



**City of Farmington
Water/Wastewater**

AGENDA

.....for the regular meeting of the Public Utility Commission of the City of Farmington, Wednesday, **November 9, 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 October 12, 2016 regular meeting submitted for approval 1

II. BUSINESS

- A. Quarterly Financial Report (1st Qtr, FY2017) – Andy Mason (5 min) 2
- B. Water/Wastewater Report - Jeff Smaka (5 min) 3
- C. Water/Wastewater Operations Report – Monica Peterson (5 min)..... 4
- D. Review of Proposed Cost of Service and Rate Design
for possible Action Item at December meeting
NewGen Representatives and Sue Nipper Greaves (90 min) 5
- E. Electric Utility Report – Sue Nipper Greaves (5 min) 6
- F. Action Item: City of Farmington Utility Assistance Program
Sue Nipper Greaves (10 min) 7
- G. Director’s Report – Hank Adair (5 min)..... 8

III. ADJOURNMENT

The next regular meeting will be on December 14, 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 COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, October 12, 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 Bill Standley Marty Johnson Chris Hunter Gordon Glass (arrived at 3:06 p.m.) Bill Hall (arrived at 3:12 p.m.)
Commission members absent:	Carol Cloer Rubin Armenta Tory N. Larsen
City Council Liaison:	Gayla McCulloch
City personnel present:	
Electric Utility Director	Hank Adair
Electric Business Operations Manager	Sue Nipper Greaves
Electric Transmission and Distribution	Luke Lugenbeel
Electric Generation Manager	Britt Chesnut
Customer Service	Nicki Parks
Public Works Director	David Sypher
Public Works Department	Jeff Smaka
OMI/CH2MHill	Monica Peterson
Administrative Services	Andy Mason (arrived at 3:28 p.m.)
Administrative Services Accounting	Sheree Wilson
Deputy City Clerk	Andra Jones
Guests:	
Monty Sedlak, OMI/CH2MHill	

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

Chair Spence asked for a motion to approve the Minutes of the September 14, 2016 regular PUC meeting. Commissioner Standley made the motion to approve the Minutes as presented and Commissioner Johnson seconded the motion, and upon voice vote the motion passed unanimously.

BUSINESS

Water/Wastewater Report:

Mr. Smaka reviewed the Water/Wastewater activities for the month of September, 2016. He provided a photographic presentation of the Wastewater Treatment Plant Phase III project's progress and reported that the 2P Waterline Project, Phase II has been verbally approved for approximately \$1 million in grant funding from NMFA. Mr. Smaka stated that Kimo Constructors was awarded the bid for the Penny Lane low head dam modifications and reported that construction is anticipated to commence in late October. He also reviewed the current status of various renewal and replacement projects.

Water/Wastewater Operations Report:

Ms. Peterson, OMI/CH2MHill, briefly noted that Lake Farmington's water level is going down to accommodate some planned projects and introduced Monty Sedlak, Project Services Director for OMI/CH2MHill. Mr. Sedlak presented a Field Service Optimization program and stated that it seeks to fit the current resources to the needs of the organization. He reported that Farmington has emerged as a candidate to pilot this program on a wastewater management system.

Cost of Service and Rate Design Update:

Ms. Nipper Greaves announced that additional time is needed to analyze and develop the new rates and stated that it is anticipated that NewGen Strategies & Solutions will provide their presentation at the November regular PUC meeting.

Electric Utility Report:

Ms. Nipper Greaves offered the Electric Utility Report for August, 2016. She provided a three-year comparison of GWH sales and noted that industrial sales are dropping. Ms. Nipper Greaves reviewed the revenue and expense comparisons for the past three years and reported that capital expenditures are up significantly in FY17 over FY16. She presented the reliability statistics for SAIDI and CAIDI and stated that APPA has been updated with national figures rather than regional.

Director's Report:

Mr. Adair provided an update on the progress of the Aztec Substation and stated that energizing is planned for the end of October. He reported that the bids received for the grading and drainage for Cottonwood Substation were much higher than anticipated and explained that the redesign of the project using concrete instead of brick is underway in order to rebid the project. Mr. Adair stated that the transmission infrastructure upgrades from Fruitland to Hood Mesa completed ahead of schedule and reviewed the status of the distribution project on 20th Street. He provided an update on the Navajo #2 and Bluffview outages and discussed the Hart Canyon Lock Out. Mr. Adair briefly presented the Osprey Project which entails the installation of platforms for Osprey to nest upon and stated that a presentation will be provided in the future with more details.

ADJOURNMENT

There being no further business to come before the Commission, upon motion duly made and seconded, the meeting was adjourned at 3:56 p.m.

Approved this 9th day of November, 2016.

James Spence, MD, Chair

CITY OF FARMINGTON, NM UTILITY FINANCIAL STATEMENTS

Fiscal Year 2017

1st Quarter Ending September 30, 2016



NOTES TO THE UTILITY FINANCIAL STATEMENTS

September 30, 2016

Electric Utility

- ❖ The Electric Utility's net income decreased \$1.3 million over last year
- ❖ Operating revenues were down \$2.7 million
 - Electric Sales decreased \$3 million
 - Wholesale customer sales were down \$347 thousand, 71%
 - Industrial customer sales were also down, by \$673 thousand, 11%
 - PCA decreased \$2.1 million
 - Surplus energy sales increased \$217 thousand
 - Other Revenues had increased \$162 thousand
 - Auction proceed were \$93 thousand higher
 - Miscellaneous revenue was up \$48 thousand
 - Damage recoveries was up \$21 thousand
- ❖ Operating expenses decreased \$1.5 million
 - Purchased power was down by \$1.5 million
 - Coal expenses were lower by \$167 thousand
 - Other operating expenses decreased \$332 thousand
 - Small increases for natural gas, depreciation/amortization and salaries and benefits
- ❖ Non-operating revenues and expenses:
 - Revenues decreased \$282 thousand, mainly due to decreases in capital contributions
 - Expenses decreased \$71 thousand, due to decreases in the dividend transfer

Water Utility

- ❖ The Water Utility's net income increased \$174 from last year
- ❖ Operating revenues increased by \$684 thousand
 - Water Sales were up \$568 thousand
 - Commercial customer sales was higher by \$262 thousand
 - Residential customer sales was also up, by \$212 thousand
 - Renewal/Replacement fees increased \$111 thousand
- ❖ Operating expenses was higher by \$504 thousand
 - OMI contract expenses was up \$254 thousand, mostly due to increased repair work for waterlines
 - Other operating expenses increased \$184 thousand
 - OMI other expenses increased \$96 thousand, increased engineering costs
- ❖ Non-operating revenues and expenses:
 - Revenues increased \$16 thousand
 - Expenses increased \$22 thousand

Wastewater Utility

- ❖ The Wastewater Utility's net income was down \$81 thousand from the prior year
- ❖ Operating revenues increased \$226 thousand
 - Wastewater Sales were up by \$218 thousand
 - Commercial customer sales were up by \$128 thousand
 - Residential customer sales was higher by \$101 thousand
 - Other wastewater sales decreased \$9 thousand, mainly main extensions and tap fees
 - Renewal/Replacement fees increased \$58 thousand
 - Environmental tax was down \$50 thousand
- ❖ Operating expenses increased \$107 thousand
 - OMI contract expense increased \$107 thousand
 - Salaries and benefits were \$23 thousand higher
 - Other operating expenses were lower by \$32 thousand, lower contract work and interdepartmental charges
- ❖ Non-operating revenues and expenses:
 - Revenues decreased \$190 thousand
 - Expenses increased \$9 thousand

**CITY OF FARMINGTON, NEW MEXICO
ELECTRIC UTILITY ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
AS OF SEPTEMBER 30, 2016**

ASSETS	FY 2017	FY 2016
CURRENT ASSETS:		
Pooled cash and investments	\$ 64,646,997	\$ 60,538,824
Accounts receivable (net of allowance for doubtful accounts)	4,580,726	4,642,542
Due from other funds	1,100,000	1,100,000
Regulatory Asset	7,320,752	13,519,988
Inventories	7,684,787	7,109,804
Prepaid expenses and deposits	141,810	424,572
Total Current Assets	85,475,072	87,335,730
RESTRICTED ASSETS:		
Customer utility deposits/overpayments	1,975,736	1,996,213
Refundable construction deposits	101,222	192,819
SJCC coal reclamation	1,338,951	571,516
Total Restricted Assets	3,415,909	2,760,548
PROPERTY, PLANT, AND EQUIPMENT:		
Utility plant-in-service	465,593,576	461,472,268
Less accumulated depreciation	(227,582,648)	(219,962,961)
Work in progress	42,976,972	27,811,214
Net Property, Plant, and Equipment	280,987,900	269,320,521
TOTAL ASSETS	\$ 369,878,881	\$ 359,416,799
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 660,978	\$ 1,075,596
Other accrued expenses	1,355,224	1,488,968
Compensated absences	612,927	539,502
Total Current Liabilities	2,629,129	3,104,066
CURRENT LIABILITIES:		
payable from restricted assets	2,076,958	2,189,032
LONG-TERM LIABILITIES:		
SJCC coal reclamation	1,863,159	762,895
Compensated absences, net of current	408,451	429,966
Total Long-Term Liabilities	2,271,610	1,192,861
TOTAL LIABILITIES	6,977,697	6,485,959
DEFERRED INFLOWS OF RESOURCES:		
Deferred amount on regulatory activity (PCA)	5,569,709	-
FUND EQUITY:		
Contributed capital	19,963,908	20,069,496
Retained earnings	333,884,552	328,031,028
Current year net income	3,483,015	4,830,316
Total Fund Equity	357,331,475	352,930,840
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY	\$ 369,878,881	\$ 359,416,799

**CITY OF FARMINGTON, NEW MEXICO
ELECTRIC UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
3 MONTHS ENDING SEPTEMBER 30, 2016**

	<u>QTR FY 2017</u>	<u>QTR FY2016</u>	<u>FY YTD CASH CHANGE</u>	<u>YR TO YR CASH CHANGE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income	\$ 4,493,896	\$ 5,630,555	\$ 4,493,896	\$ 11,816,802
Reconciliation of operating income to net Cash provided (used) by operating activities:				
Depreciation and amortization	4,408,337	4,284,326	4,408,337	17,432,536
Changes in:				
Accounts receivable	169,223	(727,171)	169,223	(25,193)
Inventories	(338,741)	(201,548)	(338,741)	(574,984)
Prepaid expenses and deposits	(30,990)	(990,043)	(30,990)	282,762
Accounts payable	8,951	(849,980)	8,951	(675,023)
Other accrued expenses	643,842	366,579	643,842	966,343
Deferred revenue	2,314,622	29,704	2,314,622	7,506,794
Net Cash Provided (Used) By Operating Activities	<u>11,669,140</u>	<u>7,542,422</u>	<u>11,669,140</u>	<u>36,730,037</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer from other funds	1,242	-	1,242	17,754
Transfer to other funds	(1,336,194)	(1,407,396)	(1,336,194)	(5,616,176)
Net cash provided (Used) by capital and related financing activities	<u>(1,334,952)</u>	<u>(1,407,396)</u>	<u>(1,334,952)</u>	<u>(5,598,422)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of fixed assets	(6,265,921)	(3,938,222)	(6,265,921)	(27,521,673)
Change in restricted assets	72,553	241,058	72,553	(655,183)
Interest expense	(4)	(4)	(4)	(16)
Aid to construction	173,730	490,034	173,730	703,787
Change in restricted liability	(72,553)	(241,059)	(72,553)	(112,075)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(6,092,195)</u>	<u>(3,448,193)</u>	<u>(6,092,195)</u>	<u>(27,585,160)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>150,345</u>	<u>117,127</u>	<u>150,345</u>	<u>561,718</u>
NET INCREASE IN POOLED CASH AND INVESTMENTS	4,392,338	2,803,960	4,392,338	4,108,173
POOLED CASH AND INVESTMENTS, beginning of Qtr	<u>60,254,659</u>	<u>57,734,864</u>	<u>60,254,659</u>	<u>60,538,824</u>
POOLED CASH AND INVESTMENTS, ending	<u>\$ 64,646,997</u>	<u>\$ 60,538,824</u>	<u>\$ 64,646,997</u>	<u>\$ 64,646,997</u>

