5. Does the Board communicate effectively with the County Council?	4.5	Members noted this has improved, and noted the work of the Council/BPU subcommittee.
III. BOARD RESPONSIBILITY AREAS		
A. Legal		
1. Does the Board act within the guidelines set by the county charter and policies and procedures document?	4.5	
2. Are there written policies on Board ethics and conflicts of interest?	4.8	Annual disclosures are signed by each member.
B. Financial		
1. Does the Board approve annual operating and capital budgets and receive periodic (at least quarterly) progress reports?	4.5	Several board members felt many of the questions in this second were interrelated, and that the board and department have made great improvement in these areas over the last several years.
2. Does the Board review a financial plan for the organization and receive	4.5	

**BOARD OF PUBLIC UTILITIES SELF-EVALUATION
CALENDAR YEAR 2019**

Approved January 15, 2020

sufficient information to monitor its financial strength and performance?		
3. Are financial goals and comparative ratios established and does the Board receive tracking information?	4.8	
4. Are the requirements for an annual audit met and does the Board receive a report on the results?	4.0	Several board members requested that more information on the annual audit results be distributed.
5. Are the organizations and the Board indemnified sufficiently against insurable risk?	5.0	
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?	4.5	
C. Planning		
1. Is the Board informed about the business environment in which the organization is operating?	4.0	
2. Does the Board review and approve the organization's mission, goals, and major strategic initiatives?	5.0	Members noted the board's engagement with DPU strategic planning was more in depth this year.
3. Do Board members usually attend annual DPU strategy and planning meetings?	5.0	
D. Board/Management Relations		
1. Is there a written job description and/or employment contract for the DPU Manager?	5.0	
2. Does the Board conduct a formal, annual performance review of the DPU Manager?	5.0	
3. Is the DPU Manager's compensation linked to the results of this review?	4.3	The board noted that this is not fully within its own control.

**BOARD OF PUBLIC UTILITIES SELF-EVALUATION
CALENDAR YEAR 2019**

Approved January 15, 2020

4. Does the Board make resources available for the DPU Manager’s continued professional development?	4.5	The DPU manager commented that resources were readily available.
5. Is there a succession plan for the DPU Manager, with exposure to the Board of possible successors?	4.3	
6. Has the Board established an effective working relationship with the DPU Manager?	4.8	The board gave positive feedback on the relationship with the new manager.
7. Is there Board/management cooperation on determining the future direction of the organization?	4.8	
8. Are Board/DPU Manager roles clearly defined so the Board focuses on its policy role and avoids micro-management?	4.5	
9. Does the Board provide overall staffing direction to the DPU Manager without becoming involved in specific personnel matters?	4.5	
10. Is the Board explicit about the information it needs from the DPU Manager to fulfill its governance function?	4.5	
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?	3.5	Members felt many opportunities are given, and expressed interest that those continue to be suggested and made available. Members encouraged each other to take advantage of these opportunities when possible.

FINAL - APPROVED

Free Power Project (CFPP) as an option for meeting a portion of the County's power demands. The CFPP was considered as a potential resource for replacing the County's coal generation assets and to meet a Board-approved goal for the DPU to be a carbon-neutral electrical energy provider by 2040. On April 10, 2018 the Board and the County Council approved a resolution authorizing and approving the Power Sales Contract with an Amended and Restated Initial Budget and Plan of Finance for the first phase of the CFPP. The Budget and Plan of Finance broke the project into phases allowing the project participants an option to exit the project at the end of each phase if they determine the project is no longer the preferred option. The first phase has a decision point and off-ramp at the \$6 million spend point, which is 100% reimbursable by DOE and NuScale if the Utah Associated Municipal Power Systems (UAMPS) terminates the project for any reason. The PMC anticipated exhausting the \$6 million by November 2019, at which time the PMC and the individual participants reached a decision point. At this time, the UAMPS Project Management Committee is recommending increasing the budget for the CFPP participants by \$976k, (approx. \$52,500 for LAC, non-reimbursable), to keep the project moving forward from December 2019 through March 31, 2020. The participants are still eligible for 100% reimbursement of the \$6 million if UAMPS terminates the project in the spring or summer of 2020. If the project terminates in spring 2020, LAC will have a sunk cost of approximately \$82k. If LAC unilaterally takes the off-ramp in spring of 2020, the total sunk cost will be approximately \$162k, not including staff time since 2015.

