



LOS ALAMOS

County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

Minutes

Board of Public Utilities

*Robert Gibson, Chair; Eric Stromberg, Vice-chair;
Matt Heavner; Charles Nakhleh, and, Steve Tobin, Members;
Philo Shelton, Ex Officio Member
Steve Lynne, Ex Officio Member
Theresa Cull, Council Liaison*

Wednesday, February 21, 2024

5:30 PM

Municipal Building, Council Chambers

Public Participation: In person or <https://us06web.zoom.us/j/88515885437>

1. CALL TO ORDER

This regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, February 21, 2024 at 1000 Central Avenue in Council Chambers. Board Chair Robert Gibson called the meeting to order at 5:30 p.m. Members of the public were notified of the ability to participate and provide public comment in-person or over Zoom. The following board members were in attendance:

Present: 7 - Board Members Gibson, Stromberg, Tobin, Nakhleh, Heavner, Shelton, and Lynne

1.A [18448-24](#)

Statement Regarding Closed Sessions Held on November 28, 2023 and February 20, 2024

Member Gibson moved and Member Stromberg seconded that the Board of Public Utilities approve the following statement for inclusion in the minutes: "The matters discussed in the closed sessions held on October 24, 2023, at 4:30 p.m., November 28, 2023, at 4:00 p.m., and February 20, 2024, at 4:00 p.m. were limited only to those topics specified in the notice of the closed session. No action was taken on any matter during the closed sessions." The motion passed by the following vote:

Yes: 5 - Board Members Heavner, Nakhleh, Tobin, Stromberg, and Gibson

2. PUBLIC COMMENT

Chair Gibson called for public comment on items on the Consent Agenda or those not otherwise included on the agenda. There was none.

3. APPROVAL OF AGENDA

Chair Gibson called for discussion or a motion to approve the agenda. Member Gibson requested that item 7.C. be moved before item 7.A. so that the Foxtail Flats item could be discuss first under Department Business. There were no other changes requested from board members.

Member Nakhleh moved and Member Tobin seconded that the agenda be approved as amended. The motion passed by the following vote:

Yes: 5 - Board Members Heavner, Nakhleh, Tobin, Stromberg, and Gibson

4. BOARD BUSINESS

4.A. Chair's Report

Chair Gibson reported that the BPU Presentation to Council has been moved from its traditional September timeframe to July 23, 2024.

No action was taken on this item.

4.B. Board Member Reports

There were none.

No action was taken on this item.

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.

No action was taken on this item.

4.D. County Manager's Report

This was Mr. Lynne's final BPU meeting before his retirement on March 1, 2024. He stated that he has been with the County for 28 years and started as the budget officer so he has also attended BPU budget meetings for 28 years. He thanked all BPU members for their engagement, dedication and service. He also thanked Mr. Shelton and shared that he helped hire him as the Public Works Director and was happy to be involved in his transition to Utilities Manager. He stated that Mr. Shelton is a tremendous professional and he has enjoyed working with him in both capacities. Finally, Mr. Lynne commended the DPU staff, he has worked with all of the Deputy Utility Managers and they manage a great staff that exhibits dedication, professionalism, and great customer service.

No action was taken on this item.

4.E. Council Liaison's Report

Council Vice Chair Cull participated remotely and reported on recent Council activities that were of note to the board and department. She noted that Council met three times since her last report to the BPU.

February 20, 2024, Work Session

- 1) Council reviewed the strategic goal on quality of life; she encouraged members to view the video recording of that meeting.
- 2) Council approved the development of a resolution to start the process of establishing the downtown Los Alamos East Metropolitan Redevelopment Area Plan.
- 3) Council introduced an ordinance to revise the fire restrictions and duties of the fire chief as well as penalties for violations.

February 6, 2024, Regular Session

- 1) Council approved the sale of County-owned on property 110 Entrada Drive to a company by the name of 110 Entrada, LLC.
- 2) Council voted down a minimum wage increase, by a vote of 4-no to 3-yes.
- 3) Council voted to have staff pursue relocation of the food waste composting operation to the eco station.

