

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, January 12, 2022 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: | Jeff Parkes Connie Dinning Tory N. Larsen Alex Uhl Linda Corwin Nathan Thompson Patricio Sanchez, Zoom Hart Pierce, Zoom |
|-----------------------------|---|

| | |
|----------------------------|--|
| Commission members absent: | Richard Dembowski Drew Degner Kyle Stowell |
|----------------------------|--|

constituting all members of said Advisory Commission.

Also present were:

| | |
|-------------------------|---------------|
| Electric Administration | Hank Adair |
| Electric Generation | Britt Chesnut |
| Electric Engineering | Shawn Weiss |
| Customer Service | Nicki Parks |
| Administrative Services | Teresa Emrich |
| Community Works | Jeff Smaka |
| Jacobs | Phil Johnson |
| Jacobs | Jacob Smith |
| PUC Secretary | Amy McKinley |

The meeting was convened by the Chair.

Chair Parkes asked for a motion to approve the Minutes of the December 8, 2021 Regular meeting. Commissioner Sanchez requested a correction be made to change the year from 2021 to 2022 within the details of the discussion regarding SJGS extending its operation of the plant. Noting this correction, Vice Chair Dinning moved to approve the Minutes, Commissioner Uhl seconded. By voice vote, the Motion passed.

BUSINESS

Water/Wastewater Report

Mr. Jeff Smaka provided information regarding water and wastewater activities for December 2021.

On December 23, 2021, Jacobs submitted the 100% design package for the Water Treatment Plant #1 project to the City for review. For the Raw Waterline Rehab project, the installation of the 42" steel waterline from Animas 1 Pump Station to Water Treatment Plant #1 is completed. Minor punch list items, such as asphalt paving at various locations, are being completed.

Mr. Smaka highlighted the progress of the various Renewal and Replacements projects throughout the city.

Water/Wastewater Operations Report

Utilizing a PowerPoint presentation, Mr. Phil Johnson of Jacobs, provided information regarding water/wastewater operations activities for December 2021. Animas River flows increased throughout the month of December. The City of Farmington is currently repairing the sedimentation pond for Farmers Ditch. Crews will begin refilling the lake once this is completed. Seven new meters were installed; five residential meters and two commercial meters. December saw 17 water line breaks; 8 service lines and 9 main lines.

In response to a question posed by Commissioner Corwin, Mr. Johnson said water line breaks have more to do with age and type of materials rather than location.

Regarding Wastewater treatment, flows in December were slightly lower than last month. TDS Net Increase is up slightly in December.

Mr. Johnson recognized members of the Jacobs team who were recently recognized by their peers at the 2021 New Mexico Water and Wastewater Awards. Mr. Jim Slack was awarded the "Outstanding Operator of the Year" for Wastewater and Mr. Derek Jara was awarded the "Outstanding Operator of the Year" for Water.

Electric Utility Report

Mr. Hank Adair provided a PowerPoint presentation to detail FEUS financial information for December 2021. December saw a slight increase in power consumption. FEUS continues to be down 3% year to date for consumption. The Year to Date 5 Year Trend continues to demonstrate a reduction of consumption. Cash Reserves are at \$59.4 million for December 2021, down from \$63.5 million in June 2021. He noted Revenue is down, much of this is related to the PCA revenue. Even though the PCA is looking good collection to over collection, in terms of revenues much of this is being absorbed in higher energy costs. When reviewing Revenue Budget vs Actuals, the utility is \$5.6 million down compared to budget.

Commissioner Sanchez asked if the Coal and Gas fees can be separated within YTD Expenses Budget vs Actuals.

Regarding the PCA, FEUS is in the target balance. The PCA continues to be \$0.01 per kWh.

Mr. Adair reviewed the MWH Cost by Source for November noting the cost per mWh for Bluffview was \$61.08, Navajo was \$17.72, San Juan Unit #4 was \$40.97, and purchase power was \$63.23. Combined mWh was 425,308 for a combined average cost per mWh of \$53.79.

In response to a question posed by Vice-Chair Dinning, Mr. Adair noted that the purchase power to replace lost generation due to the scheduled outage was not included in Bluffview's cost per mWh.