**CITY OF FARMINGTON, NEW MEXICO
WATER UTILITY ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
AS OF SEPTEMBER 30, 2016**

<u>ASSETS</u>	<u>FY 2017</u>	<u>FY 2016</u>
CURRENT ASSETS:		
Pooled cash and investments	\$ 15,077,709	\$ 15,191,551
Accounts receivable (net of allowance for doubtful accounts)	<u>1,126,327</u>	<u>1,016,976</u>
Total Current Assets	16,204,036	16,208,527
RESTRICTED ASSETS:		
Customer utility deposits	450,032	435,844
PROPERTY, PLANT, AND EQUIPMENT:		
Utility plant-in-service	92,376,965	89,237,163
Less accumulated depreciation	(42,645,162)	(40,109,417)
Work in progress	<u>11,479,034</u>	<u>7,695,933</u>
Net Property, Plant, and Equipment	61,210,837	56,823,679
TOTAL ASSETS	<u>\$ 77,864,905</u>	<u>\$ 73,468,050</u>
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES:		
Current portion of NMFA loan-Animas Waterline	\$ 49,358	\$ 48,869
Current portion of NMFA loan-Meter Replacement	162,445	179,085
Accounts payable	137,135	291,153
Compensated absences	<u>15,950</u>	<u>9,538</u>
Total Current Liabilities	364,888	528,645
CURRENT LIABILITIES: payable from restricted assets	450,032	435,844
LONG-TERM LIABILITIES:		
NMFA Loan - Animas Waterline	810,968	860,815
NMFA Loan - Meter Replacement	3,561,058	3,717,781
Compensated absences, net of current	<u>37,376</u>	<u>40,900</u>
Total Long-Term Liabilities	4,409,402	4,619,496
TOTAL LIABILITIES:	5,224,322	5,583,985
FUND EQUITY:		
Contributed capital	11,034,181	11,034,181
Retained earnings	59,305,681	54,723,206
Current year net income	<u>2,300,721</u>	<u>2,126,678</u>
Total Fund Equity	72,640,583	67,884,065
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 77,864,905</u>	<u>\$ 73,468,050</u>

**CITY OF FARMINGTON, NEW MEXICO
WATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
3 MONTHS ENDING SEPTEMBER 30, 2016**

	<u>QTR FY 2017</u>	<u>QTR FY2016</u>	<u>FY YTD CASH CHANGE</u>	<u>YR TO YR CASH CHANGE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income	\$ 2,607,189	\$ 2,427,191	\$ 2,607,189	\$ 5,489,953
Reconciliation of operating income to net Cash provided (used) by operating activities:				
Depreciation	660,105	682,234	660,105	2,597,827
Changes in:				
Accounts receivable	121,452	15,489	121,452	(138,790)
Accounts payable	(277,865)	75,726	(277,865)	(145,682)
Net Cash Provided (Used) By Operating Activities	<u>3,110,881</u>	<u>3,200,640</u>	<u>3,110,881</u>	<u>7,803,308</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer to other funds	(276,883)	(242,490)	(276,883)	(835,731)
Operating Grants	-	-	-	50,876
Net cash provided (Used) by capital and related financing activities	<u>(276,883)</u>	<u>(242,490)</u>	<u>(276,883)</u>	<u>(784,855)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of fixed assets	(1,205,639)	(874,764)	(1,205,639)	(6,985,111)
Change in restricted assets	(14,671)	2,039	(14,671)	(14,188)
Interest expense	(76,757)	(88,825)	(76,757)	(85,842)
Miscellaneous revenue	11,951	2,109	11,951	24,521
Change in restricted liability	14,671	(2,039)	14,671	14,188
NMFA Loan Payment	(173,363)	(162,445)	(173,363)	(222,721)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(1,443,808)</u>	<u>(1,123,925)</u>	<u>(1,443,808)</u>	<u>(7,269,153)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>35,221</u>	<u>28,693</u>	<u>35,221</u>	<u>136,858</u>
NET INCREASE IN POOLED CASH AND INVESTMENTS	1,425,411	1,862,918	1,425,411	(113,842)
POOLED CASH AND INVESTMENTS, beginning of Qtr	<u>13,652,298</u>	<u>13,328,633</u>	<u>13,652,298</u>	<u>15,191,551</u>
POOLED CASH AND INVESTMENTS, ending	<u>\$ 15,077,709</u>	<u>\$ 15,191,551</u>	<u>\$ 15,077,709</u>	<u>\$ 15,077,709</u>

**CITY OF FARMINGTON, NEW MEXICO
WASTEWATER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES AND EXPENSES
3 MONTHS ENDING SEPTEMBER 30, 2016**

	FY 2017		FY 2016 ** Revised		FY 2015 ** Revised		YTD CHANGE
	QTR TO DATE	YR TO DATE	QTR TO DATE	YR TO DATE	QTR TO DATE	YR TO DATE	%
OPERATING REVENUES:							
Charges for Sales and Services:							
Wastewater	\$ 1,602,366	\$ 1,602,366	\$ 1,384,064	\$ 1,384,064	\$ 1,345,180	\$ 1,345,180	15.8%
Renewal/replacement fee	491,547	491,547	433,489	433,489	367,112	367,112	13.4%
Environmental tax	285,453	285,453	335,568	335,568	328,678	328,678	-14.9%
Total Operating Revenues	2,379,366	2,379,366	2,153,121	2,153,121	2,040,970	2,040,970	10.5%
OPERATING EXPENSES:							
Salaries and fringe benefits	100,833	100,833	78,249	78,249	77,524	77,524	28.9%
OMI contract expenses	735,469	735,469	628,775	628,775	619,143	619,143	17.0%
OMI other expenses	-	-	-	-	30,327	30,327	-
Other operating expenses	220,913	220,913	252,950	252,950	251,806	251,806	-12.7%
Depreciation	364,627	364,627	354,302	354,302	368,668	368,668	2.9%
Total Operating Expenses	1,421,842	1,421,842	1,314,276	1,314,276	1,347,468	1,347,468	8.2%
OPERATING INCOME	957,524	957,524	838,845	838,845	693,502	693,502	14.1%
NONOPERATING REVENUES (EXPENSES):							
Interest on investments	20,944	20,944	19,198	19,198	15,386	15,386	9.1%
Interest expense	(60,969)	(60,969)	(66,133)	(66,133)	(71,146)	(71,146)	-7.8%
Miscellaneous revenue	-	-	192,259	192,259	997	997	-100.0%
Payments in lieu of taxes	(104,132)	(104,132)	(90,355)	(90,355)	(85,260)	(85,260)	15.2%
Transfers out	(537)	(537)	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	(144,694)	(144,694)	54,969	54,969	(140,023)	(140,023)	-363.2%
NET INCOME	\$ 812,830	\$ 812,830	\$ 893,814	\$ 893,814	\$ 553,479	\$ 553,479	-9.1%

** Revised - Starting in FY2017 OMI contract and other expenses have been separated.

**CITY OF FARMINGTON, NEW MEXICO
WASTEWATER UTILITY ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
AS OF SEPTEMBER 30, 2016**

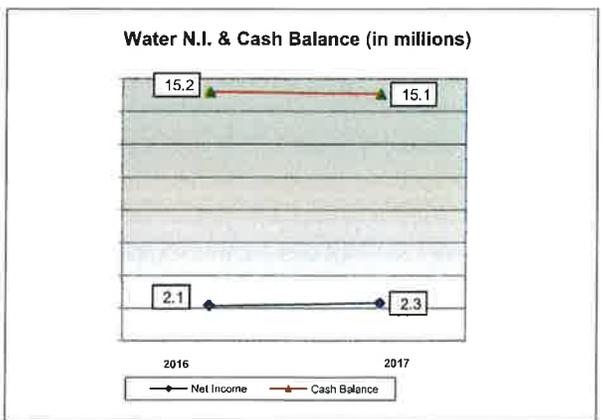
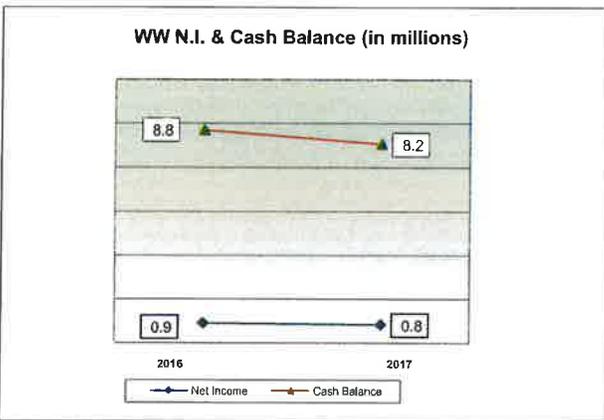
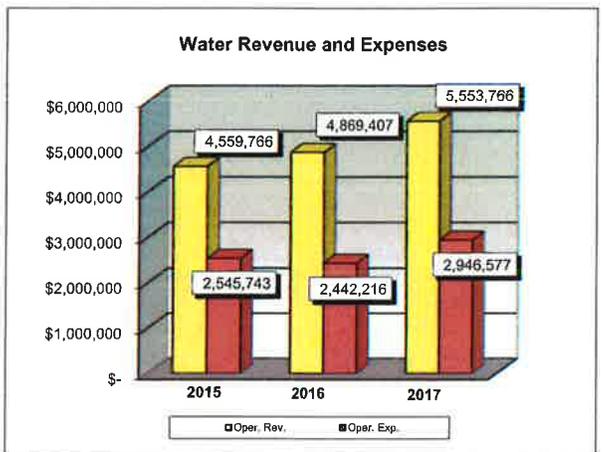
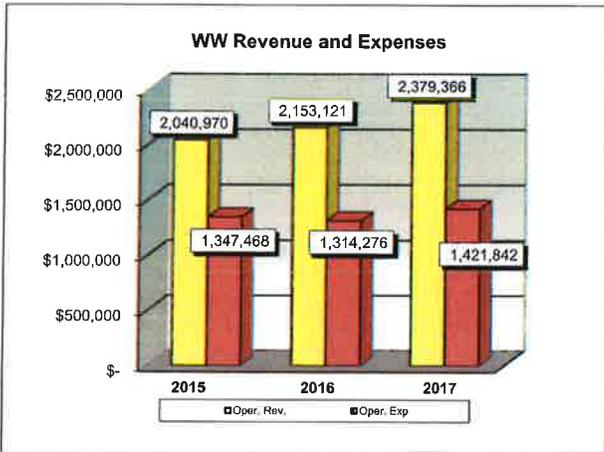
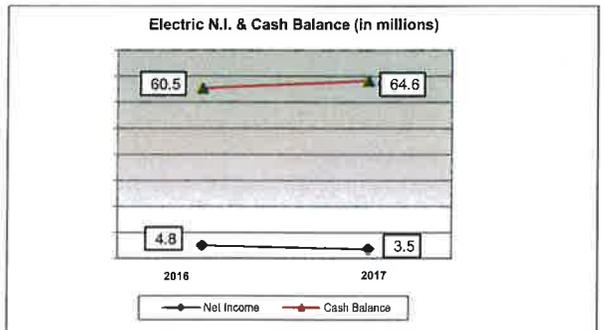
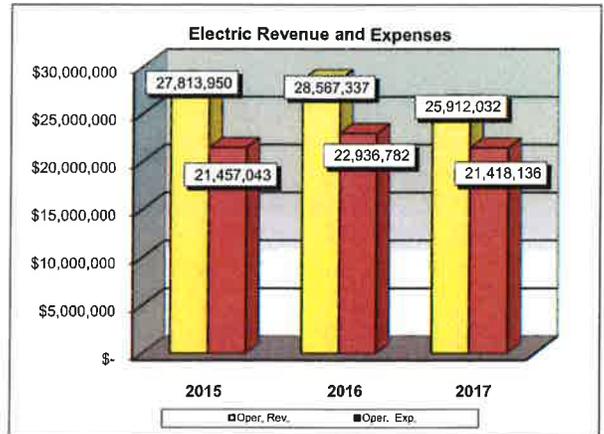
<u>ASSETS</u>	<u>FY 2017</u>	<u>FY 2016</u>
CURRENT ASSETS:		
Pooled cash and investments	\$ 8,241,039	\$ 8,810,482
Accounts receivable (net of allowance for doubtful accounts)	448,147	393,130
Total Current Assets	8,689,186	9,203,612
RESTRICTED ASSETS:		
NMED reserve accounts	1,900,156	1,900,156
PROPERTY, PLANT, AND EQUIPMENT:		
Utility plant-in-service	48,822,650	47,392,599
Less accumulated depreciation	(24,662,509)	(23,258,535)
Work in progress	5,716,477	3,815,871
Net Property, Plant, and Equipment	29,876,618	27,949,935
TOTAL ASSETS	\$ 40,465,960	\$ 39,053,703
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES:		
Current portion of NMED loan	\$ 688,465	\$ 668,413
Accounts payable	-	66,133
Accrued interest payable	60,969	-
Compensated absences	15,950	9,538
Total Current Liabilities	765,384	744,084
LONG-TERM LIABILITIES:		
NMED loan	7,440,794	8,149,311
Compensated absences, net of current	37,376	40,900
Total Long-Term Liabilities	7,478,170	8,190,211
TOTAL LIABILITIES:	8,243,554	8,934,295
FUND EQUITY:		
Contributed capital	7,862,925	7,862,925
Retained earnings	23,546,651	21,362,669
Current year net income	812,830	893,814
Total Fund Equity	32,222,406	30,119,408
TOTAL LIABILITIES AND FUND EQUITY	\$ 40,465,960	\$ 39,053,703

