



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, December 7, 2022

5:30 PM

Council Chambers & Zoom  
<https://us06web.zoom.us/j/89019066709>

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#### REGULAR MEETING

#### 1. CALL TO ORDER

This regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, December 7, 2022 via Zoom videoconferencing platform. Board Chair Cornell Wright called the meeting to order at 5:32 p.m. Members of the public were notified of the ability to live-stream the meeting online and submit public comment during the meeting. Since Chair Wright and Vice Chair McLin were participating remotely, Chair Wright asked Member McLin to run the meeting. The following board members were in attendance:

Present 4 - Members McLin, Nakhleh, Stromberg and Shelton

Absent 1 - Member Lynne

Remote 2 - Member Wright and Tobin

#### 2. PUBLIC COMMENT

Member McLin opened the floor for public comment on items on the Consent Agenda and for those not otherwise included on the agenda. There was no public comment.

#### 3. APPROVAL OF AGENDA

Member Wright noted that the Election of Chair & Vice Chair is required to occur at the first regular meeting in January. He asked that item 4.G.1. be pulled from the agenda. Election of Chair and Vice Chair will take place at the January 18, 2023 regular meeting.

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Member Wright moved that the agenda be approved as amended. 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 reported on the following items:

1. The BPU and County proposed some changes to the IPRA Law to better protect DPU customer data related to smart meter data.
2. Since this was the last meeting of the year he thanked Councilor Derkacs for her role as Council Liaison to the BPU.
3. He reminded BPU members to complete and return their self-evaluations sheets by January 5, 2023.

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

There were none.

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

Mr. Shelton reviewed his report which was included in the meeting packet. He responded to board member inquiries and provided clarifying information as appropriate.

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

Mr. Lynne was absent and did not provide a written report.

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

Councilor Derkacs reported on the following items:

- 1). Passed amendments to Ordinance No. 02-334, repealing and replacing in its entirety the text of Article II, Chapter 18, "Nuisances;"
- 2). Adopted Ordinance No. 02-333, as Amended on 11/30/2022; an Ordinance Repealing and Replacing in its Entirety the Text of Chapter 16, "Development Code;"
- 3). Adopted the 2023 legislative Council priorities;
- 4). On December 6th Council voted to disband the Community Development Advisory Board and will revive it as a limited term task force as needed. (Adopted Code Ordinance No. 02-335, Amending Chapter 8 to Repeal Article XV of Chapter 8 to Remove the Community Development Advisory Board as a Permanent Board of the County.)

Board members did not have any comments or questions.

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

A liaison has not been appointed.

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

- 4.G.1. [16502-22](#)** Election of Board of Public Utilities Chair and Vice-chair for 2023 Calendar Year

This item was pulled from the agenda and will be addressed at the January 18, 2023 regular meeting.

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

There were none.

#### **4.I. Preview of Upcoming Agenda Items**

16048-22

## Tickler File for the Next Three Months

Member Tobin opened the floor for comments or discussion from board members. There was none. Mr. Shelton noted that there is a CFPP presentation by UAMPS scheduled for January 11, 2023 and a Special Town Hall on January 26, 2023. Both are public meetings and will be held in Council Chambers.

**5. PUBLIC HEARING(S)**

There were none scheduled for this meeting.

**6. CONSENT AGENDA**

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**Member Stromberg 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. 16038-22**

## Approval of Board of Public Utilities Meeting Minutes

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

**6.B. 16679-22**

## Approval of Amendment to Task Order No. 95, AGR16-044 with Parker Construction, LLC

**I move that the Board of Public Utilities Approve Amendment No. 1 to Task Order 95, AGR16-044 with Parker Construction, LLC in the amount of \$16,259.33, plus NMGR in the amount of \$1,168.64, for a total of \$17,427.97.**

**7. BUSINESS****7.A. AGR0900-22a**

## Approval of AGR23-13 with Paymentus Corporation in the Amount of \$900,000 plus Applicable Gross Receipts Tax for the Purpose of Credit Card and Electronic Bill Payment Services.

Ms. Garcia presented that DPU is seeking approval for AGR23-13 with Paymentus Corporation for credit card and electronic bill pay services. The county issued request for proposals (RFP) number 23-13 on June 2, 2022 for electronic payment services. Upon evaluation of the proposals, it was determined that Paymentus provided the most cost-effective model, flexibility, and service for our requirements. The term of this contract will continue seven years, and will not exceed \$900,000, plus applicable gross receipts tax, for the life of the contract.

