



AGENDA

.....for the regular meeting of the Public Utility Commission of the City of Farmington, Wednesday, **January 9, 2019 at 3:00 pm** in the Executive Conference Room, 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 December 12, 2018 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. Electric Utility Report – Brandon Hill (5 min)..... 4
- D. Director's Report – Hank Adair (5 min)..... 5

III. ADJOURNMENT

The next regular meeting will be on February 13, 2019

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, December 12, 2018 at 3:00 p.m., in the Executive Conference Room, 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
Marty Johnson
Gordon Glass
Alex Uhl
Tory N. Larsen
Kyle Westall
Connie Dinning
Joanne Duckwitz

City personnel present:

Electric Utility Director
Electric Generation Manager
Customer Service
Electric Business Operations
Public Works Department
JACOBS
City Attorney
Administrative Services
Administrative Services
PUC Secretary

Hank Adair
Britt Chesnut
Nicki Parks
Brandon Hill
David Sypher
Ron Rosen
Jennifer Breakell
Andy Mason
Sheree Wilson
Amy McKinley

Guests: Dean Roquemore, JACOBS

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

Chair Spence asked for a motion to approve the Minutes of the November 14, 2018 meeting of the Public Utility Commission and Commissioner Duckwitz made this motion; Commissioner Uhl seconded. Upon voice vote the motion to approve the Minutes of the November 14, 2018 PUC meeting passed.

BUSINESS

Water/Wastewater Report:

Mr. Jeff Smaka was attending an out of town conference and was therefore unavailable to provide verbal details regarding the Public Works Water/Wastewater divisions report for November.

Water/Wastewater Operations Report:

Mr. Ron Rosen offered a review of the water/wastewater operations activities for November, 2018.

Commissioner Uhl asked how the NPDES permit was increased from 400 mg/l to 497 mg/l for the WWTP effluent. Mr. Rosen briefly reviewed the EPA laws that stated municipalities or industries would not increase the salinity level more than 400 mg/l. He said the City of Farmington made concerted efforts to lower the TDS levels and was unable to reach this 400 mg/l mark; the city received an administrative order followed a consent order from the EPA. City staff and personnel from OMI met repeatedly with EPA personnel and were able to negotiate permit relief which provided the increase in permit salinity levels. Mr. Rosen said the EPA did mandate the City of Farmington enforce stricter local limits on industries that discharge into the wastewater treatment facility. The new limits affected the Animas and Bluffview power plants and these facilities were no longer allowed to discharge to the wastewater treatment plant. The

Bluffview Plant received its own NPDES permit and built its own discharge line into the San Juan River. Because the Bluffview Plant discharges less than the 1 million gallons per day limit, the TDS rule does not apply. Regarding the Animas Power Plant, the permit restrictions were going to be so strong regarding facility improvements that it was determined to move the Animas Plant into a simple cycle peaking unit.

Mr. Rosen took a few minutes to recognize Mr. Dean Roquemore who will retire after 45 years of dedicated service to the City of Farmington.

Electric Utility Report:

Mr. Brandon Hill offered the electric utility report for the month of October, 2018. He reported total GWH Sales for October was 79 GWH; 19 GWH for Residential, in line with the last two years; 33 GWH for Commercial, also in line with the last two years; 28 GWH for Industrial which is down a bit as it has been over the past few months. Regarding Capital Expenditures, Mr. Hill noted that for October \$1.2 million was expended with a budget estimate of \$3 million; year to date \$4.6 million has been spent against a \$13 million budget.

Director's Report:

Mr. Hank Adair offered information on the activities of the utility for the month of November 2018. Mr. Adair noted there was an outage in November at the Foothills substation related to the load tap changer (LTC) on the transformer. Staff was able to move load to other circuits to restore power to the affected customers and was then able to replace the LTC.

Mr. Adair noted that work orders were released for a new Dollar General Store and the city's 4P Pumping Station project.

Regarding Generation sources, the Navajo Plant continues to be off-line due to work being performed by the USBR. Mr. Adair noted that meetings continue regarding the new generation source.

Mr. Adair congratulated the FEUS crews who once again won First Place for floats in the Christmas Parade.