The Board discussed this item and requested clarification where necessary.

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

1) Mr. Michael Dempsey, 300 Connie Ave. - Mr. Dempsey provided a written statement, which is included in the minutes as an attachment. Additionally, Mr. Dempsey noted that the County spent a lot more money on building the Smart House than what is being requested here and believes this is a more worthwhile expenditure when comparing costs. He also discussed the possibility of the project gaining more subscribers once the coal-fired power plant outside Delta Utah shuts down in 2025 after losing its Southern California customer base.

2) Mr. Steve Silva, 101 Lacinda Rd. - Mr. Silva noted that it would be ironic if the Board and Council do not invest in nuclear power given that Los Alamos has a legacy of being the "Atomic City."

Ms. Taylor moved that the Board of Public Utilities authorize a budget amendment of \$52,500.00 with a 20% contingency of \$10,500 for the continued participation in the Carbon Free Power Project and authorize the Utilities Manager to execute an amendment to budget and plan of finance with the Utah Associated Municipal Power Systems (UAMPS), and forward to Council for their consideration. The motion passed by the following vote:

Yes: 4 - Board Member Walker, Board Member Tobin, Board Member McLin and Board Member Taylor

Absent: 1 - Board Member Johnson

FINAL - APPROVED

Presenters: Carrie Walker

Ms. Walker presented this item. The following is the substance of the item being considered.

The Board conducted its annual self-evaluation using the questionnaire that was slightly modified after the 2018 evaluation. The Board scored each question, provided comments and identified action items for improvement.

Mr. Tobin left the meeting at 1:38 p.m.

The following actions were identified for follow-up:

- 1) Ms. Walker will compile the scores comments and action items on a spreadsheet that will be presented to the Board at the December regular meeting for approval. The final evaluation will be included in those minutes as an attachment.

5. PUBLIC COMMENT

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

6. ADJOURNMENT

The meeting adjourned at 2:04 p.m.

APPROVAL

Carrie Walker
Board of Public Utilities Chair Name

[Signature]
Board of Public Utilities Chair Signature

January 15, 2020
Date Approved by the Board

4.G.6 [12675-20](#) Approval of Meeting Agenda Outline for 2020

Presenters: Carrie Walker

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 of the manual.

Mr. Johnson moved that the Board of Public Utilities approve the meeting agenda outline for 2020 as presented. The motion passed by the following vote:

4.G.7 [12679-20](#) Complete and Approve 2019 Board of Public Utilities Annual Self-evaluation

Presenters: Carrie Walker

The Board conducted its annual self-evaluation at a special meeting on December 6th, 2019. Each item was scored and comments or possible actions noted. Ms. Walker finalized the evaluation and presented it to the Board for final approval at this meeting.

Ms. Taylor moved that the Board of Public Utilities approve the 2019 Self-evaluation as presented. The motion passed by the following vote:

Yes: 4 - Board Member Walker, Board Member Johnson, Board Member Tobin and Board Member Taylor

Absent: 1 - Board Member McLin

4.G.8 [12632-19](#) Quarterly Update on Utility System - Water System

Presenters: Jack Richardson

Deputy Utilities Manager for Gas, Water and Sewer Mr. Jack Richardson presented this item. The following is the substance of the item being considered.

The Board requested a quarterly system assessment on a different utility each quarter. This quarter, Mr. Richardson presented an update on the Water system.

The Board discussed this item and requested clarification where necessary.

4.H. Approval of Board Expenses

There were no expenses.

4.I. Preview of Upcoming Agenda Items

4.I.1 [12685-20](#) Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

In addition to the items already listed in the tickler provided in the agenda packet, the following items were identified for the tickler for upcoming meetings:



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

January 20, 2021

Agenda No.: 9.A

Index (Council Goals):