**CITY OF FARMINGTON, NEW MEXICO
WASTEWATER UTILITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
3 MONTHS ENDING SEPTEMBER 30, 2016**

	<u>QTR FY 2017</u>	<u>QTR FY 2016</u>	<u>FY YTD CASH CHANGE</u>	<u>YR TO YR CASH CHANGE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income	\$ 957,524	\$ 838,845	\$ 957,524	\$ 2,693,251
Reconciliation of operating income to net Cash provided (used) by operating activities:				
Depreciation	364,627	354,302	364,627	1,429,807
Changes in:				
Accounts receivable	46,091	31,835	46,091	(68,533)
Accounts payable	<u>(249,472)</u>	<u>(35,814)</u>	<u>(249,472)</u>	<u>(4,638)</u>
Net Cash Provided (Used) By Operating Activities	<u>1,118,770</u>	<u>1,189,168</u>	<u>1,118,770</u>	<u>4,049,887</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer to other funds	(104,669)	(90,355)	(104,669)	(394,911)
Operating Grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,715</u>
Net cash provided (Used) by capital and related financing activities	<u>(104,669)</u>	<u>(90,355)</u>	<u>(104,669)</u>	<u>(390,196)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of fixed assets	(485,229)	(751,834)	(485,229)	(3,358,753)
Change in restricted assets	(238,249)	(238,249)	(238,249)	-
Interest expense	(60,969)	(66,133)	(60,969)	(259,368)
Accrued interest payable	60,969	66,133	60,969	(5,164)
Miscellaneous revenue	-	192,259	-	3,655
NMED loan	<u>-</u>	<u>-</u>	<u>-</u>	<u>(688,465)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(723,478)</u>	<u>(797,824)</u>	<u>(723,478)</u>	<u>(4,308,095)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>20,944</u>	<u>19,198</u>	<u>20,944</u>	<u>78,961</u>
NET INCREASE IN POOLED CASH AND INVESTMENTS	311,567	320,187	311,567	(569,443)
POOLED CASH AND INVESTMENTS, beginning of Qtr	<u>7,929,472</u>	<u>8,490,295</u>	<u>7,929,472</u>	<u>8,810,482</u>
POOLED CASH AND INVESTMENTS, ending	<u><u>\$ 8,241,039</u></u>	<u><u>\$ 8,810,482</u></u>	<u><u>\$ 8,241,039</u></u>	<u><u>\$ 8,241,039</u></u>

CITY OF FARMINGTON, NEW MEXICO
YR TO DATE Ending September 30, 2016
(in millions)

	<u>9/30/16</u>	<u>9/30/15</u>	<u>% Change</u>
Electric			
Oper. Rev.	\$ 25.9	\$ 28.6	-9.3%
Oper. Exp.	21.4	22.9	-6.6%
Net Income	3.5	4.8	-27.9%
Cash Balance	64.6	60.5	6.8%
Water			
Oper. Rev.	\$ 5.6	\$ 4.9	14.1%
Oper. Exp.	2.9	2.4	20.7%
Net Income	2.3	2.1	8.2%
Cash Balance	15.1	15.2	-0.7%
Waste Water			
Oper. Rev.	\$ 2.4	\$ 2.2	10.5%
Oper. Exp.	1.4	1.3	8.2%
Net Income	0.8	0.9	-9.1%
Cash Balance	8.2	8.8	-6.5%



CITY OF FARMINGTON, NEW MEXICO

NMED loan - Construction interest of \$1,348,028 was rolled into the loan and combined with draws to date of \$12,830,163, the total loan is \$14,178,191. For the 1st 6 years in addition to the principal and interest payment of \$952,997.13, an annual debt reserve of \$158,832.85 and replacement reserve of \$118,151.59 are required for this loan, making the total annual payment \$1,229,981.58 for years 1 through 6. Even though payments are due on July 1 of the next fiscal year, since the payment will actually be sent in June the principal and interest are shown in the prior fiscal year.

	PRINCIPAL		RATE		MTHLY PYMT		\$952,997	
Year Ending 30-Jun								
	Water		Wastewater		Utility Total			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2017	-	-	709,119	243,878	709,119	243,878		
2018	-	-	730,393	222,604	730,393	222,604		
2019	-	-	752,305	200,692	752,305	200,692		
2020	-	-	774,874	178,123	774,874	178,123		
2021	-	-	798,120	154,877	798,120	154,877		
2022	-	-	822,064	130,933	822,064	130,933		
2023	-	-	846,726	106,272	846,726	106,272		
2024	-	-	872,127	80,870	872,127	80,870		
2025	-	-	898,291	54,706	898,291	54,706		
2026	-	-	925,240	27,757	925,240	27,757		
Total	\$ -	\$ -	\$ 8,129,259	\$ 1,400,712	\$ 8,129,259	\$ 1,400,712		

NMFA Loan (Animas Waterline) - Loan is for \$1,054,844.00 with 1% interest (0.75% interest, 0.25% admin fee). Loan will be paid by the Water Fund. Interest payments are semi-annual. Principal payment is due every May 1st.

	PRINCIPAL		RATE		ANNUAL PYMT		\$58,455	
Year Ending 30-Jun								
	Water		Wastewater		Utility Total			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2017	49,851	8,603	-	-	49,851	8,603		
2018	50,350	8,105	-	-	50,350	8,105		
2019	50,853	7,601	-	-	50,853	7,601		
2020	51,362	7,093	-	-	51,362	7,093		
2021	51,875	6,579	-	-	51,875	6,579		
2022	52,394	6,060	-	-	52,394	6,060		
2023	52,918	5,536	-	-	52,918	5,536		
2024	53,447	5,007	-	-	53,447	5,007		
2025	53,982	4,473	-	-	53,982	4,473		
2026	54,522	3,933	-	-	54,522	3,933		
2027	55,067	3,388	-	-	55,067	3,388		
2028	55,617	2,837	-	-	55,617	2,837		
2029	56,174	2,281	-	-	56,174	2,281		
2030	56,735	1,719	-	-	56,735	1,719		
2031	57,303	1,152	-	-	57,303	1,152		
2032	57,876	579	-	-	57,876	579		
Total	\$ 860,326	\$ 74,946	\$ -	\$ -	\$ 860,326	\$ 74,946		

NMFA Loan (Meter Replacement) - The original loan was for \$4,469,250.00 with a 2% interest rate and a maturity of 20 years. The Meter Replacement project was completed at the end of FY2015 and the loan was finalized in August 2015. The final loan amount is \$4,059,311. The loan still has an interest rate of 2% and a maturity of 20 years. Principal payment will be paid every August.

	PRINCIPAL		RATE		ANNUAL PYMT	
	\$	4,059,311		2.00%		\$248,254
Year Ending 30-Jun	Water		Wastewater		Utility Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	173,363	77,937	-	-	173,363	77,937
2018	176,830	74,470	-	-	176,830	74,470
2019	180,366	70,933	-	-	180,366	70,933
2020	183,973	67,326	-	-	183,973	67,326
2021	187,653	63,647	-	-	187,653	63,647
2022	191,406	59,894	-	-	191,406	59,894
2023	195,234	56,066	-	-	195,234	56,066
2024	199,139	52,161	-	-	199,139	52,161
2025	203,121	48,178	-	-	203,121	48,178
2026	207,184	44,116	-	-	207,184	44,116
2027	211,328	39,972	-	-	211,328	39,972
2028	215,554	35,745	-	-	215,554	35,745
2029	219,865	31,434	-	-	219,865	31,434
2030	224,263	27,037	-	-	224,263	27,037
2031	228,748	22,552	-	-	228,748	22,552
2032	233,323	17,977	-	-	233,323	17,977
2033	237,989	13,310	-	-	237,989	13,310
2034	242,749	8,551	-	-	242,749	8,551
2035	184,779	3,696	-	-	184,779	3,696
	\$ 3,896,866	\$ 815,001	\$ -	\$ -	\$ 3,896,866	\$ 815,001

Total Debt Service Requirements (NMED & NMFA loan payments)

Year Ending 30-Jun	Water		Wastewater		Utility Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	223,214	86,541	709,119	243,878	932,333	330,418
2018	227,180	82,575	730,393	222,604	957,573	305,179
2019	231,219	78,535	752,305	200,692	983,524	279,227
2020	235,335	74,419	774,874	178,123	1,010,209	252,542
2021	239,528	70,226	798,120	154,877	1,037,648	225,103
2022	243,800	65,954	822,064	130,933	1,065,864	196,887
2023	248,152	61,602	846,726	106,272	1,094,878	167,873
2024	252,586	57,168	872,127	80,870	1,124,713	138,038
2025	257,103	52,651	898,291	54,706	1,155,395	107,357
2026	261,706	48,049	925,240	27,757	1,186,946	75,806
2027	266,395	43,360	-	-	266,395	43,360
2028	271,171	38,582	-	-	271,171	38,582
2029	276,039	33,715	-	-	276,039	33,715
2030	280,998	28,756	-	-	280,998	28,756
2031	286,051	23,704	-	-	286,051	23,704
2032	291,199	18,556	-	-	291,199	18,556
2033	237,989	13,310	-	-	237,989	13,310
2034	242,749	8,551	-	-	242,749	8,551
2035	184,779	3,696	-	-	184,779	3,696
Total	\$ 4,757,192	\$ 889,947	\$ 8,129,259	\$ 1,400,712	\$ 12,886,451	\$ 2,290,660

CITY OF FARMINGTON – PUBLIC WORKS DEPARTMENT (PW)	
Division: Water-Wastewater	Program: Water & Wastewater
Report Prepared by: Jeff Smaka	Title: Water/ Wastewater Administrator
Reporting Period: Oct 1 through Oct 31,2016	PUC Meeting Date: 9 Nov 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; Contract awarded to RMCI Inc. from Albuquerque - \$20,303,500; Contractor Mobilized on August 22, 2016; Demolition – 90% complete; Medium Rate Activated Sludge (MRAS) Basin #1 – excavation completed, setting forms for foundation. MRAS Basin #3 – over excavation completed & subgrade completed, Final Clarifier – excavation completed, started forming for center column; DWAS Tank – working on subgrade for foundation; Solids Handling Building – working on subgrade for foundation.
- **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 3rd year increase will begin with first billing cycle in Dec 2016
- **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. Plans submitted for review by NMED and NMFA, Submitted permit to NMDOT for construction within US 64 right of way. Anticipate construction to begin spring 2017.
 - 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, received verbal information from NMFA project was submitted to NMFA board with a 25% grant recommendation (\$898,900) – approved by NMFA board.
 - 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 - Rebidding project – Bid Opened Sept 20, 2016 – 3 bidders participated, At the September 27 City Council meeting – Kimo Constructors from Albuquerque was awarded the bid. Construction began on October 24th – construction 75 days.
 - **Renewal and Replacement**
 - Wildflower Parkway - 4P Pump Station - Cheney-Walters-Echols (CWE) has completed pump station design. Settled on for new pump station site - Construction of new pump station 2016/2017. Property purchase approved by City Council.
 - Foothills Dr. - Hill n Dale to Holmes - Replace existing 16" steel waterline with a 16" PVC waterline - design completed, construction summer 2017.
 - 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/ 2017.
 - 20th Street - Schofield Ave. to Hutton Ave. – Replace 10" CI with a 12" PVC waterline – Construction 99% complete
 - 20th Street - Hutton Ave. to Main St. - Replace 10" CI with a 12" PVC waterline – design completed, Construction 98% complete.
 - W. Navajo – Airport terminal to Municipal Drive – Replace 6" CI waterline with a

12" PVC waterline, Construction 50% complete.

