



LOS ALAMOS

# County of Los Alamos

## Minutes

### Board of Public Utilities

1000 Central Avenue  
Los Alamos, NM 87544

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

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Wednesday, August 17, 2022

5:30 PM

Zoom:

<https://us06web.zoom.us/j/86384634181>

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#### REMOTE MEETING

#### 1. CALL TO ORDER

The regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, August 17, 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 7 - Wright, Tobin, McLin, Nakhleh, Stromberg, Shelton and Lynne

#### 2. PUBLIC COMMENT

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

#### 3. APPROVAL OF AGENDA

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

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

#### 4. BOARD BUSINESS

##### 4.A. Chair's Report

Chair Wright did not have a report.

##### 4.B. Board Member Reports

There were no reports from Board Members.

##### 4.C. Utilities Manager's Report

Mr. Shelton reviewed his written report which is **attached** to the minutes. He provided

summarized comments and responded to board member inquiries as appropriate.

#### **4.D. County Manager's Report**

Mr. Lynne stated that Mr. Shelton had already alluded in his report to the fact that recruitment and retention is a county-wide issue. It has affected all departments to some degree but GWS is one of the most severe. Staff will be meeting with unions next week to discuss the issues. There are plans to discuss global changes at the August 30 Council Meeting. And there is a plan to move as quickly as possible in September and October. There were no board member questions or public comment.

#### **4.E. Council Liaison's Report**

Councilor Derkacs highlighted actions from recent council meetings. Details are available in the County Council minutes available on the website. She also stated that she is looking forward to hearing the suggestions from the Utilities Manager and County Manager on the staffing issues. Councilor Derkacs agrees that these are positions that absolutely need to be filled. There were no board member questions or comments.

#### **4.F. Environmental Sustainability Board Liaison's Report**

Ms. Emerson was absent and did not submit a written report.

#### **4.G. General Board Business**

##### **4.G.1 [15883-22](#) Preview - Board of Public Utilities Annual Presentation to County Council**

Chair Wright distributed a draft presentation to board members the morning of the meeting. A copy is **attached** to these minutes. He reviewed the presentation during the meeting and asked for board member comments. He also stated that he would need additional information from staff to update some slides.

Chair Wright added a new slide for 2023 Challenges which lists: Costs, Staffing, and Understanding CFPP Cost Projection. Mr. Shelton suggested adding "Lead Times for Equipment and Materials" as another challenge. Member Tobin commented that the board needs to be able to make decisions based on more than one option. Mr. Garcia suggested adding the drought in the Western US and how it is affecting power production. Member Stromberg Capacity of the Electrical System

Chair Wright also added a slide for 2023 Focus Areas which lists: CFPP Off-ramp, ECA, IRP, and Electric Rates & Rate Design. Mr. Garcia suggested adding "New Resource Selection." Chair Wright said he would include it under IRP.

Mr. Richardson suggested adding to the "Water" slide that Otowi Well #1 was drilled 20 years ago and never put online. It will be used for the first time ever by September 2022.

Mr. Shelton suggested adding to the "Wastewater" slide that DPU is expanding the composting site to handle the bio-solids from the White Rock plant. Mr. Alarid suggested adding that the Bayo lift station elimination is a pretty sizeable ongoing project. Mr. Richardson also suggested adding the words "and manholes" after SCADA.

There were no additional board member or staff comments. Chair Wright will incorporate these suggestions and will provide a revised presentation at the September 7th BPU Work Session.

**4.G.2. [16268-22](#) Board of Public Utilities Discussion of LARES Recommendations**

Chair Wright referenced the document provided in the meeting packet. He asked members if they would first like to determine which LARES recommendations were outside the scope of the BPU and the DPU.

The board discussed and agreed on items that were outside the scope. Chair Wright agreed to add notes and update the spreadsheet. He stated that the board would then concentrate on the remaining LARES recommendations at the BPU Work Session on September 7, 2022.