ADJOURNMENT

There being no further business to come before the Commission, upon motion duly made and seconded, the meeting was adjourned at 3:30 p.m.

Approved this 9th day of January, 2019.

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, 2018****PUC Meeting Date: 9 January 19****ACCOMPLISHMENTS**

Waste Water Treatment Plant. Phase III - Construction of WWTP Phase III improvements to provide redundancy at the WWTP and maintain compliance with EPA permit. NMED approved funding the wastewater treatment plant upgrade through the Clean Water State Revolving Loan Fund (CWSRF) program. Contract awarded to RMCI Inc. from Albuquerque; Contractor Mobilized on August 22, 2016; Medium Rate Activated Sludge (MRAS) Basin #1 - MRAS basin placed into service September 12th, 2017; MRAS Basin #2 - Basin placed into service November 13, 2017. MRAS Basin #3 - completed; Final Clarifier #1 - Placed into service November 15, 2017; Final Clarifier #2 - Placed into service August 29th; Final Clarifier #3 - Placed into service November 15, 2017; DWAS Tank - Placed into service March 14, 2018; Solids Handling Building - placed into service; UV Building - placed into service. Primary Clarifier B - Placed into service February 2018. Primary Clarifier A - Placed into service in March 2018. Project issued substantial completion June 21, 2018. RMCI working on as-built drawings and project closeout documents.

- **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 5th year increase began with first billing cycle in Dec 2018
- **Engineering Design Contract.**
 1. 2P Waterline Replacement Project - Phase I - Project funding under DWSRF program through NMED/ NMFA. City Council awarded contract to TRC Construction, Flora Vista, NM for \$3,040,950.71; Estimated completion June 2019; On (US 64): waterline installation completed; NMFA approved change order - added the following streets to the project: (S. Graham, Sycamore, Griffin, Bramble, Plum, Dustin) to expend the projected cash balance on streets adjacent to the project. TRC Construction working on Griffin - 95% complete, S. Graham Rd. - 96% complete; Plum St - 95% complete; Bramble - 95% complete; Poplar - 98% complete; Dustin - 0% complete; Contractor working on service lines to meter cans.
 2. 2P Waterline Replacement Project - Phase II - funding under DWSRF program through NMED/ NMFA; NMFA board approved a 25% grant recommendation (\$898,900) - Construction contract awarded to TRC Construction Inc., NTP July 9th; Contract time 270 days; Contractor working on installing waterline on McCormick School Road - 92% complete, Murray Drive - 45% complete.
 3. 2P Waterline Replacement Project - Phase III - Beginning at the intersection of US64/Camina Flora along Bloomfield Blvd to McCormick School Rd., Hutton Ave. from US64 to Southside River Rd., Don Roven from US64 to end of street, Carlton Ave from US64 to Bloomfield Blvd. - Project funding under DWSRF program through NMED/ NMFA; 25% (\$725,000) grant recommendation. City Council approved moving forward in the NMFA loan process. Estimated Cost \$2.9 million. CWE design completed. City and NMFA loan documents process completed. Project set for construction in 2019.
 4. La Plata Highway (Phase I) Pinon Hills Blvd to Coyote Dr. - Project redesign for water line replacement and NMDOT permitting; CWE working on waterline design – 30% complete. CWE working with NMDOT on permitting requirements dealing with the archeology along the proposed waterline replacement.
- **Capital Project Review.**
 1. **Capital Improvement Project**
 2. **Renewal and Replacement**
 - Wildflower Parkway - 4P Pump Station - Cheney-Walters-Echols (CWE) design completed. Bids opened June 26, 2018. - Contract awarded to RMCI. Contractor working on building pad & site grading – 50% 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 15" PVC sewer line - City Council awarded contract on Nov 27 to AUI Inc. of Albuquerque. Pre-construction meeting scheduled for January 17, 2019.
 - W. Broadway - Miller to Auburn - Replacing 6" C.I. waterline with a 12" PVC

waterline - Construction 98% complete.