Presenters: Department of Public Utilities

Legislative File: 13770-21

Title

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 Receivables Report

C - Safety Report

STATUS REPORTS

ELECTRIC RELIABILITY

Los Alamos County Utilities

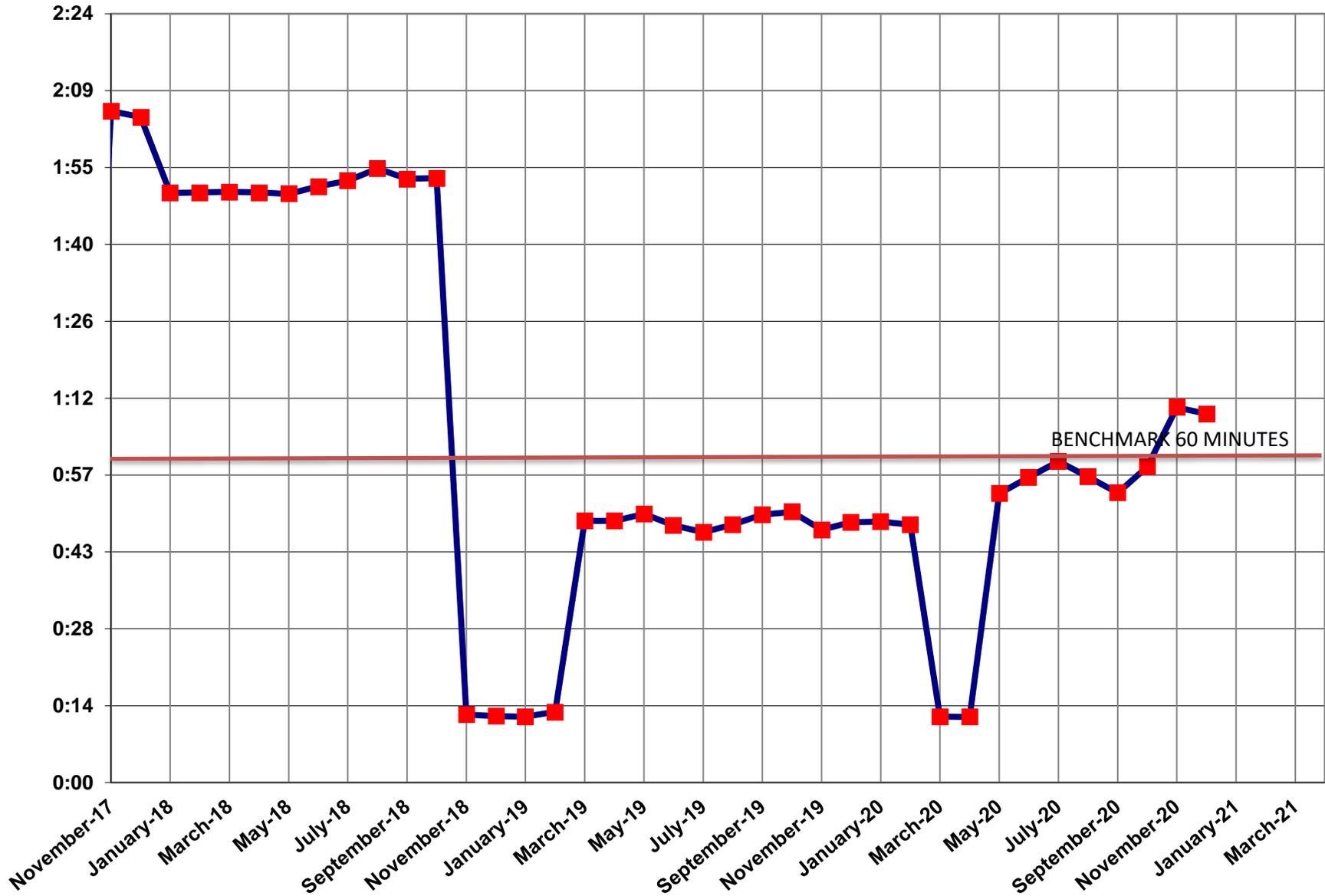


Electric Distribution Reliability

January 20, 2021

Alan Horton
Associate Engineer

EACH POINT IS A 12 MONTH SAIDI HISTORY
 1:00 = APPA BENCHMARK SAIDI



1:12:14 1:39:57 1:38:22 1:40:36 1:37:22 2:36:51 3:31:39 3:58:30
 4:08:39 4:22:10 5:14:05 5:15:09 5:14:08 4:46:06 4:46:16...

