



**City of Farmington
Water/Wastewater**

AGENDA

..... for the regular meeting of the Public Utility Commission of the City of Farmington, **Wednesday, January 13, 2016, at 3:00 pm** in the Executive Conference Room at City Hall, 800 Municipal Dr., Farmington, New Mexico.

I. GENERAL

- A. Roll Call
- B. Convening of Meeting by Jim Spence, Chair
- C. Minutes of December 9, 2015 regular meeting submitted for approval 1

II. BUSINESS

- A. Review of Proposed Rules and Regulations Covering
Electric Service – Sue Nipper (10 min)..... 2
Possible Action Item: Recommend to City Council the
Approval of the Revised Rules and Regulations Covering
Electric Service
- B. Electric Utility Report - Sue Nipper (10 min) 3
- C. Water/Wastewater Report - Jeff Smaka (5 min) 4
- D. Water/Wastewater Operations Report – Monica Peterson (5 min)..... 5
- E. Director’s Report - Rodney Romero (5 min) 6

III. ADJOURNMENT

The next regular meeting will take place on February 10, 2016

The City of Farmington will make every effort to provide reasonable accommodations for people with disabilities who wish to attend a public meeting. If you need to request that an accommodation be made, please notify the Electric Administration office (599-1160) at least 24 hours prior to the meeting.

BOARD OF PUBLIC UTILITY COMMISSIONERS

The special meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, December 9, 2015 at 3:00 p.m., in the Executive Conference Room at City Hall, 800 Municipal Dr., Farmington, New Mexico, in full conformity with the laws and ordinances of the Municipality.

GENERAL

1. Commission members present: James Spence
Jeff Parkes
Marty Johnson
Bill Hall
Tory Larsen
Chris Hunter
Carol Cloer

Commission members absent: Bill Standley
Rubin Armenta
Keith Johns
Gordon Glass

City Council Liaison: Gayla McCulloch

City personnel present:
Electric Utility Director Rodney Romero
Electric Business Operations Sue Nipper
Electric Transmission & Distribution Luke Lugenbeel
Customer Service Nicki Parks
Public Works Department David Sypher
Public Works Department Jeff Smaka
OMI/CH2MHill Monica Peterson
Administrative Services Accounting Sheree Wilson
PUC Secretary Amy McKinley

2. Chair Spence called the meeting to order at 3:00 PM with a quorum present to conduct the business of the Commission.

Chair Spence announced the Mayor's appointment of a new Public Utility Commissioner, Mr. Gordon Glass, who will serve as an alternate on the Commission through October 2018.

Vice-Chair Spence asked if there were any additions or corrections to the Minutes of the November 11, 2015 meeting. Commissioner Johnson made a motion to approve the Minutes and Commissioner Cloer seconded the motion. The motion passed unanimously.

BUSINESS

1. Distribution of Proposed updates to the Rules and Regulations for Electric Service:

Ms. Nipper briefly reviewed the binders containing the proposed Rules and Regulations for Electric Service. Ms. Nipper asked commissioners to submit questions or comments to her as each commissioner reviews the rules so staff will have the opportunity to provide responses at the next PUC meeting. Ms. Nipper stated a meeting with the San Juan County Homebuilders Association will take place to obtain feedback regarding the proposed updates to the rules.

2. Electric Utility Report:

Ms. Nipper offered a PowerPoint presentation detailing the utility's monthly financial report for October, 2015. General discussion ensued regarding the information presented.

3. Update on Solid Waste Fund RFP:

Mr. David Sypher, Public Works Director, updated the Commission on the status of RFP for Solid Waste services. He said that while solid waste operations are not a part of the responsibility set for the Commission, the Public Works department is open to hearing advice and input from the Commission regarding the solid waste RFP process. Mr. Sypher briefly reviewed the history of the city's contract with Waste Management and pointed to the various factors reviewed in creating the RFP.

4. Water/Wastewater Report:

Mr. Smaka reviewed the activities of the water/wastewater division. He said that final approval from NMEP for the WWTP Phase III project should be received by the end of December and the project should go out for bid in January; construction is planned to begin in April 2016.

Mr. Smaka reviewed the various sewer and water line repair/replacement projects and the status of each project's completion.

5. Water/Wastewater Operations Report:

Ms. Peterson offered the water/wastewater operations report for the month of November.

Ms. Peterson reported that Water Treatment Plant 2 has been shut down for the winter months.

Ms. Peterson stated the NPDES permit expired the end of October 2015; the application for a new permit was submitted to the EPA in the spring of 2015 and staff continues to wait for a response from the EPA.

6. Director's Report:

Mr. Romero offered an overview of the recent and upcoming activities of the electric utility.

Mr. Romero said that electric sales are down and the utility is looking at a trend of reduced sales. He reported staff is looking at the generation sources of the utility and is beginning the process of preparing the Integrated Resource Plan. He said as staff work on the IRP, they keep in mind the utility needs to be responsive; if a downward trend continues, staff will review capital costs and other expenditures. Mr. Romero stated that operationally, the utility is quite lean in staffing numbers; equipment and vehicles are current and should numbers stay flat, some of these operational costs could be cut back on to hold out for a time.

Commissioner Hunter asked what the potential dollar over the next five years may be and how much exposure the utility is looking at over the next five years. Mr. Romero stated he would have a presentation at the next meeting.

Vice-Chair Parkes commented that it is important to remember that when a long term supply commitment like the natural gas prepay contract is made, it is not done to get the best price but it is done as insurance so the utility will have this product.

Regarding the Community Solar project, Mr. Romero said the survey draft was reviewed and comments submitted by commissioners were taken into account when finalizing the survey. Mr. Romero said the survey will be sent out via Survey Monkey to utility customers who have provided their e-mail address in their account history.

