

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, July 12, 2023 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.

Upon roll call, the following were found to be present, constituting a quorum:

Commission members present:	Tory N. Larsen Connie Dinning Alex Uhl Linda Corwin Nathan Thompson Drew Degner Patricio Sanchez John Buffington Diane Schmidt Stewart Logan
Commission members absent:	George Sharpe
Council Liaison:	Janis Jakino

constituting all members of said Advisory Commission.

Also present were:

Electric Utility Director	Hank Adair
Electric Engineering	Shawn Weiss
Electric Business Operations	Sheree Wilson
Electric Customer Service	Nicki Parks
Electric Generation	Britt Chesnut
Community Works	Mark Hathcock
Community Works	Benedikte Webb
Administrative Services	Nalinee Jose
Legal	Jennifer Breakell
PUC Secretary	Amy McKinley

Guests:

The meeting was convened by the Chair.

The Chair called for a motion to approve the Minutes of the June 14, 2023 Regular meeting. Commissioner Thompson offered such a motion and Commissioner Corwin provided a second. By voice vote, the motioned passed.

BUSINESS

Mayors' Recognition of Commission Members

Mayor Duckett addressed the Commission expressing his appreciation to the members of the Public Utility Commission for offering of their time and talents to the community. He noted it is important for the community to have local citizens who are engaged in and involved with things happening with local government. Mayor Duckett presented a token of appreciation to the commissioners.

Drew Degner arrived at approximately 3:05 pm.

Chair Larsen commented that each month the commission acknowledges the benefits that come from the inconveniences all experience from torn up roads and the money put into maintaining the infrastructure is seen with communities in other areas of the country who are suffering. He noted the commission knows the city has a team who is continually seeking out funding opportunities and encourages department managers to spend these funds and keep the water safe and keep the electricity flowing because a well maintained infrastructure is exceptionally important.

Water/Wastewater Operations Report

Utilizing a PowerPoint presentation, Ms. Benedikte Webb, provided information regarding water/wastewater operations activities for June. Jacobs data indicated water production for June 2023 was 423 million gallons, in line with the same time last year. Farmington Lake levels are very near capacity. Eight new residential meters were installed in June. There were six water service line breaks in June.

Regarding Wastewater treatment, effluent flow for June was 5.15 MIGD. The report noted the Effluent BOD (Biochemical Oxygen Demand) was at 6.5 mg/L; effluent TSS (Total Suspended Solids) was at 7.08 mg/L; Effluent TDS (Total Dissolved Solids) Increase was 349.5 mg/L (the limit is 497.0 mg/L); Effluent e.Coli continued to be very low at 1.47 MPN/100ml.

CIP Water/Wastewater Report

Mr. Mark Hathcock, Water/Wastewater CIP Administrator, provided an update regarding capital projects planned and under way throughout the city.

Regarding Capital Projects, the Raw Waterline Rehab project has been completed. This project is to relocate the raw water line from San Juan River to Willet Ditch from under the Animas Power Plant to Hydro Plant Road.

For Renewal and Replacement projects, work continues on the East Main Street Interceptor Sewer Rehab-Browning Parkway to East of Farmington Iron and Metal project. To date, approximately 650 feet of Hobas pipe remains to be slip lined. The expected project completion is August 14.

Work continues on the 2019 Polyline Replacement project. To date 1,268 polylines have been replaced. The contractor, KG Sewer, continues to work in the vicinity of Municipal Drive from 20th to 24th Streets.

The Valve Rehabilitation Project includes replacing, height adjusting or repairing 120 valves. As of July 3, the contractor, TRC has replaced, adjusted or repaired 10 valves/valve boxes.

Regarding federally funded projects, the bid for the Water Treatment Plant #1 project came in much higher than the engineering estimate. Staff is working with Jacobs Engineering to revise the plan set. This project should go out for bid in January 2024. Regarding the Feasibility Study for the Farmington Lake Dam raising, a scope has been written and should go out to bid in January 2024.

The Transmission Line 30th Street (Hutton to Tulane) project began on July 5. The project has been split into 2 phases; this year contractor Sychar, will work to get transmission line from Tulane to Marquette. The section from Marquette to Hutton will be completed next year.

