

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, February 12 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
Gordon Glass
Alex Uhl
Connie Dinning
Tory N. Larsen 3:45pm
Drew Degner
Linda Corwin
Joanne Duckwitz

Commission members absent:

Kyle Westall
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 Garcia
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.

Chair Spence introduced and welcomed two new commissioners to the commission: District 8 representative, Linda Corwin and PUC Alternate Drew Degner.

A motion was made by Commissioner Duckwitz and seconded by Commissioner Glass to approve the Minutes of the January 8, 2020 meeting, as presented, and upon voice vote, the motion carried unanimously.

BUSINESS

Quarterly Financial Report

Administrative Services Enterprise Accountant Sheree Wilson provided a verbal report detailing the Utility Financial Statements for the FY2020 2nd Quarter ending December 31, 2019.

Electric Utility

The Electric Utility's net income decreased by \$2.9 million from the prior year. Operating Revenues were down \$4.5 million partly due to PCA sales being down. The PCA billing rate has been set at \$0.01 since May 2019. Operating Expenses decreased \$501 thousand. Non-operating revenues increased \$1.2 million, mainly due to increases in capital contributions. Non-operating expenses increased \$140 thousand due to increases in the dividend transfer.

Water Utility

The Water Utility's net income increased \$2 million from FY2019. Operating revenues increased \$1.7 million and Operating expenses decreased \$348 thousand. Non-operating revenues

increased \$14 thousand and Non-operating expenses increased \$123 thousand.

In response to Ms. Wilson's report Commissioner Glass observed there appears to be a great deal of money coming in and he commented that consideration should be given to adjusting fees.

Wastewater Utility

The Wastewater Utility's net income decreased \$1.9 million from the prior year. Operating Revenues increased \$616 thousand due primarily to increased Residential and Commercial Wastewater Sales of \$470 thousand and a \$122 thousand increase in Renewal/Replacement fees. Operating expenses increased \$1.3 million; Non-operating revenues increased \$14 thousand and non-operating expenses increased \$1.3 million mainly due to the construction interest paid on a finalized NMED loan.

Water/Wastewater Report

Mr. Jeff Smaka reviewed the activities of the water/wastewater divisions for the month of January. He offered an update on the status of the Cost of Service study noting the process has been slower than anticipated. A meeting will take place to discuss the rate options as determined by the study.

Commissioner Glass noted that water rates and revenues are high, and have been for a few years now. He asked if the completion of the Cost of Service study is when these dollars will be reviewed and adjusted. Mr. Smaka confirmed the Cost of Service process is the process used to determine rates.

Water Treatment Plants Improvements Study

Utilizing a PowerPoint presentation, Jill Peterson, PE, Jacobs, offered information regarding the processes staff used to develop plans and recommendations to provide reliable water service to the residents of the City of Farmington for the next twenty years plus.

Community Works staff request a PUC recommendation to city council to approve the proposed improvements to Water Treatment Plant #1 and Water Treatment Plant #2 as outlined in the Study.

Chair Spence asked the commission members if additional information is necessary before moving forward with a recommendation. Commissioner Duckwitz and Commissioner Corwin indicated their willingness to move forward with voting on a motion. Commissioner Dinning noted she felt the information provided within the presentation was acceptable and she made a motion to recommend to city council to approve the proposed improvements to Water Treatment Plant #1 and Water Treatment Plant #2 as outlined in the Study. Commissioner Uhl seconded.

Those voting Aye: Commissioner Dinning, Commissioner Duckwitz, Commissioner Corwin.

Those voting nay: Vice-Chair Jeff Parkes, Commissioner Larsen, Commissioner Degner.

The Chair voted against the motion and declared the motion failed.

Mr. Sypher said a copy of the entire report would be forwarded to commission members.

Chair Spence requested documentation pertaining to actionable matters be provided to the commission prior to the meeting where action will be requested so as to allow commissioners an opportunity to educate themselves on the matter.

Water/Wastewater Operations Report

Ms. Teresa Garcia offered a PowerPoint presentation detailing water/wastewater operations for the month of January. Animas River flows in January fell below the median daily flows. Pumping has continued to fill Farmington Lake to 100%. There were 15 water line breaks; 8 main lines and 7 service lines.

Electric Utility Report

Mr. Brandon Hill offered information from the Electric Utility Report for the month of December 2019. Total GWh Sales for December was 84 GWh; 24 GWh for Residential; 33 GWh for Commercial; 27 GWh for Industrial. The PCA remains at \$0.0100 per kWh.

Director's Report

Utilizing a PowerPoint presentation Mr. Hank Adair offered an update of the activities of the electric utility for the month of January 2020. Regarding the Bergin Substation in Bloomfield, staff is working on engineering design for a bridge at this substation. Mr. Adair noted cost for this work is within the current fiscal year budget. FEUS personnel accomplished system improvement work to remove streetlights for Phase I of the downtown project. Regarding generation, flows at the Navajo Hydro Plant were reduced to 400 CFS. Mr. Adair recognized John Armenta, FEUS Engineering Manager, for his work with the Farmington Schools Science Fair.


Business from the Floor

No business from the floor.

ADJOURNMENT

There being no further business to come before the Commission, upon motion duly made and seconded, the meeting adjourned at 4:52 pm.

Approved this 11th day of March, 2020.



James Spence, MD, Chair