ADJOURNMENT

There being no further business to come before the Commission, upon motion duly made and seconded, the meeting was adjourned.

The meeting was adjourned at 4:22 p.m.

Approved this 13th day of January, 2016.

James Spence, MD, Chair

CITY OF FARMINGTON – PUBLIC WORKS DEPARTMENT (PW)	
Division: Water-Wastewater	Program: Water & Wastewater
Report Prepared by: Jeff Smaka	Title: Water/ Wastewater Administrator
Reporting Period: December 1 through December 31,2015	PUC Meeting Date: 13 Jan 16

ACCOMPLISHMENTS

- **Waste Water Treatment Plant.** Phase III Design – HDR Engineering is working on the plant design with staff to review the plant layout, equipment selection and design capacity of the proposed improvements. Construction of WWTP Phase III improvements to provide redundancy at the WWTP and maintain compliance with EPA permit. NMED approved funding the waste water treatment plant upgrade through the Clean Water State Revolving Loan Fund (CWSRF) program. Estimated project cost \$14,000,000. Design - Final review meeting to be held Dec 3 & 4. Anticipate that the project should go out to bid by the end of December 2015 pending approval of bid documents by NMED.
- **O& M Contract.** The new 8 year Operation and Maintenance Contract with CH2M begins January 1, 2016.
- **Utility Rates.** Ordinance 2014-1271 adopted by City Council - Nov 11, 2014. Water and wastewater rates 2nd year increase will begin with first billing cycle in Dec 2015
- **Engineering Design Contract.**
 - 2P Waterline Replacement Project - Phase I – HDR has completed 60% design drawings. Project funding under DWSRF program through NMFA. City Council approved loan application on August 11, 2015; this project is in the City's Infrastructure Capital Improvement Plan submitted to the state. Phase I estimated cost \$3.2 million.
 - LaPlata Highway - Project redesign for water line replacement and NMDOT permitting; staff will be hiring a consultant for this project in FY16.
- **Capital Project Review.**
 - **Capital Improvement Project**
 - WTP#2 - Electrical Improvements - HDR Engineering completed the design of the improvements to the motor control center and HVAC for the electrical equipment room which includes the mechanical, electrical motors and electrical systems. Project bid awarded to Nightlight Electrical by City Council. Construction began on November 16. Anticipate completion of construction in spring 2016.
 - Penny Lane Low Head Dam Modifications - Riverbend Engineering - Design completed; Project on hold pending issuance of permit from U.S. Army Corps of Engineers - anticipate rebidding project fall of 2016.
 - **Renewal and Replacement**
 - Wildflower Parkway - 4P Pump Station – Cheney-Walters-Echols (CWE) has completed pump station design. Working with landowner on acquisition, appraisal completed for the pump station. Construction of new pump station spring 2016.
 - Foothills Dr. - Holmes to Lakewood - Replace existing 16" steel waterline with a 16" PVC waterline - Construction winter 2015 - weather dependent.
 - Foothills Dr. - Main to Holmes - Replace existing 16" steel waterline - design in process – plans 90% complete
 - English Rd - WTP#2 to Main St. – Installation of new 12" waterline - design complete – 98% complete
 - W. Main Street - W. Murray Dr to Valley Vista Dr - Replace existing 6" CI waterline with a 12" PVC waterline & Replace existing 8" clay tile sewer line with a 18" PVC sewer line - design in process. Preparing bid documents, Construction spring/summer 2016.
 - Troy King Road – Main Street to Piedras St – Replace 6" CI waterline with a 16" PVC waterline – Construction 95% complete
 - **Pressure Reducing Valve (PRV)**
 - none

- **Sewer Lift Stations**

- Lift Station 9 Improvements (109 Meadow View Dr.) – The project is to rehab of the existing lift station which includes the mechanical, pumping equipment and electrical systems of lift station 9. Project is in design – 5% complete, Construction in FY17.
- Lift Station 12 Improvements (1214 Mossycup Dr.) – The project is to rehab of the existing lift station which includes the mechanical, pumping equipment and electrical systems. Design in FY16, Construction in FY17.

- **Budget.** - FY16 - budget approved.
- **COF Department Support.** Survey support to acquire manhole data for future sewer collection system model continues
- **Annual Utility Contract.** – Contract awarded to TRC Construction Inc. from Flora Vista, NM
- **Federal Funding –**
 - Water Projects – 2P Waterline Improvement Project
 - Staff submitted a funding request to NMED (DWSRLF) for the project to replace the existing 6” and 8” cast iron waterline (approximately 30,000 LF) along US 64 and various side streets. Estimated probable cost \$8,160,000. – Project has been broken into three phases – Phase I – Estimated cost \$3,200,000
 - Wastewater Projects – submitting for funding in 2014 -
 - WWTP – MRAS Basin, Final Clarifier, Solids Handling Facility & UV Disinfection – NMED funding source is the Clean Water State Revolving Loan Fund (CWSRF) Program – Project approved by NMED, Loan amount \$14,000,000.00, - Term 20 years, Interest Rate 3%, Construction to anticipated to begin spring 2016, construction schedule 24 months.