- W. Broadway - Schwartz to Lake Street - Replacing 6" C.I. waterline with a 12" PVC waterline – Construction 95% complete.
- S. Behrend Ave. – Main St to Broadway – Replacing 6" C.I. waterline with a 8" PVC waterline- Construction 98% complete.
- E. Main St. – Intersection of Pinion Hills Blvd – Replacing 16" steel waterline with 16" PVC waterline – Construction 90% complete.
- San Juan Blvd – Replacing 6" C.I. waterline with a 12" PVC waterline – Construction started in the Intersection of San Juan Blvd/ Butler Ave.; Construction 15% complete.
- Sullivan Ave. - 20th St. to Cliffside - Replacing 6" C.I. waterline with a 12" PVC waterline - Construction in spring 2019.
- Polyline Replacement
 - KG Sewer working in Park Lane Estates - 50% complete.

3. Pressure Reducing Valve (PRV)

- None

4. 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, piping and electrical system. Contract awarded to TRC Construction, Inc., Pre-construction meeting scheduled for January 9th, 2019. Anticipate construction spring 2019.
- 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 - 75% complete, Construction in FY19.

- **Budget.** - FY19 – PUC/City Council approved budget
- **COF Department Support.** Survey support to acquire manhole data of sewer collection system.
- **Annual Utility Contract.** - 2019 contract – preparing bid documents
- **Federal Funding -**
 - 1. Water Projects – 2P Waterline Improvement Project
 - Project to replace the existing 6" and 8" cast iron waterline (approximately 30,000 LF) along US 64 and various side streets. Project has been broken into three phases - Phase I - Estimated cost \$3.2M, Phase II - Estimated cost \$3.6M, Phase III - Estimated cost \$2.9M.

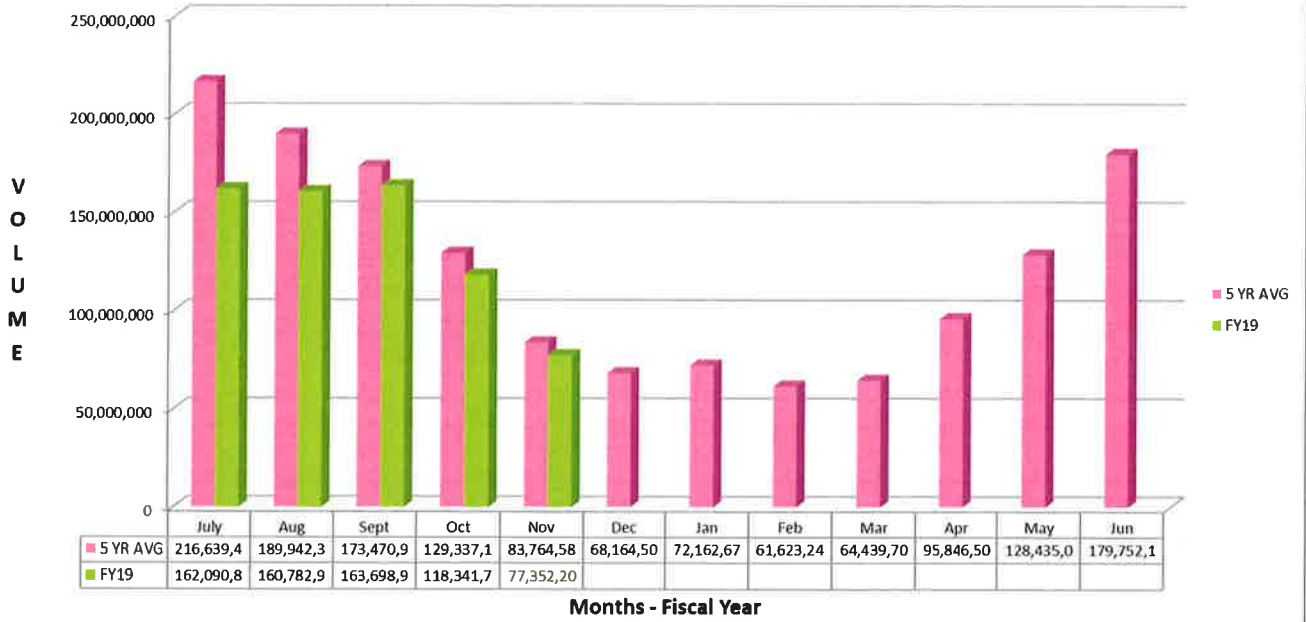
• PROJECTS / INITIATIVES REQUIRING INTER-DIVISIONAL COORDINATION

- **Farmington Reach – Navajo Municipal Pipeline.**
 - 1. 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 2019 - BOR reporting site:**
 - Animas River Basin - 79%
 - San Juan River Basin - 69%