Twelve Month History	DECEMBER 2020	
Total # Accounts	9045	
Total # Interruptions	41	
Sum Customer Interruption Durations	10410:03:00	hours:min:sec
# Customers Interrupted	4959	
SAIFI (APPA AVG. = 1.0)	0.55	int./cust.
SAIDI (APPA AVG. = 1:00)	1:09	hours:min
CAIDI	2.05	hours:min/INT
ASAI	99.9995%	% 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

Los Alamos County Utilities Department
Active Receivables Over 90 Days Past Due
January 4, 2021

<i>Account</i>	<i>Customer ID</i>	<i>Acct Type</i>	<i>Comments</i>	<i>90 - 119</i>	<i>120 +</i>
3006190	2049258	RS	Mail collection letter wk of 1/11	\$ 104.01	\$ -
3000189	2131678	RS	Mail collection letter wk of 1/11	\$ 120.65	\$ -
3004120	2012985	RS	Mail collection letter wk of 1/11	\$ 121.80	\$ -
3009440	2215138	RS	Mail collection letter wk of 1/11	\$ 125.43	\$ -
3006474	2031018	RS	Mail collection letter wk of 1/11	\$ 130.71	\$ -
3002363	2045808	RS	Mail collection letter wk of 1/11	\$ 156.81	\$ -
3004459	2063338	RS	Possible Lien - Need To Research	\$ 160.38	\$ -
3006682	2020732	RS	Mail collection letter wk of 1/11	\$ 163.95	\$ -
3004859	2120608	RS	Possible Lien - Need To Research	\$ 165.31	\$ -
3008244	2097508	RS	Possible Lien - Need To Research	\$ 168.61	\$ -
3002818	2137568	RS	Mail collection letter wk of 1/11	\$ 171.78	\$ -
3004241	2115898	RS	Possible Lien - Need To Research	\$ 173.30	\$ -
3004852	2137498	RS	Possible Lien - Need To Research	\$ 180.55	\$ -
3009163	2028568	RS	Mail collection letter wk of 1/11	\$ 190.59	\$ -
3010100	2065098	CM	Mail collection letter wk of 1/11	\$ 191.12	\$ -
3000166	2066168	RS	Mail collection letter wk of 1/11	\$ 192.27	\$ -
3005219	2215352	RS	Possible Lien - Need To Research	\$ 197.65	\$ -
3000069	2215986	RS	Mail collection letter wk of 1/11	\$ 204.44	\$ -
3005761	2018394	RS	Mail collection letter wk of 1/11	\$ 206.03	\$ -
3005024	2016194	RS	Possible Lien - Need To Research	\$ 207.58	\$ -
3200050	2215671	RS	Mail collection letter wk of 1/11	\$ 207.99	\$ -
3008266	2125238	RS	Possible Lien - Need To Research	\$ 221.04	\$ -
3002536	2139668	RS	Possible Lien - Need To Research	\$ 227.23	\$ -
3006803	2094548	RS	Possible Lien - Need To Research	\$ 233.42	\$ -
3010032	2047968	CM	Mail collection letter wk of 1/11	\$ 248.59	\$ -
3006831	2069208	RS	Mail collection letter wk of 1/11	\$ 249.68	\$ -
3007380	2095958	RS	Possible Lien - Need To Research	\$ 251.20	\$ -
3007572	2202074	RS	Possible Lien - Need To Research	\$ 270.05	\$ -
3000410	2101458	RS	Possible Lien - Need To Research	\$ 270.52	\$ -
3000787	2137578	CM	Mail collection letter wk of 1/11	\$ 272.30	\$ -
3008057	2113408	RS	Lien on File	\$ 278.03	\$ -
3007272	2074278	RS	Lien week of 1/10/2021	\$ 314.86	\$ -
3008876	2025506	RS	Possible Lien - Need To Research	\$ 335.53	\$ -
3007410	2020433	RS	Possible Lien - Need To Research	\$ 364.83	\$ -
3005457	2047278	RS	Mail collection letter wk of 1/11	\$ 258.86	\$ 0.88
3003910	2125258	RS	Mail collection letter wk of 1/11	\$ 187.68	\$ 10.63
3004168	2094658	RS	Possible Lien - Need To Research	\$ 241.19	\$ 14.51
3002420	2009001	RS	Possible Lien - Need To Research	\$ 266.32	\$ 40.58
3002414	2215167	RS	Mail collection letter wk of 1/11	\$ 213.70	\$ 56.22
3002911	2030608	RS	Possible Lien - Need To Research	\$ 152.07	\$ 69.17
3009458	2128058	RS	Mail collection letter wk of 1/11	\$ 37.73	\$ 70.63
3007236	2118758	RS	Possible Lien - Need To Research	\$ 384.86	\$ 97.03
3007378	2200139	RS	Possible Lien - Need To Research	\$ 290.36	\$ 97.41
3000118	2215952	RS	Mail collection letter wk of 1/11	\$ 53.68	\$ 100.96
3004882	2097158	RS	Possible Lien - Need To Research	\$ 206.06	\$ 104.26
3009758	2136618	RS	Mail collection letter wk of 1/11	\$ 52.91	\$ 117.16
3002263	2008172	RS	Mail collection letter wk of 1/11	\$ 114.98	\$ 117.69
3006934	2134408	RS	Mail collection letter wk of 1/11	\$ 262.67	\$ 127.42
3006123	2019390	RS	Possible Lien - Need To Research	\$ 169.72	\$ 131.18
3004704	2056838	RS	Mail collection letter wk of 1/11	\$ -	\$ 136.95
3003521	2068508	RS	Mail collection letter wk of 1/11	\$ 133.15	\$ 137.27
3002728	2087448	RS	Mail collection letter wk of 1/11	\$ 137.47	\$ 139.25
3010128	2114898	RS	Mail collection letter wk of 1/11	\$ 15.35	\$ 147.52
3000184	2137888	RS	Mail collection letter wk of 1/11	\$ 117.47	\$ 147.79