**4.H. Approval of Board Expenses**

There were none.

**4.I. Preview of Upcoming Agenda Items****[15881-22](#) Tickler File for the Next Three Months**

Chair Wright reviewed the tickler items. The following additional items were presented:

- 1). Further Review of LARES Recommendations at September 7 work session
- 2). Strategic Planning - need final date

**5. PUBLIC HEARING(S)****5.A. [OR0953-22-a](#) Introduction of Incorporated County of Los Alamos Ordinance No. 721, An Ordinance Authorizing Amendment of Lease with Sprint Spectrum Realty Company, LLC, a Delaware Limited Liability Company, Successor-in-Interest to Alamosa Properties, L.P., a Texas Limited Partnership ("T-Mobile") for Replacement of Existing Antenna Collocation and Facilities at 280 North Mesa Road, Los Alamos.**

Mr. Alarid presented and provided the following summary and the reference attachments were provided in the meeting packet:

The Incorporated County of Los Alamos (the "**County**") and Sprint Spectrum Realty Company, LLC, a Delaware limited liability company, successor-in-interest to Alamosa Properties, L.P. a Texas limited partnership ("**T-Mobile**") are parties to that certain Lease for Antenna Collocation and Facilities Site dated March 5, 2002 (the "**Lease Attachment B**") concerning a certain portion of the property located at 280 North Mesa Road, Los Alamos, New Mexico 87544 (the "**Mesa Water Tank**"). The primary use of the Mesa Water Tank is for potable water storage for the citizens of the County.

Specifically, the County, in its proprietary capacity under the Lease, currently leases to T-Mobile (i) vertical and horizontal space at 122-feet above-ground-level on the Mesa Water Tank, and (ii) 624 square feet of ground space adjacent to the Mesa Water Tank (collectively, the antenna space on the Mesa Water Tank and the ground space adjacent to the Mesa Water Tank comprise of the "**Premises**") for the installation and operation of T-Mobile's wireless communication facility ("**Site**").

Under the Lease, T-Mobile is permitted to attach a total of six (6) antennas, not exceeding six (6) feet in length, to the Mesa Water Tank. T-Mobile is presently requesting to amend the Lease to be permitted to expand its antenna array by adding one (1) more antenna in its vertical space that may be up to eight feet (8') tall. They also seek permission to add fiber and powering cables that run up along the support structure of the Mesa Water Tank to connect the new antenna to its ground equipment. As a result, T-Mobile's site will occupy more space horizontally on the same 122-foot vertical level of the Mesa Water Tank.

At ground level, T-Mobile is proposing to (i) replace its two (2) existing cabinets with two (2) new ground cabinets, and (ii) install an emergency standby electrical propane generator and propane tank to power the Site in the event of a commercial power outage. All proposed ground modifications will be made within the existing 624 square feet of ground space, with no additional ground space required. Refer to **Attachment C** for the Lease Amendment and exhibits showing existing and proposed modifications to the attached array and site features.

If the County is willing to grant T-Mobile the valuable privileges of expanding its site as detailed above, then an amendment to the Lease is necessary. In such an amendment the County may wish to seek an increase in rent, in addition to amending other terms of the Lease. As the direction of the County's Legal Department, Telecom Law Firm has negotiated a proposed amendment to the Lease changes to the Lease that better balance the rights of the parties under the Lease. A summary of the current provisions and proposed changes is in **Attachment D**.

If the amendment is not approved, the lease is still in place, but the proposed improvements will not be allowed to be constructed. This amendment to the lease will increase the monthly rent by 225% for the remainder of the lease which expires on March 4, 2032, and the 3% annual escalation will remain in effect. In addition, T-Mobile will pay the County a one-time fee of \$15,000 upon execution of the lease amendment to cover the cost of staff and contract attorney work performed preparing the amendment.

Mr. Alarid responded to board member inquiries and provided clarifying information as appropriate. There was no public comment or board discussion.

