



# AGENDA

.....for the regular meeting of the Public Utility Commission of the City of Farmington, Wednesday, **July 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 Dr. James Spence, Chair
- C. Minutes of June 8, 2016 regular meeting submitted for approval ..... 1

## II. BUSINESS

- A. Water/Wastewater Report - Jeff Smaka (5 min) ..... 2
- B. Water/Wastewater Operations Report - Ron Rosen (5 min) ..... 3
- C. Engineering Major Projects Status Report-John Armenta (10) min ..... 4
- D. Electric Utility Report –Sue Nipper Greaves (5 min) ..... 5

## III. ADJOURNMENT

**The next regular meeting will be on August 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 regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, June 8, 2016 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

Commission members present:	James Spence Jeff Parkes Gordon Glass Bill Standley Chris Hunter Carol Cloer Tory N. Larsen
Commission members absent:	Marty Johnson Rubin Armenta Bill Hall
City Council Liaison:	Gayla McCulloch
City personnel present:	
Electric Utility Director	Rodney Romero
Electric Generation Manager	Britt Chesnut
Customer Service	Nicki Parks
Public Works Department	Jeff Smaka
OMI/CH2MHill	Ron Rosen
Administrative Services	Andy Mason
Administrative Services Accounting	Sheree Wilson
Legal	Jennifer Breakell
PUC Secretary	Amy McKinley

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

Chair Spence asked for a motion to approve the Minutes of the May 11, 2016 regular PUC meeting noting the minor adjustment to show Commissioner Larsen was present at this meeting. A motion was made by Commissioner Standley to approve the Minutes as modified and seconded by Commissioner Larsen, and upon voice vote the motion passed unanimously.

Chair Spence asked for a motion to approve the Minutes of the May 17, 2016 Special PUC meeting. A motion was made by Commissioner Hunter to approve the Minutes and seconded by Commissioner Cloer, and upon voice vote the motion passed unanimously.

**BUSINESS**

**Water/Wastewater Report:**

Mr. Smaka offered a review of the various activities of the Water/Wastewater division for May 2016.

While discussing the status of the 2P Waterline Replacement Phase I Project, Mr. Smaka informed commissioners the design phase is 90% complete and staff is working with NMFA on the loan process; the \$3.2 million loan is expected to close in August 2016. Mr. Smaka reported the preliminary project interest form has been submitted to NMED for the 2P Waterline Replacement Project Phase II, which runs along US 64 from the intersection of Camina Flora to Miller Avenue. He said the estimated cost of this phase of the project is

\$3.6 million. Mr. Smaka commented he received a call from the State reporting this project ranked fairly well in the state's project listing; the amount of grand funding will depend on how high the project ranks in the state's rating process.

Mr. Smaka noted the bid opening for the Wastewater Treatment Plant project is on June 21, 2016. He said the pre-bid meeting for this project received good attendance by several contractors.

Mr. Smaka reviewed the many renewal and replacement projects underway throughout the city.

In response to an inquiry by Vice-Chair Parkes Mr. Smaka explained the state gets involved regarding loan funds for water projects when city staff submits fund request documentation. Mr. Smaka said the state's drinking water revolving loan fund receives funding from the federal government; the state administers this fund. Mr. Smaka said there is a great deal of criteria staff must meet to supply the state with information about a project and this information is reviewed and rated to determine project ranking in this loan fund.

**Water/Wastewater Operations Report:**

Utilizing a Prezi Presentation format, Mr. Ron Rosen offered a report of the operations for Water and Wastewater utilities for May 2016. Mr. Rosen reported Farmington Lake is at 100% capacity; he also noted that while the turbidity levels have been low, the water sampling indicated levels of lead had increased above the drinking water standard so the pumps from the Animas River have been turned off; water sampling continues and as the levels drop a decision will be made regarding a timeline for reactivating the pumps.

Mr. Rosen's report supplied 2015/2016 comparison information for various water/wastewater operations activities; 22 new meter installations in 2015 compared to 41 installed in 2016 for the same 5 month period; 14 water main breaks in 2015 compared to 12 breaks in 2016 and 42 service line breaks in 2015 compared to 60 breaks in 2016 for the same 5 month period.

Commissioner Hunter commented he found Mr. Rosen's new report format very informative.

**Schedule Update-Cost of Service Study:**

Mr. Romero supplied an update on the development of the Cost of Service Study by NewGen Strategies and Solutions (NewGen). He said NewGen is reviewing current FEUS customer classes to determine if any changes to the customer classes are appropriate. Mr. Romero's presentation highlighted the review of the FEUS General Service and Large General Service rates and the proposed re-structuring of these rate classes. Mr. Romero noted this report indicates a preliminary review of the rate structure, no true cost to serve these customers has been determined at this time.

The commissioners offered various suggestions and points for FEUS staff and NewGen to review and consider when determining possible changes to FEUS rates.

**Director's Report:**

Mr. Romero reviewed the activities of the utility for May 2016. He said FEUS is beginning its participation in the 20<sup>th</sup> Street Clean Streets project with the burying of electric lines and removing poles. Mr. Romero commented on two power outages, one involving the Lakeview circuit and one involving the College Blvd. circuit which was due to a semi truck hitting lines and therefore pulling down the poles. Mr. Romero reported on the incident that occurred at the MOC Customer Service lobby which involved an irate customer and Farmington Police. Mr. Romero said a representative for the customer did meet with staff the following day to obtain information about the steps necessary to resolve the account issues.

## **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 4:40 p.m.

Approved this 13th day of July, 2016.

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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: June 1 through June 30,2016****PUC Meeting Date: 13 July 16****ACCOMPLISHMENTS**

- **Waste Water Treatment Plant.** Phase III Design – HDR Engineering completed 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. Design – Completed ; Re-Bid Opening June 21, 2016 – Received five bids, apparent low bidder RMCi Inc. from Albuquerque - \$20,303,500
- **O& M Contract.** Operation and Maintenance Contract with CH2M - 8 year contract; 2016 - 2023.
- **Utility Rates.** Ordinance 2014-1271 adopted by City Council - Nov 11, 2014. Water and wastewater rates 2<sup>nd</sup> year increase will begin with first billing cycle in Dec 2015
- **Engineering Design Contract.**
  - 2P Waterline Replacement Project - Phase I – HDR has completed 90% 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. City working with NMFA on loan ordinance – loan closing August 2016
  - 2P Waterline Replacement Project - Phase II – US64 – Intersection of Camina Flora to Miller Ave – Submitted preliminary project interest form to NMED – Estimated Cost \$3.6 million
  - LaPlata Highway - Project redesign for water line replacement and NMDOT permitting; staff will be hiring a consultant for this project.
- **Capital Project Review.**
  - **Capital Improvement Project**
    - Penny Lane Low Head Dam Modifications - Riverbend Engineering - Design completed; U.S. Army Corps of Engineers permit has been issued for project - anticipate rebidding project summer/ fall of 2016.
  - **Renewal and Replacement**
    - Wildflower Parkway - 4P Pump Station - Cheney-Walters-Echols (CWE) has completed pump station design. Due to property issues looking for new pump station site - Construction of new pump station 2016/2017.
    - Foothills Dr. - Holmes to Lakewood - Replace existing 16" steel waterline with a 16" PVC waterline - Construction 70% complete.
    - Foothills Dr. - Main to Hill n Dale - Replace existing 16" steel waterline with a 16" PVC waterline - Construction 35% complete.
    - Foothills Dr. - Hill n Dale to Holmes - Replace existing 16" steel waterline with a 16" PVC waterline - design completed, construction summer 2016.
    - 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 - Preparing bid documents, Construction 2016.
    - 20<sup>th</sup> Street - Schofield Ave. to Hutton Ave. – Replace 10" CI with a 12" PVC waterline – Construction 85% complete
    - 20<sup>th</sup> Street - Hutton Ave. to Main St. - Replace 10" CI with a 12" PVC waterline – design completed, Construction 25% 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 – 60% 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 FY17, Construction in FY18.