3002295	2113348	RS	Mail collection letter wk of 1/11	\$	34.51	\$	149.88
3000220	2121678	RS	Mail collection letter wk of 1/11	\$	76.32	\$	155.28
3200089	2094088	RS	Possible Lien - Need To Research	\$	296.04	\$	157.06
3006179	2019582	RS	Possible Lien - Need To Research	\$	209.11	\$	165.72
3002756	2135128	RS	Mail collection letter wk of 1/11	\$	134.59	\$	174.49
3006274	2097578	RS	Possible Lien - Need To Research	\$	208.96	\$	188.35
3010125	2000133	HY	Mail collection letter wk of 1/11	\$	-	\$	192.89
3010046	2000053	HY	Mail collection letter wk of 1/11	\$	-	\$	192.89
3010152	2000048	HY	Mail collection letter wk of 1/11	\$	-	\$	192.89
3003865	2011906	RS	Possible Lien - Need To Research	\$	197.67	\$	192.89
3005247	2120668	RS	Possible Lien - Need To Research	\$	216.23	\$	199.93
3001411	2126808	RS	Possible Lien - Need To Research	\$	190.55	\$	200.76
3006092	2062068	RS	Possible Lien - Need To Research	\$	158.93	\$	201.47
3008024	2020168	RS	Possible Lien - Need To Research	\$	239.18	\$	206.65
3004737	2119798	RS	Lien week of 1/10/2021	\$	292.59	\$	212.71
3000175	2210204	RS	Mail collection letter wk of 1/11	\$	83.77	\$	226.88
3000765	2002538	CM	Will call customer on 1/12/2021	\$	284.55	\$	228.57
3002323	2208833	RS	Mail collection letter wk of 1/11	\$	53.93	\$	228.87
3000153	2135978	RS	Mail collection letter wk of 1/11	\$	75.40	\$	234.27
3004924	2214789	RS	Possible Lien - Need To Research	\$	182.68	\$	245.35
3002735	2048078	RS	Possible Lien - Need To Research	\$	181.82	\$	277.14
3006102	2013630	RS	Possible Lien - Need To Research	\$	131.21	\$	280.03
3008792	2121088	RS	Mail collection letter wk of 1/11	\$	74.96	\$	281.95
3002308	2098078	RS	Mail collection letter wk of 1/11	\$	49.97	\$	297.79
3002428	2089728	RS	Lien on File	\$	276.79	\$	329.67
3007384	2134328	RS	Possible Lien - Need To Research	\$	460.79	\$	333.54
3004204	2131208	RS	Possible Lien - Need To Research	\$	234.40	\$	346.93
3005246	2000373	RS	Lien week of 1/10/2021	\$	162.70	\$	351.52
3009964	2038698	RS	Possible Lien - Need To Research	\$	283.14	\$	383.78
3003818	2066808	RS	Possible Lien - Need To Research	\$	177.42	\$	392.41
3008958	2034248	RS	Lien week of 1/10/2021	\$	223.15	\$	421.04
3002367	2137648	RS	Possible Lien - Need To Research	\$	259.20	\$	460.46
3005769	2018418	RS	Possible Lien - Need To Research	\$	133.87	\$	463.68
3002939	2215105	RS	Possible Lien - Need To Research	\$	225.30	\$	474.04
3008040	2023776	RS	Possible Lien - Need To Research	\$	992.12	\$	495.23
3000298	2001122	CM	Will call customer on 1/12/2021	\$	-	\$	502.51
3000751	2002516	CM	Will call customer on 1/12/2021	\$	175.21	\$	509.37
3003508	2124208	RS	Call on 1/10/21	\$	265.20	\$	525.20
3009794	2084728	RS	Mail collection letter wk of 1/11	\$	114.06	\$	530.87
3002452	2205589	RS	Possible Lien - Need To Research	\$	338.55	\$	536.91
3002328	2139618	RS	Mail collection letter wk of 1/11	\$	87.82	\$	557.54
3007007	2215166	CM	Will call customer on 1/12/2021	\$	287.10	\$	584.47
3005078	2016362	RS	Possible Lien - Need To Research	\$	482.95	\$	595.80
3000068	2113668	RS	Possible Lien - Need To Research	\$	121.80	\$	598.75
3001502	2106778	CM	Will call customer on 1/12/2021	\$	348.87	\$	606.76
3005470	2017719	RS	Lien week of 1/10/2021	\$	313.81	\$	618.60
3007049	2021703	CM	Call on 1/10/21	\$	366.71	\$	632.65
3005372	2215225	RS	Lien week of 1/10/2021	\$	153.23	\$	646.60
3003990	2069638	RS	Lien on File	\$	259.35	\$	671.34
3002803	2098438	RS	Possible Lien - Need To Research	\$	87.04	\$	696.22
3007011	2021620	CM	Email to Postmaster in December	\$	-	\$	699.16
3004025	2094558	RS	Lien week of 1/10/2021	\$	230.91	\$	704.23
3007810	2014855	RS	Lien on File	\$	215.76	\$	707.31
3004327	2087778	RS	Possible Lien - Need To Research	\$	246.84	\$	749.20
3005174	2215050	RS	Possible Lien - Need To Research	\$	457.37	\$	790.51
3000633	2106478	CM	Will call customer on 1/12/2021	\$	59.32	\$	791.14
3001539	2005415	CM	Email to Postmaster in December	\$	-	\$	827.44
3003169	2215149	RS	Call on 1/10/21	\$	304.19	\$	836.25
3007457	2136718	RS	Possible Lien - Need To Research	\$	498.99	\$	874.45
3006107	2026961	RS	Lien week of 1/10/2021	\$	231.92	\$	887.94
3002412	2003472	RS	Lien on File	\$	136.40	\$	930.78