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**Member Wright made the following motion: "I introduce without prejudice, Introduction of Incorporated County of Los Alamos Ordinance No. 721, An Ordinance Authorizing Amendment of Lease With Sprint Spectrum Realty Company, LLC, a Delaware Limited Liability Company, Successor-in-Interest to Alamosa Properties, L.P., a Texas Limited Partnership ("T-Mobile") for Replacement of Existing Antenna Collocation and Facilities at 280 North Mesa Road, Los Alamos." and recommend that it be forwarded to Council for final approval. The motion passed by the following vote:**

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

**5.B. [RE0505-22a](#) Approval of Resolution 22-16 Authorization to Apply To Water Trust Board 2023 Cycle**

Mr. Alarid and provided the following summary:

The Department of Public Utilities (DPU) has chosen to apply to the New Mexico Finance Authority, Water Trust Board (WTB) in the 2023 cycle to fund the State Road 4 Water

Transmission Line Replacement project. The project is estimated to cost \$6 million. We plan to apply for \$5 million from the WTB. We do not know the amount that will be awarded, but if successful we anticipate the award will have a 60% grant component, 40% loan component (20-year term @ 0.25% interest rate), and a required match of 20% of the awarded amount which would come from DPU water production capital funds.

The project is driven by the NMDOT's plans to reconstruct NM-4 between White Rock and the NM-502/NM-4 intersection in 2024. The existing 16" water transmission line is located along NM-4 roadway and has been experiencing leaks more frequently in recent years. The pipeline is concrete cylinder material which is difficult to repair and failures are extremely destructive. The new road will be widened placing a large amount of the pipeline beneath the new asphalt. The pipeline must remain in its current alignment as it must stay within an existing 25' easement. DPU had planned this waterline replacement project in near the future but will move it up to coordinate with the road construction to avoid the risk of damages if the line fails beneath the new road and the complexities of replacing the line after the road is widened. The DPU will partner with the NMDOT and construct the waterline as part of the road reconstruction project.

The resolution is a mandatory portion of the application submittal. If the resolution is not approved an application will not be submitted. In 2022 the DPU was awarded a \$400,000 grant from the state legislature for the project. The WTB is the only grant funding available of for the project. Due to the NMDOT project, DPU is moving the project up to 2024, which also requires we complete the project in its entirety in 2024. This eliminates options such as phasing the project or building additional capital to fund the project. If the WTB funding is not awarded, or only a portion is awarded, the DPU will proceed with the existing plan to fund the project with a Drinking Water State Revolving Loan. We have provided a debt profile as Attachment B which includes the new \$2 million loan that is the 40% component of the project, assuming we receive the WTB award in 2023. Our debt service coverage ratio stays above 1.2, the value NMFA & NMED consider the lower limit when considering loan applications.

Mr. Alarid responded to board member inquiries and provided clarifying information as appropriate. There was no public comment or board discussion.

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**Member Stromberg moved that the Board of Public Utilities Approve Resolution 22-16 Authorizing Submission of an Application to the Water Trust Board for the 2023 Funding Cycle, and forward to Council for approval. The motion passed by the following vote:**

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

## **6. CONSENT AGENDA**

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**Member Tobin moved 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. The motion passed by the following vote:**

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

### **6.A. [15788-22](#)**

**Approval of Board of Public Utilities Meeting Minutes**

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

## **7. BUSINESS**

### **7.A. 16138-22 Approval of the Water and Energy Conservation Plan**

Ms. Hayward presented the following summary: The Water and Energy Conservation Plan (Plan) is being presented by Ms. Hayward in its final form. The Plan has been reviewed extensively by DPU staff, the BPU, as well as the Office of the State Engineer. All comments and concerns have been incorporated into and this final version.

The Plan will be submitted to the Office of the State Engineer and WAPA to have a current Plan on file with both agencies.