- **Budget.** - FY17 – Presented to PUC on April 13, 2016
- **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 - 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 \$22,000,000.00, - Term 20 years, Interest Rate 3%, RE-Bid Opening – June 21, 2016; Received five bids, apparent low bidder RMCI Inc. from Albuquerque - \$20,303,500

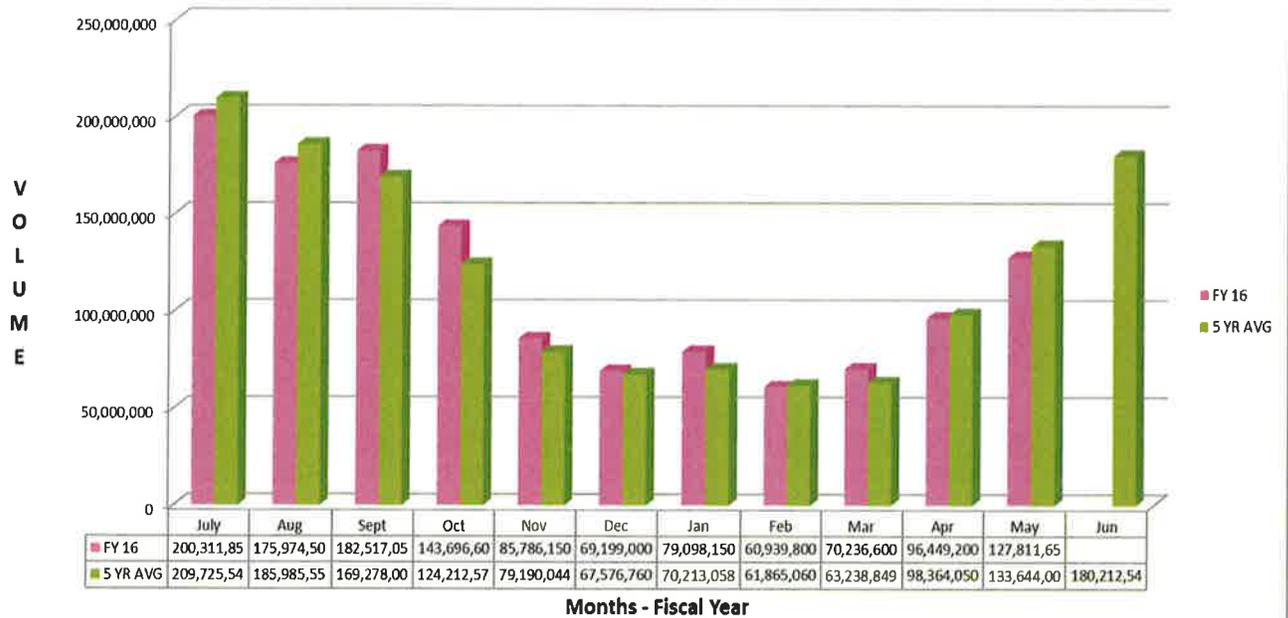
- **PROJECTS / INITIATIVES REQUIRING INTER-DIVISIONAL COORDINATION**

- **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: **Site offline until fall****
  - Animas River Basin – 0%
  - San River basin - 0%

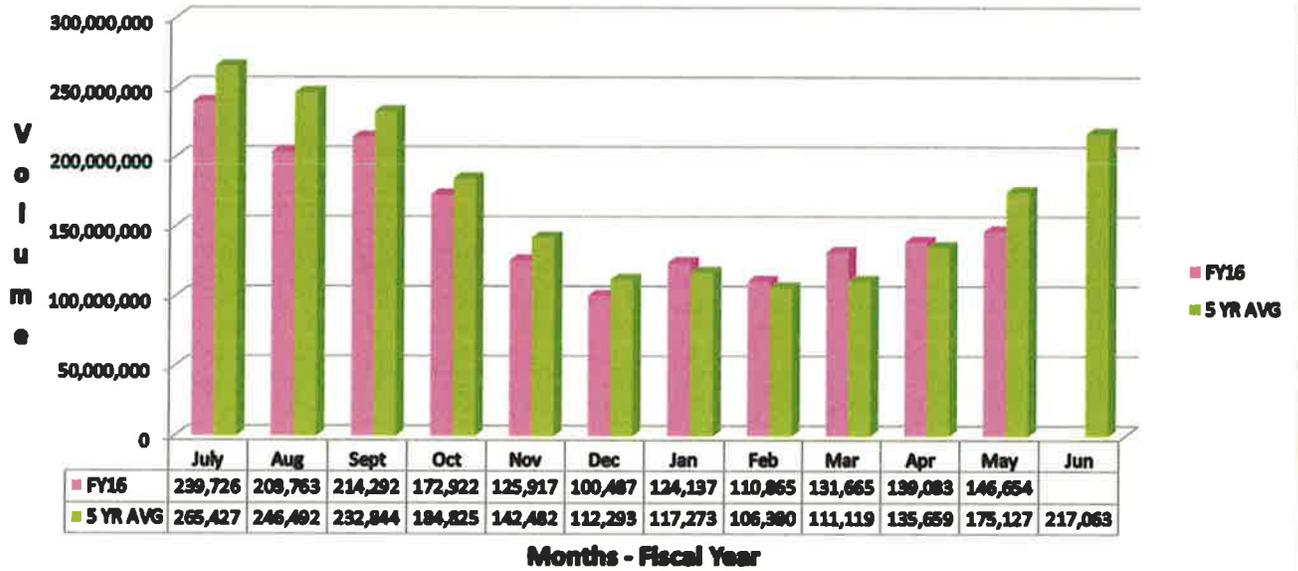
**ATTACHMENTS**

**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



# WASTEWATER

## Renewal & Replacement

### Wastewater Fund - 603

	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Y-T-D	FY16 Budget
<b>REVENUES</b>						
Charges for Utility Services						
Renewal /Replacement Fee	\$1,436,495	\$1,441,591	\$1,456,143	\$1,601,781	\$1,705,116	\$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
<b>EXPENDITURES</b>						
<b>RENEWAL/REPLACEMENT</b>						
Construction	\$501,814	\$685,848	\$1,194,237	\$817,221	\$1,690,805	\$1,650,000