Upcoming projects include fire line upgrades from 4-inch cast iron to 6-inch PVC on Sunset Place, Skyline Drive and Chaco Avenue and replacing a deteriorated 18-inch concrete sewer line on Quince Street with PVC.

Commissioner Logan asked how much 4" line remains in the system and if all the 4" lines are cast iron. Mr. Hathcock said there is quite a bit of 4" cast iron throughout the system although he doesn't have a good estimate. Mr. Hathcock said the lines being replaced at this time were specifically requested by the fire department to ensure better flow from the hydrants. In response to further questions from Commissioner Logan, Mr. Hathcock said there are no plans to replace all 4" cast iron throughout the city. Small projects such as the project noted above may be completed through the next many years.

Electric Utility Report

Ms. Sheree Wilson provided a PowerPoint presentation to detail FEUS financial information for June 2023.

Ms. Wilson noted the overall Consumption by Customer Class demonstrated the utility was 3% under budget for FY 2023. A review of the utility's Cash Balance demonstrated a continued negative balance of -\$9.7 million for Unrestricted Cash Reserve but it does show an improvement from May.

Ms. Wilson noted the FY2023 Revenue Actuals is \$151 million versus a budget of \$131 million. When the \$25 million PCA Contra is removed, the utility is 4% under budget for Revenue.

Year to Date Expenses were budgeted at \$137 million; actual Expenses were \$136 million. Year to Date Capital Improvement Expenses was \$22.6 million, 9% under the budget of \$24.9 million. Ms. Wilson noted that through May 2023, the utility had recouped \$3.8 million through the PCA. Commissioner Logan noted the Minutes reported most of the \$250,000 Utility Assistance funds had been used for FY2023 and asked how these funds are replenished. Mr. Adair said the funds for utility assistance are included within the annual budget and FY2024 started July 1. Mr. Adair said that whenever possible, the utility makes every effort to err on the side of the customer.

Director's Report

Mr. Hank Adair, Electric Utility Director, provided a review of the activities of the utility for June, 2023.

Regarding Substation/Distribution/Transmission projects, at the Animas Substation, steel is going up and control panels are in place for field wiring. Crews completed 15 transformer upgrades system wide; UG 3 phase and transformer work was completed for the West Main Popeye's Chicken restaurant. Regarding Transmission, crews completed work on line from Lee Acres to Bisti 69KV and Praxair to Shiprock 1 15 KV.

Regarding Generation, at the Navajo Hydro Plant, flows are back to summer levels of 500 CFS and 12 MW of generation. At Bluffview, personnel are preparing for a planned fall outage. Regarding new generation, the EPC bid deadline was July 11; no bids were received. FEUS Staff and City of Farmington Procurement office will be evaluating the bid and contacting previous bidders to investigate the bidder concerns.

FEUS is considering submitting an application for a Powering Affordable Clean Energy (PACE) partially forgivable loan for Utility Scale Renewables. The letter of interest opens June 30 and closes September 29. This PACE partially forgivable loan for Utility Scale Renewables could provide up to 60% loan forgiveness.

Related to outages, FEUS experienced three outages in the month; one outage was due to a trampoline flying into the lines, another was due to a large tree branch in the line, and the other was due to work being performed and equipment caused fault while in Hot Line Tag. The recent Cottonwood outage was related to an owl.

Residential solar users, including pending applications, total 1.9 MW. This does not include solar for Target or San Juan Regional Medical Center. Mr. Adair also provided a short video demonstrating how the number solar installations has grown over the years within the FEUS service territory.

Mr. Adair will be scheduling meetings to provide information to commissioners regarding the utility participating in real time and day ahead energy markets. Consultants from The Brattle Group will provide a presentation during the August PUC meeting.

During the June meeting, Mr. David Fosdeck addressed the commission to point out a billing error appearing on the bills for some solar customers. Mr. Adair noted the Customer Service team reviewed these billings and an error was found within the software platform. The minimum bill from the net metering rate will be removed while the team works to solve the matter.

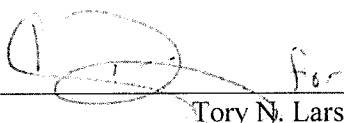
BUSINESS FROM THE FLOOR

None.

ADJOURNMENT

There being no further business to come before the Commission the meeting was adjourned at 4:35 p.m.

Approved this 9th day of August, 2023.



Tory N. Larsen, Chair