

## BOARD OF PUBLIC UTILITY COMMISSIONERS

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, September 14, 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  
Bill Hall  
Chris Hunter  
Carol Cloer

#### Commission members absent:

Marty Johnson  
Gordon Glass  
Rubin Armenta  
Tory N. Larsen

#### City personnel present:

Acting Electric Utility Director  
Electric Business Operations Manager  
Electric Engineering Manager  
Electric Transmission and Distribution  
Public Works Director  
Public Works Department  
OMI/CH2MHill  
Administrative Services  
Administrative Services Accounting  
Legal  
City Manager  
PUC Secretary

Rodney Romero  
Sue Nipper Greaves  
John Armenta  
Luke Lugenbeel  
David Sypher  
Jeff Smaka  
Monica Peterson  
Andy Mason  
Sheree Wilson  
Jennifer Breakell  
Rob Mayes  
Amy McKinley

#### Guests:

Jamie Shockey, Generation Superintendent  
Hank Adair  
Scott Burnham, NewGen Strategies & Solutions  
Jessica Terry, NewGen Strategies & Solutions  
Jill Sankster, Strategies & Solutions  
Joe Mancinelli, NewGen Strategies & Solutions (via phone)

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 August 10, 2016 regular PUC meeting. Commissioner Hunter made the motion to approve the Minutes as presented and Commissioner Cloer 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 August, 2016. He said RMCI, Inc. has commenced construction on the Wastewater Treatment Plant Phase III improvements project. He offered a photographic presentation of the ongoing demolition activities of the project. Mr. Smaka reported the 2P Waterline Project Phase I received a loan from NMFA. He said NMED and NMFA are reviewing the final plans and a December 2016 bid date is anticipated with construction to begin spring 2017.

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

**Water/Wastewater Operations Report:**

Ms. Peterson, OMI, presented information regarding the water/wastewater operations for the month of August. She reported that at the time of this meeting, the lake level was at 100%. The OMI report indicated four water main breaks and 25 service line breaks occurred in the month of August.

**NewGen Presentation – FEUS Cost of Service and Preliminary Rate Design:**

Ms. Nipper Greaves introduced the team from NewGen Strategies and Solutions: Scott Burnham, Jessica Terry, Jill Sangster and Joe Mancinelli (via phone). NewGen offered an informational presentation detailing the process used to develop the preliminary results of the class proposed rate design. The NewGen presentation detailed a proposed 3.3% rate increase to be phased in over 3 years.

City Manager Mayes noted that cash reserves are in good shape and needed capital improvements are well funded in the program presented and considering economic factors in the region it may not be the time to raise rates.

Commissioner Hunter commented that he would like to see comparative figures from the previous cost of service studies.

The NewGen presentation also reviewed Net Metering and Rate Options. Discussion ensued regarding how to implement Net Metering and Rate options that improve fixed cost recovery.

**Electric Utility Report:**

Ms. Nipper Greaves provided a condensed version of the Electric Utility Report with one-month year to date utility information presented. Ms. Nipper Greaves noted the PCA was lowered to \$0.015 on September 1, 2016.

**Director's Report:**

Mr. Romero reviewed the ongoing electric underground construction taking place along the 20<sup>th</sup> Street project and noted crews are approximately 90% complete with the installation of conduit, placement of pad mounts and switchbox installations. He said installation of the primary underground cable will begin next week.

Mr. Romero said the Navajo Hydro Plant Unit 2 overhaul will begin on September 26 and is anticipated to last through March 2017; this will be a similar overhaul as that performed on Navajo Unit 1 last year. The Bluffview Plant will be down on October 10 for a scheduled ten - day maintenance outage.

City Manager Mayes introduced Mr. Hank Adair as the new Electric Utility Director. Mr. Mayes thanked Mr. Romero, Ms. Nipper Greaves and the FEUS management team for the tremendous job performed over the past 18 months while a search for a new utility director took place.

Mr. Adair spoke briefly to the Commission and expressed his excitement to begin his new role of Utility Director.

**ADJOURNMENT**

There being no further business to come before the Commission, upon motion duly made and seconded, the meeting was adjourned at 5:03 p.m.

Approved this 12th day of October, 2016.

  
James Spence, MD, Chair