Projects FY07- FY16

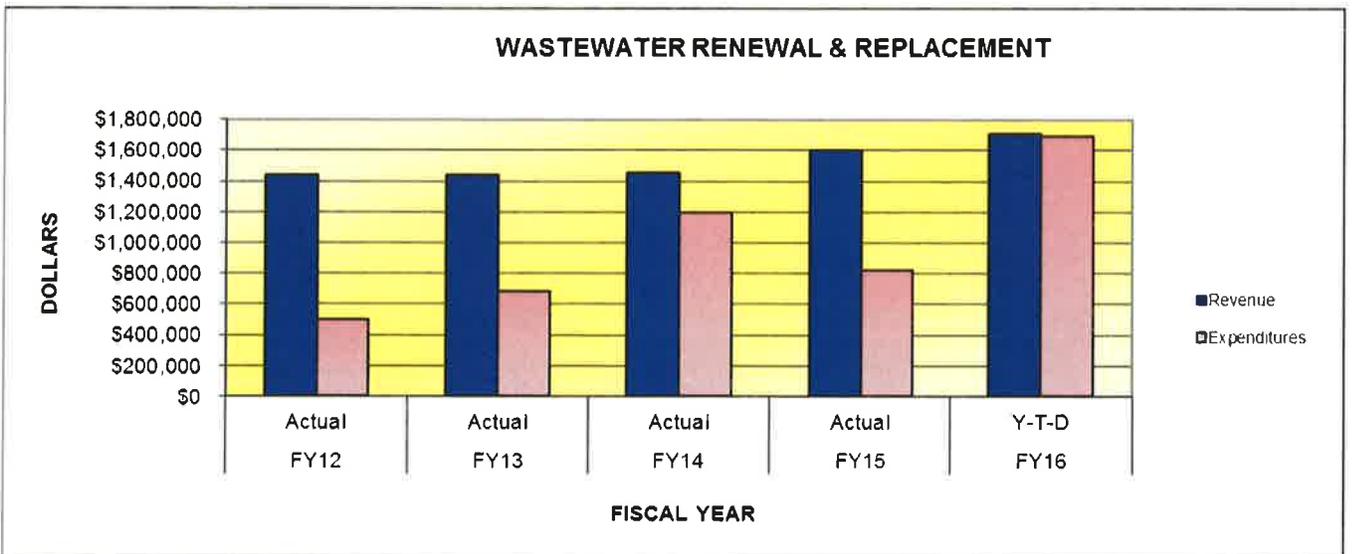
\$6,318,878

### 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



# WATER

## Renewal & Replacement

### Water Fund - 602

REVENUES	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Y-T-D	FY16 Budget
Renewal /Replacement Fee	\$2,018,436	\$2,037,806	\$2,057,949	\$2,344,912	\$2,572,005	\$2,640,556
STATE GRANT - \$825,000						
REVENUE TODATE				\$15,459,862		
PROJECTED REVENUE FY07 - FY16						<b>\$18,100,418</b>

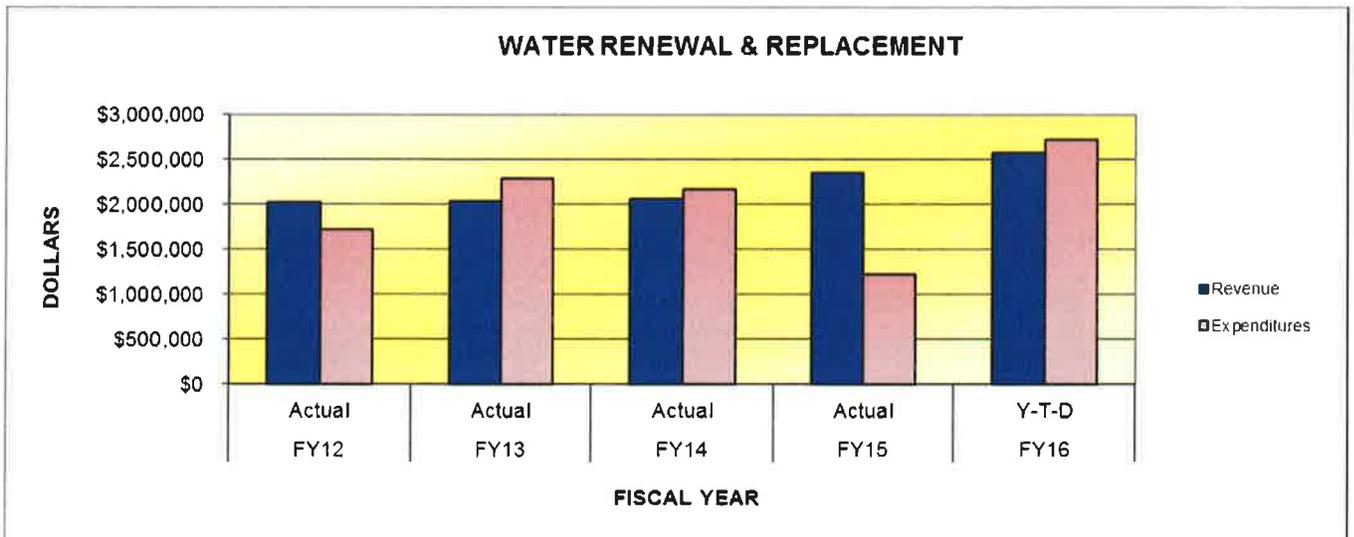
EXPENDITURES	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Y-T-D	FY16 Budget
RENEWAL/REPLACEMENT						
Construction	\$1,720,082	\$2,278,859	\$2,164,752	\$1,212,214	\$2,713,793	\$3,750,000
PROJECTED EXPENDITURES FY07 - FY16				\$13,348,977		

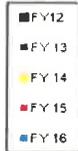
#### BUDGETED FY 16 PROJECTS

Foothills Dr - Hill N Dale to Main St	\$800,000
Foothills Dr - Holmes Dr to Lakewood	\$1,900,000
20th St - Schofield Ave. to Hutton Ave.	\$870,000
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
	<b>\$4,838,252</b>