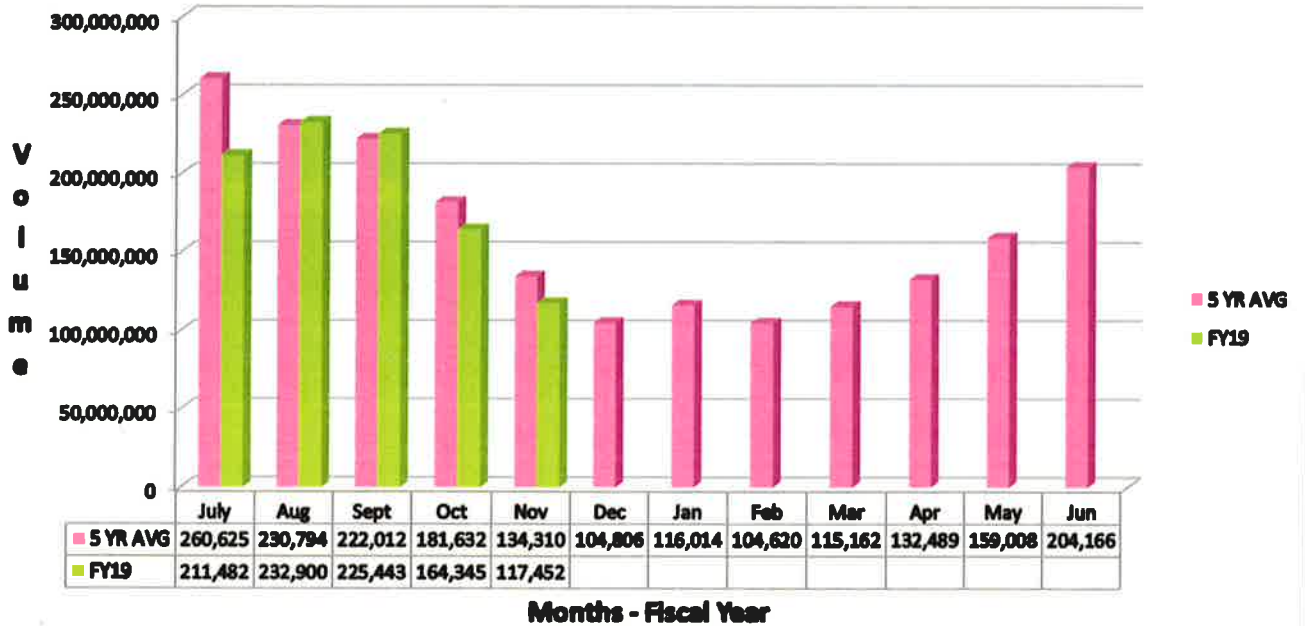
ATTACHMENTS

**WATER USAGE - RESIDENTIAL CUSTOMERS
WATER USAGE - COMMERCIAL CUSTOMERS
WATER FUND (602) - RENEWAL & REPLACEMENT
WASTEWATER FUND (603) - RENEWAL & REPLACEMENT
GRAPH WATER REVENUE FY 15 - FY19**