- W. 20th Street – Chilton Court to end of street - Replace 6" CI with a 8" PVC waterline & replace 8" sewer line; Construction 2% 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 – 90% 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 –

- **COF Department Support.** Survey support to acquire manhole data for future sewer collection system model continues

- **Annual Utility Contract.** – preparing bid documents

- **Federal Funding –**

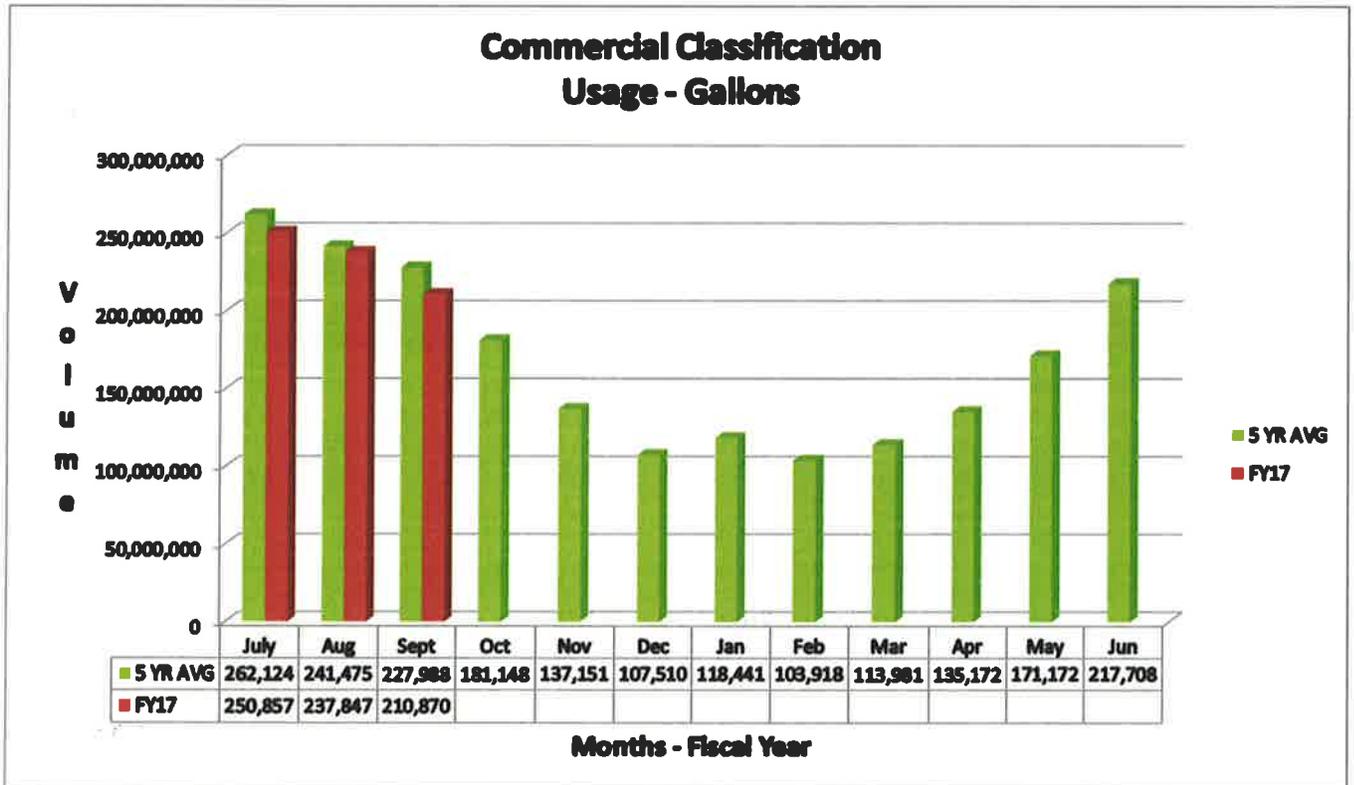
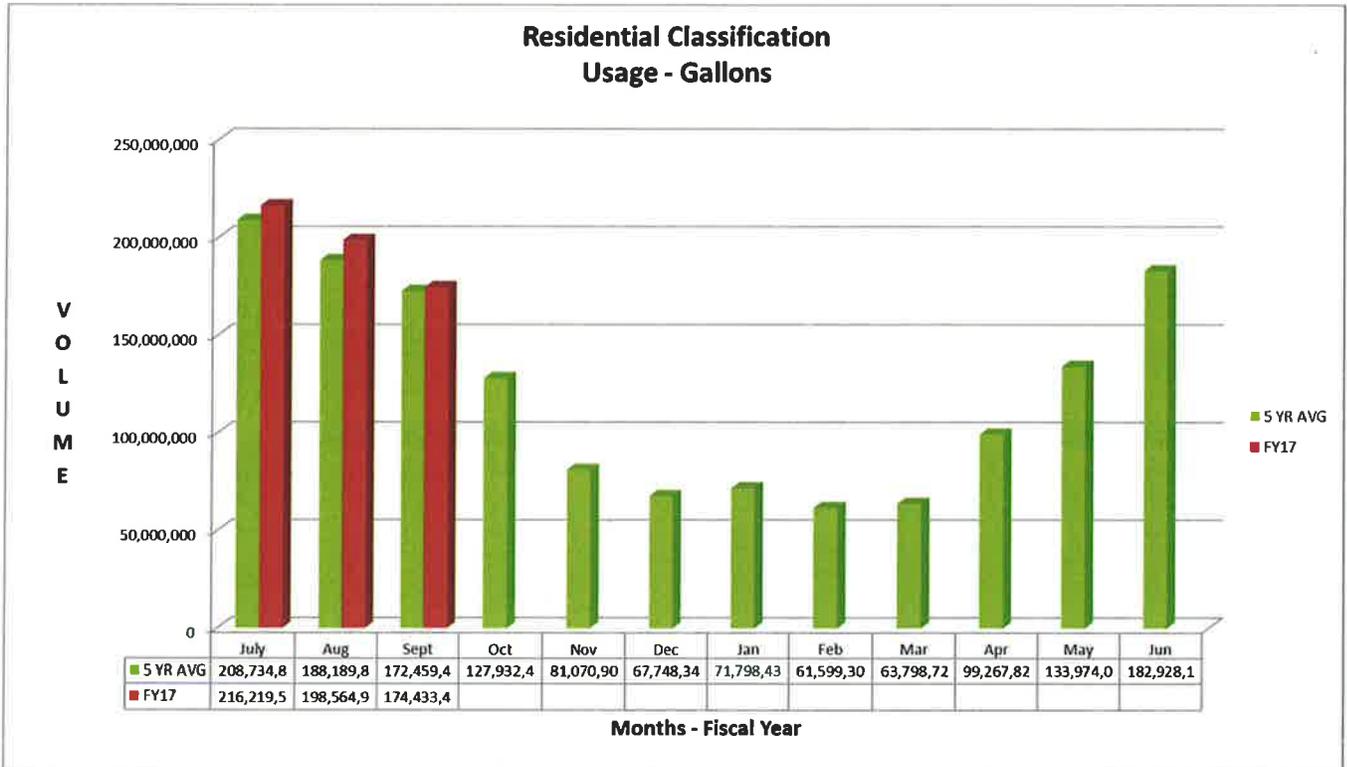
- Water Projects – 2P Waterline Improvement Project
 - Staff submitted a funding request to NMED (DWSRLF) for the project to replace the existing 6" and 8" cast iron waterline (approximately 30,000 LF) along US 64 and various side streets. Estimated probable cost \$8,160,000. – Project has been broken 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%, Contract awarded to 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.** New NPDES permit went into effect on November 1, 2016 permit expires October 31, 2021. New NPDES permit modified total dissolved solids (TDS) requirement from 400 mg/l incremental increase to 497 mg/l incremental increase for WWTP effluent.
- **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**



WATER

Renewal & Replacement

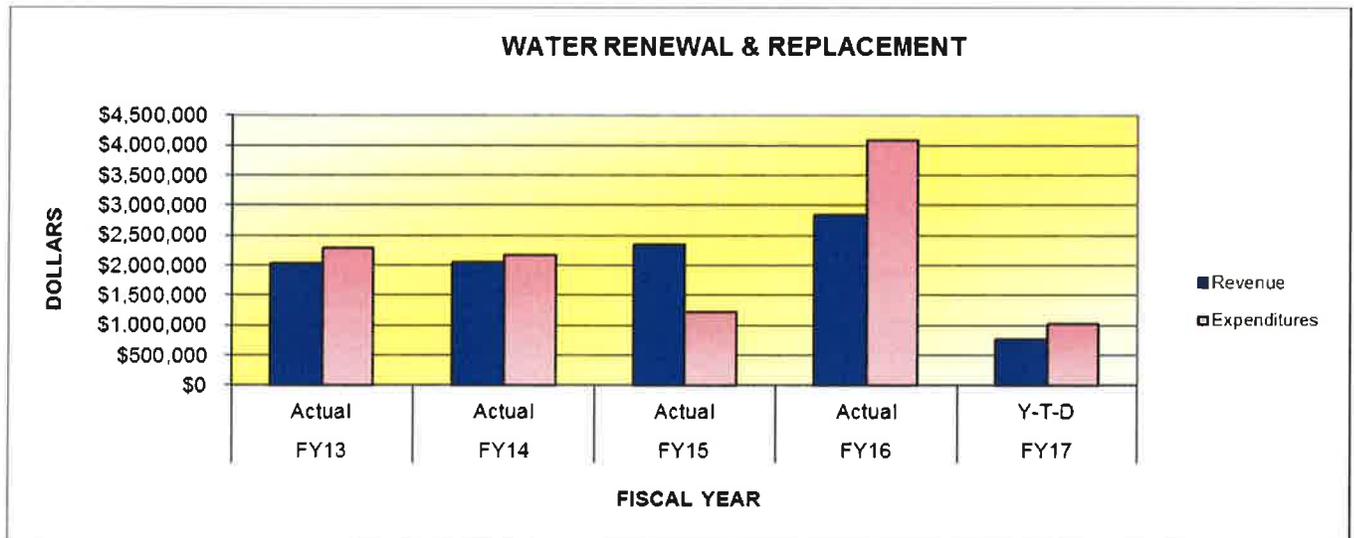
Water Fund - 602

REVENUES	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Y-T-D	FY17 Budget
Renewal /Replacement Fee	\$2,037,806	\$2,057,949	\$2,344,912	\$2,846,357	\$774,735	\$2,892,563
STATE GRANT - \$825,000						
REVENUE TODATE				\$18,774,472		
PROJECTED REVENUE FY07 - FY17						\$21,667,035