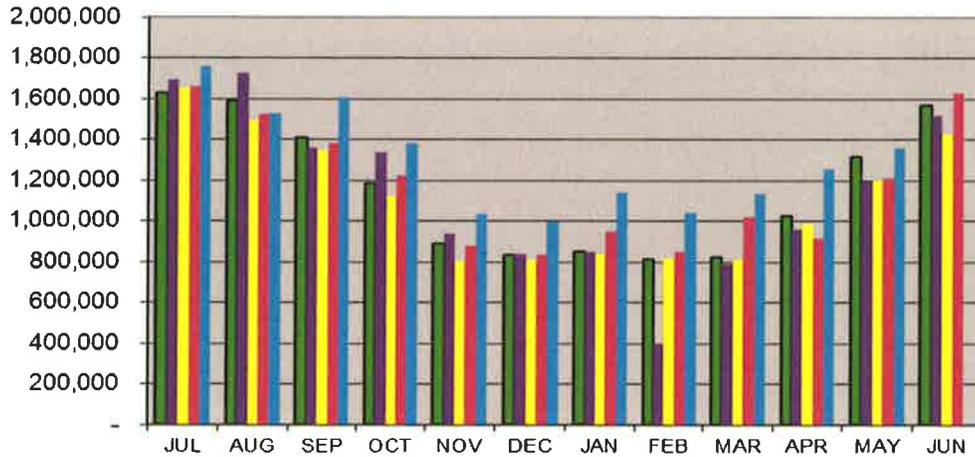
PROJECTED EXPENDITURES FY07 - FY16

**\$18,187,229**





**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								
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	996,111
JAN	1,176,228	851,299	1,165,141	851,542	1,196,227	838,647	1,152,420	948,366	1,305,656	1,138,593
FEB	1,176,228	813,970	1,165,141	401,518	1,196,227	818,588	1,152,420	850,813	1,305,656	1,041,098
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	1,133,244
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	1,254,785
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	1,361,525
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	
<b>TOTAL:</b>		<b>13,938,876</b>		<b>13,613,340</b>		<b>13,340,942</b>		<b>14,076,459</b>		<b>14,243,905</b>

**REVENUE PER CLASS/CUSTOMERS**

	FY 2012		FY 2013		FY 2014		FY 2015		FY 2016	
	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	6,293,317
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	3,570,852
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	923,600
REC	210,000	264,281	225,000	264,196	250,000	244,954	260,000	252,046	273,000	223,758
FH	125,000	112,642	118,750	76,419	118,750	91,668	110,000	87,036	100,000	99,721
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	2,572,005
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	560,652
<b>TOTAL:</b>	<b>14,614,743</b>	<b>14,475,213</b>	<b>13,981,694</b>	<b>15,670,752</b>	<b>16,525,091</b>	<b>14,790,311</b>	<b>15,629,040</b>	<b>18,044,223</b>	<b>15,667,881</b>	<b>14,243,905</b>

**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

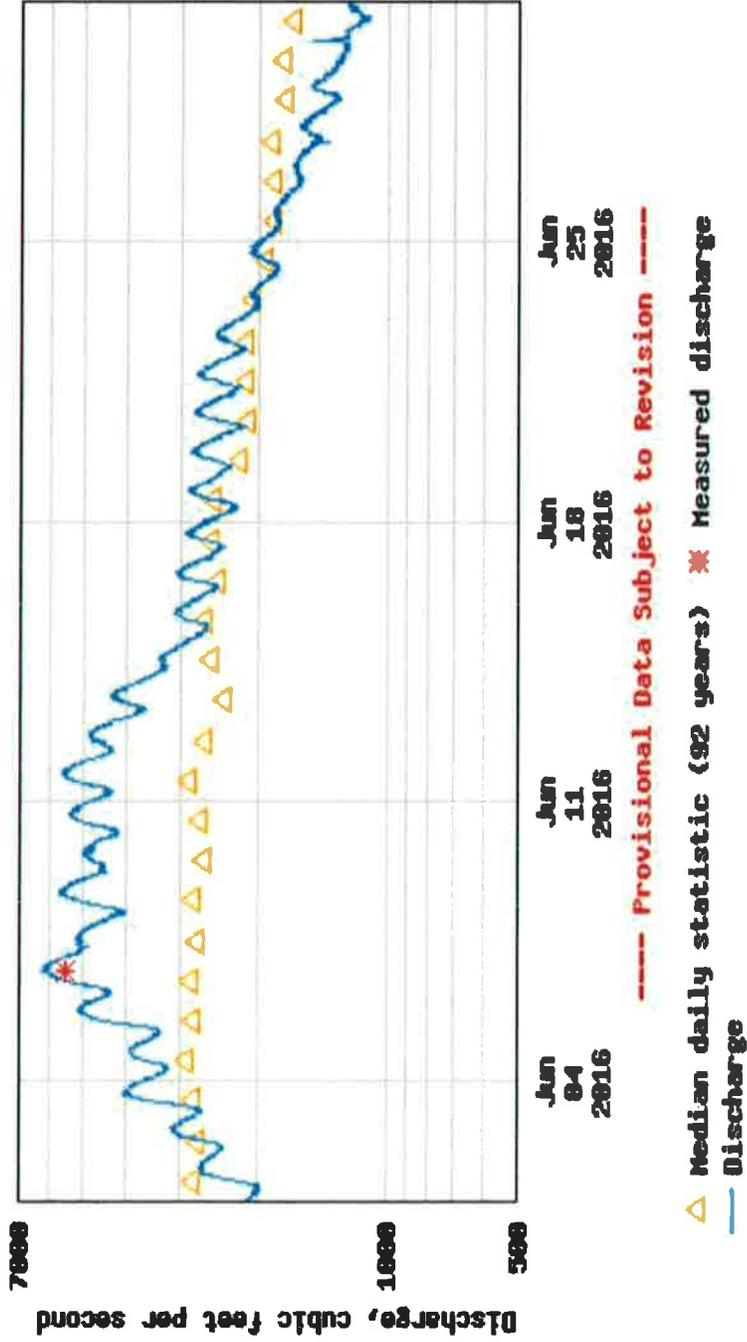
# Public Utility Commission City of Farmington's Water and Wastewater Utilities