For the past 8 years, Paymentus Corporation has provided these services to DPU customers successfully. AGR16-4289 expired at the end of December 2021 and AGR22-930, a one-year contract, was put in place to allow staff to solicit for proposals for these services without interrupting this popular service to customers. These services were planned into FY2023 budgets and will not create any significant impacts to budget, and we remain confident the service provides good value for the department and our customers

in terms of payment ease and flexibility. AGR23-13 will replace AGR22-930 and electronic payment services will continue to be available to customers.

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

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

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

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

As previously stated, AGR23-13 is a seven-year term contract, expiring November of 2029, for \$900,000 with Paymentus Corporation for credit card and electronic bill pay services. The anticipated yearly costs for this service is approximately \$128,500 per year. This AGR will provide the popular and customer focused payment option to DPU customers from a qualified offeror and was selected in accordance with the Los Alamos County Procurement Code.

If the Board elects not to approve this agreement, DPU will reissue solicitation of a replacement for electronic payment services without electronic bill pay options for customers in place. The not-to-exceed amount of \$900,000 is the total for all seven years of the contract. This roughly equates to approximately \$128,500 per fiscal year. These services are budgeted in FY23 and can be covered with existing funds. There is no staff impact as this is for continuation of an existing service.

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**Member Nakhleh moved that the Board of Public Utilities approve Services Agreement AGR23-13 with Paymentus Corporation in the amount of \$900,000.00 plus applicable gross receipts tax and forward 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**

**7.B. [16660-22](#) Conservation Plan Addendum Approval**

Ms. Hayward began her presentation by stating that on October 28, 2022, a letter was received from the Office of the State Engineer requesting an addendum to the recently approved Water and Energy Conservation Plan. The addendum is to provide clarification on the Conservation Program and to address some missing points per the updated requirements of OSE. The submitted addendum plan was provided in the meeting packet and following changes were noted in the "draft" watermarked sections:

- \* Pages 028-029 provide additional monitoring of non-revenue water.
- \* Pages 035-057 organize Part II into a more defined Conservation Program with priorities, support, and tools and includes additional projects, budgets, and timelines.
- \* Appendices 5 through 7 reference information on educational campaigns, project updates in the Regional Water Plan, and a county energy conservation policy.

The addendum is necessary to receive Water Trust Board funding for 2023. Not approving the addendum jeopardizes Water Trust Board funding for 2023.

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**Member Nakhleh moved that the Board of Public Utilities approve the addendum to the Water and Energy Conservation Plan. 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**

**7.C. [16661-22](#) Resource Investigation Update**

Mr. Garcia provided an overview, focusing on the efforts of staff to develop generation resources. He also introduced Mr. Matt Hastings, Manager of Project Development for Utah Associated Municipal Power Systems (UAMPS), to discuss options being investigated by the UAMPS Resource Project. The Los Alamos Power Pool participates in UAMPS as a member of the Resource Project. Resource Investigation is a budgeted and normal part of Operations in Power Supply.

A copy of Resource Investigation Presentation was included in the meeting packet. Mr. Garcia and Mr. Hastings responded to board member inquiries and provided clarifying information as appropriate.

**8. 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 ...
  - 2). Accounts Receivables Report
  - 3). Safety Report - Mr. Shelton highlighted ...
- 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.

**8.A. [16023-22](#) Quarterly Conservation Program Update**

Ms. Hayward highlighted the following conservation activities:

The Induction Cook Top Loaner Program is going very well. To date, 45 out of 100 people have borrowed the kits with overwhelmingly positive support and feedback.

Induction events:

- \* October 4 - Presentation on cooking technology history and Induction Loaner program to Rotary Club
- \* October 5 - Customer Service Day demonstrations in Muni Building October 5.
- \* October 6 - Induction Stove panel demonstration with PEEC. There was a lot of good discussion with the dozen people who attend the event.

October was Public Power Week and National Energy Month:

- \* The County proclaimed October 5 as Energy Efficiency Day. Updated DPU "Conserve and Reduce" webpage with ways to "Reduce Energy Costs".
- \* PEEC presented the Monster Detective Collective to several classrooms throughout October and November. The Monster Detective Collective is an engaging energy education program created by Milepost Consulting and the Tennessee Valley Authority. We purchased the Public Power version created with the American Public Power Association for Public Power Week and Energy Awareness Month. The program walks kids through what is energy, what uses power, where power comes from, and what happens when the power goes out. Elizabeth, our PEEC educator touched on the actual sources our power comes from and had the kids do a hands-on activity to see how wind and solar work.