Residential Classification Usage - Gallons



Commercial Classification Usage - Gallons



WATER

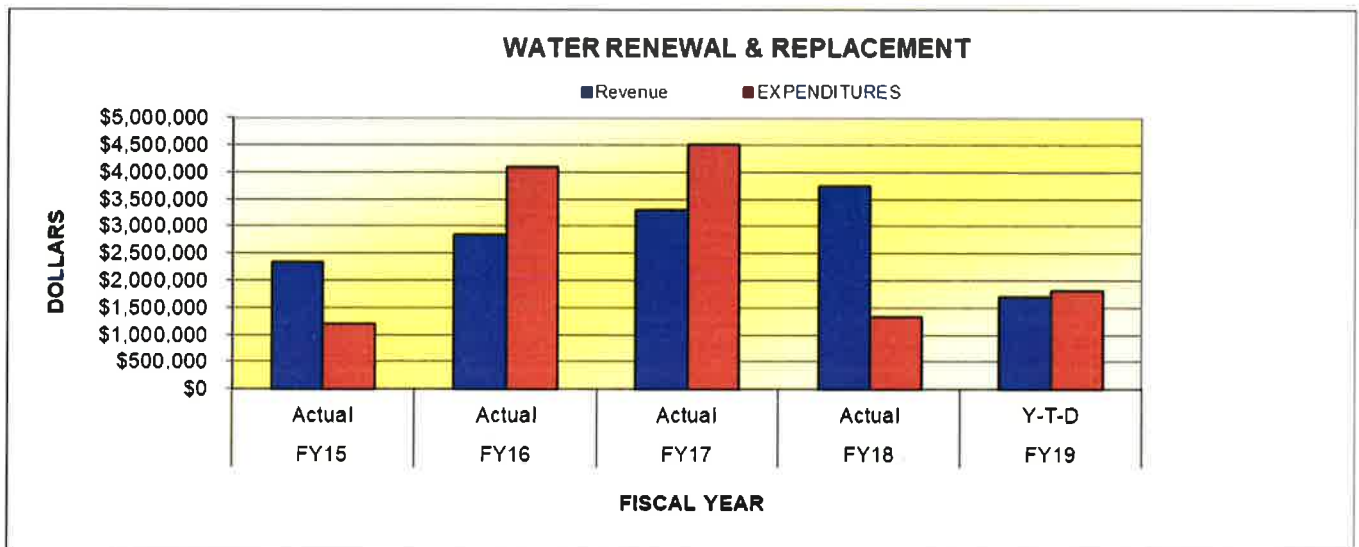
Renewal & Replacement

Water Fund - 602

REVENUES	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Y-T-D	FY19 Budget
Renewal /Replacement Fee	\$2,344,912	\$2,846,357	\$3,315,616	\$3,742,289	\$1,708,858	\$4,009,905
STATE GRANT - \$825,000						
REVENUE TODATE				\$25,832,377		
PROJECTED REVENUE FY07 - FY19						\$29,842,282

EXPENDITURES	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Y-T-D	FY19 Budget
RENEWAL/REPLACEMENT						
Construction	\$1,212,214	\$4,089,654	\$4,520,490	\$1,333,849	\$1,812,295	\$9,000,000
PROJECTED EXPENDITURES FY07 - FY19				\$23,292,970		

Main St. - Miller Ave to Auburn Ave.	\$2,500,000
Main St. - Hallmarc Dr. to Kira Sr.	\$1,800,000
San Juan Blvd - American Ave to Scott Ave.	\$1,600,000
San Juan Blvd - Scott Ave to Butler Ave	\$700,000
Dustin Av. - Navajo St to Apache St.	\$530,000
Butler Av- Navajo to Apache St.	\$530,000
Sullivan Ave - 20th St to Cliffside	\$400,000
Sullivan Ave - Cliffside to 30TH St.	\$300,000
Northwood Dr - Cresent Ave to 30th St.	\$130,000
Polyline Service Replacement	\$350,000
Line Abandoment	\$100,000
Fire Hydrant 1960 Replacement	\$60,000
	<u>\$9,000,000</u>



WASTEWATER

Renewal & Replacement

Wastewater Fund - 603

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Y-T-D	FY19 Budget
REVENUES						
Charges for Utility Services						
Renewal /Replacement Fee	\$1,601,781	\$1,880,232	\$2,124,043	\$2,387,991	\$1,073,081	\$2,492,081