3009203	2118628	RS	Possible Lien - Need To Research	\$	491.25	\$	968.56
3002389	2135428	RS	Lien week of 1/10/2021	\$	252.51	\$	982.01
3003305	2200094	RS	Lien on File	\$	-	\$	991.09
3007360	2015299	RS	Lien on File	\$	358.94	\$	1,091.29
3000673	2002547	CM	Will call customer on 1/12/2021	\$	251.67	\$	1,125.67
3004702	2083378	RS	Lien week of 1/10/2021	\$	146.87	\$	1,148.14
3007047	2021698	CM	Call on 1/10/21	\$	414.17	\$	1,155.97
3003969	2012357	RS	Lien on File	\$	165.31	\$	1,223.35
3004032	2126238	RS	Possible Lien - Need To Research	\$	211.08	\$	1,225.14
3004329	2069558	RS	Lien week of 1/10/2021	\$	169.43	\$	1,295.76
3004024	2004969	RS	Lien week of 1/10/2021	\$	232.09	\$	1,540.28
3004060	2085918	RS	Lien week of 1/10/2021	\$	135.44	\$	1,566.10
3002769	2009914	RS	Possible Lien - Need To Research	\$	177.85	\$	1,705.95
3006953	2053328	CM	Update Lien	\$	-	\$	1,884.25
3002362	2008831	RS	Lien on File	\$	312.12	\$	1,885.97
3006238	2072868	RS	Possible Lien - Need To Research	\$	122.13	\$	1,970.17
3004423	2130778	RS	Lien on File	\$	181.85	\$	2,021.20
3009369	2026665	RS	Lien on File	\$	242.00	\$	2,091.75
3007663	2008610	RS	Lien week of 1/10/2021	\$	318.07	\$	2,093.93
3008505	2121958	RS	Lien week of 1/10/2021	\$	908.16	\$	2,135.23
3005737	2028518	RS	Lien on File	\$	285.04	\$	2,205.23
3006881	2072868	RS	Possible Lien - Need To Research	\$	282.30	\$	2,352.46
3008846	2025446	RS	Lien on File	\$	187.41	\$	2,390.43
3006513	2036208	RS	Lien on File	\$	521.27	\$	2,880.28
				\$	29,326.68	\$	68,943.73
139 Accounts						\$	<u>98,270.41</u>

