

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS, was held virtually using Zoom at <https://us02web.zoom.us/j/82416869828> at 3:00p.m. on Wednesday, January 13, 2021. The virtually open regular session was held in full conformity with the laws and ordinances and rules of the Municipality.

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

Commission members present:	Jeff Parkes, Gordon Glass, Zoom Connie Dinning Tory N. Larsen, Zoom Alex Uhl Linda Corwin, Zoom Kyle Stowell Drew Degner, Zoom
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Commission members absent:	Joanne Duckwitz
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constituting all members of said Advisory Commission.

Also present were:

Electric Administration	Hank Adair
Electric Engineering	John Armenta
Electric Utility Financial Analyst	Olena Erickson
Community Works	Jeff Smaka
PUC Secretary	Amy McKinley
City Attorney	Jennifer Breakell

The meeting was convened by the Vice-Chair.

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

Vice-Chair Jeff Parkes
Commissioner Gordon Glass
Commissioner Connie Dinning
Commissioner Tory N. Larsen
Commissioner Alex Uhl
Commissioner Linda Corwin
Commissioner Kyle Stowell
Commissioner Drew Degner

The Vice-Chair opened the floor for nominations for the Election of the position of Chair.

Commissioner Dinning nominated Vice-Chair Parkes for the position of Chair. Vice-Chair Parkes consented to the nomination and a second motion to the nomination was provided by Commissioner Uhl.

The roll was called with the following result:

Those voting aye:	Chair Jeff Parkes Commissioner Gordon Glass Commissioner Connie Dinning Commissioner Tory N. Larsen Commissioner Alex Uhl Commissioner Linda Corwin Commissioner Kyle Stowell Commissioner Drew Degner
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Those voting nay: None

The motion passed.

The Chair opened the floor for nominations for the Election of the position of Vice-Chair.

Commissioner Degner nominated Commissioner Dinning for the position of Vice-Chair. Commissioner Dinning consented to the nomination and a second motion to the nomination was provided by Commissioner Larsen.

The roll was called with the following result:

Those voting aye: Chair Jeff Parkes
Commissioner Gordon Glass
Commissioner Connie Dinning
Commissioner Tory N. Larsen
Commissioner Alex Uhl
Commissioner Linda Corwin
Commissioner Kyle Stowell
Commissioner Drew Degner

Those voting nay: None

The motion passed.

Chair Parkes requested a motion to approve the Minutes of the November 11, 2020 Regular meeting.

A motion was made by Commissioner Degner to approve the Minutes of the November 11, 2020 Regular meeting and Commissioner Uhl seconded. The roll was called with the following result:

Those voting aye: Chair Jeff Parkes
Vice-Chair Connie Dinning
Commissioner Gordon Glass
Commissioner Alex Uhl
Commissioner Linda Corwin
Commissioner Kyle Stowell
Commissioner Drew Degner

Due to technical difficulties, Commissioner Larsen's vote was abstained.

Those voting nay: None

The Chair thereupon declared the motion passed.

BUSINESS

Water/Wastewater Report

Mr. Jeff Smaka, Water/Wastewater Administrator, offered a review of the activities of the Water and Wastewater division for the month of December, 2020. Regarding the La Plata Highway project, staff have submitted all the information required by the BLM and are awaiting the BLM review.

Regarding the Water Treatment Plant Upgrade Study, the City has signed a contract with Jacobs and a design kick off meeting will take place on January 14, 2021. The Raw Waterline Rehab went out to bid; the City Council awarded the bid to Canyon Construction of Durango, CO. This project involves slip lining the existing 42" raw water line from Animas Pump Station #1 near the Animas Power Plant to Water Treatment Plant #1.

Mr. Smaka reviewed the status of the various renewal and replacement projects taking place around the city. The project on East Main Street is complete; the Pinon Hills Waterline has been installed and is in operation; KG Sewer has replaced 423 polylines in 2020.

A Notice to Proceed was issued to TRC Construction for the construction of Lift Stations 12 and 14. Mr. Smaka noted that due to Covid there have been some manufacturing issues and materials have not been delivered as yet.

Vice-Chair Dinning asked about the status of the Cost of Service Study and Mr. Smaka said discussions with the consultants are taking place.

Water/Wastewater Operations Report

Due to travel issues, Ms. Garcia was unable to attend the meeting. Mr. Jeff Smaka Water/Wastewater Administrator, reviewed the presentation provided by Ms. Garcia detailing activities of the Water and Wastewater operations for the month of December, 2020. River flows in December stayed below the median daily flows as temperatures decreased. December water production increased compared to the same month last year.

Six new residential meters were installed in December. A total of 62 meters were installed in 2020.

Regarding water line repairs, there were 22 breaks in December; 15 main lines and 7 service lines. Of the 15 main line breaks, 14 were cast iron and 1 break was PVC. For the 7 service line repairs, 5 were black poly lines, 1 copper line and 1 PEX line. In 2020 there were 168 mainline breaks and 118 service line breaks.

Commissioner Glass asked about the high numbers of main line breaks noting the number of breaks was quite a bit higher than the year before and asked if this is an unusual occurrence. Mr. Smaka commented that seasonal events can cause breaks. He noted he would ask Ms. Garcia to provide greater detail at the next meeting.