2<sup>nd</sup> Quarterly Business Review

July 13, 2016

# Animas River

USGS 09364500 ANIMAS RIVER AT FARMINGTON, NM



## Summary:

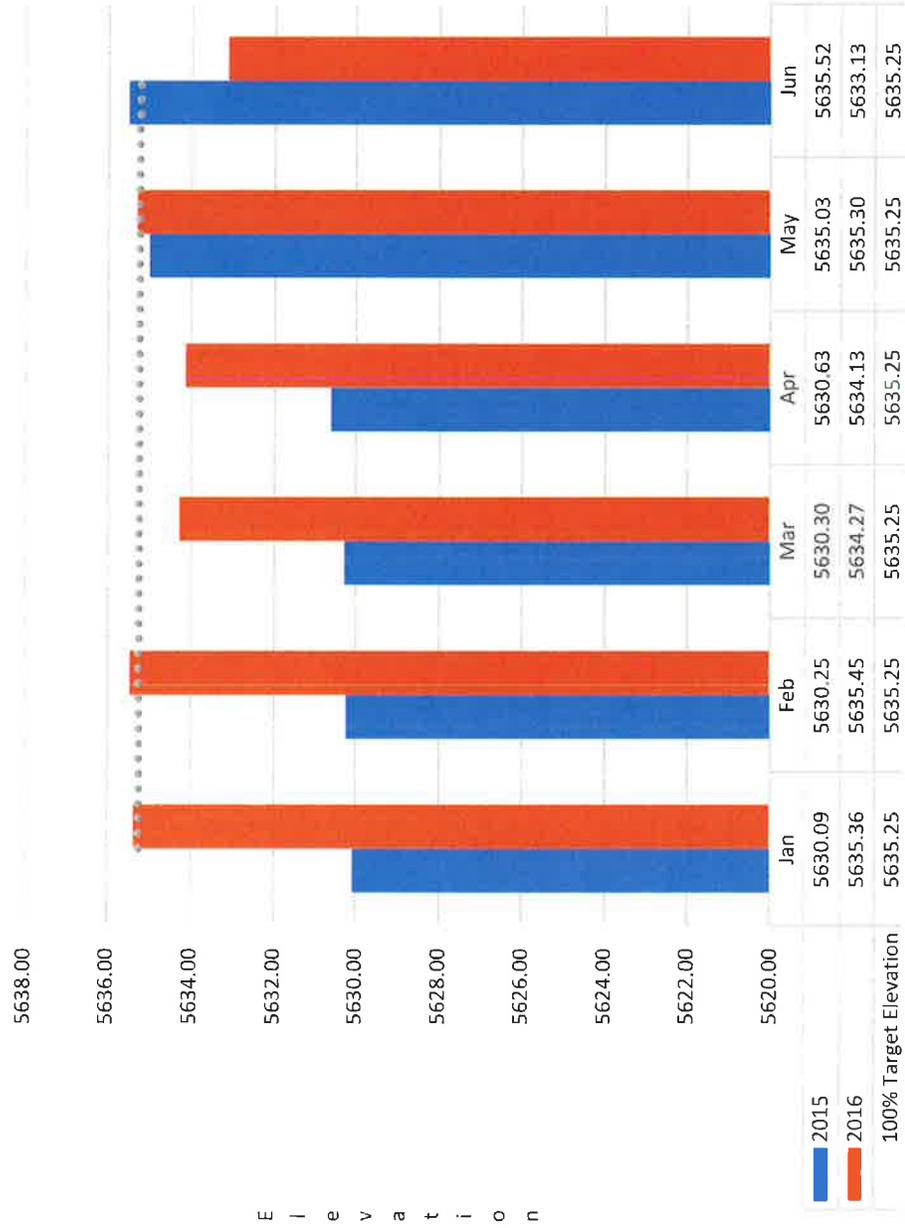
Trends are normal for seasonal flows as spring runoff subsides

June flows peaked on June 6000 CFS

Note: Lead levels have dropped within the drinking level standards even at high flows and high turbidity event