Going forward, this Plan will be updated on a biannual basis to best align with DPU's goals. Plan revisions will begin in the winter of 2024 with a period of public input to occur in the spring of 2024 before adoption of the next revision by BPU in the summer of 2024.

A copy of Ms. Hayward's slide presentation was provided in the meeting packet. Ms. Hayward and Mr. Shelton responded to board member inquiries and provided clarifying information as appropriate. There was no public comment or board discussion.

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**Member Wright moved that the Board of Public Utilities approve the Water and Energy Conservation Plan (Plan) with the understanding that the Plan will be revised and updated on a biannual basis to align with budgeting, to accommodate successes and changes in BPU strategic goals, and to reflect adjustments in DPU resource supply and customer needs.**

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**Yes: 4 - Board Member Wright, Board Member Tobin, Board Member Nakhleh and Board Member Stromberg**

**No: 1 - Board Member McLin**

### **7.B. 16139-22a Approval of the Fifth Revised Network Integration Transmission Service Agreement (NITSA) and Fifth Revised Network Operating Agreement (NOA) between Los Alamos County and Public Service Company of New Mexico**

Mr. Garcia presented the following summary:

Public Service Company of New Mexico (PNM) provides transmission facilities to deliver power from the various generation resources owned by Los Alamos County, including all market purchases. Los Alamos County entered into a Network Integrated Transmission Service Agreement (NITSA) and a Network Operating Agreement (NOA) with the Public Service Company of New Mexico in 2002 which was last revised in 2018 and approved by Board and Council. The County-owned generation resources are; San Juan Generating Station, Abiquiu and El Vado Hydro Electric Generating Facilities. The County also has a life of the plant power purchase agreement (PPA) with Lincoln Electric for the Laramie

River Station in Wheatland Wyoming and an allocation of Federal Hydro Power.

Power generated from these resources is delivered to Los Alamos over PNM's transmission system. In the case of Laramie River Station, power is delivered over a Western Area Power Administration (WAPA) transmission line from Wyoming to NM before interconnecting with PNM's transmission system. Abiquiu and El Vado power is delivered over Northern Rio Arriba electric cooperative (NORA) and Jemez Electric Cooperative transmission lines before interconnecting with PNM.

Electricity generated at power plants moves through a complex network of electricity substations, power lines, and distribution transformers before it reaches customers. The network structure of the interconnections helps maintain the reliability of the power system by providing multiple routes for power to flow and by allowing generators to supply electricity to many load centers. This redundancy helps prevent transmission line or power plant failures from causing interruptions in service.

These interconnections describe the physical system of the grid. The actual operation of the electric system is managed by entities called balancing authorities. PNM is the Balancing Authority for New Mexico. Most, but not all, balancing Authorities are electric utilities, (such as PNM) that have taken on the balancing responsibilities for a specific portion of the power system.

A Balancing Authority ensures, in real time, that power system demand and supply are finely balanced. This balance is needed to maintain the safe and reliable operation of the power system. If demand and supply fall out of balance, local or even wide-area blackouts can result. Balancing Authorities maintain appropriate operating conditions for the electric system by ensuring that a sufficient supply of electricity is available to serve expected demand, which includes managing transfers of electricity with other Balancing Authorities in the region. Balancing Authorities are responsible for maintaining operating conditions under mandatory reliability standards issued by the North American Electric Reliability Corporation (NERC) <<http://www.nerc.com>> and approved by the U.S. Federal Energy Regulatory Commission (FERC) <<http://www.ferc.gov/>>. These operators monitor the grid to identify potential problems before a situation becomes critical. Balancing Authorities provide numerous services but primarily provide scheduling, system control & dispatch, reactive supply & voltage control from generation sources, regulation and frequency response, energy imbalance and reliability re-dispatch services to maintain reliability of the bulk electric system.

#### Changes to the NITSA and NOA

There are three major reasons for the changes of our NITSA and NOA for this iteration.