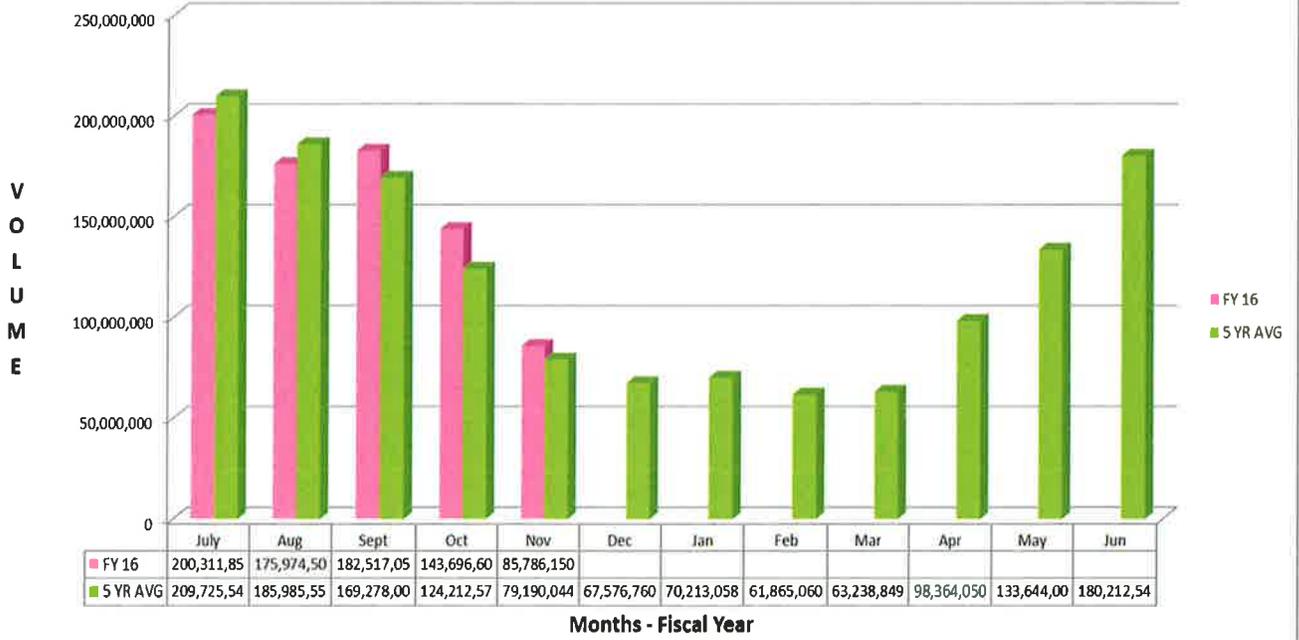
- **PROJECTS / INITIATIVES REQUIRING INTER-DIVISIONAL COORDINATION**

- **Farmington Reach – Navajo Municipal Pipeline.**
 - Working with Bureau of Reclamation and Navajo Tribe for agreements to transfer title to the City for the tank and pipeline project along with an Operation, Maintenance and Replacement (OM&R) agreement as required by Federal law - March 2009.
- **WWTP NPDES PERMIT – EPA.** Existing NPDES permit went into effect on November 1, 2010 permit expires October 31, 2015. City staff and CH2M have submitted a renewal application for the WWTP NPDES permit.
- **Snowpack - Water Year 2016 - BOR reporting site:**
 - Animas River Basin - 120%
 - San River basin - 121%

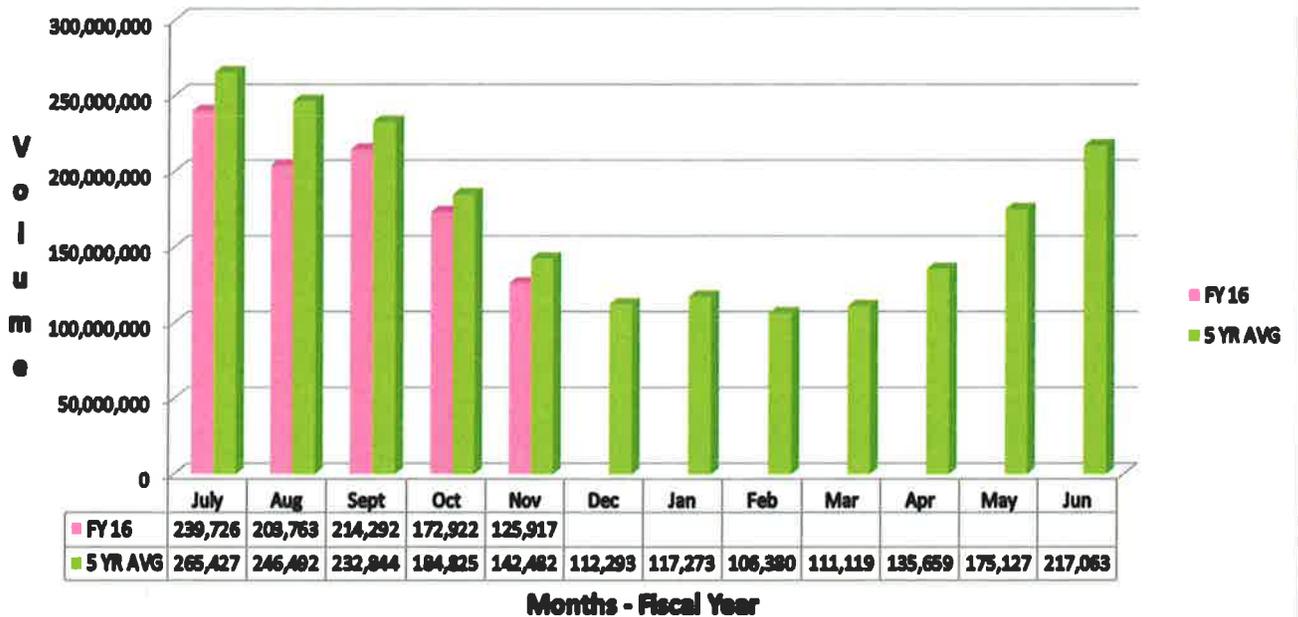
ATTACHMENTS

WATER USAGE - RESIDENTIAL CUSTOMERS
WATER USAGE - COMMERCIAL CUSTOMERS
WATER FUND (602) - RENEWAL & REPLACEMENT
WASTEWATER FUND (603) - RENEWAL & REPLACEMENT
GRAPH WATER REVENUE FY 12 – FY16