EXPENDITURES RENEWAL/REPLACEMENT	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Y-T-D	FY17 Budget
Construction	\$2,278,859	\$2,164,752	\$1,212,214	\$4,089,654	\$1,018,700	\$5,000,000
PROJECTED EXPENDITURES FY07 - FY17				\$17,438,631		\$22,334,618

Main St. - Miller Ave to Orchard Ave.	\$250,000
Foothills Dr - Hill & Dale Dr. to Holmes Dr.	\$565,000
20th St - Hutton Ave to Main St	\$600,000
W. Navajo St - Municipal Dr to Mc Henry Dr.	\$350,000
W. Navajo St - McHenry Dr. to airport bldg	\$500,000
San Juan Blvd - American Ave to Fairview Ave.	\$600,000
Broadway - Auburn Ave to Miller Ave	\$560,000
Broadway - Schwartz Ave to Lake St	\$325,000
Schwartz Ave - Broadway to Apache St.	\$550,000
Northwood Dr - Cresent Ave to 30th St.	\$100,000
Polyline Service Replacement	\$350,000
Line Abandoment	\$150,000
Fire Hydrant 1960 Replacement	\$100,000
	\$5,000,000

PROJECTED EXPENDITURES FY07 - FY17 \$22,276,883

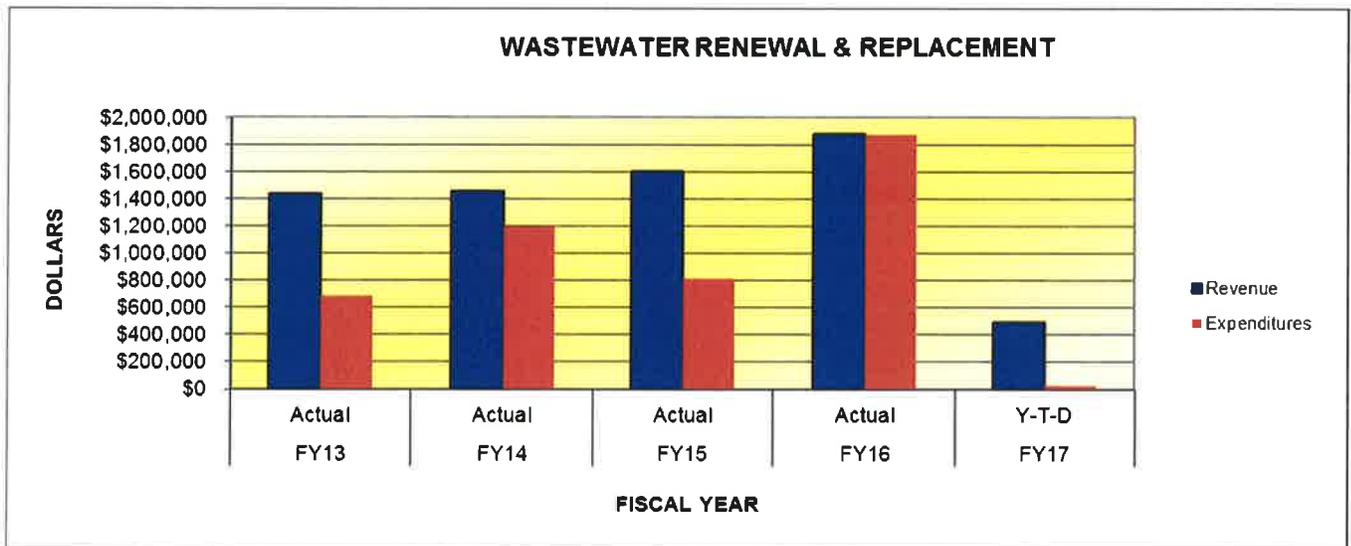


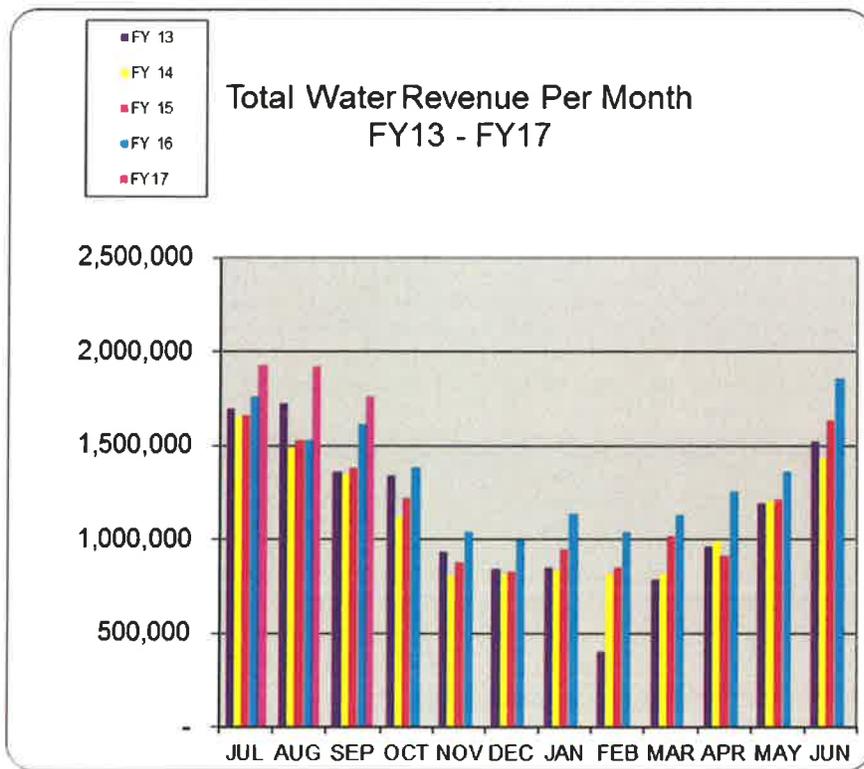
WASTEWATER

Renewal & Replacement

Wastewater Fund - 603

	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Y-T-D	FY17 Budget
REVENUES						
Charges for Utility Services						
Renewal /Replacement Fee	\$1,441,591	\$1,456,143	\$1,601,781	\$1,880,232	\$491,547	\$2,006,355
REVENUE TODATE					\$12,595,055	
PROJECTED REVENUE FY07 - FY17				\$1,880,232		\$14,601,410
EXPENDITURES						
RENEWAL/REPLACEMENT						
Construction	\$685,848	\$1,194,237	\$817,221	\$1,869,097	\$27,994	\$2,006,355
Projects FY07- FY17					\$8,187,975	
BUDGETED FY 17 PROJECTS						
Sewer Rehab - W Main St				\$1,750,000		
Manhole Rehab				\$150,000		
Mainline Rehab - Robotic				\$350,000		
				<u>\$2,250,000</u>		
PROJECTED EXPENDITURES FY07 - FY17						\$10,437,975





BUDGET TO ACTUAL COMPARISON PER MONTH										
	FY 2013 **		FY 2014 **		FY 2015 **		FY 2016 **		FY 2017 **	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
JUL	1,165,141	1,696,293	1,196,227	1,857,429	1,152,420	1,660,611	1,305,656	1,760,696	1,305,656	1,923,676
AUG	1,165,141	1,725,060	1,196,227	1,495,029	1,152,420	1,525,823	1,305,656	1,530,739	1,305,656	1,920,854
SEP	1,165,141	1,362,607	1,196,227	1,349,906	1,152,420	1,379,367	1,305,656	1,608,774	1,305,656	1,756,407
OCT	1,165,141	1,338,557	1,196,227	1,123,250	1,152,420	1,222,276	1,305,656	1,379,285	1,305,656	
NOV	1,165,141	936,091	1,196,227	805,566	1,152,420	878,377	1,305,656	1,039,055	1,305,656	
DEC	1,165,141	839,767	1,196,227	813,492	1,152,420	832,341	1,305,656	996,111	1,305,656	
JAN	1,165,141	851,542	1,196,227	838,647	1,152,420	948,366	1,305,656	1,138,593	1,305,656	
FEB	1,165,141	401,518	1,196,227	818,588	1,152,420	850,813	1,305,656	1,041,098	1,305,656	
MAR	1,165,141	788,759	1,196,227	812,113	1,152,420	1,021,237	1,305,656	1,133,244	1,305,656	
APR	1,165,141	958,767	1,196,227	989,646	1,152,420	914,504	1,305,656	1,254,785	1,305,656	
MAY	1,165,141	1,194,193	1,196,227	1,203,797	1,152,420	1,212,303	1,305,656	1,361,525	1,305,656	
JUN	1,165,141	1,520,186	1,196,227	1,433,479	1,152,420	1,630,441	1,305,656	1,855,752	1,305,656	
TOTAL:		13,613,340		13,340,942		14,076,459		16,099,657		5,600,937

REVENUE PER CLASS/CUSTOMERS										
	FY 2013		FY 2014		FY 2015		FY 2016		FY 2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
R	6,481,728	6,464,202	6,676,180	6,110,737	6,458,000	6,535,453	7,254,451	7,173,050	7,789,369	2,541,796
GS	3,447,238	3,107,129	3,550,655	3,304,044	3,373,100	3,310,784	3,777,872	4,053,707	4,155,659	1,587,573
CU	1,129,104	1,123,093	1,151,686	1,026,032	1,049,500	1,011,584	1,126,982	1,014,390	1,073,680	305,113
REC	225,000	264,196	250,000	244,954	260,000	252,046	273,000	280,394	296,145	133,962
FH	118,750	76,419	118,750	91,668	110,000	87,036	100,000	107,760	117,044	26,018
R & R	2,055,322	2,037,805	2,082,909	2,057,950	2,088,390	2,344,912	2,640,556	2,846,357	2,892,563	774,735
GRANTS	-	2,510	2,107,359	1,449,369	1,800,000	3,963,044	-	50,876	1,000,000	-
OTHER	524,552	2,595,398	587,552	505,557	490,050	539,364	495,020	623,999	2,712,663	231,740
TOTAL:	13,981,694	15,670,752	16,525,091	14,790,311	15,629,040	18,044,223	15,667,881	16,150,533	20,037,123	5,600,937