# Farmington Lake

## Farmington Lake Elevations - 2015 and 2016 Monthly Average Elevation



### Summary

Top of the spill way is 5636.4

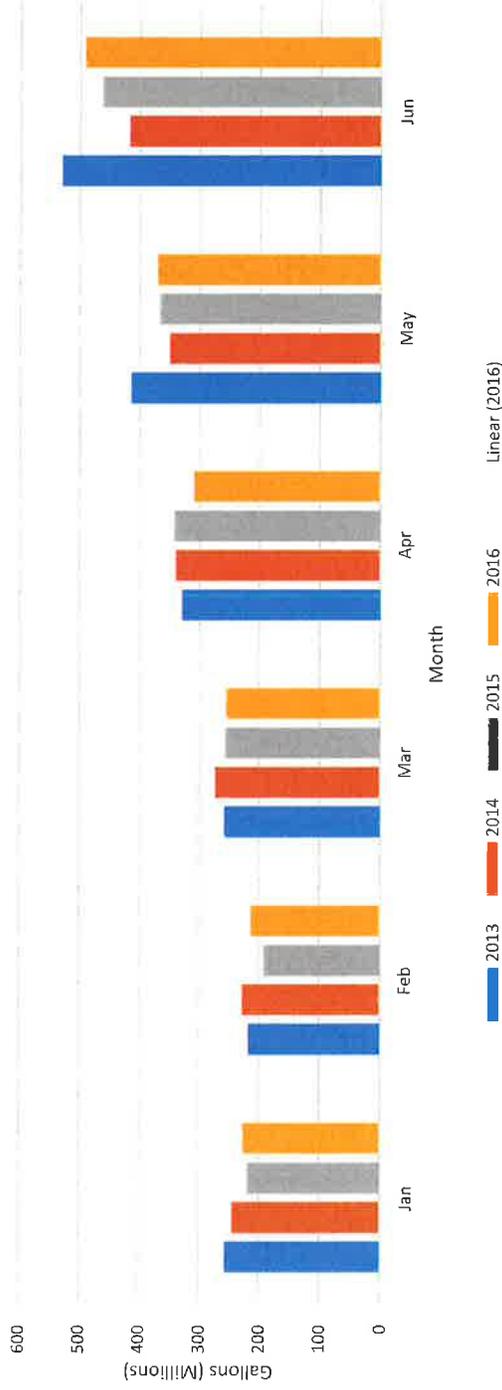
Max target is 5635.25

Slight drop in lake level in June

Current level is 92%

# Water Production

Total Effluent - WTP No.1 & No.2  
January - June  
2013 - 2016



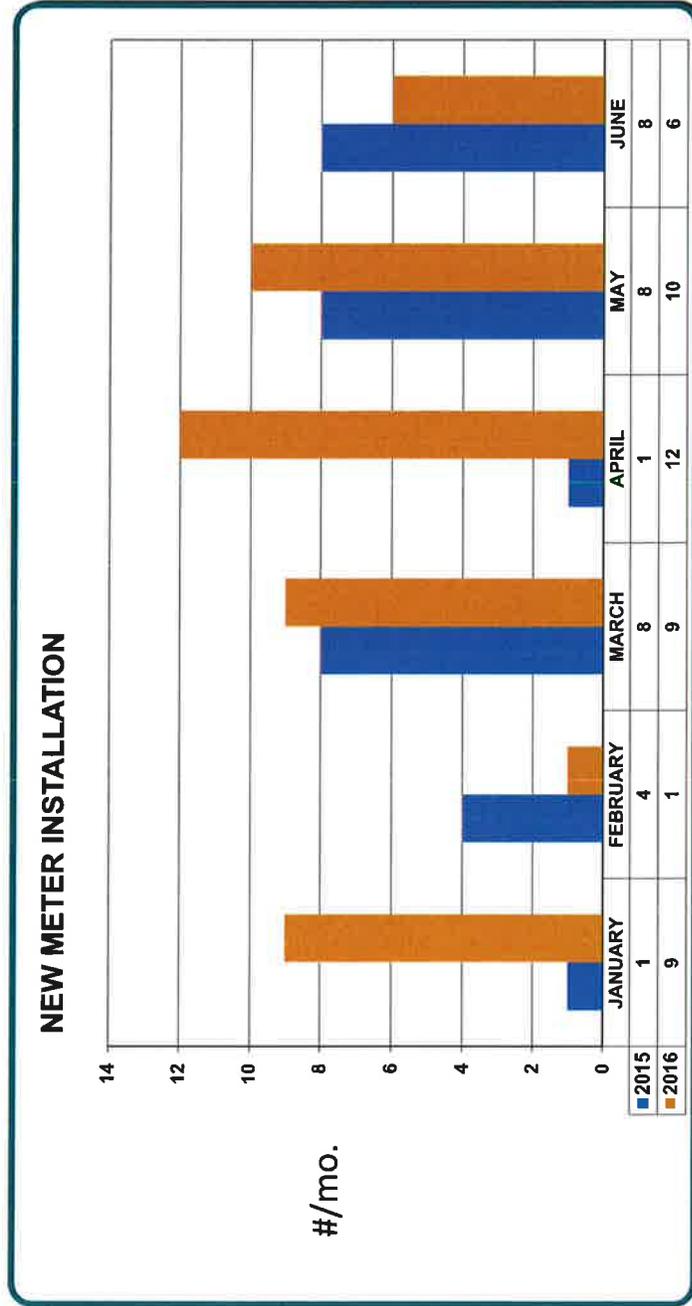
**Summary:**

Production trending up is normal for this time of year with the onset of Summer.

Production in June slightly higher then same time last year

# Maintenance

## New Meter Installations



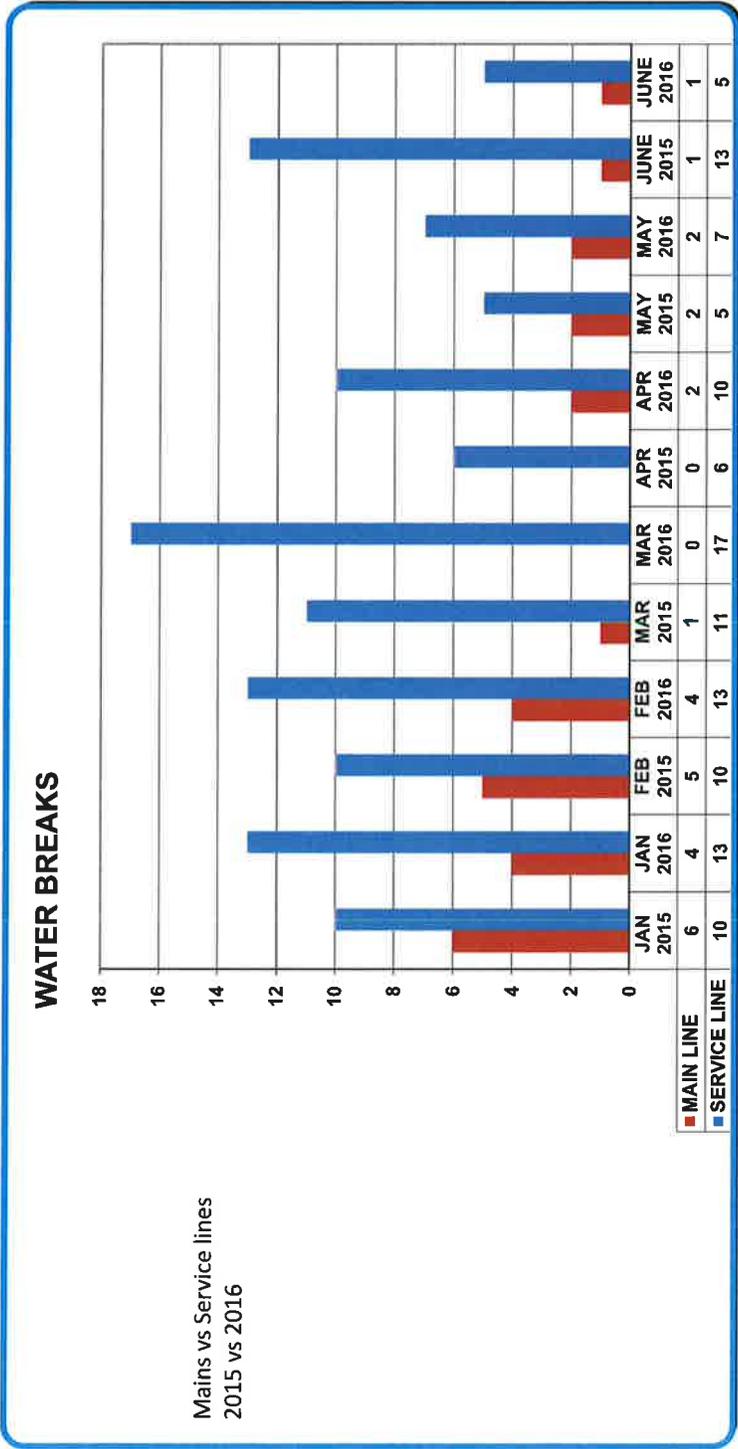
### Summary

30 meters installed in 2015 compared to 47 installed in 2016 during the same time 5 month period.

Average of 8/mo.

Slight trend down for the yr.

