

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, April 13, 2022 at 9:00 a.m., at the Farmington Civic Center, 200 West Arrington, 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 Kyle Stowell Hart Pierce Nathan Thompson Patricio Sanchez John Buffington
Absent:	Drew Degner Richard Dembowski

constituting all members of said Advisory Commission.

Also present were:

Electric Administration	Hank Adair
Electric Generation	Britt Chesnut
Electric Engineering	John Armenta
Electric Engineering	Shawn Weiss
Electric T&D	Luke Lugenbeel
Customer Service	Nicki Parks
Business Operations	Sheree Wilson
Community Works	David Sypher
Community Works	Andrew Sova
Community Works	Benedikte Webb
Jacobs	Phil Johnson
PUC Secretary	Amy McKinley

The meeting was convened by the Chair.

Chair Parkes asked for a motion to approve the Minutes of the March 9, 2022 Regular meeting. Commissioner Corwin offered such a motion, Commissioner Pierce seconded.

Chair Parkes noted Commissioner Buffington reported his votes at the March 9 meeting were not properly noted in the Minutes. Commissioner Buffington stated he cast a vote of Yes for the Cost of Service Rate Study with Option 2 (monthly netting) and he cast a vote of No for the Cost of Service Rate Study with Option 1 (15 minute netting). Commissioner Buffington also requested he be shown as an attendee in the attendance roll.

The abstentions by Commissioner Pierce and Commissioner Stowell were also added and detailed within the March 9 Minutes.

Vice-Chair Dinning noted that the example bills for Option 1 (15-minute netting) and Option 2 (monthly netting) were the same example. These examples were corrected and the March 9 Minutes offer the correct samples for each option.

Commissioner Sanchez requested his explanation for his vote of No for both options be noted in the March 9 Minutes. This explanation was inserted into the March 9 Minutes.

By voice vote, the motion to approve the Minutes as revised passed.

## **BUSINESS**

### **Water/Wastewater Report**

Mr. David Sypher, Community Works Director, introduced Mr. Andrew Sova, Water/Wastewater Administrator. Mr. Sova will be offering monthly updates before the Commission beginning in May.

Mr. Sypher provided information regarding water and wastewater activities for March, 2022. He noted the rate increase for Water and Wastewater went into effect on March 1, 2022.

Regarding Capital Improvement Projects, Jacobs submitted for review the 100% design packet for the Water Treatment Plant Upgrade and a specification review meeting took place on February 17, 2022. The City received the "Certificate of Project Approval" from the NMED Drinking Water Bureau for the construction of the improvement to Water Treatment Plant #1. The Raw Waterline Rehab project is complete and the contractor, Canyon Construction, has recently completed miscellaneous asphalt patching at various locations along the pipeline.

Mr. Sypher highlighted the status of various Renewal and Replacements projects throughout the city.

### **Water/Wastewater Operations Report**

Utilizing a PowerPoint presentation, Mr. Phil Johnson provided information regarding water/wastewater operations activities for March 2022. He noted that rainfall and warmer temperatures caused Animas River flow rates to increase toward the end of March. Following maintenance activities at Farmington Lake, the lake level is at 94%. Pumping will continue to reach the target 100% lake level. 12 new meters were installed in March; 11 Residential meters and 1 Commercial meter. There were six service line water line breaks in March.

Regarding Wastewater treatment, flows in March were close to average for the season. New influent flow meters were installed and accurate influent flow data is being recorded.

### **Electric Utility Report**

Mr. Hank Adair provided a PowerPoint presentation to detail FEUS financial information for February 2022.

Customer consumption for February was 75,801 MWH and this is slightly over budget. Related to Year to Date Consumption, Industrial usage has stabilized although is still lower than previous years; Commercial usage continues to be lower. Mr. Adair commented that he sees a potential trend for an increase in Commercial usage due to receipt of six new service applications from Cannabis growers. These facilities are large load users ranging from 400 amp to 2,500 amp, depending on the grow facility size. Residential usage remains flat. FEUS Cash Balance remains reasonably consistent at \$55.6 million. Regarding Year to Date Revenue by Category, Industrial increased a small amount, Commercial continues to be down, and Residential saw a slight increase. The PCA is holding at \$6 million. When comparing Revenue Budget versus Actuals, FEUS is 4% under budget.

The PCA continues to be \$0.01 per kWh.

Commissioner Thompson asked how much FEUS has spent on solar in the past year. Mr. Adair noted FEUS purchased any excess generation from solar customers at the avoided cost of \$0.035 which includes FEUS generation resources and purchase power. Mr. Adair estimated FEUS receives less than 1MW of generation from solar.

In reviewing the Reliability Indexes slide, Chair Parkes commented that over the past 12 months, or 8,760 hours, each FEUS customer had power for all but 2 hours.

### **Director's Report**

Utilizing a PowerPoint presentation, Mr. Adair provided details of activities of the utility for March 2022.

For Substation/Distribution/Transmission activities the Bluffview Switchyard returned to service; the civil engineering package has been awarded for the Bergin Substation project. Due to a structure failure, crews replaced the center pole on the transmission line between Cottonwood and Hood Mesa substations. Crews completed two single phase underground projects for customers.

Regarding Generation, the Navajo Hydro Plant saw an increase of flows to 500 CFS for 10.8 MW of generation. San Juan Generating Station experienced good performance during the month of March. The Bluffview Plant outage is ongoing. Due to sourcing issues from GE, the turbine completion date has moved multiple times, the most recent estimated delivery is sometime in July. Alternatives considered were leasing a turbine with a 7-day engine exchange in mid-July at a total cost of \$7,363,488; leasing a turbine with a 14-day exchange in mid-July at a total cost of \$8,198,066; purchase of a turbine at a total cost of \$8,633,340. The City of Farmington elected to purchase a new turbine for an installation the end of April.

Mr. Adair announced that Ms. Sheree Wilson accepted the position of FEUS Business Operations Manager and will begin presenting before the Commission in May. FEUS recently hired Mr. Randy Kennedy for the position of Safety Coordinator, and FEUS employee Matthew Schrock accepted the position of Joint Use Coordinator.

The NERC Audit Reliability Standard Audit Worksheets (RSAW) are proceeding. The O&P Audit and the CIP Audit will take place June and July.

#### **BUSINESS FROM THE FLOOR**

No business from the floor.

#### **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 Corwin. The meeting was adjourned at 10:15 a.m.

Approved this 11th day of May, 2022.



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Jeff Parkes, Chair