Residential Classification Usage - Gallons



Commercial Classification Usage - Gallons



WATER

Renewal & Replacement

Water Fund - 602

	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Y-T-D	FY16 Budget
REVENUES						
Renewal /Replacement Fee	\$2,018,436	\$2,037,806	\$2,057,949	\$2,344,912	\$1,089,902	\$2,640,556
STATE GRANT - \$825,000						
REVENUE TODATE				\$15,459,862		
PROJECTED REVENUE FY07 - FY16						\$18,100,418

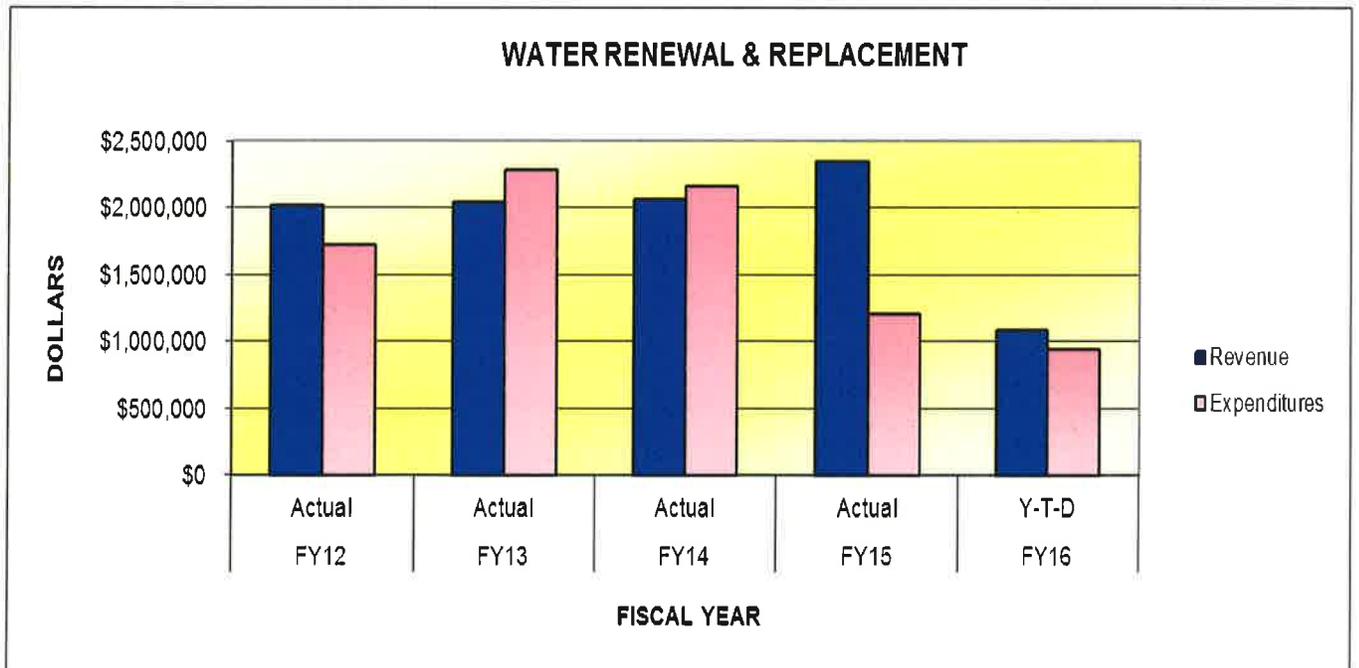
	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Y-T-D	FY16 Budget
EXPENDITURES						
RENEWAL/REPLACEMENT						
602-5543 Construction	\$1,720,082	\$2,278,859	\$2,164,752	\$1,212,214	\$941,803	\$3,750,000
651.70-60						
PROJECTED EXPENDITURES FY07 - FY16				\$13,348,977		

BUDGETED FY 16 PROJECTS

Foothills Dr - Hill N Dale to Main St	\$800,000
Foothills Dr - Holmes Dr to Lakewood	\$1,900,000
20th St - Hutton Ave to Main St	\$650,000
Clayton Ave - Main St to 20th St	\$193,252
Troy King - Piedras St to Main St	\$475,000
US64- Troy King to Viento	\$300,000
Polyline Service Replacement	\$200,000
Fire Hydrant 1950 Replacement	\$100,000
	<u>\$4,618,252</u>

PROJECTED EXPENDITURES FY07 - FY16

\$17,967,229



WASTEWATER

Renewal & Replacement

Wastewater Fund - 603

	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Y-T-D	FY16 Budget
REVENUES						
Charges for Utility Services						
Renewal /Replacement Fee	\$1,436,495	\$1,441,591	\$1,456,143	\$1,601,781	\$719,313	\$1,703,688

REVENUE TODATE

\$10,714,823

PROJECTED REVENUE FY07 - FY16

\$12,418,511

	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Y-T-D	FY16 Budget
EXPENDITURES						
RENEWAL/REPLACEMENT						
603-5543						
751.70-60 Construction	\$501,814	\$685,848	\$1,194,237	\$817,221	\$1,619,883	\$1,650,000