# Maintenance Water Line Repairs

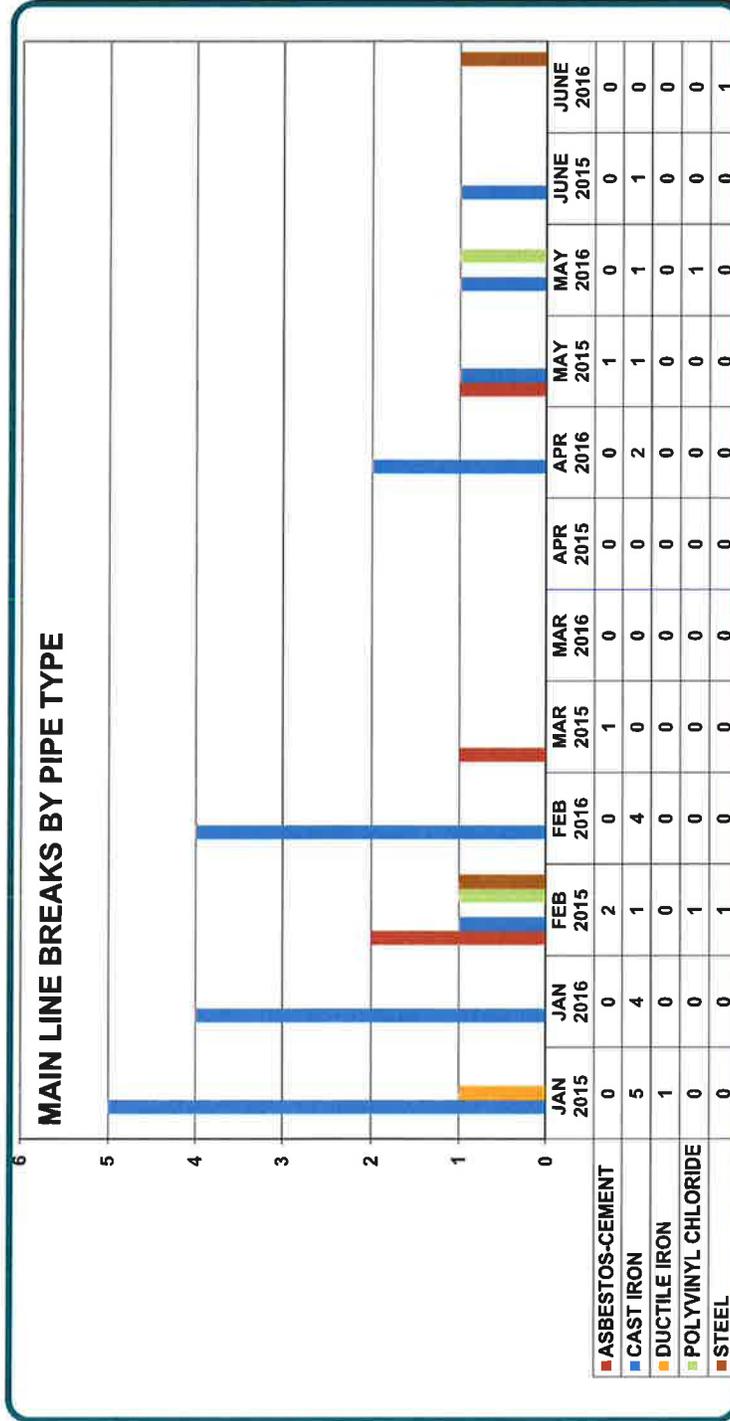


Summary

Chart indicates that there are 80% more service line breaks than main lines

Trend for 2016 is downward

# Maintenance Water Line Repairs



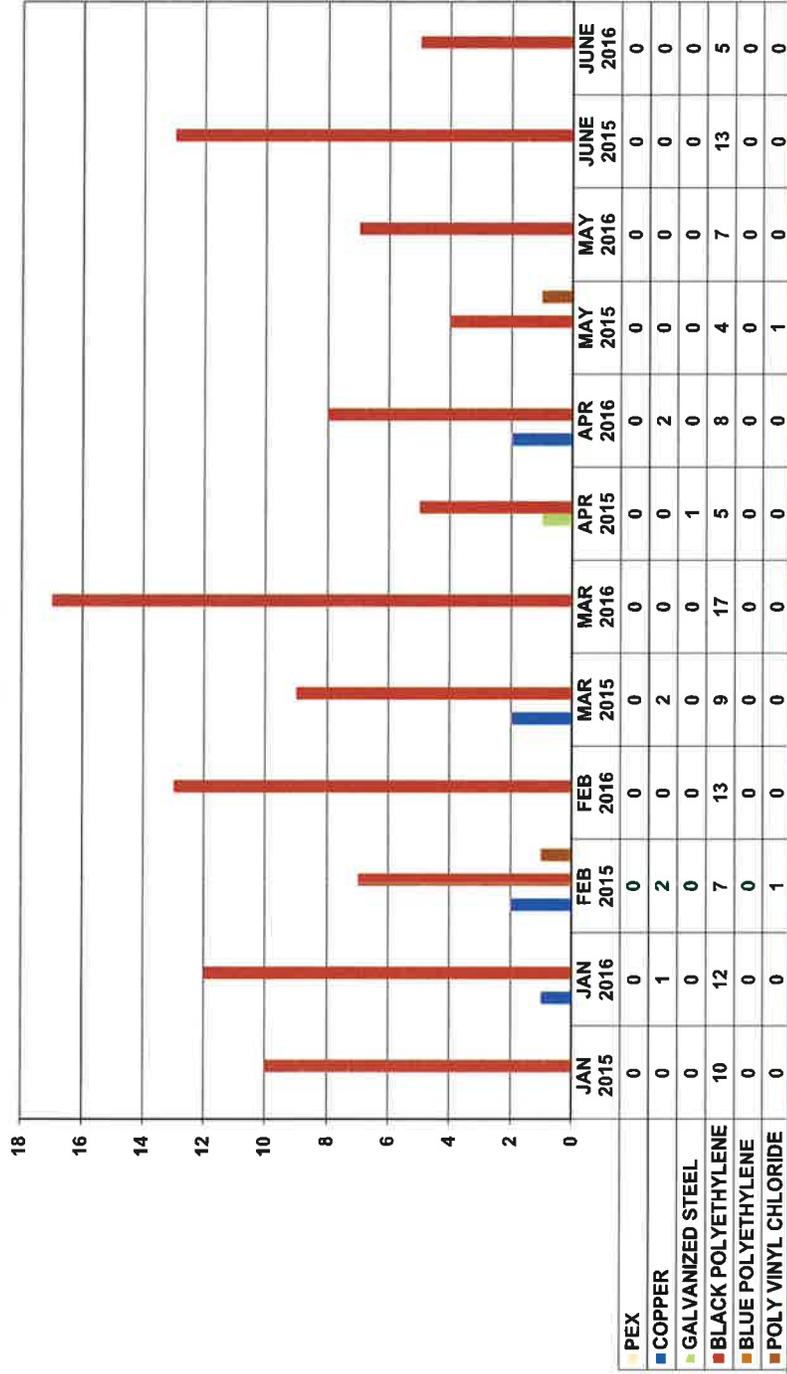
## Summary

Data indicates majority of main line breaks occur in winter months.