January 30, 2024, Regular Session

- 1) There were several Utilities related items that were approved, including budget revisions, funding for vertical breakers and the revenue transfer from electric and gas funds.
- 2) Council also approved a resolution in support of family paid family and medical relief leave which unfortunately didn't pass the legislature.
- 3) Council approved the county emergency operations plan.
- 4) Appointed Mr. Matt Heavner to the Board of Public Utilities.

There were no questions from board members.

No action was taken on this item.

4.F. Environmental Sustainability Board Liaison's Report

Mr. Armand Groffman participated remotely and reported on recent ESB activities that were of note to the board and department.

February 15, 2024

- 1) Presentation on bio solid composting by Joshua Silva, DPU - WWTP Superintendent, which was very interesting.
- 2) Presentation with Lisa Reader. She represents North Mesa Stables and has been trying to recycle bailing twine. She came to the ESB seeking assistance securing a recycling container from the County and space to stage the container. A working group was formed to address some of her concerns.
- 3) Julie Williams-Hill, LAC Public Information Officer and Angelica Gurule, Sustainability Manager led a discussion on refining the initial Climate Action Plan Survey focusing on more pertinent questions for follow up survey. Apparently some of the questions were sort of vague and they thought they should be focused a bit more. A working group has been formed for that; more information forthcoming.
- 4) Members reviewed and discussed the ESB work plan for 2024, including lessons learned from 2023.

There were no questions from board members.

No action was taken on this item.

4.G. General Board Business

None.

No action was taken on this item.

4.H. Board Expenses

None.

No action was taken on this item.

5. PUBLIC HEARING(S)

None.

There was no action taken on this item.

6. CONSENT AGENDA

Member Tobin moved and Member Nakhleh seconded 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:

Yes: 5 - Board Members Heavner, Nakhleh, Tobin, Stromberg, and Gibson

6.A. [18074-24](#) Approval of Board of Public Utilities Meeting Minutes 1/17/24

I move that the Board of Public Utilities approve the minutes of the January 17, 2024 Regular Session as presented.

6.B. [18277-24a](#) Approval of Services Agreement No. AGR24-39a with Transmission & Distribution Services, LLC in an Amount Not to Exceed \$7,000,000.00 Over Seven Years; AGR24-39b with SGS LLC, in an Amount Not to Exceed \$7,000,000.00 Over Seven Years for On-Call Utilities Construction Services

I move that the Board of Public Utilities approve these on-call utilities construction services contracts in the following amounts, plus applicable gross receipts tax: AGR24-39a with Transmission & Distribution Services LLC., in an amount not to exceed \$7,000,000.00 over seven years; and AGR24-39b with SGS LLC., in an amount not to exceed \$7,000,000.00 over seven years; and forward to Council for final approval.

6.C. [OR1007-24a](#) Approval & Recommendation to Council of Incorporated County of Los Alamos Ordinance No. 730 An Ordinance Ratifying and Authorizing Amendment of a Lease with Cellco Partnership, d/b/a Verizon Wireless for Replacement of Existing Antenna Collocation and Facilities at 280 North Mesa Road, Los Alamos, on the North Mesa Water Tower

I move that the Board of Public Utilities approve and recommend to Council that the Incorporated County of Los Alamos Ordinance No. 730 be adopted and ratified to amend the real property lease with Cellco Partnership, d/b/a Verizon Wireless for Replacement of Existing Antenna Collocation and Facilities at 280 North Mesa Road, Los Alamos, on the North Mesa Water Tower.

7. DEPARTMENT BUSINESS

7.C. [18038-24b](#)

Approval of the Power Purchase Agreement between Foxtail Flats Solar, LLC, and the Incorporated County of Los Alamos, New Mexico, and approval of the Energy Storage Agreement between Foxtail Flats Storage, LLC, and the Incorporated County of Los Alamos, New Mexico.

Mr. Ben Olbrich, Deputy Utility Manger - Power Supply introduced Mr. Noah Eckert with DESRI who presented to the BPU at the February 7th Work Session. Mr. Olbrich noted that since that meeting a couple of things have changed. First, there were minor but necessary revisions to both of the agreements. The revised agreements will be presented to Council on February 27, 2024. Second, Mr. Eckert stated that there was important consideration on the status of the land lease. Last evening, DESRI met with the Ute Mountain Ute Tribal Council, and the lease was approved by a vote of 4-yes to 1-no. The Tribal Council expressed positive sentiment and excitement to approve the contract. A signature from the Tribe is expected by the end of the week (ahead of the March Council meeting.)