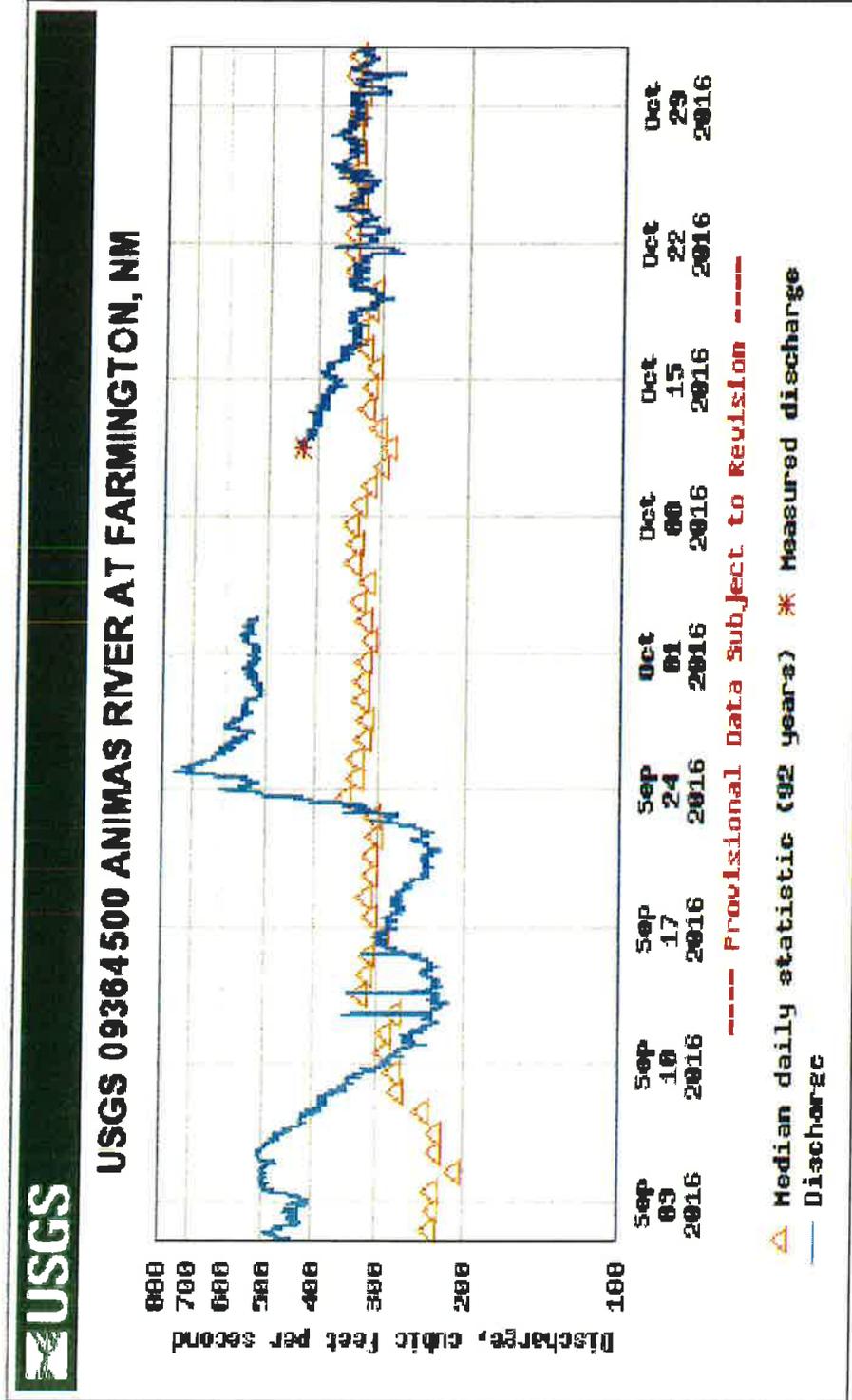
- SCHEDULE OF CUSTOMERS**
- R** = Residential
 - GS** = General Service, Single (commercial)
 - CU** = Contract Users (bulk water users)
 - REC** = Recreational/Raw Water/Water Users (city facilities and)
 - FH** = Fire Hydrants
 - R & R** = Renewal & Replacement
 - OTHER** = Miscellaneous

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

Monthly Report

Oct. 14, 2016

Animas River

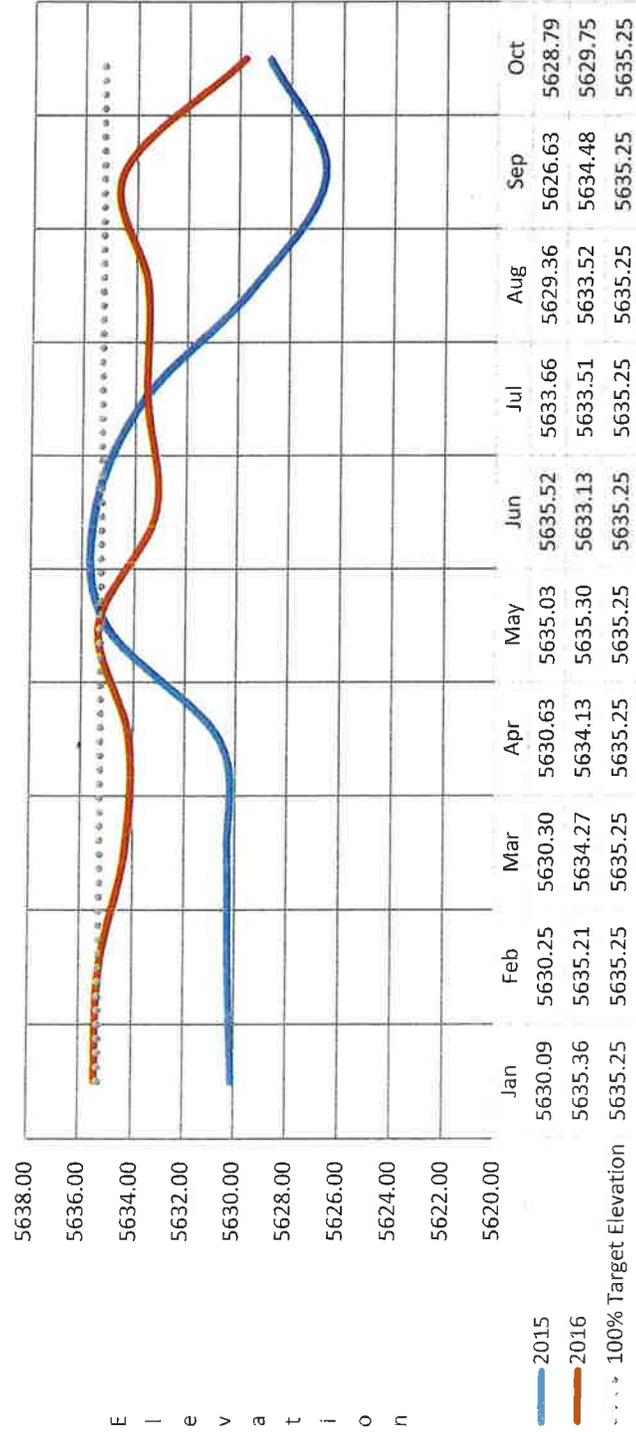


Summary:

Flows are near normal for this time of year and indicated no significant rain events for the past 2 months.

Farmington Lake

Farmington Lake Elevations - 2015 and 2016
Monthly Average Elevation



Summary:

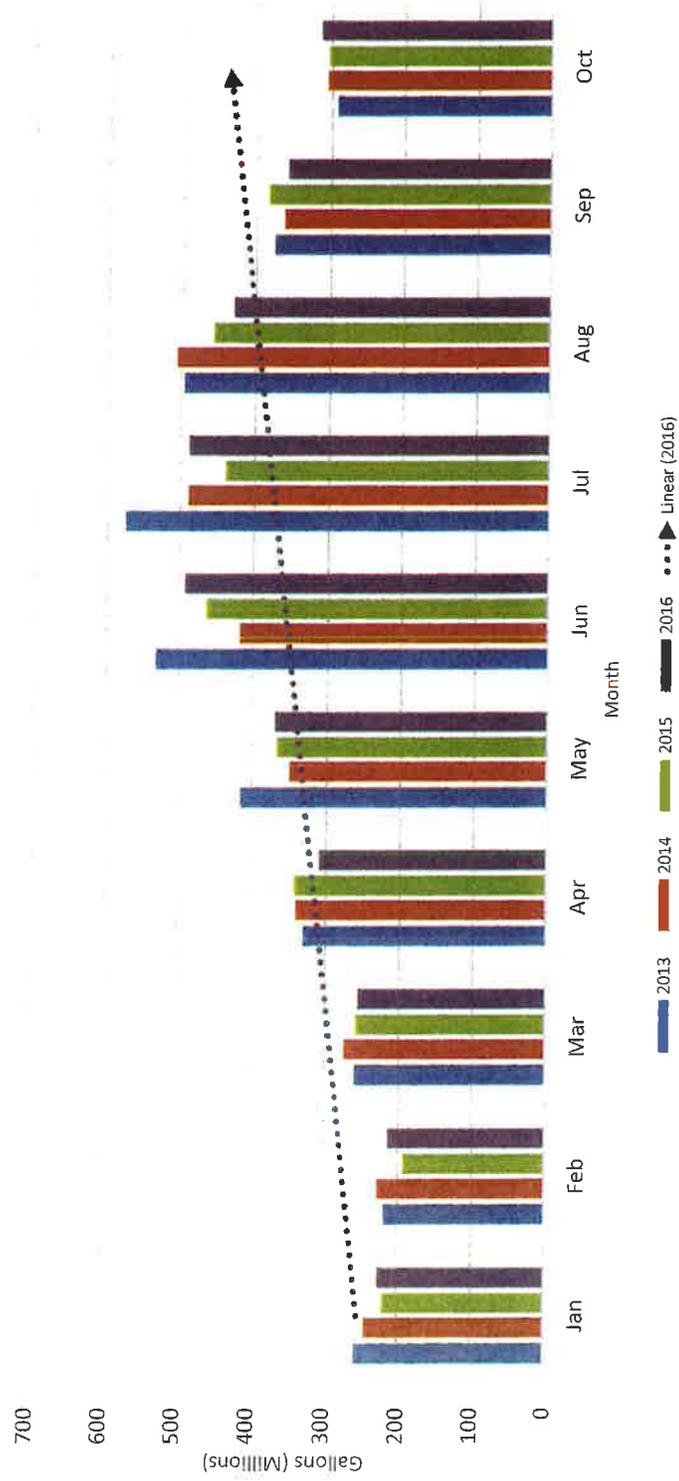
Top of the spill way is 5636.4

Max target is 5635.25

Current level was to 82% to complete 4 special projects

Water Production

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



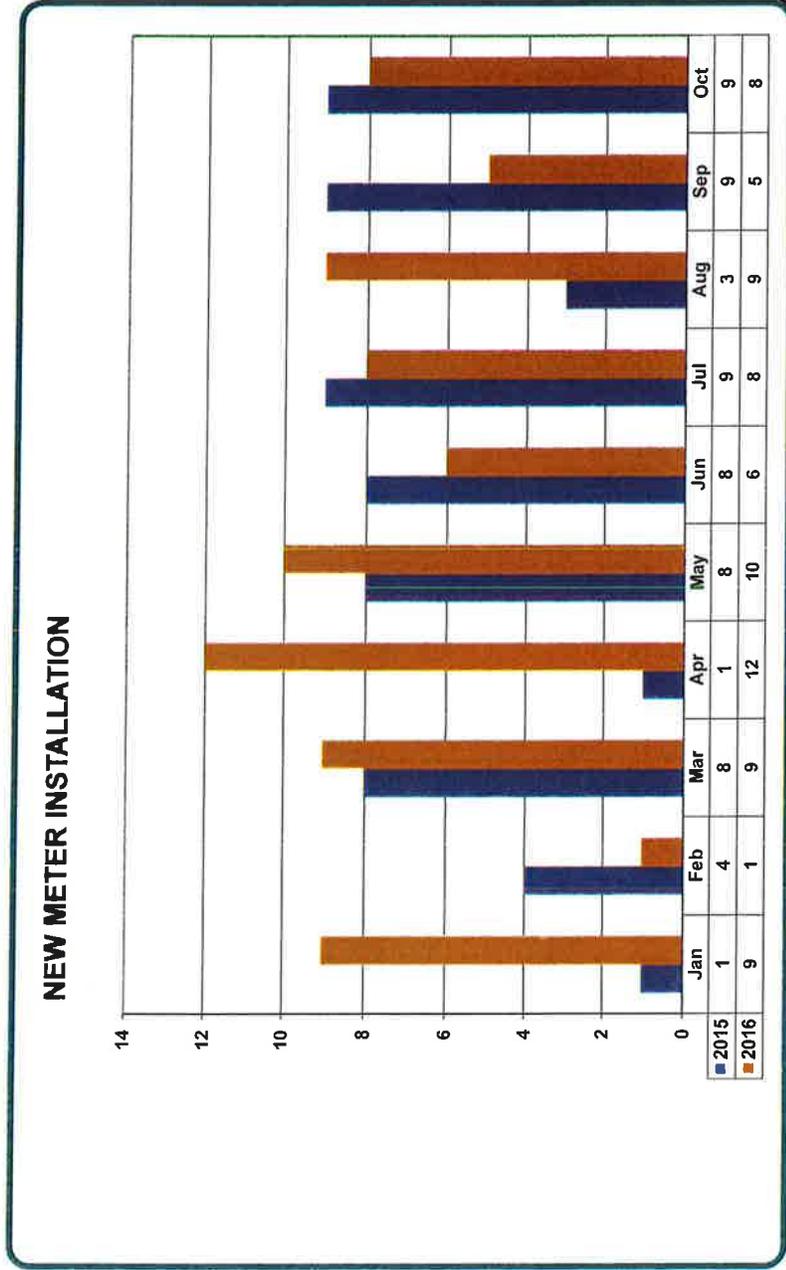
Summary:

Production trend saw a slight increase in Oct.