REVENUE TODATE \$17,107,089

PROJECTED REVENUE FY07 - FY19 **\$19,599,170**

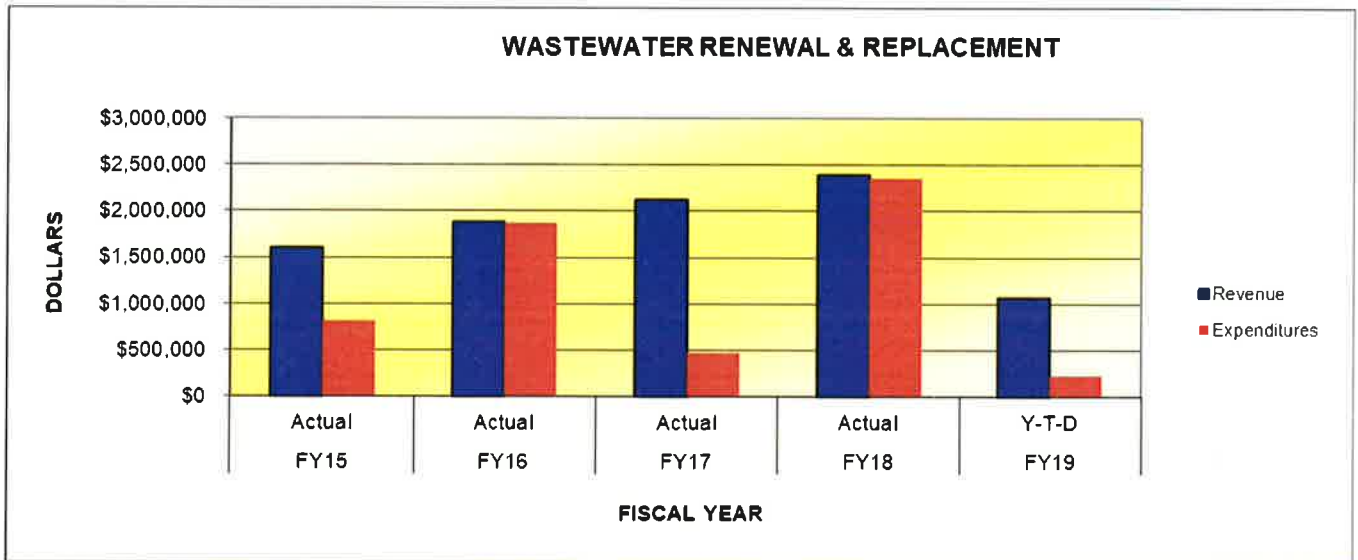
	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Y-T-D	FY19 Budget
EXPENDITURES						
RENEWAL/REPLACEMENT						
Construction	\$817,221	\$1,869,097	\$473,211	\$2,355,815	\$228,620	\$5,000,000

\$11,017,001

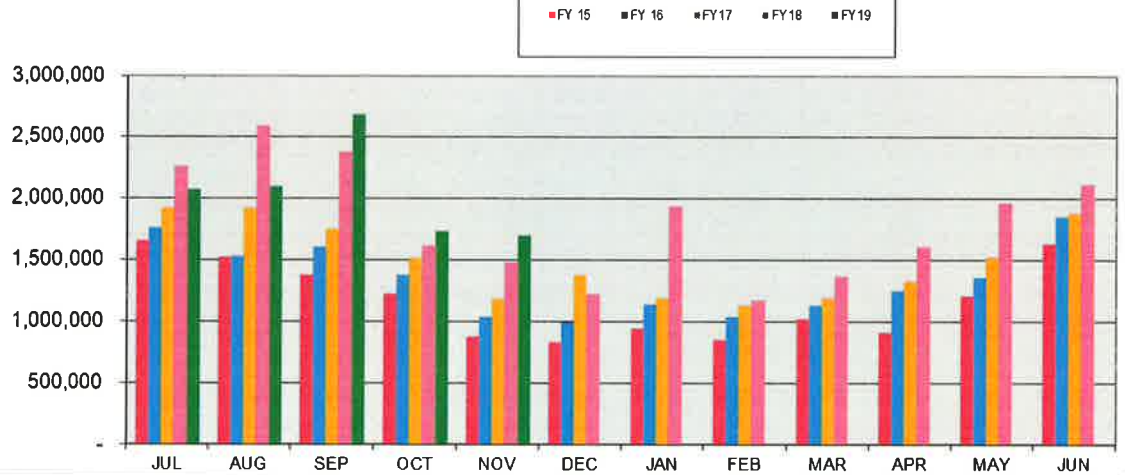
BUDGETED FY 19 PROJECTS

East Trunk Sewer Rehab - Phase 2	\$2,000,000
West Trunk Sewer Rehab	\$2,500,000
Manhole Rehab	\$150,000
Mainline Rehab - Robotic	\$350,000
	\$5,000,000