Cast Iron has the highest failure rate do to age

# Maintenance Water Line Repairs

SERVICE LINE BREAKS BY PIPE TYPE



## Summary

Black Poly line has the highest rate of failure at 94%

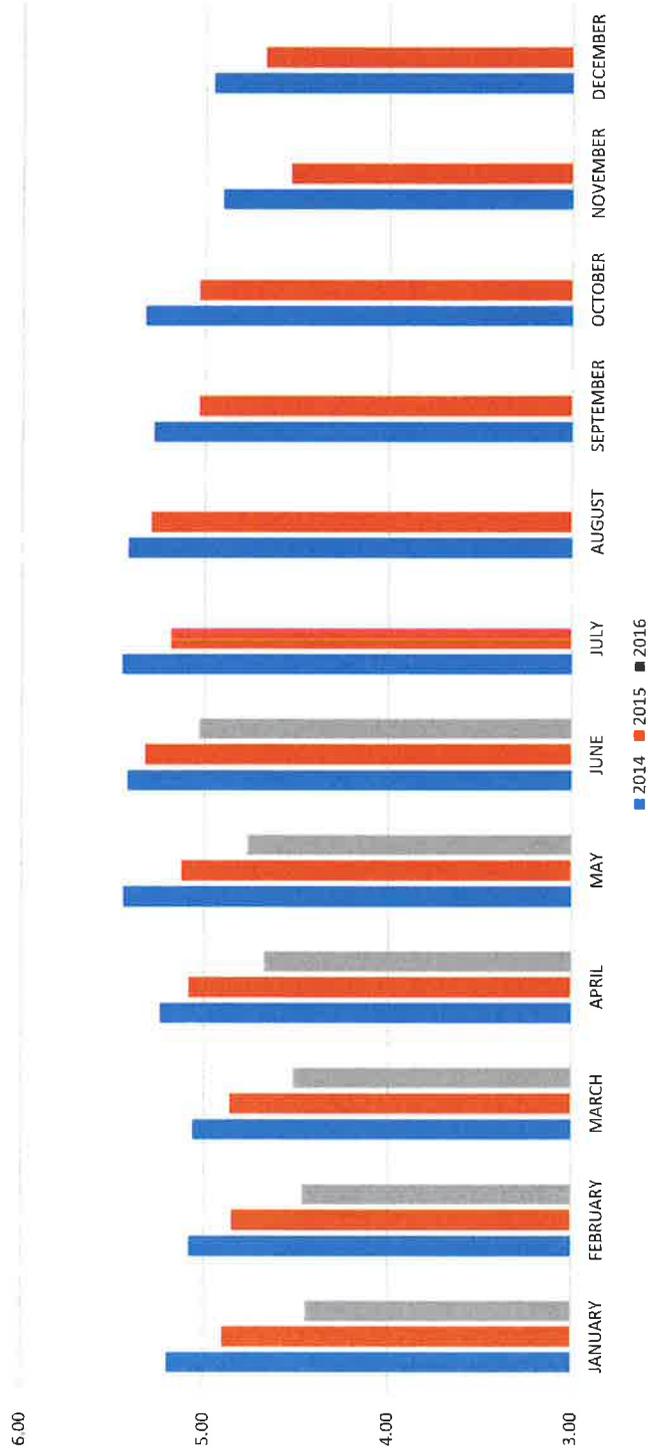
2016 is 54 % higher than last year but is trending down for the year

# Wastewater Treatment

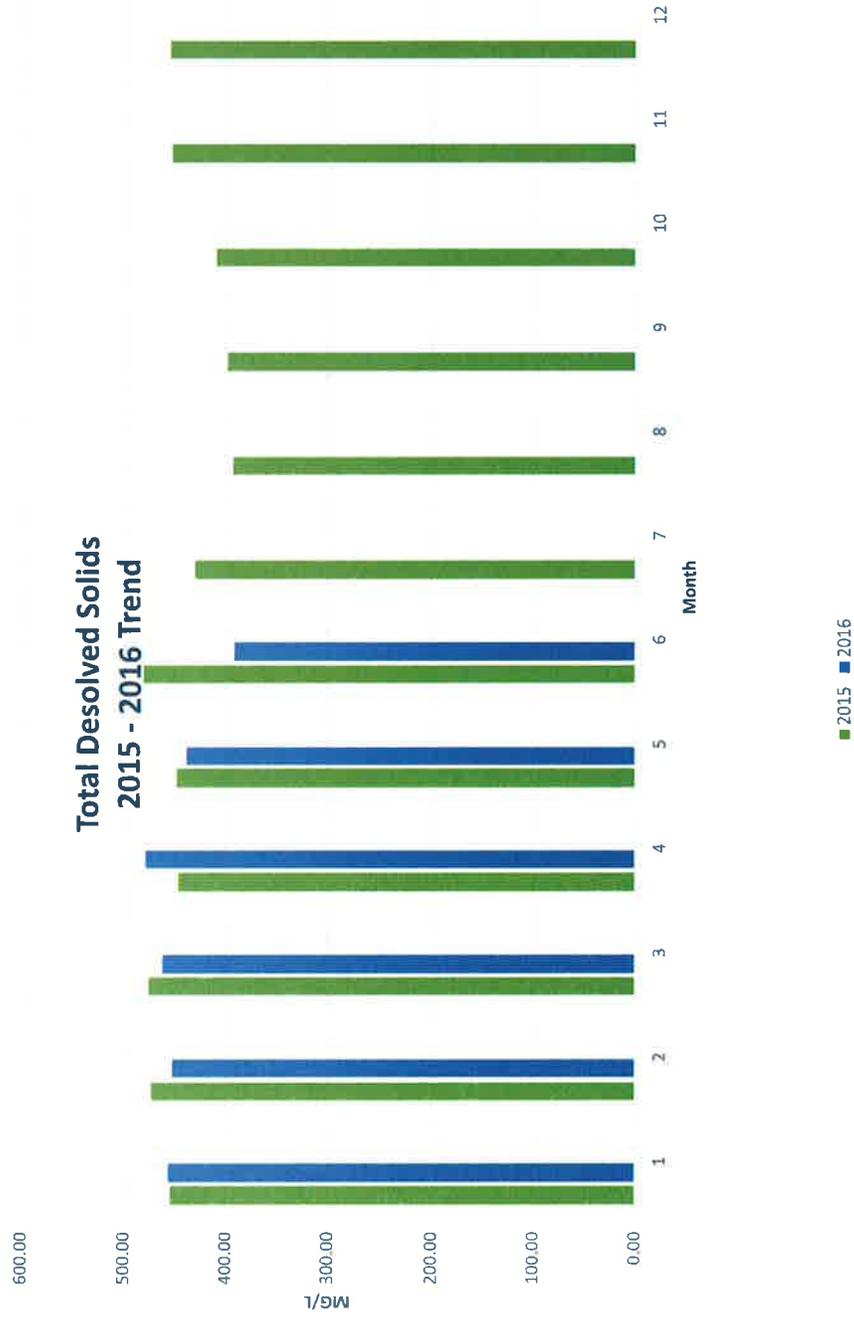
Influent Flows / Wastewater

## Summary

Flows have dropped over that last 3 years



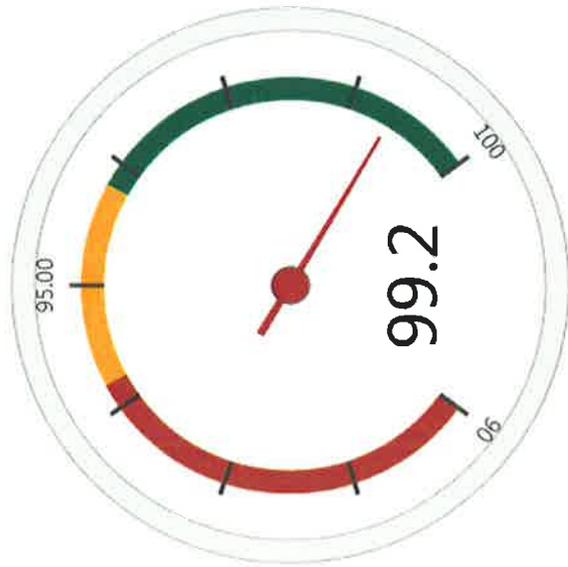
# Total Dissolved Solids



## Summary

- The Permit Limit is 400 MG/L
- Comparison of 2015 to 2016 shows slight decrease
- Date shows trend consistent seasonal variance
- City has request permit relief
- EPA has sent permit review to other stakeholders

# Lab Quality Control Statistics



June 2016 Dashboard  
240 QC data points

## 2016 Trending