1. Retirement of San Juan: LAC's 7.2% share of output from Unit 4 of the San Juan Generating Station is being removed as an approved resource due to LAC's exit from the participation agreement and possible shutdown/decommissioning.
2. Implementation of the EIM and reflecting OATT changes in the Network Operating
  - a. Schedule 2: Reactive Supply and Voltage Control from Generation Sources- PNM is no longer charging for reactive power.
    - Secondary impact of PNM no longer charging for reactive power is the elimination all of the credits received for the Static Var Compensator. It was previously reduced due to transmission upgrades made by PNM and now is eliminated.
  - b. Schedule 3: Regulation and & Frequency Response- reference to the Open Access Transmission Tariff filed with the Federal Energy Regulatory Commission. Variable Cost related as the EIM is optimizing on an hourly basis.

- c. Schedule 4: Energy Imbalance Service- reference to the Open Access Transmission Tariff filed with the Federal Energy Regulatory Commission. Variable Cost related as the EIM is optimizing on an hourly basis.
  - d. Clean up of legacy language on Schedule 5 & Schedule 6 removing language that referenced LAC's self-supply of Operating Reserves (Spinning and Supplemental Reserves).
3. Formalize our relationship with LANL with regard to the 115 KV Transmission system.
- We have added delegation of DOE/NNSA staff on matters that pertain to interconnects and services as they are the owner and operator of the Transmission System.

If the County chooses not to accept PNM's proposed changes LAC would find itself before the Federal Energy Regulatory Commission defending our position, with doubtful prospects of success. All of the changes proposed are referring to the PNM OATT already filed and approved with FERC. The reduction of 2 MW SVC Credit to 0 MW will result in a cost increase of approximately \$72,000.00 on an annual basis. However, elimination of Schedule 2 will result in an approximate savings to LAC of \$24,000.00. Staff does not feel that the EIM Changes for Schedule 3 and Schedule 4 are material as they are variable, and this process has been in place since April 1st of last year. The change recognizing DOE/NNSA's ownership of the Transmission system is formalizing our existing arrangement with PNM and DOE/NNSA. There is no material staff implication or monetary implication with this addition.

Mr. Garcia responded to board member inquiries and provided clarifying information as appropriate. There was no public comment or board discussion.

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**Member Nakhleh moved that the Board of Public Utilities approve the Fifth Revised Network Integration Transmission Service Agreement and Fifth Revised Network Operating Agreement between Los Alamos County and Public Service Company of New Mexico and forward to County Council for final approval. The motion moved by the following vote:**

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

## **8. STATUS REPORTS**

**16027-22**

### **Status Reports**

Mr. Shelton reported that the following informational status reports were provided to the Board in the agenda packet:

- 1). Electric Reliability Update - Mr. Shelton highlighted the outages due to lightening strikes.
- 2). Accounts Receivables Report
- 3). Safety Report - Mr. Shelton highlighted a line added by the Risk Manager for clarification.

Mr. Shelton, Mr. Marez, and Mr. Garcia responded to board member inquiries and provided clarifying information as appropriate. There was no public comment or board discussion.



**9. PUBLIC COMMENT**

Chair Wright opened the floor for public comment on any items. These citizens provided public comment:

- 1). Mr. Robert Gibson commented on the LARES recommendations. His detailed comments are available in the meeting video. Chair Wright did provide clarifying comments.
- 2). Mr. McLin commented on the passing of Danny Katzman (NMED, LANL, N3B) and expressed his condolences. Chair Wright seconded that sentiment.

**10. ADJOURNMENT**

The meeting adjourned at 7:41 p.m.

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**APPROVAL**

Cornell G. Wright, Jr.

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**Board of Public Utilities Chair Name**

*/s/ Cornell G. Wright, Jr.*

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**Board of Public Utilities Chair Signature**

September 21, 2022

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**Date Approved by the Board**