PROJECTED EXPENDITURES FY07 - FY19 **\$16,017,001**



**Total Water Revenue Per Month
FY15 - FY19**



BUDGET TO ACTUAL COMPARISON PER MONTH

	FY 2015 **		FY 2016 **		FY 2017 **		FY 2018 **		FY 2019 **	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
JUL	1,152,420	1,660,611	1,305,656	1,760,696	1,669,760	1,923,676	2,016,058	2,265,673	2,273,051	2,073,272
AUG	1,152,420	1,525,823	1,305,656	1,530,739	1,669,760	1,920,854	2,016,058	2,596,894	2,273,051	2,102,477
SEP	1,152,420	1,379,367	1,305,656	1,608,774	1,669,760	1,756,407	2,016,058	2,377,605	2,273,051	2,686,873
OCT	1,152,420	1,222,276	1,305,656	1,379,285	1,669,760	1,518,135	2,016,058	1,617,842	2,273,051	1,735,121
NOV	1,152,420	878,377	1,305,656	1,039,055	1,669,760	1,184,943	2,016,058	1,477,183	2,273,051	1,700,559
DEC	1,152,420	832,341	1,305,656	996,111	1,669,760	1,377,778	2,016,058	1,225,036	2,273,051	
JAN	1,152,420	948,366	1,305,656	1,138,593	1,669,760	1,188,903	2,016,058	1,940,691	2,273,051	
FEB	1,152,420	850,813	1,305,656	1,041,098	1,669,760	1,129,860	2,016,058	1,173,183	2,273,051	
MAR	1,152,420	1,021,237	1,305,656	1,133,244	1,669,760	1,189,603	2,016,058	1,369,104	2,273,051	
APR	1,152,420	914,504	1,305,656	1,254,785	1,669,760	1,329,406	2,016,058	1,607,818	2,273,051	
MAY	1,152,420	1,212,303	1,305,656	1,361,525	1,669,760	1,526,594	2,016,058	1,964,759	2,273,051	
JUN	1,152,420	1,630,441	1,305,656	1,855,752	1,669,760	1,875,671	2,016,058	2,120,328	2,273,051	
TOTAL:		14,076,459		16,099,657		17,921,830		21,736,116		10,298,302

REVENUE PER CLASS/CUSTOMERS

	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
R	6,458,000	6,535,453	7,254,451	7,173,050	7,789,369	7,585,241	8,515,613	8,425,011	9,405,070	3,816,667
GS	3,373,100	3,310,784	3,777,872	4,053,707	4,155,659	4,355,258	4,571,225	5,031,596	5,365,700	2,482,038
CU	1,049,500	1,011,584	1,126,982	1,014,390	1,073,680	1,314,165	1,426,831	1,336,481	1,549,943	655,083
REC	260,000	252,046	273,000	280,394	296,145	290,856	342,154	377,103	345,000	189,047
FH	110,000	87,036	100,000	107,760	117,044	92,881	115,000	130,392	125,000	57,996
R & R	2,088,390	2,344,912	2,640,556	2,846,357	2,892,563	3,315,616	3,277,128	3,742,390	4,009,905	1,708,858
GRANTS	1,800,000	3,963,044	-	50,876	1,000,000	260,919	1,500,000	-	1,622,000	-
OTHER	490,050	539,364	495,020	623,999	2,712,663	706,894	4,444,750	2,693,143	4,854,000	1,388,613
TOTAL:	15,629,040	18,044,223	15,667,881	16,150,533	20,037,123	17,921,830	24,192,701	21,736,116	27,276,618	10,298,302

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