Los Alamos County Utilities Department
 Receivables More than 60 Days Inactive Accounts
 January 4, 2021

YEAR	OUTSTANDING 1/4	# OF ACCOUNTS	OUTSTANDING 12/1	# OF ACCOUNTS
FY16	\$ 24,483.69	67	\$ 24,483.69	67
FY17	\$ 14,813.55	63	\$ 14,813.55	63
FY18 *	\$ 13,124.47	60	\$ 13,043.05	61
FY19 *	\$ 53,251.83	204	\$ 53,281.28	205
FY20 *	\$ 54,353.33	213	\$ 54,903.64	216
FY21	\$ 25,870.11	154	\$ 30,263.27	63
TOTAL	\$ 185,896.98	761	\$ 190,788.48	675

FY18 * - Account 3002797 had a misapplied payment of \$81.42, that was corrected in December to be applied to correct account.

FY19 * - Account 3004280 went to "Active" status on 12/22/2020, balance of \$29.45 is no longer included in the January inactive report.

FY20 * - Account 3000978, adjustment of \$48.42 for sewer costs that were billed in error.

FY20 * - Account 3003305 went to "Active" status on 12/23/2020, balance of \$991.09 is not included in the January inactive report.

FY20 * - Account 3009719 credit of \$489.20 was transferred to active account, payment misapplied to inactive account.

Los Alamos County Utilities Department
Active Receivables Over 90 Days Past Due
January 2, 2020

Account	Customer ID	Acct Type	Comments	90 - 119	120 +
3004257	2009984	RS	PAYMENT ARRANGEMENT ON FILE FOR JANUARY 2020	\$ 264.31	\$ 273.83
3004459	2063338	RS	DOOR TAG ISSUED 12/20/19	\$ 423.07	\$ 130.42
3004678	2014731	RS	DOOR TAG ISSUED 12/20/19	\$ 199.89	\$ 141.43
3004916	2214789	RS	DOOR TAG ISSUED 12/27/19	\$ 181.36	\$ 181.86
3005198	2122088	RS	DOOR TAG ISSUED 12/20/19	\$ 194.72	\$ 177.21
3005272	2119448	RS	DOOR TAG ISSUED 12/20/19	\$ 207.79	\$ 132.26
3005273	2119448	RS	DOOR TAG ISSUED 12/20/19	\$ 242.27	\$ 221.01
3005523	2013427	RS	DOOR TAG ISSUED 12/20/19	\$ 177.01	\$ 171.69
3005566	2064548	RS	PAID \$1,000 ON 1/6/2020	\$ 218.32	\$ 213.70
3005810	2132968	RS	BROKEN PAYMENT ARRANGEMENT, CONTACT CUSTOMER	\$ 217.32	\$ 198.69
3006123	2019390	RS	DOOR TAG ISSUED 12/20/19	\$ 160.64	\$ 139.27
3006190	2049258	RS	PAID \$500 ON 1/6/19	\$ 148.99	\$ 102.13
3006224	2056848	RS	PAID \$700 ON 1/6/19	\$ 235.35	\$ 199.49
3007272	2074278	RS	DOOR TAG ISSUED 12/20/19	\$ -	\$ 147.19
3007573	2134368	RS	WILL ISSUE DOOR TAG, DIDN'T PICK UP WITH COLLECTIONS	\$ 593.01	\$ 537.66
3008040	2023776	RS	PAID \$500 ON 1/6/19	\$ -	\$ 444.85
3008287	2016070	RS	PAYMENT ARRANGEMENT ON FILE FOR JANUARY 2020	\$ -	\$ 277.96
3008923	2094088	RS	WILL ISSUE DOOR TAG	\$ 217.33	\$ 227.14
3009005	2039248	RS	WILL ISSUE DOOR TAG, DIDN'T PICK UP WITH COLLECTIONS	\$ 274.61	\$ 262.55
3009203	2118628	RS	PAYMENT ARRANGEMENT ON FILE FOR JANUARY 2020	\$ 216.20	\$ 150.52
				\$ 2,908.84	\$ 4,330.86
					\$ 7,239.70

