

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, January 8, 2020 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.

GENERAL

Commission members present:

James Spence
Jeff Parkes
Alex Uhl
Connie Dinning
Tory N. Larsen
Kyle Westall
Joanne Duckwitz

Commission members absent:

Gordon Glass
Marty Johnson

City personnel present:

Electric Utility Director	Hank Adair
Electric Engineering	John Armenta
Electric Generation	Britt Chesnut
Electric Field Operations	Luke Lugenbeel
Electric Utility Financial Analyst	Olena Erickson
Electric Customer Service	Nicki Parks
Community Works	Jeff Smaka
Community Works/Jacobs	Teresa Brevik
Administrative Services	Sheree Wilson
Legal	Jennifer Breakell
PUC Secretary	Amy McKinley

Chair Spence called the meeting to order at 3:00 pm with a quorum present to conduct the business of the Commission.

A motion was made by Vice Chair Parkes and seconded by Commissioner Dinning to approve the Minutes of the December 11, 2019 meeting, as presented, and upon voice vote, the motion carried unanimously.

BUSINESS

Water/Wastewater Report

Mr. Jeff Smaka reviewed the report of the water/wastewater activities for the month of December. Mr. Smaka noted that for those commissioners participating, the next meeting to discuss the Water/Wastewater Cost of Service will be January 23, 2020 at 1:30 pm. Mr. Smaka offered updates on several of the water/wastewater projects taking place throughout the city. The 2P Waterline Replacement Project-Phase II is completed. TRC Construction is working on final pay estimate and closeout documents. Regarding Phase III of this project, the contract was awarded to TRC Construction, Inc., and construction is set to begin in January 2020. The East Main Sewer Rehab Phase II project is on hold until spring of 2020 due to material availability.

Water/Wastewater Operations Report

Ms. Teresa Brevik offered a presentation regarding water/wastewater operations for December. She noted the Animas River flows in December fell below the median daily flows due in part to freezing conditions. Farmington Lake is at 100% capacity. Regarding maintenance matters in November, four new meters were installed and 15 water line breaks (seven main lines and eight service lines) were repaired.

Electric Utility Report

Mr. Brandon Hill offered information from the Electric Utility Report for the month of November 2019. Total GWh Sales for November was 83 GWh; 20 GWh for Residential; 32 GWh for Commercial; 31 GWh for Industrial. The PCA remains at \$0.0100 per kWh.

Enchant Energy Presentation

Electric Utility Director Hank Adair introduced Mr. Peter Mandelstam, Chief Operating Officer for Enchant Energy Corporation who provided a PowerPoint presentation detailing the Carbon Capture Utilization and Storage (CCUS) project at San Juan Generating Station. Mr. Mandelstam pointed out that nothing the New Mexico Public Regulatory Commission will do regarding abandonment should at all deter Farmington and Enchant from moving forward with the CCUS project. He emphasized that the CCUS project will not have any impact on rates as SJGS will be a merchant plant. Mr. Mandelstam indicated this project is a “win-win-win” for ratepayers, the community, and the climate. He said the CCUS project will generate \$2.6 billion of 45Q tax credits and revenue from the sale of pipeline-quality CO2 will fully fund the annual operating costs of the CCUS. The retrofit of SJGS with CCUS will be separately financed and will not increase the cost of generation.

Director’s Report

Mr. Hank Adair provided information regarding the activities of the electric utility for the month of December 2019. Regarding Substation work, testing of the Hogback transformer is completed and no issues were found. At the Bluffview Substation, the purchase of new relay panels was FEUS contractor Probst Engineering continues performing Transmission maintenance work.

CLOSED MEETING

A motion was made by Commissioner Westall, seconded by Commissioner Dinning to receive advice from the City’s legal counsel regarding matters of pending litigation ((City of Bloomfield v. City of Farmington) and (Michael Eisenfeld, James Neidhart, Jeffrey Neidhart, Steven Bair, Neil Tribbett, Jerry Knutson, Victoria Slikkerveer, Crystal William, The Coliseum, Inc., David Fosdeck, Stephen Ellison, Erin Hourihan and Vote Solar vs. City of Farmington and Farmington Electric Utility (enforcement of the Public Utilities Regulation Policies of 1978)), pursuant to Section 10-15-1H(7) NMSA 1978, and to discuss the disposition of real property (San Juan Generating Station), pursuant to Section 10-15-1H(8) NMSA 1978. Upon voice vote, the motion passed unanimously.

Chair Spence convened the closed meeting at 4:30 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 Vice-Chair Parkes, seconded by Commissioner Uhl to open the meeting for further business, and upon voice vote the motion carried unanimously.

The open meeting was reconvened by Chair Spence at 4:58 p.m. with commission members in attendance at the meeting being present.

ADJOURNMENT

There being no further business to come before the Commission, upon motion duly made and seconded, the meeting adjourned at 4:58 pm.

Approved this 12th day of February, 2020.


James Spence, MD, Chair