Projects FY07- FY16

\$6,318,878

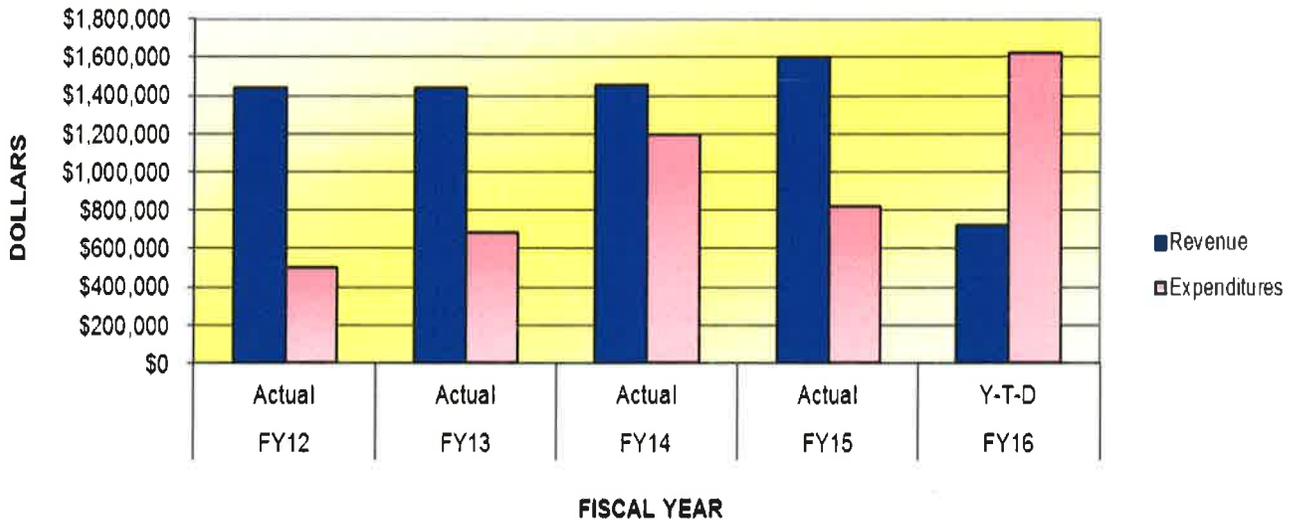
BUDGETED FY 16 PROJECTS

Lift Station # 3 Rehab	\$940,000
Lift Station #2 Rehab	\$1,120,000
MRAS Basin	\$1,750,000
Sewer Rehab - W Main St	\$1,500,000
Manhole Rehab	\$150,000
Mainline Rehab - Robotic	\$350,000

PROJECTED EXPENDITURES FY07 - FY16

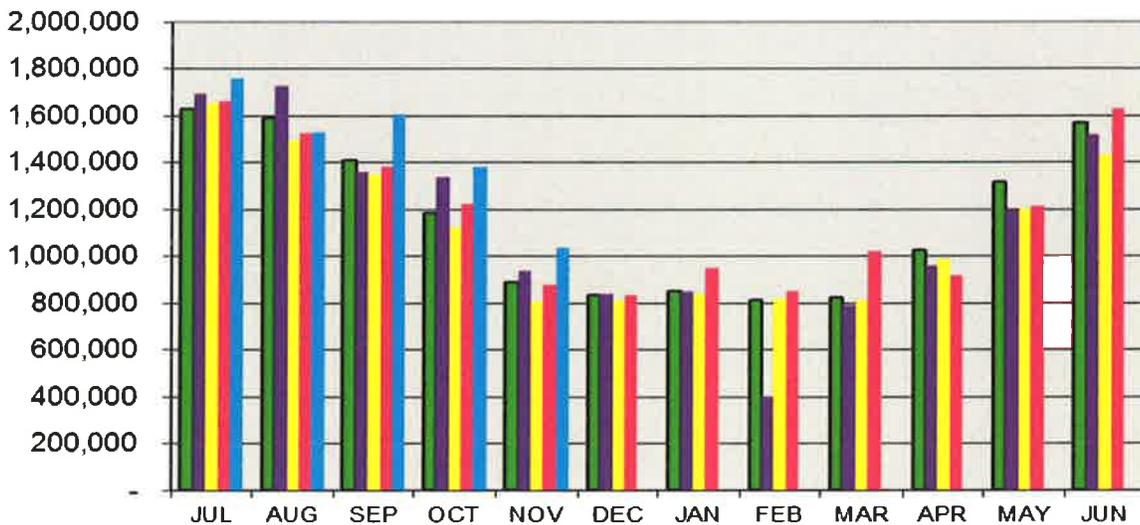
\$12,128,878

WASTEWATER RENEWAL & REPLACEMENT





Total Water Revenue Per Month FY12 - FY16



BUDGET TO ACTUAL COMPARISON PER MONTH

	FY 2012 **		FY 2013 **		FY 2014 **		FY 2015 **		FY 2016 **	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
JUL	1,176,228	1,630,402	1,165,141	1,696,293	1,196,227	1,657,429	1,152,420	1,660,611	1,305,656	1,760,696
AUG	1,176,228	1,588,665	1,165,141	1,725,060	1,196,227	1,495,029	1,152,420	1,525,823	1,305,656	1,530,739
SEP	1,176,228	1,410,448	1,165,141	1,362,607	1,196,227	1,349,906	1,152,420	1,379,367	1,305,656	1,608,774
OCT	1,176,228	1,184,374	1,165,141	1,338,557	1,196,227	1,123,250	1,152,420	1,222,276	1,305,656	1,379,285
NOV	1,176,228	887,002	1,165,141	936,091	1,196,227	805,566	1,152,420	878,377	1,305,656	1,039,055
DEC	1,176,228	832,980	1,165,141	839,767	1,196,227	813,492	1,152,420	832,341	1,305,656	
JAN	1,176,228	851,299	1,165,141	851,542	1,196,227	838,647	1,152,420	948,366	1,305,656	
FEB	1,176,228	813,970	1,165,141	401,518	1,196,227	818,588	1,152,420	850,813	1,305,656	
MAR	1,176,228	823,706	1,165,141	788,759	1,196,227	812,113	1,152,420	1,021,237	1,305,656	
APR	1,176,228	1,028,028	1,165,141	958,767	1,196,227	989,646	1,152,420	914,504	1,305,656	
MAY	1,176,228	1,317,793	1,165,141	1,194,193	1,196,227	1,203,797	1,152,420	1,212,303	1,305,656	
JUN	1,176,228	1,570,209	1,165,141	1,520,186	1,196,227	1,433,479	1,152,420	1,630,441	1,305,656	
TOTAL:		13,938,876		13,613,340		13,340,942		14,076,459		7,318,549