Los Alamos County Utilities Department
 Receivables More than 60 Days Inactive
 January 2, 2020

<i>YEAR</i>	<i>OUTSTANDING 1/1</i>	<i># OF ACCOUNTS</i>	<i>OUTSTANDING 12/1</i>	<i># OF ACCOUNTS</i>
FY16	\$ 17,561.84	73	\$ 17,722.17	75
FY17	\$ 28,402.77	69	\$ 29,657.34	78
FY18	\$ 58,240.05	262	\$ 58,302.34	322
FY19	\$ 23,485.32	221	\$ 23,485.32	221
FY20	\$ 35,418.46	146	\$ 12,636.63	99
TOTAL	\$ 163,108.44	771	\$ 141,803.80	795

STATUS REPORTS

SAFETY

DEPARTMENT OF PUBLIC UTILITIES CLAIMS

Information Provided by the County Risk Department

YEAR	REPORT MONTH	BPU MTG DATE	TORT CLAIMS	WORKERS COMP	PROPERTY DAMAGE
2020	12-DEC	1/20/2021	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	11-NOV	12/16/2020	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.
2020	10-OCT	11/18/2020	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	09-SEP	10/21/2020	NONE	A lineman fractured/lacerated his right middle finger when removing a heavy manhole cover; returned to duty same day.	NONE
2020	08-AUG	9/16/2020	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	07-JUL	8/19/2020	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	06-JUN	7/15/2020	A claimant experienced water damage to his residence due to a County water line leak.	NONE	NONE
2020	05-MAY	6/17/2020	NONE	NONE	NONE
2020	04-APR	5/20/2020	NONE	NONE	NONE
2020	03-MAR	4/15/2020	NONE	NONE	NONE
2020	02-FEB	3/18/2020	NONE	NONE	NONE

DEPARTMENT OF PUBLIC UTILITIES CLAIMS

Information Provided by the County Risk Department

YEAR	REPORT MONTH	BPU MTG DATE	TORT CLAIMS	WORKERS COMP	PROPERTY DAMAGE
2020	01-JAN	2/19/2020	Resident incurred plumber bill; didn't know outage was due to main break.	NONE	NONE

	Hours Worked					
	ADMIN	EL DIST	EL PROD	GWS	WA PROD	WWTP
MONTH						
Jan - 2020	4108.0	2219.0	2374.0	5239.0	1692.0	1731.0
Feb - 2020	2956.0	1663.0	1723.0	3796.0	1272.0	1373.0
Mar - 2020	3216.0	1778.0	1881.0	4013.0	1333.0	1424.0
Apr - 2020	3481.0	2016.0	1824.0	4464.0	1446.0	1468.0
May - 2020	3441.0	2121.0	1780.0	4661.0	1353.0	1415.0
June - 2020	3208.0	1979.0	1594.0	4002.0	1189.0	1372.0
July - 2020	4877.0	2789.0	2471.0	6170.0	2026.0	1996.0
Aug - 2020	3552.0	1897.0	1927.0	4080.0	1247.0	1355.0
Sept - 2020	3150.0	1502.0	1929.0	3547.0	1189.0	1356.0
Oct - 2020	3637.0	1663.0	1724.0	3769.0	1116.0	1349.0
Nov - 2020	3413.0	1687.0	1780.0	3910.0	1206.0	1429.0
Dec - 2020	4664.0	2358.0	2517.0	5275.0	1589.0	1897.0
Total Hrs Worked ->	43703.0	23672.0	23524.0	52926.0	16658.0	18165.0
Number of Recordable Injury and Illness Cases	0	2	0	1	0	0
OSHA Recordable Injury & Illness Incidence Rate	0.00	16.90	0.00	3.78	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