Member Tobin spoke.

Member Stromberg spoke.

Mr. Thomas Wyman, Assistant County Attorney, spoke.

Member Gibson spoke.

There was no public comment.

Member Heaver moved and Member Tobin seconded that the Board of Public Utilities approve the Power Purchase Agreement between Foxtail Flats Solar, LLC, and the Incorporated County of Los Alamos, New Mexico, and approve the Energy Storage Agreement between Foxtail Flats Storage, LLC, and the Incorporated County of Los Alamos, New Mexico, with the allowable condition that both contracts may be altered before their final form is presented to the County Council, to incorporate and reflect that parent company D. E. Shaw Renewable Investments received Ute Mountain Ute Tribal Council approval of the subject Project real property lease at a Ute Mountain Ute Tribal Council meeting last night, February 20, 2024, and both contracts may also be further altered in non-substantive ways if approved by both parties, and forward to Council for approval. The motion passed by the following vote:

Yes: 4 - Board Members Heavner, Nakhleh, Tobin, and Gibson

No: 1 - Board Member Stromberg

7.A. [18098-24](#) Department of Public Utilities Annual Report - Fiscal Year 2023

Mr. Shelton reported that Ms. D'Anna works with him and all of the Deputy Utility Managers and other staff to gather, compile, and professionally format each report. Ms. Catherine D'Anna, Public Relations Manager, presented. She provided an overview of the published report that was included in the packet and which will be available online on February 22nd. Ms. D'Anna and Mr. Shelton responded to board member inquiries and provided clarifying information as appropriate.

Member Heavner spoke.

Member Tobin spoke.

Member Stromberg spoke.

Mr. Shelton spoke.

Member Gibson spoke.

Ms. Kendall spoke.

Mr. Marez spoke.

Member Heavner spoke.

The FY2023 Annual Report from the Department of Public Utilities has been published and can be found online at this link: <https://ladpu.com/FY2023AR>. This report is required per the Los Alamos County Charter.

No action was taken on this item.

7.B. [17998-24a](#) FY2025 Budget Presentation

Ms. Karen Kendall, Deputy Utility Manager - Finance & Administration, presented. She introduced other key members of the budget development team: Mr. Richard Valerio, DPU - Business Operations Mgr, Ms. Joann Gentry, DPU - Business Operations Manger; and Ms. Reese Chavarria-Quam, Finance - Accounting Operations Manager.

The proposed budget for FY2025 and projections for FY2026 were included in the meeting packet. For comparison purposes, the reports also include FY2022 and FY2023 actuals, FY2024 adopted budget and projected actuals.

The purpose of the discussion was to provide a detailed overview of the budget, proposed and projected budgeted rate increases, the ten-year capital plan and a five-year plan of capital projects to be funded as a budget option with revenue transfer funds. DPU staff will be requesting board input at this presentation and changes will be incorporated in the final budget presentation and approval for March regular meeting.

All attachments included in the meeting packet are preliminary drafts of the budget. Some inputs are still being finalized and some amounts will change between now and the final presentation to the Board for approval in March. All changes will be noted when the Board considers the final budget for adoption in March. Due to a computer server issue, some files were lost on 2/15/2024. Staff is rebuilding this information and will need to hand out the Ten Year Revenues, Expenses and Cash Balance Graphs FY2025 through FY2034 worksheets during the meeting.

Member Gibson spoke.

Mr. Lynne spoke.

Mr. Shelton spoke.

Member Stromberg spoke.

Member Heavner spoke.

Member Tobin spoke.

Member Nakhleh spoke.

No action was taken on this item.

RECESS 7:23 - 7:35 pm

8. MONTHLY STATUS REPORTS

8.A. [18085-24](#) Status Reports - January 2024

Mr. Shelton provided the following status reports in the meeting packet. He responded to board member inquiries and provided clarifying information as appropriate.