Trend for 2016 is up

Maintenance

New Meter Installations



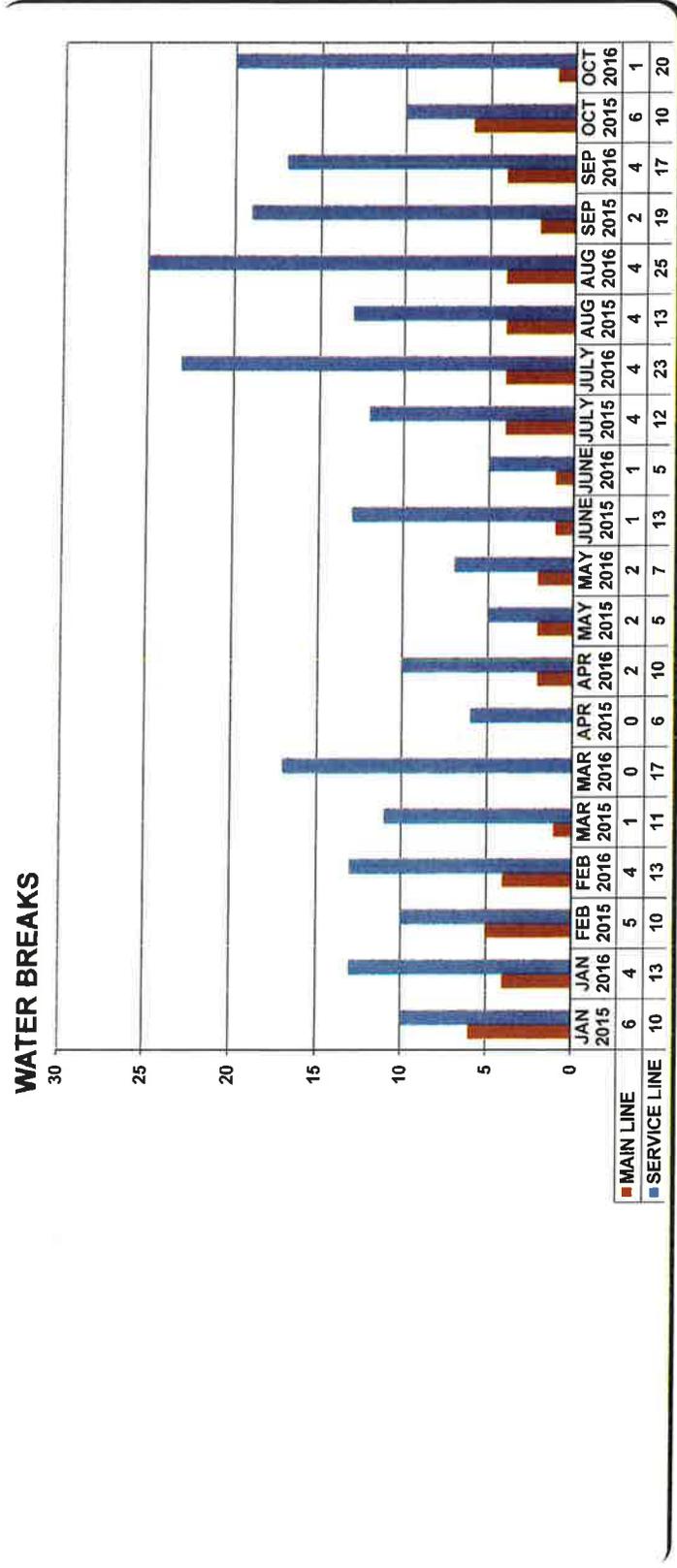
Summary:

60 meters installed in 2015 compared to 77 installed in 2016 during the same time 10 month period.

Average of 8/mo.

Trend level for the year.

Maintenance Water Line Repairs

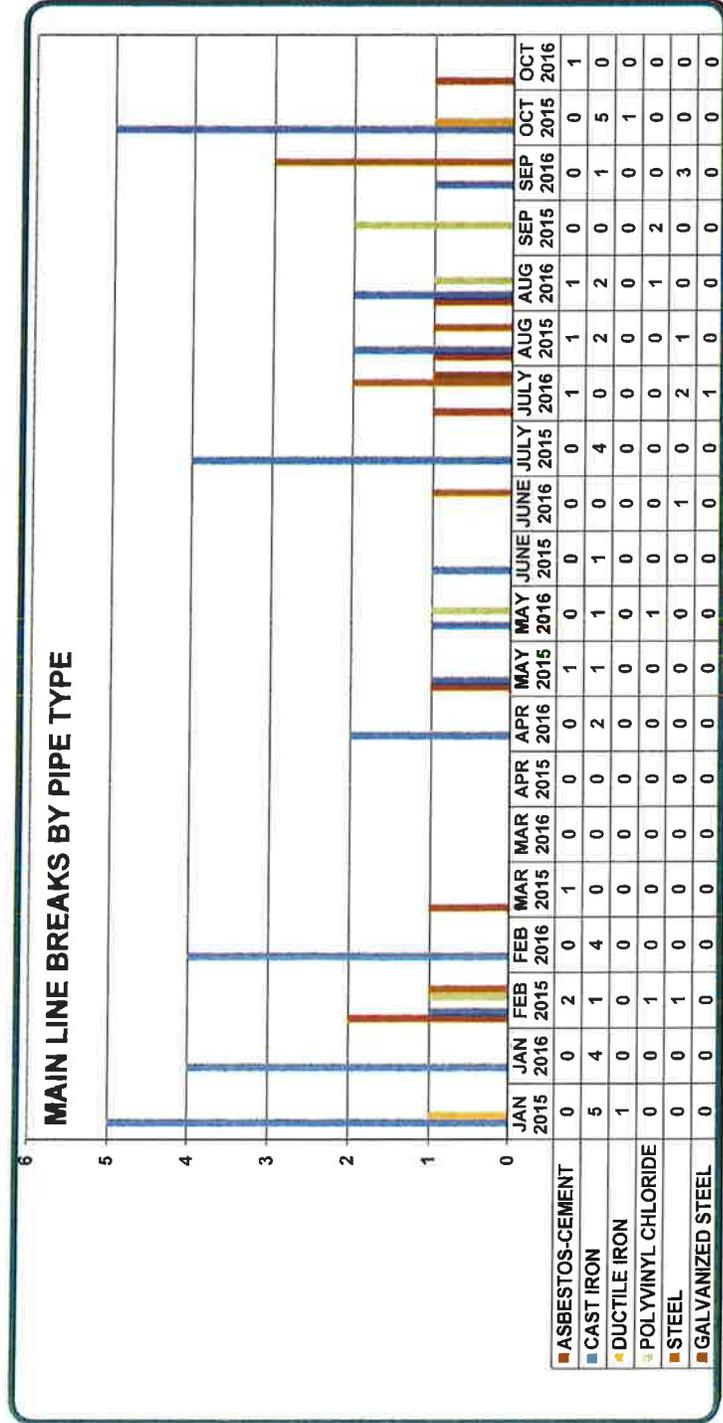


Summary:

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

Service lines trending up for 2016.

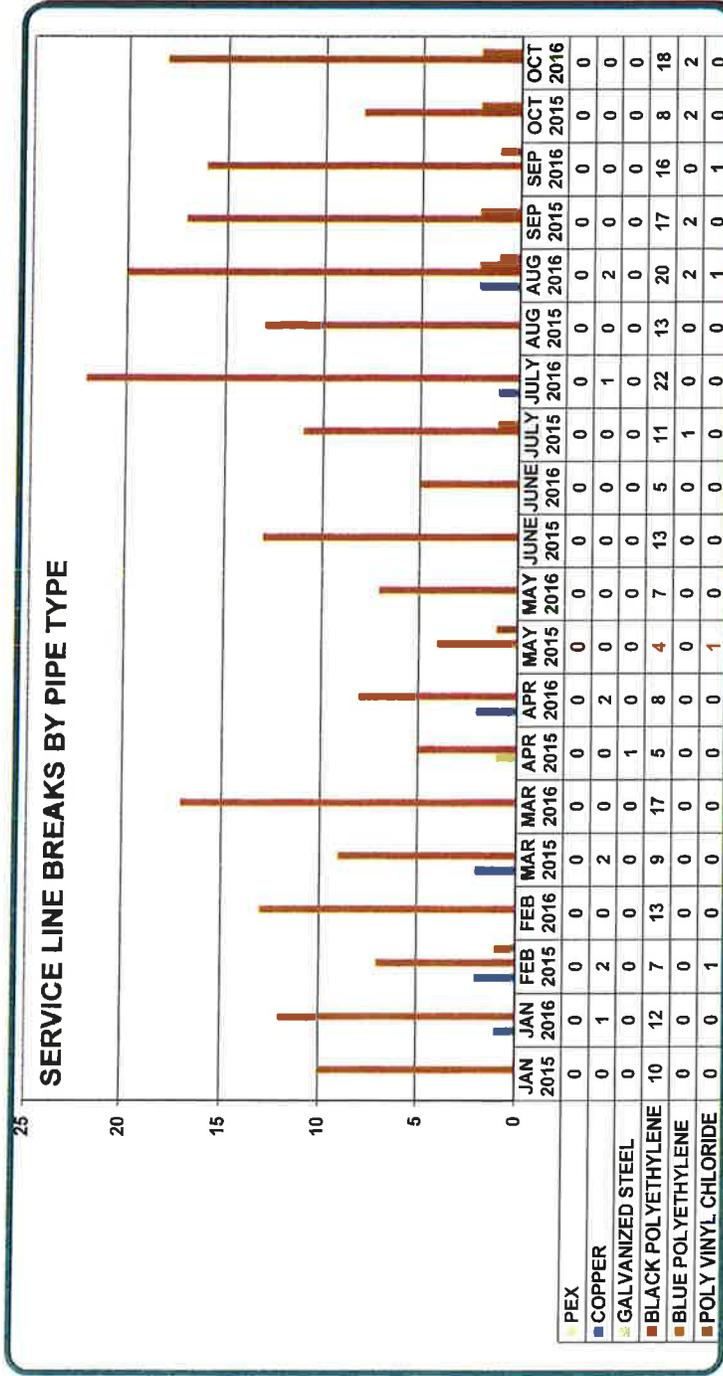
Maintenance Water Line Repairs



Summary:

Cast Iron has the highest failure rate do to age

Maintenance Water Line Repairs



Summary:

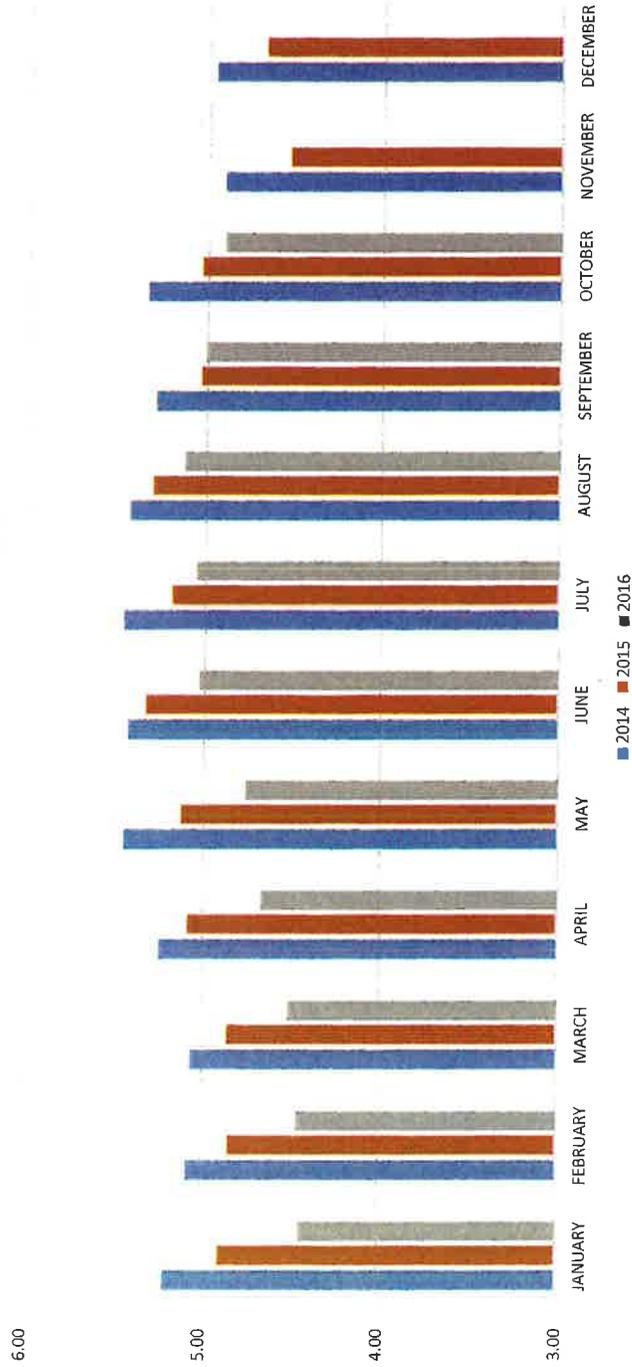
Black Poly line has the highest rate of failure do to short product life expectancy and is no longer used in the industry

Total breaks YTD =150 compared to 109 the same time period in 2015 which is a 37% increase

Wastewater Treatment

Influent Flows / Wastewater

Summary:
Flows still trending down compared to previous years.

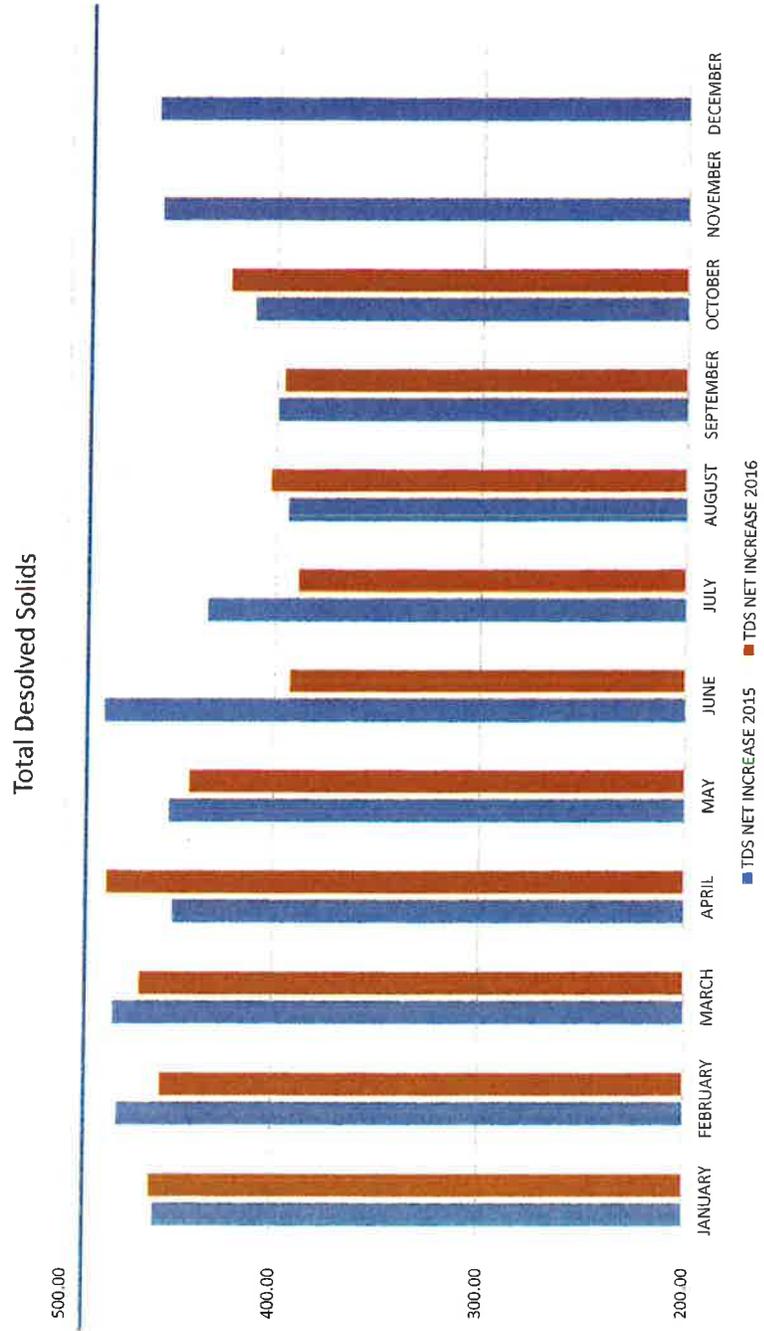


Total Dissolved Solids

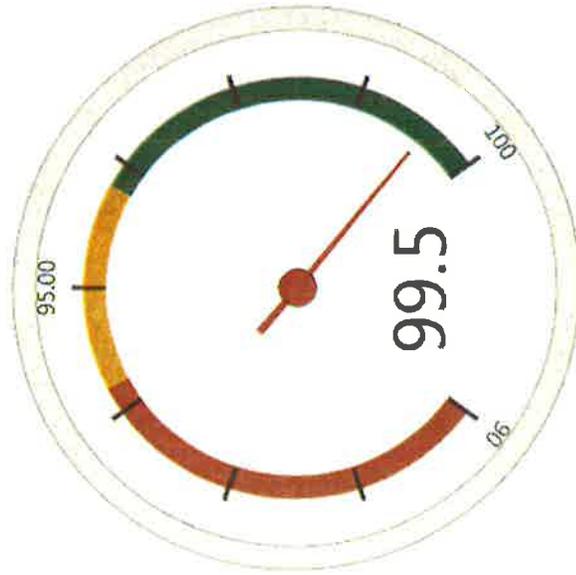
Summary:

The New Permit Limit is 497 MG/L

Date shows trend consistent seasonal variance

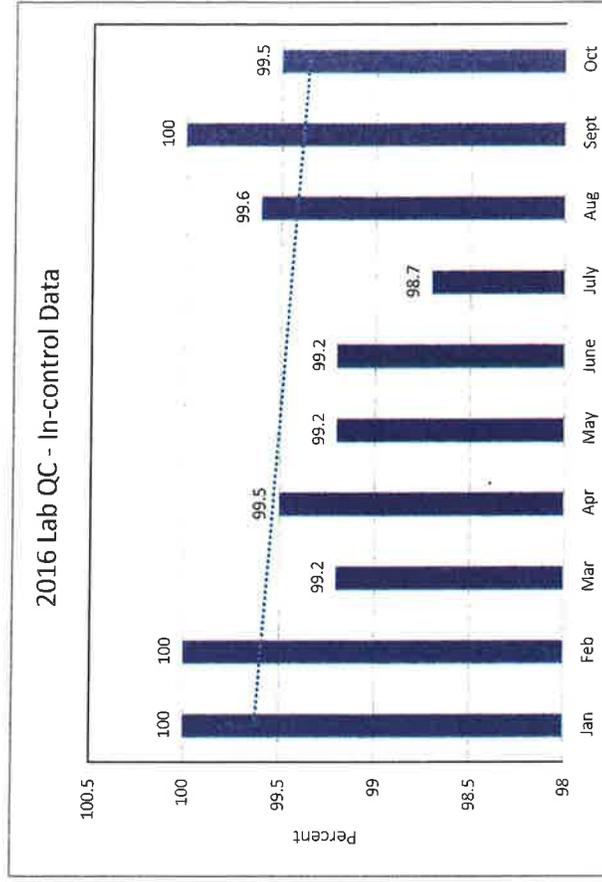


Lab Quality Control Statistics



October 2016 QC Dashboard
216 Data Points

2016 Trending



City of Farmington Utility Assistance Program

Purpose:

To assist eligible, sick and indigent City of Farmington utility customers with payment of their past due utility bills to help assure these customers do not become public charges.

Policy:

Only residential customers served by the Farmington Electric Utility System (FEUS) are eligible to participate in the City of Farmington Utility Assistance Program ("Program"). The Program is funded by the tag fees collected by the City of Farmington as part of its procedure for warning utility customers of utility disconnections. Total assistance dollars available for the Program in the City's fiscal year will be limited to fifty percent (50%) of the tag fees collected in the prior fiscal year. Assistance will only be provided for payment of City of Farmington utility bills (electric, water, sewer and sanitation). The Program is administered for the City of Farmington by an independent third party ("Administrator") to review requests from customers for assistance.

Important Facts:

- A. Eligibility criteria for the Program is determined by Farmington's Administrator, with initial verification that Applicant:
1. Is a residential customer (account holder or authorized designee) receiving electric service from FEUS;
 2. Has received a disconnect notice from the City, either the first delinquent notice mailed as the second bill for utilities or the final "Will be terminated" pink notice;
 3. Has submitted a written application to the Administrator showing a true emergency or hardship exists for the Applicant.
- B. Required documentation to be included with the written application for utility assistance:
1. Valid picture ID
 2. Disconnect notice from the City
 3. Financial status documentation includes, but is not limited to:
 - a. Most recent payroll stub, separation notice from employer **or**
 - b. Award notification and/or stubs from income support payments such as unemployment compensation or Temporary Assistance for Needy Families (TANF) **or**
 - c. Social security award letter **or**
 - d. SSI (Supplemental Security Income) award letter;

AND

- e. Receipts for medical/dental/vision/prescription expenses **or**
 - f. Receipts for death related expenses (funeral, etc.) **or**
 - g. Receipts for emergency expense (i.e. car repair) **or**
 - h. Receipts regarding another reason creating financial hardship.
- C. Applicant must make arrangements to pay the balance of the utility bill after the emergency or hardship relief has been provided to the Applicant.
- D. Utility charges allowable under the Program include only amounts in arrears. This includes previous payments made by check not honored by customer's bank and payments made under a City payment plan. **Payments for the following items are NOT allowed:**
- 1. Current charges
 - 2. Deposits
 - 3. Private area lighting (dusk to dawn lights)
 - 4. Fees not part of "normal" utility charges (reconnect fees, connect fees, returned check fees, trip charge fees, late fees, fee for more than one trash bin or one recycle bin, and any other non-typical utility charge).
- E. Eligibility Guidelines for the Program to be followed by Farmington's Administrator:
- 1. Applicant's income must be no greater than 150% of Federal Poverty Guidelines (Applicant may be receiving income support from unemployment compensation, LIHEAP or TANF, but this is not a qualifying requirement for the City of Farmington Utility Assistance Program).
 - 2. Maximum amount of assistance to Applicant is limited to \$200 for one month's bill and shall not exceed \$1,000 of total assistance for a calendar year.
 - 3. Certain qualifying expenses may be used for up to three consecutive months, providing that Applicant resubmit their application to the Administrator each month with appropriate documentation. The dollar amount of expense must be greater than the total utility assistance amount requested for all three months and must have been an expense of the Applicant and paid by the Applicant within two months prior to the Program application date.
 - a. Death related expense - must be for an immediate family member of the Applicant (spouse, parent, child, parent-in-law, step-child)
 - b. Medical, dental, vision, or prescription expense - must be for Applicant or family member residing with Applicant
 - c. Emergency expense (Ex: a large vehicle repair expense)