REVENUE PER CLASS/CUSTOMERS

	FY 2012		FY 2013		FY 2014		FY 2015		FY 2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
R	6,275,000	6,509,749	6,481,728	6,464,202	6,676,180	6,110,737	6,458,000	6,535,453	7,254,451	3,403,175
GS	3,458,704	3,441,527	3,447,238	3,107,129	3,550,655	3,304,044	3,373,100	3,310,784	3,777,872	1,923,502
CU	1,117,925	1,096,582	1,129,104	1,123,093	1,151,686	1,026,032	1,049,500	1,011,584	1,126,982	446,635
REC	210,000	264,281	225,000	264,196	250,000	244,954	260,000	252,046	273,000	145,080
FH	125,000	112,642	118,750	76,419	118,750	91,668	110,000	87,036	100,000	46,001
R & R	1,910,000	2,018,437	2,055,322	2,037,805	2,082,909	2,057,950	2,088,390	2,344,912	2,640,556	1,089,902
GRANTS	500,000	284,788	-	2,510	2,107,359	1,449,369	1,800,000	3,963,044	-	-
OTHER	1,018,114	747,207	524,552	2,595,398	587,552	505,557	490,050	539,364	495,020	264,254
TOTAL:	14,614,743	14,475,213	13,981,694	15,670,752	16,525,091	14,790,311	15,629,040	18,044,223	15,667,881	7,318,549

SCHEDULE OF CUSTOMERS

R	=	Residential
GS	=	General Service, Single (commercial)
CU	=	Contract Users (bulk water users)
REC	=	Recreational/Raw Water/Water Users (city facilities and
FH	=	Fire Hydrants
R & R	=	Renewal & Replacement
OTHER	=	Miscellaneous



Monthly Activity Report December 2015



Prepared for
City of Farmington, Public Utility Commission

ADMINISTRATION OPERATIONS

Safety Training and Incidences

TAILGATE TOPICS	DEC 2015	YTD
Total Safety Training Hours	125.5	1809.05
Incidences/accidents	1	7
Motor Vehicle Incidences/accidents	0	2

DELIVERABLES FOR DISTRIBUTION & COLLECTION SYSTEM

Deliverables

TASK	TARGET	YTD	% COMPLETED
Pressure Regulator Inspection	59	61	103%
Valve Exercise	2312	2362	102%
Storm Drain Cleaning	300	374	125%
Dead End Main Flushing	492	492	100%
Sewer Main Cleaning 6" - 24"	307560	210672	68%
Sewer Main Cleaning 24" - UP	3266	4415	135%
Sewer Main Video Inspection	184800	152984	83%
Fire Hydrant Inspection	2600	2640	102%
Air Relief Valve Inspection	149	152	102%

Water breaks

DEC 2015	
Main line breaks	15
Service line breaks	10

YEAR-TO-DATE	
Main line breaks	53
Service line breaks	117

Estimated water loss => 40,780 (gallons)

