



County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

Minutes

Board of Public Utilities Work Session

*Cornell Wright, Chair; Steve Tobin, Vice Chair;
Eric Stromberg, Stephen McLin and Charles Nakhleh, Members;
Philo Shelton, Ex Officio Member
Steve Lynne, Ex Officio Member
Denise Derkacs, Council Liaison*

Wednesday, November 2, 2022

5:30 PM

Zoom

<https://us06web.zoom.us/j/81863758934>

REMOTE MEETING

1. CALL TO ORDER

This work session of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, November 2, 2022 via Zoom videoconferencing platform. Board Chair Cornell Wright called the meeting to order at 5:30 p.m. Members of the public were notified of the ability to live-stream the meeting online and submit public comment during the meeting. The following board members were in attendance:

Present 5 - Wright, Tobin, Stromberg, Shelton and Lynne

Absent 2 - McLin and Nakhleh

2. PUBLIC COMMENT

Chair Wright opened the floor for public comment on any items and for those not otherwise included on the agenda. There was none.

3. APPROVAL OF AGENDA

Member Stromberg moved that the agenda be approved as presented [amended]. The motion passed by the following vote:

Yes: 3 - Board Member Wright, Board Member Tobin and Board Member Stromberg

Absent: 2 - Board Member McLin and Board Member Nakhleh

4. PRESENTATIONS

4.A. 16273-22 Presentation of the 2023 Electric Reliability Plan

Mr. Marez provided a copy of his presentation slides in the meeting packet. He also presented the following summary:

The DPU continually updates the Electric Reliability Plan as a working document to

capture the current distribution system conditions resulting from our Asset Management Program and direction from the Board of Public Utilities. The plan also includes some historical information for context. It is intended to be a guide for the Electric Distribution Asset Management Team. The document is not intended to be a published report and is provided here to facilitate a high level discussion with our governing bodies. Mr. Marez walked the Board through the updated 2023 Electric Reliability Plan with the goal of seeking feedback and consensus on the report. He also addressed the most recent outages along with lessons learned and changes needed within the operation.

5. BUSINESS

5.A. 16563-22 Action to Suspend Procedural Rules for Work Session

Member Wright moved that the Board of Public Utilities suspend their procedural rules for the November 2, 2022 work session so that formal action may be taken. The motion passed by the following vote:

Yes: 3 - Board Member Wright, Board Member Tobin and Board Member Stromberg

Absent: 1 - Board Member McLin and Board Member Nakhleh

5.B. 16545-22a Approval of Budget Revision 2023-16 for Increases to Salaries and Benefits for all union and nonunion DPU Employees.

Ms. Garcia, Mr. Shelton, and Ms. Helen Perraglio, LAC Chief Financial Officer presented. This is a summary of their remarks:

Over the past few months, the County has been experiencing an increasingly volatile labor market. Recruitment and retention have become more difficult and previous problem areas have only worsened. The three primary causes are general labor shortages as a result of COVID, rapid inflation increase, and relatively large compensation changes with some of the County's labor competitors. Vacancies have become severe in some divisions, including DPU's Gas, Water, and Sewer Division.

Some challenges are global - examples include:

- * CPI up 8.5% year over year in July
- * Smaller recruitment pools - labor shortage
- * More offers rejected due to lack of housing options
- * Many local government competitors pick up a portion of the employee required contributions to the Public Employers Retirement Association (PERA)

As a result of these market factors and based upon direction from County Council to attempt to address these issues, staff worked to explore, develop and implement options to improve the County's competitive position. In addition to working on options to improve the County's competitive position for the non-union DPU employees, in September 2022, staff met with the unions and agreed to a limited scope of negotiations. Agreements have been tentatively reached and are in the process of being ratified. This budget revision is being requested for salary and benefit adjustments for both non-union members and union increases.

The significant changes to salaries and benefits calculated in this budget revision include:

- 1) Increases to labor budgets in DPU of approximately 10% in FY2023 (regular wages, stability pay, overtime, and special pay);
- 2) County increase of the portion of PERA member contributions of approximately 5%;
- 3) Other benefit increases based on base salary calculations (Medicare, Retiree Health Care, LAC Retirement).

Budget Revision 2023-16 reflects all of the changes to salaries and benefits impacted by proposed increases. The total change in salaries and benefits for Electric Production is \$157,000, Electric Distribution is \$455,000 (which includes changes for employees in Administration and Engineering), Gas Distribution is \$133,000, Water Distribution is \$137,000, Water Production is \$111,000, and Wastewater is \$207,000. A total of \$1,200,000 to remaining FY23 approved budgets for the DPU.

If the budget revision is not approved, the changes to salaries and benefits could be funded by cuts to projects and operating budgets approved in FY2023. The financial impact will be an increase of \$1,200,000 to FY2023 approved budgets. Bringing total budgets for FY2023 for salaries and benefits to \$19,980,105.

