

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, June 8, 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 Tory N. Larsen Alex Uhl Linda Corwin Nathan Thompson John Buffington Drew Degner
Absent:	Patricio Sanchez Kyle Stowell Richard Dembowski Connie Dinning Hart Pierce

constituting all members of said Advisory Commission.

Also present were:

Electric Utility Director	Hank Adair
Electric Engineering	Shawn Weiss
Business Operations	Sheree Wilson
Community Works	Andrew Sova
Jacobs	Jacob Smith
Administrative Services	Nalinee Jose
Administrative Services	Cory LeClaire
Administrative Services	Brooke Quintana
City Attorney	Jennifer Breakell
PUC Secretary	Amy McKinley

The meeting was convened by the Chair.

Chair Parkes asked for a motion to approve the Minutes of the May 11, 2022 Regular meeting. Commissioner Corwin offered such a motion and Commissioner Uhl provided a second. By voice vote, the motioned passed unanimously.

**BUSINESS**

City Attorney Jennifer Breakell presented the Open Meetings Resolution No. 2013-1466 as ratified, which states the open meetings of the Public Utility Commission would be held the second Wednesday of every month at 3:00 pm in the Executive Conference Room at City Hall. Ms. Breakell asked for recommendation to City Council for the acceptance of this Resolution. Commissioner Uhl made a motion to recommend acceptance of this Resolution and Commissioner Corwin seconded the motion. Upon voice vote the motion passed unanimously.

**Water/Wastewater Report**

Mr. Andrew Sova, Water/Wastewater Administrator provided information regarding water and wastewater activities for May, 2022.

Mr. Sova noted the Raw Waterline Rehab project that will relocate the raw water line from the San Juan River to Willet ditch from underneath the Animas Power Plant to Hydro Plant Road will kick off on June 20.

Regarding Renewal and Replacement projects, the Gila Street project to replace a 6" C.I. waterline will continue once the NMDOT permit is issued. The College Boulevard project should be complete in the next two weeks. The East Main Street Interceptor Sewer Rehab project has a tentative construction start date of September 5, 2022, pending material delivery.

Chair Parkes asked about the status of the LaPlata Water line project and Mr. Sova noted there are a couple of projects along the LaPlata Highway and he will review the status of these and provide an update at the next meeting.

Regarding the Residential and Commercial Usage graphs, Commissioner Thompson asked for last year's numbers to be added as well as the five year average for ease in comparing year to year usage.

Commissioner Parkes noted he received questions from a community member regarding the lack of snowpack and asked if there was a consideration of water restrictions. Mr. Sova said the need for restrictions is hard to predict. He noted Farmington Lake is at 100% capacity at this time which provides the city with 120 days of water supply should the Animas River not provide water to our area.

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

Utilizing a PowerPoint presentation, Mr Jacob Smith provided information regarding water/wastewater operations activities for May 2022. He noted the Animas river flows increased in May with snow melt and peaked around 2700 cfs. Farmington Lake level is at 100% capacity as of May 28. Water production in May was less than the same month in previous years but is on track with seasonal expectations. Six new Residential meters were installed in May. There were eight water line breaks in May; two mainline breaks and six service line breaks.

Regarding Wastewater treatment, effluent flows were average for this time of year.

Mr. Smith offered an open invitation to commissioners who would like a tour of water/wastewater facilities.

### **Electric Utility Report**

Ms. Sheree Wilson provided a PowerPoint presentation to detail FEUS financial information for May 2022.

Ms Wilson noted Customer Consumption for May was slightly below budget by 1%. The Year To Date 5 Year Trend for Customer Consumption for May continues a downward trend although May consumption is slightly higher than the same time last year. A review of the Cash Balance slide shows the Unrestricted Cash Balance has seen a significant drop partially due to capital expenses and purchase power costs associated with the Bluffview outage. Year To Date Revenue for May is \$89 million, budget is \$92 million or 3% under budget. Year To Date CIP Expenses demonstrate a significant increase of \$10 million for CIP Expenses. Staff will be reviewing the details related to this budget overage.

The PCA is approximately 9% of the total Revenue and continues to be \$0.01 per kWh. Effective July 1, 2022, the PCA will be reduced to \$0.00 per kWh per the recently passed Cost of Service Study and Rate Design.

### **Director's Report**

Regarding Substation/Distribution/Transmission projects, the 20<sup>th</sup> Street underground project has kicked off. Two new transformers have arrived for the rebuild of the Animas Substation.

Regarding the Ancient Trails Transmission and Substation project staff has submitted an application requesting approval to perform boring tests. 25 transformer upgrades were completed system wide. 15 miles of wire was strung for the Aztec Phase II Upgrade project. This project upgrades single phase to 3 phase line. This project will also now serve as back up to La Plata.

There was general discussion surrounding the 20<sup>th</sup> Street underground project. Commissioner Buffington asked if underground installations are more costly than overhead installations. Mr. Adair said installing underground utilities, while being more reliable, is more costly. The first phase of the complete streets project had a cost of approximately \$2.8 million for underground utility installation. He noted the utility would not typically remove these poles as they are in good condition but the location of the poles will be in the middle of the new sidewalk location.

The Navajo Hydro Plant is generating at 6MW. The Bluffview plant completed full load testing at 66 MW and a 13 MW/min ramp rate. The San Juan Generating Station saw lower performance in May related to a two week maintenance outage to prepare for the summer run.

FEUS experienced two circuit outages in May; one was due to relay testing and the other was due to a tree branch falling across phases during windy conditions.

Other activities taking place include the WECC Operations and Planning Audit taking place during the week of this meeting. Commissioners and staff will be attending the APPA National Conference in Nashville next week. Integrated Resource Plan work continues with portfolio comparison/ranking criteria being completed. FEUS line crews once again participated in the Egg Drop contest with kids from Country Club Elementary. Mr. Adair said the big winners from this event are engineering, imagination and science.

Mr. Adair provided a high level overview regarding Enchant Energy activities surrounding the San Juan Generating Station.

Commissioner Degner asked if the utility has someone on staff to apply for grants. Mr. Adair said the utility has not depended on grants to finance utility projects. With regard to potential broadband grants, Mr. Adair said he has utilized the expertise of the grant writer associated with the city's Economic Development office.

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

Mr. David Fosdeck addressed the Commission. He noted he has accepted work as the North Farmington ditch rider and requested information regarding when Penny Lane and Farmers Mutual pumps are or are not running.

Mr. Fosdeck offered an update of his discussions with interested parties following city council approval of the new electric utility rates. He noted solar installation costs have increased. Mr. Fosdeck said he is encouraged by the number of applications. He said he had visited with a solar installer regarding the Interconnection Application and the installer offered suggestions about the application. Mr. Fosdeck suggested it would be good to have some clarification of Rule 21. Mr. Fosdeck also suggested the utility could provide information regarding requirements for the installation of residential electric vehicle charging stations.

Regarding distributed generation (solar), Mr. Adair said the online Bill Estimator is being revamped to demonstrate the July 1, 2022 rate plan.

#### **ADJOURNMENT**

There being no further business to come before the Commission, a motion to adjourn was made by Commissioner Degner and seconded by Commissioner Corwin. The meeting was adjourned at 4:25 p.m.

Approved this 13th day of July, 2022.



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Jeff Parkes, Chair