Commissioner Glass requested clarification about the low renewal and replacement expenditure amount noted for FY2021. Mr. Smaka said a phase of the East Main Interceptor project, which will begin east of the Gateway Museum and travel east to the Enterprise yard will be coming out to bid later in the spring of 2021.

Broadband Feasibility Final Report

Ms. Olena Erickson, FEUS Utility Financial Analyst provided a PowerPoint presentation offering highlights of the Broadband Feasibility Final Report.

Commissioner Glass asked if there was some sort of logic to the award in relation to the map. Ms. Erickson said a federal organization determined the awards. Mr. Doug Dawson, CCG Consulting, noted this was an auction and companies bid on various blocks of locations that were published for bid. Commissioner Glass asked if FEUS also bid on these blocks and Ms. Erickson said yes. Mr. Adair clarified the areas on the map showing the blocks awarded to FEUS were in the Cedar Hill area along US Hwy 550, the Manzanarus location just east of the Bloomfield area, and on the far west of the FEUS service territory near the Waterflow area.

Chair Parkes asked for a review about why the City would return the RDOF funds. Mr. Dawson said the RDOF funds were for construction in rural areas of the FEUS service territory and competitors were awarded many of the blocks in the rural areas. The small blocks awarded to FEUS do not make for a good business plan.

Commissioner Glass asked if FEUS is able to compete in the areas where the competitors were awarded grant money. Mr. Dawson said FEUS would be able to build a network in these areas but it would not make sense for two companies to build a fiber network. Commissioner Glass stated the Feasibility Report questions whether any network would be built in these areas. Ms. Erickson said skepticism about the competitors building a fiber network is based on past experiences where the competitors accepted money but it was not used.

Mr. Adair commented FEUS believes the return of RDOF funds prior to long form completion allows the opportunity on a go forward basis to be awarded future funding. Mr. Adair also noted that by focusing on the urban areas, the capital funding is cut and increases the chance of return with the first phase approach. He said this does not mean FEUS does not want to commit to its rural customers, there is an opportunity there, but let those who were awarded the rural areas move forward. He said two things happen with this plan; FEUS gains experience in the urban area and can then continue that model into the rural area where there is a better chance of return.

Mr. Adair reminded the Commission the recommendation at this meeting is to pivot to the urban areas, turn in the RDOF funds, perform the public surveys to truly find what the penetration would be, and then commit to partnerships with the community to see if there is interest with FEUS being an internet service provider. He reminded the Commission there is no investment in capital with today's recommendation, it just a pivot in direction of outline and scope.

Commissioner Larsen asked if it makes sense to hold on to the funds for five years and then return it if FEUS chooses not to follow through. Ms. Erickson noted if the funds are not used, there are obligations to return the funds, including penalties. It would also be necessary to file progress reports throughout the project and fund would be distributed over ten years.

Chair Parkes asked for a motion to recommend to City Council the City remove itself from participation in the RDOF grant process, move its focus to Phase I of broadband analysis on urban areas within the FEUS service territory and initiate public outreach efforts.

Commissioner Degner made a motion to recommend to Council to adopt the recommendation the City shall remove itself from participation in the RDOF grant process, move its focus to Phase I of broadband analysis on urban areas within the FEUS service territory and initiate public outreach efforts. Commissioner Uhl seconded the motion.

The roll was called with the following result:

Those voting aye: Chair Jeff Parkes
 Commissioner Gordon Glass
 Commissioner Connie Dinning
 Commissioner Tory N. Larsen
 Commissioner Alex Uhl
 Commissioner Linda Corwin
 Commissioner Kyle Stowell
 Commissioner Drew Degner

Those voting nay: None

The Chair thereupon declared the motion passed.

Commissioner Glass noted the report was well done but wanted to highlight the portion that discussed education and staff, volunteers and task forces and said he wanted to point out that it is more than just taking a survey.

Mr. Adair said FEUS agrees with Commissioner Glass and noted that in the modeling, full time equivalents have been inserted for the analysis of what expenses would be for the return. He noted there are many opportunities on the survey, as well as public outreach. Mr. Adair noted work with 4CED, looking at the southwest hub and potentials of public/private partnerships as opportunities to work with the community.

Electric Utility Report

Ms. Olena Erickson, FEUS Utility Financial Analyst provided a PowerPoint presentation detailing the activities of the utility for the month of December.

Ms. Erickson's report highlighted Customer Consumption in MWH: Total MWH for December was 82,303 MWH. This is higher than November and Ms. Erickson noted many customers had decorated for the holidays and this could be a reason for the increase. Consumption for FY2021 is down by 10% when comparing Customer Consumption for the same six months over the past four years.

Year to Date Revenue is 2% under budget. Year to Date Revenue Budget: \$51,056,564; Year to Date Revenue Actual: \$50,287,436.

Year to Date Expenses is 10% under budget. Year to Date Expenses Budget: \$57,282,820; Year to Date Expenses Actual: \$51,337,591.

The PCA remains at \$0.01 per Kwh.

Commissioner Alex Uhl
Commissioner Linda Corwin
Commissioner Kyle Stowell
Commissioner Drew Degner

Those voting nay: None

The Chair thereupon declared the motion passed. The meeting was adjourned at 4:38 pm.

Approved this 10th day of February, 2021.



Jeff Parkes, Chair