The following documents were provided in the meeting packet:

A - Budget Revision 2023-16

B - DPU Budget to Actual Report as of 10-27-2022

There was no Public Comment or board discussion. All board members made supportive statements.

Member Stromberg moved that the Board of Public Utilities approve Budget Revision 2023-16. I further move that the budget revision be included in the minutes as an attachment and forwarded to Council for approval. The motion passed by the following vote:

Yes: 3 - Board Member Wright, Board Member Tobin and Board Member Stromberg

Absent: 1 - Board Member McLin and Board Member Nakhleh

5.C. [16562-22](#)

Discussion of Remote vs. In-person Meetings

Chair Wright opened the floor for discussion. Mr. Alvin Leaphart, County Attorney provided some clarifying information. He stated that all virtual meetings are not a component of the open meetings act. And the Attorney General has not provided additional guidance. Mr. Leaphart advised that an in-person component resume for BPU meetings. Mr. Stromberg stated that he preferred a hybrid meeting rather than fully in-person. Mr. Shelton commented that County Council is currently holding hybrid meetings. Mr. Leaphart also clarified that under the Open Meetings Act board members and staff can participate remotely if needed. Mr. Lynne stated that County Council prefers that hybrid meetings be the standard going forward, which is an in-person meeting with remote access for the public, staff and the board. Chair Wright opened the floor for public comment. Mr. Matt Heavner was in attendance over Zoom and stated that he is in favor of a hybrid format. Chair Wright stated that the November 16th Regular BPU Meeting would be held in a hybrid format.

I move that the Board of Public Utilities [enter SUGGESTED MOTION here. If there is no formal suggested motion here enter "None". If item is also going to Council for approval, include the words, "and forward to Council for approval."]

5.D. [16379-22](#) Approval of the 2023 Board of Public Utilities Meeting Calendar

Chair Wright called for board discussion; there was none. Chair Wright opened the floor for public comment on this item; there was none.

Member Stromberg moved the Board of Public Utilities approve the proposed board meeting calendar for 2023 as presented. The motion passed by the following vote:

Yes: 3 - Board Member Wright, Board Member Tobin and Board Member Stromberg

Absent: 1 - Board Member McLin and Board Member Nakhleh

5.E. [16503-22](#) Appointment of Board Member to County Audit Committee for 2023

Chair Wright asked Mr. Stromberg to provide a summary of his committee thus far. Mr. Stromberg stated that he has just been invited to his first meeting, so participation has been minimal. Ms. Perraglio did confirm that the committee does not meet often. She also provided an overview of the membership and participation expectations. Mr. Stromberg stated that he would be happy to continue serving on the committee.

Member Wright moved that Member Stromberg be reappointed to the Audit Committee for the 2023 calendar year. The motion passed by the following vote:

Yes: 3 - Board Member Wright, Board Member Tobin and Board Member Stromberg

Absent: 1 - Board Member McLin and Board Member Nakhleh

5.F. [16561-22](#) Board of Public Utilities - Continued Discussion of LARES Recommendations

Chair Wright provided version 4 of the LARES Discussion Summary spreadsheet that he has been maintaining. He asked board members to continue the discussion which began at the August 17, 2022 Regular BPU Meeting. He limited the discussion to 30 minutes and asked board to continue at the next meeting. When all recommendations have been reviewed, the BPU will forward their comments and recommendations to County Council. Chair Wright updated the spreadsheet during the meeting. He will provide an updated copy to Ms. Casados to share with all board members. At the conclusion of the discussion Chair Wright called for public comment. Mr. Heavner was present via Zoom and spoke. His detailed comments are available on the meeting recordings.

5.G. [16377-22](#) Begin 2022 Board of Public Utilities Annual Self Evaluation

Chair Wright asked the board to 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 taken from the APPA Handbook for Public Power Policymakers. In preparation for this initial discussion, board members are asked to review the current format, along with the results from the 2021 self-evaluation. Chair Wright asked board members to review the documents provided in the meeting packet and provide suggestions for the 2022 questions:

A - 2021 Final Self-evaluation

B - 2022 BPU Self-Evaluation Questions

Chair Wright will gather suggestions and update the questions. Ms. Casados will the distribute to the board and request that they complete the form before the next regular board meeting.

6. PUBLIC COMMENT

Chair Wright opened the floor for public comment on any topic. Ms. Joni Arends participated remotely over Zoom. She commented that she is a member of Concerned Citizens for Nuclear Safety (CCNS). She stated that the group is concerned about new construction in the County and the LANL and regional drinking water aquifer. Her detailed comments are available on the meeting recordings.

7. ADJOURNMENT

The meeting adjourned at 7:41p.m.

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board