YTD Water Loss: => 569,387

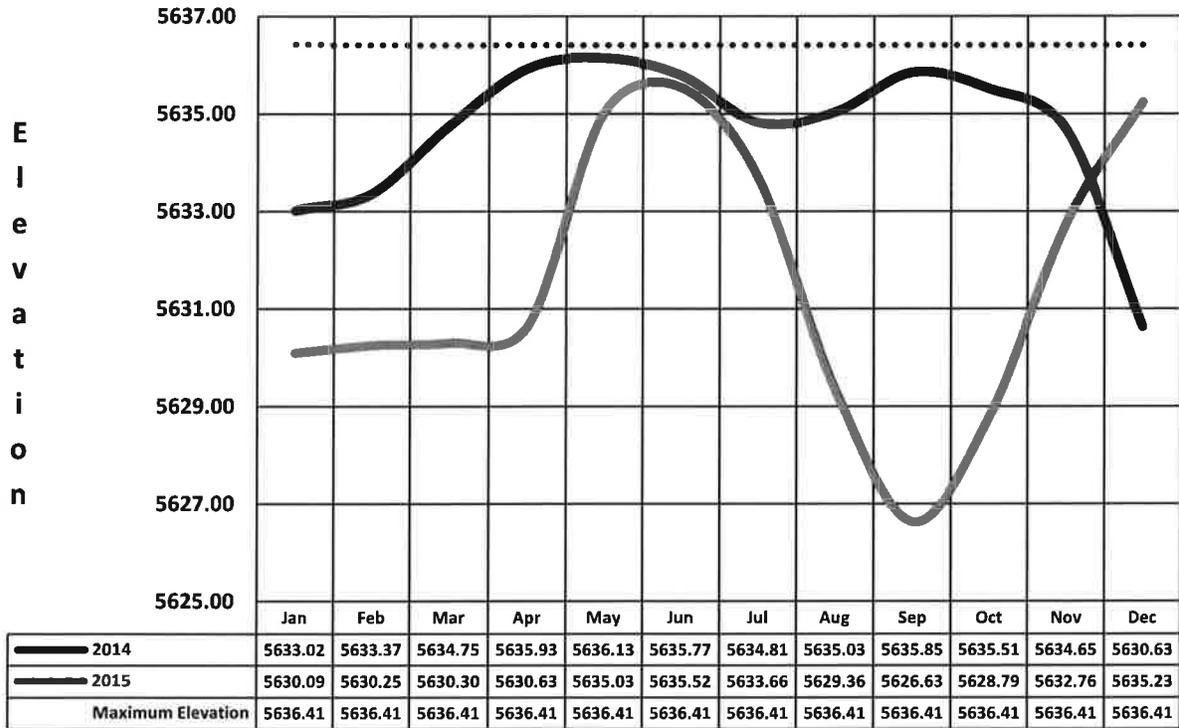
New Meters and Sewer Taps

DEC 2015	
NEW METERS	9
SEWER TAPS	4

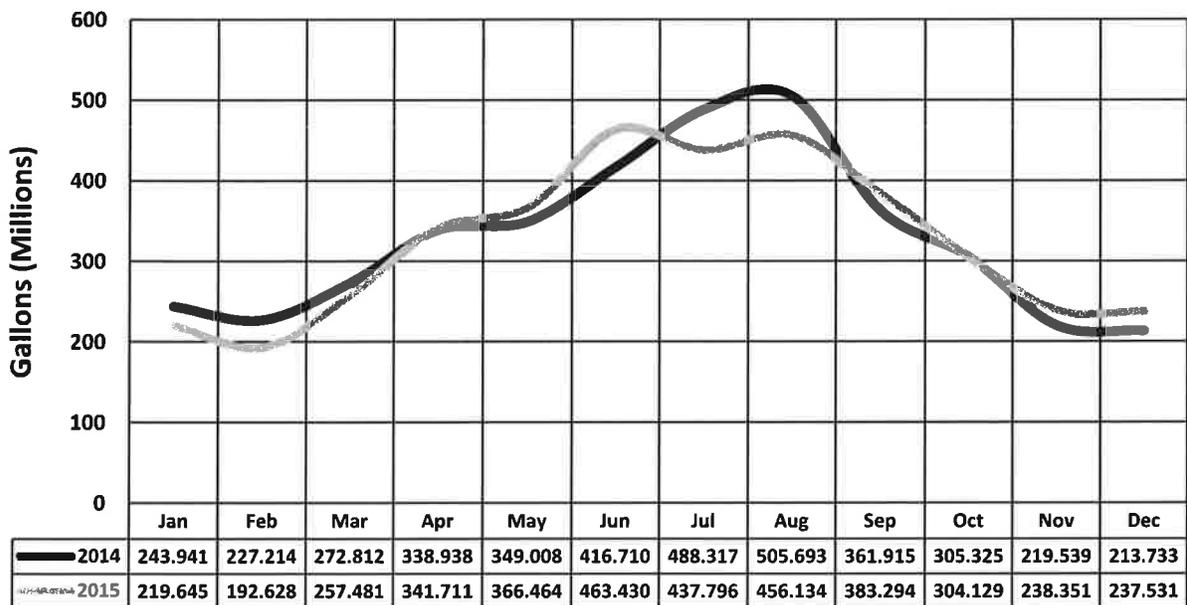
YEAR-TO-DATE	
	86
	67

WATER TREATMENT OPERATIONS

Farmington Lake Elevations - Monthly Average Comparison from January thru December 2014 and 2015

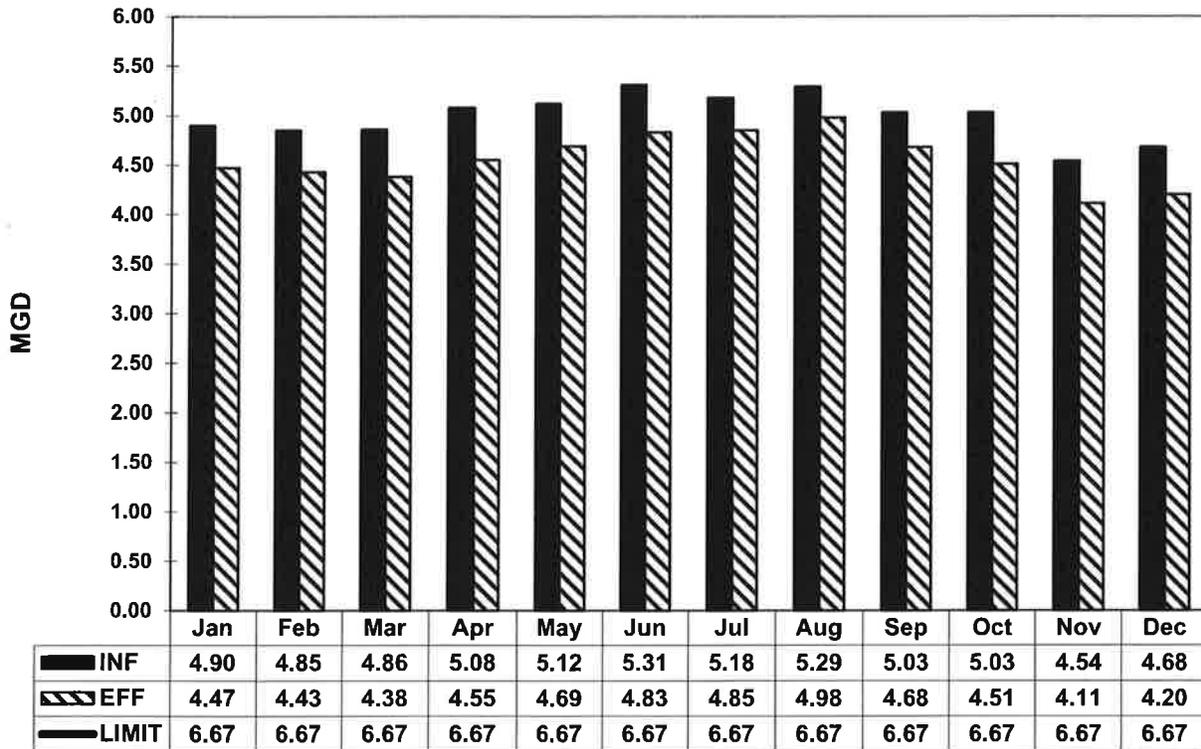


Water Treatment Plants - Total Effluent to System Comparison from January thru December 2014 and 2015