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

Member Gibson spoke.
 Mr. Marez spoke.
 Ms. Joann Gentry spoke.
 No action was taken on this item.

No action was taken on this item.

9. UPCOMING AGENDA ITEMS

9.A. [18063-24](#) Tickler File for March through May 2024

Chair Gibson highlighted the agenda items for the upcoming work session and regular meeting. Members discussed.

No action was taken on this item.

10. PUBLIC COMMENT

Chair Gibson called for public comment on any item. There was none.

11. ADJOURNMENT

The meeting adjourned at 9:16 pm.

APPROVAL

Robert Gibson

Board of Public Utilities Chair Name



Board of Public Utilities Chair Signature

March 20, 2024

Date Approved by the Board

ATTACHMENTS

- 4.C. Utilities Manager Report - 2/21/2024

Utilities Manager's Report
February 21, 2024

1. The sunset gas recovery rate has collected all the funds required by this special rate and to date for the month of February has over collected approximately \$77,000. Beginning with the month of March's billing cycle, there will not be a charge of \$0.44/therm established by the sunset gas recovery rate, and the cost of gas for March will include a credit in the calculation for the cost of gas for the actual amount over collected in February.
2. The renovation of the DPU stand-by quarters is proceeding as scheduled for an April completion date. The stand-by crew are in temporary quarters at the Smart House.
3. DPU held an employee orientation last Friday that was well attended with 16 people. Most in attendance were new DPU staff and we had a Council Member, two BPU members, and one staff from each of the following departments; Human Resources, County Attorney's Office, and Community Development.
4. As part of the County's safety program, OSHA was invited to inspect DPU's electric distribution shop. OSHA found a few items to correct and identified some safety procedures to update and provide back to them within the next 45 days. It was a productive consultation in our efforts for continuous improvement.
5. For the Chromium Plume, NMED has written a letter to NNSA requesting a partial restart of the groundwater pump and treat system with selected reinjection wells. I spoke to NNSA on if they are going to restart the treatment system and they informed me they are evaluating this request and expect to have a response in the next couple of weeks. The EA out for comment regarding the Adaptive Site Management approach extended their comment period for another 30 days from February 12, 2024. DPU is preparing comments and will request removal of Option 2 - Mass Removal with Land Application of Treated Groundwater because this option greatly impacts the County's water rights and will have a negative effect on the water table level within the regional aquifer.
6. The Jemez Mountain Fire Protection project has a proposed award of \$900,000 from the 2024 State Legislature Capital Outlay Program subject to Governor's approval. The FEMA grant for undergrounding the electric line has moved through some initial screenings and DPU anticipates submitting the final grant request this week. Finally, the US Forest Service is considering building crew quarters and a small fire station on Camp May Road. They have identified three potential sites.

7. The closure of the mine and demolition of the San Juan Generating Station are progressing well and so far within the reserves set aside for the projects. The smokestacks are scheduled to be imploded in March.
8. UAMPS Projects:
 1. CFPP continues the wind-down activities, and the exit costs are still projected to be around \$5.2 Million with LAC's share at around \$250,000.
 2. The natural gas study discussed screening sites for transmission availability and ease of air permitting.
 3. Geothermal Project had no updates since the proposers continue to be working on interconnection agreements.
 4. Mason Baker is scheduled to present at April's BPU Work Session.
9. San I Development Services has been working with LAC broadband manager on a MOU to allow for the construction of a fiber conduit in coordination with the SR-4 water supply line replacement.
10. The Technical Working Group (TWG) presented the second half of its presentation on MDA-L site. The remedial action is to activate the Soil Vapor Extraction (SVE) wells when vapor monitoring wells show elevated levels of TCE. From the presentation, the groundwater appears to be protected with this SVE system.
11. NMED has accepted the closure report for the Middle DP Road site prepared by N3B. Sites A-8-a and A-16-a are now available for development.
12. Met with a local Citizen Climate Lobby group regarding DPU's efforts to combat climate change. They offered to support legislation that mitigates climate change.
13. Attended the Los Alamos Day at the Legislature on February 14, 2024.
14. Held various budget meetings including one with County Manager and Finance staff in preparation for tonight's budget presentation.