Director's Report

Utilizing a PowerPoint presentation, Mr. Adair provided details of activities of the utility for December, 2021.

Regarding Substation/Distribution/Transmission, crews completed three overhead and two underground line extension in December with 5,110 feet of line and five transformers installed. Vegetation management operations continue with 130 tree trimming locations being maintained.

For Generation resources, flows were increased slightly to 350 CFS and the Navajo Hydro Plant is seeing 7 MW of production. Bluffview engine inspections have resulted in the engine return time extended to March. The San Juan Generating Station saw very good performance in December.

Regarding performance of FEUS energy sources, Mr. Adair noted performance from the Navajo Plant year over year is slightly down; San Juan Plant had good performance with a 15% increase; WAPA hydro power saw a 19% increase. Due to the scheduled outage at Bluffview, FEUS did see 70% increase in purchase power.

The utility experienced three circuit outages in December.

FEUS personnel participated in 16 key safety training events through 2021. FEUS experienced two OSHA recordable events for the fiscal year for 180 staff; nothing significant, no lost time.

Work continues on the Cost of Service rate design. Staff anticipates having an informational presentation during the February Commission meeting.

Staff completed initial meetings with WECC (Western Electricity Coordinating Council) in preparation of the 2022 O&P and CIP Audits.

Mr. Adair said he has communicated with the BIA and delegates of the Huerfano Chapter to discuss the process necessary to obtain easements so FEUS may provide power to Huerfano Chapter residents. These residents have never had electricity and FEUS is encouraged that communication has been initiated and is hopeful an agreement can be reached so FEUS can begin providing electric service to these customers.

Commissioner Thompson asked for clarification regarding a comment made by City Manager Mayes during the KSJE interview when Mr. Mayes said the lawsuit regarding the standby rider was over. Mr. Adair stated the lawsuit is not over; it is stayed at this time pending the status of the Cost of Service study.

Commissioner Thompson also commented that Mr. Mayes' characterization of solar users as wealthy people who can afford to put on solar is inaccurate.

Commissioner Corwin commented she watched the interview and she also disagreed with some of the City Manager's comments noting she felt the City Manager intimidated solar users were using the city's electricity for free.

BUSINESS FROM THE FLOOR

No business from the floor.

CLOSED MEETING

The Chair asked for a motion to go into Closed Meeting to discuss the disposition of real property (San Juan Generating Station), pursuant to Section 10-15-1H(8) NMSA 1978.

A motion was made by Vice-Chair Dinning and seconded by Commissioner Corwin to go into Closed Meeting to discuss the disposition of real property (San Juan Generating Station), pursuant to Section 10-15-1H(8) NMSA 1978.

The roll was called with the following result:

| | | |
|---------------------------------|----------------------------|-----------------------------|
| The members present voting aye: | Chair Parkes | Vice-Chair Dinning |
| | Commissioner Uhl | Commissioner Larsen |
| | Commissioner Corwin | Commissioner Thompson |
| | Commissioner Pierce (Zoom) | Commissioner Sanchez (Zoom) |

Those voting nay: None

The Chair thereupon declared the motion passed.

The Chair convened the closed meeting at 4:03 p.m. with commission members in attendance being present.

Following the closed meeting, during which meeting the matters discussed were limited only to those specified in the motion for closure, a motion was made by Commissioner Larsen, seconded by Commissioner Uhl to open the meeting for further business.

The roll was called with the following result:

| | | |
|---------------------------------|----------------------------|-----------------------------|
| The members present voting aye: | Chair Parkes | Vice-Chair Dinning |
| | Commissioner Uhl | Commissioner Larsen |
| | Commissioner Corwin | Commissioner Thompson |
| | Commissioner Pierce (Zoom) | Commissioner Sanchez (Zoom) |

Those voting nay: None

The Chair thereupon declared the motion passed.

The meeting was re-opened at 4:38 pm

ADJOURNMENT

There being no further business to come before the Commission, a motion to adjourn was made by Vice-Chair Dinning and seconded by Commissioner Thompson. The meeting was adjourned at 4:39 pm.

Approved this 9th day of February, 2022.



Jeff Parkes, Chair