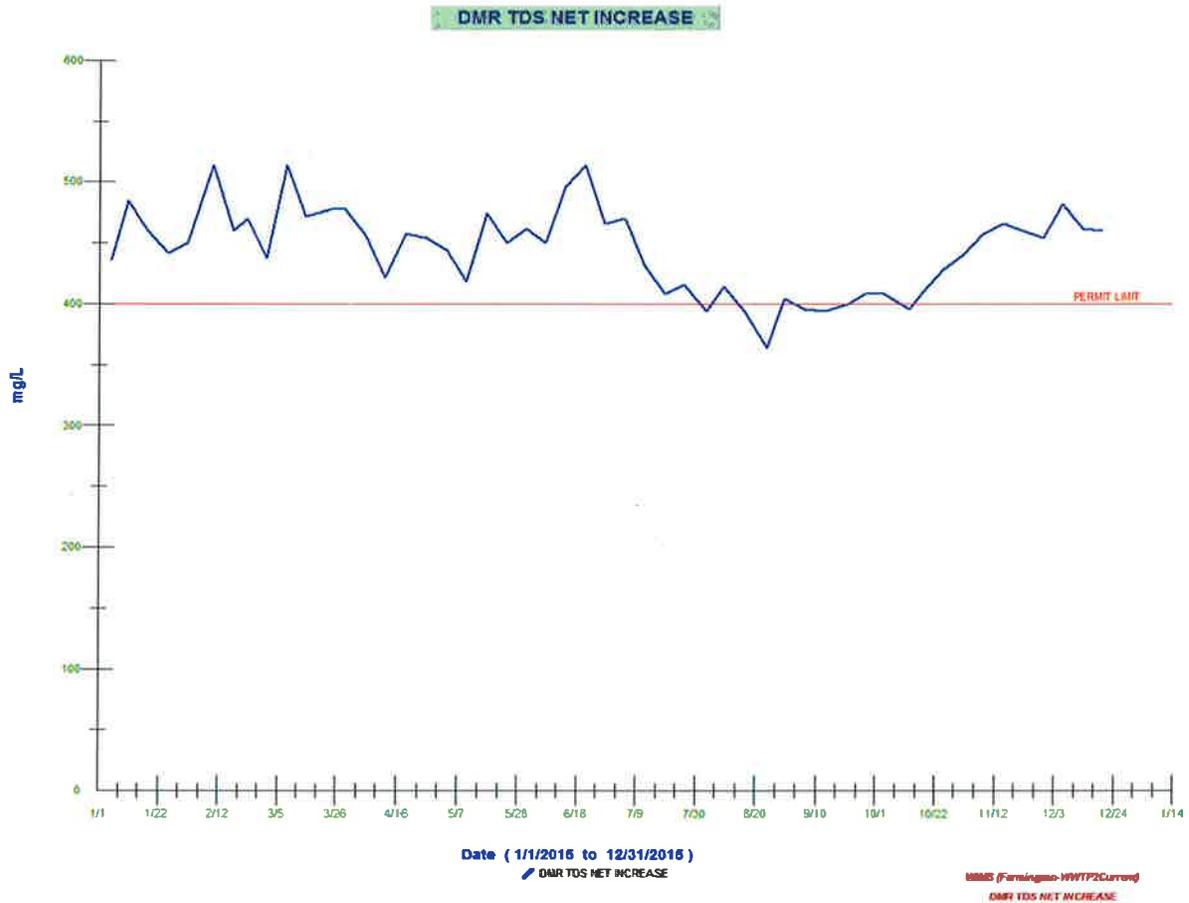
WASTEWATER TREATMENT OPERATIONS

FLOW



Final Effluent Total Flow [MG] 123.32
 Final Effluent Average Flow [MG] 4.11

Total Number Septic Trucks 448
 Total Gallons Septic Trucks 488,262



PRETREATMENT ACTIVITES

- Pretreatment personal completed the Technically Based Local Limits (TBLL'S) sampling event at the WWTP.
- Samples were collected from American Industrial Laundry (ALSCO) for the Industrial Pretreatment annual monitoring.
- Samples were collected from Harper Valley Waste Water plant in Kirtland for analysis on TDS, TSS and TBLL's.
- Completed the annual industrial inspection at SJRMC.
- Inspections of the sand and oil Interceptors were completed.

Acronyms and Abbreviations

CM	Corrective Maintenance
CMMS	Computerized Maintenance Management System
gpd	Gallons per day
gpm	Gallons per minute
hp	Horsepower
mg	millions of gallons
mg/L	Milligrams per liter
mgd	Million gallons per day
NMED	New Mexico Environment Department
NPDES	National Pollutant Discharge Elimination System
O&M	Operation and Maintenance
OMI	Operations Management International
OOS	Out of Service
PdM	Predictive Maintenance
PM	Preventive Maintenance
ppm	Parts per Million
PRV	Pressure Reducing Valves
PRVs	Pressure Reduced Valves
QA/QC	Quality Assurance/Quality Control
SCADA	Supervisory Control and Data Acquisition
SMP	Standard Maintenance Plan
SOP	Standard Operating Procedure
TTHMs	Trihalomethanes

USEPA	U.S. Environmental Protection Agency
WEP	Work Execution Plan
WWTP	Wastewater Treatment Plant