Current Accomplishments:

- \* Utility Bill Inserts: Offsetting Peak Usage (planned for October, was actually distributed in November); Natural Gas Conservation (November); Cooking Fuels (December)
- \* The Energy Audit for WWTP provided by Arizona State should be scheduled around December 12.
- \* Ms. Hayward and Ms. D'Anna started the accreditation process for American Public Works Association.
- \* Rolled out weatherization program assistance resource page on the DPU website. Information is geared towards all customer classes and was shared with Self Help and LAC Social Services.
- \* Discussions with library staff to enhance their Library of Things. Rolling out some trial programs including two induction loaner kits and four Kill-A-Watt power meters.
- \* Staff are in the contract drafting phase for the Community Conservation Outreach Education RFP. The current contract expires in February 2023.
- \* An addendum to the Conservation Plan was requested at the end of November.

Upcoming programming:

- \* Looking at getting an intern through UNM-LA
- \* Inflation Reduction Act programs in January/February
- \* Demonstration kitchen in White Rock: install induction stove, get poster contest going
- \* Xeriscaping

- \* Heat pump technology information

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

**Moved that**

**8.B.     [16275-22](#)     Department of Public Utilities Quarterly Report - FY23/Q1**

Mr. Shelton reviewed the report that Ms. D'Anna compiled with information and input from the Deputy Utility Managers. The FY2023 Q1 Report was included in the meeting packet and covers department activities from July 1 through September 30, 2022. Mr. Shelton and presented the following highlights:

- \* Annual Strategic Planning which included an update to DPU's vision statement. , BPU established a new goal this year to "meet financial reserve targets within our 10-year financial policy, with a debt coverage ratio of 1.6 or greater every fiscal year."
- \* Staffing losses in the GWS division
- \* San Juan Generating Station shut down
- \* Challenges with capital projects continue including limited labor pool, supply chain constraints, schedule delays and resulting cost escalations.
- \* Planning for large capital investments (balancing loan with competitive rates for utility services.

There was no public comment or questions from the board.

**8.C.     [16043-22](#)     Status Reports**

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

- 1). Electric Reliability Update
- 2). Accounts Receivables Report: month-end data was not available at the time of publication. November and December data will be presented at January 18th regular meeting.
- 3). Safety Report: OSHA month-end data was not available at the time of publication. November and December data will be presented at January 18th regular meeting.

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**

Member McLin opened the floor for public comment on any items. There were none.

Chair Wright thanked board and staff. He also thanked Mr. Richardson for his many years of service and wished him a happy retirement. Member Tobin echoed that sentiment and stated that he was grateful for the Mr. Richardson's work with the staff and the board.

**10.    ADJOURNMENT**

Chair Wright adjourned the meeting and wished everyone Happy Holidays.

The meeting adjourned at 8:45 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

January 18, 2023

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Date Approved by the Board

ATTACHMENTS

Utilities Manager Report 12/7/2022



**Utility Manager's Report  
December 7, 2022**

1. The tie circuits impacted by the fault in the LANL manhole have been fully restored and loads rebalanced as normal.
2. The December San Juan Index is \$10.29 plus \$0.27 for transportation for a total of \$10.56 per deca-therm for open market purchases and \$10.28 per deca-therm with NMEAA discount for 80% of budgeted purchases. DPU is estimating to spend \$1.8 Million in natural gas for December. These costs are above the \$0.99/therm cap in DPU's pass through rate ordinance. In January, DPU will need to present a budget adjustment and propose some solutions to this rate cap.
3. No update on the CFPP since the meeting is scheduled for next week in Salt Lake City.
4. The UAMPS Resource Project Committee has several projects in the pipeline.  
Geothermal Proposal (The Power Pool has requested 10 MW)  
Gas Generation and Feasibility Study that may include the addition of hydrogen fuel (The Power Pool has requested 10 MW)  
Two Solar plus battery storage proposals (The Power Pool has yet to consider these proposed projects)
5. For the LANL solar site, staff is scheduling the site visit by the vendor in January. LANL is preparing the request for proposal for geotechnical services.
6. The San I. Pueblo is still waiting on the result of their study on the solar site and no further update this month.
7. FERC has retained a settlement judge regarding PNM's 864 filing and LAC is preparing in the discovery phase and a final hearing scheduled for November 30<sup>th</sup> has been moved to December 21<sup>st</sup>.
8. For SJGS, the City of Farmington request for a temporary restraining order to suspend the second planned auction and the hearing is scheduled for tomorrow. The lawsuit to stop decommissioning activities is ongoing and the three arbitrators are in the process of scheduling a trial date.
9. The testing the Tyler 311 is progressing well and working properly. The MyCivic portion of the program has some issues to resolve with Apple licensing. We now hope to go live in January.

10. Staff selected a vendor for the electric rate study and continue to work with procurement on the agreement.
11. This month's Technical Working Group TWG meeting covered Pump and Treat options for the chromium plume and will continue the discussion in January.
12. For the Ski Hill Water Line, tomorrow the Forest Service is going to walk the Project for review the project in order to issue a special use permit.