

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, May 12, 2021 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 Connie Dinning Tory N. Larsen Alex Uhl Joanne Duckwitz Linda Corwin Drew Degner Patricio Sanchez Hart Pierce Nathan Thompson Richard Dembowski
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Commission members absent:	Gordon Glass Kyle Stowell
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constituting all members of said Advisory Commission.

Also present were:

Electric Administration Electric Generation Customer Service COF Administrative Services Community Works Community Works Jacobs PUC Secretary	Hank Adair Britt Chesnut Nicki Parks Teresa Emrich Jeff Smaka David sypher Teresa Garcia Amy McKinley
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The meeting was convened by the Chair.

Chair Parkes requested a motion to approve the Minutes of the April 14, 2021 Regular meeting. A motion was made by Commissioner Degner and seconded by Commissioner Duckwitz. By a voice vote, the motion passed unanimously.

Chair Parkes requested a motion to approve the Minutes of the April 14, 2021 Budget meeting. A motion was made by Commissioner Duckwitz and seconded by Commissioner Degner. By voice vote, the motion passed unanimously.

Chair Parkes introduced and welcomed Richard Dembowski to the Commission. Mayor Duckett appointed Commissioner Dembowski to represent PUC District 10.

**BUSINESS**

**Quarterly Financial Report**

Ms. Teresa Emrich, Administrative Services Director, provided a report of the Quarterly Financial Report for FY2021 3<sup>rd</sup> Quarter ending March 31, 2021.

Regarding the Electric Utility, the net income decreased \$10 million from FY2020; Operating expenses saw an increase of \$952 thousand. Non-operating revenues decreased \$1.8 million mainly due to decreases in capital contributions; Non-operating expenses increased \$3.9 million, due to an increase in the revenue transfer.

In a review of the Water Utility Financials, the Water Utility's net income decreased \$708 thousand from FY2020. Operating revenues were up \$55 thousand; Operating expenses increased \$562 thousand. Non-operating revenues decreased \$87 thousand and non-operating Expenses increased \$114 thousand.

For the Wastewater Utility, net income increased \$2.1 million from FY2020. Operating revenues decreased \$146 thousand; Operating expenses decreased \$871 thousand. Non-operating revenues decreased \$53 thousand and Non-operating expenses decreased \$943 thousand.

#### **Re-Introduction of Disconnection Policies**

Utilizing a PowerPoint presentation, Ms. Nicki Parks, Customer Service Manager, offered information regarding the process for re-introducing late fee charges and service disconnections effective

FEUS chose to follow the process of the New Mexico Public Regulatory Commission (NMPRC) and instituted a moratorium on late fees and disconnects effective March 17, 2020. This moratorium was then extended until May 5, 2021. FEUS will prepare utility customers by calling those customers who have outstanding balances in excess of \$2,000 and provide these customers with information about options available for paying the past due balances. FEUS has introduced temporary policy adjustments so as to assist customers with bringing their utility account balance current.

Commissioner Degner offered a motion to recommend City Council approval of the Reintroduction of the Disconnect Policy. This motion was seconded by Vice-Chair Dinning. Chair Parkes called for a voice vote and the motion passed unanimously.

#### **Customer Service Write-offs:**

Ms. Nicki Parks addressed the Commission asking for a PUC recommendation to City Council to write off inactive utility accounts aged over four years with a balance of \$0.01 or more. She noted the amount being requested is approximately \$152,749.12. Ms. Parks said this amount is 0.12% of revenue; industry standard is 1% for write-offs for utilities and COF consistently stays beneath this standard.

Commissioner Degner offered a motion to recommend City Council approval to write off uncollectible and unsecured utility accounts. This motion was seconded by Commissioner Corwin. Chair Parkes called for a voice vote and the motion passed unanimously.

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

Mr. Jeff Smaka offered a report of the water and wastewater activities for April 2021. Regarding the LaPlata Highway Phase I Water Line Replacement Project, Mr. Smaka noted this project has been complicated due the archeology located along the proposed waterline replacement alignment. Staff and contractors are working to prepare and submit additional environmental documents required by NMDOT, who owns the highway, and the BLM, who owns the land, for such permitting.

Regarding the Water Treatment Plant Upgrade Study, the 30% design review meeting is scheduled for May 20, 2021.

The Raw Waterline Rehab project is underway. This project entails cleaning and camera inspection of this 42" steel raw waterline from Animas Pump Station #1 to Water Treatment Plant #1.

Mr. Smaka provided highlights of various renewal and replacement projects taking place throughout the city.

#### **Lake Nighthorse Release Report:**

Mr. David Sypher, Community Works Director provided information regarding the release of water from Lake Nighthorse which took place in March, 2021. He said approximately 98 million gallons of water was released from Lake Nighthorse. He said the City of Farmington wanted to find out how long it took the released water to reach the COF area and it was discovered the water arrived in the COF area much quicker than planned. It arrived in 26 hours versus the thought of 56 hours. Mr. Sypher noted a few other things were learned during this Release. It was discovered that the low level shut off alarm in the Penny Lane station was set 12" high. Because of this, when the flows in the river were below 150cfs, the city could not pump water.

This shut off alarm has been adjusted. Mr. Sypher said it has been told for some time that COF is a gaining stream, meaning that as the stream passes out of Durango, that if no irrigators were taking water, COF would receive quite a bit more water by the time it hit Farmington. This gaining stream was found to be skewed because the USGS electronic gauge read showed a difference of approximately 0.4 feet versus the physical read. This gaining stream number has been adjusted. Mr. Sypher noted the water loss at Cement Creek was approximately 4cfs. He acknowledged it was very difficult to determine water loss at the gauge station.

General discussion ensued regarding the information gained as a result of this Release.

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

Utilizing a PowerPoint presentation, Ms. Teresa Garcia provided information regarding water/wastewater operations activities for April 2021.

The report noted Animas River flows trended down in April. Pumping continues to maintain Farmington Lake levels at 100%. Farmer's Ditch started running in April. Regarding Meter Installations, 8 new meters were installed in April. Water Line Maintenance experienced a decrease in April with nine breaks; 6 main lines and 3 service lines. Wastewater Treatment flows increased in April compared to the same month last year. TDS levels remain under permit limits.

#### **Electric Utility Report**

Mr. Hank Adair, Electric Utility Director provided a PowerPoint presentation detailing the activities of the utility for the month of April, 2021.

This presentation highlighted May 31 as being National Dam Safety Awareness Day. Mr. Adair noted how FEUS has a detailed safety plan in place for the utility's Navajo Hydro Plant located at Navajo Dam. Each year, tabletop exercises are performed so personnel are ready to react and prepare should a situation occur.

Regarding Customer Consumption, Mr. Adair noted the utility is down 9% in April 2021. Customer consumption did see slight increases in Industrial and Commercial consumption while Residential consumption experienced a slight decrease. When reviewing the 4-Year Trend (FY2018 to FY2021 YTD) of Customer Consumption, Industrial and Commercial accounts continue to see a reduction in consumption while Residential accounts experienced a slight increase in consumption over the 4 years.

The PCA remains at \$0.01 per kwh.

#### **Director's Report**

Utilizing a PowerPoint presentation, Mr. Adair provided details of the activities of the utility for April, 2021.

Regarding Substations, parts for the Pump Canyon Substation are expected to be installed this week. The contractor is on site to commission LaPlata Substation transformer work. Distribution and Transmission work continues with the Cottonwood transmission work being completed and the Sullivan Substation being fully retired from service. Construction work was completed for a Valley Water and Sanitation and a new Dollar General Store.

Regarding Generation, the Bluffview Spring Outage is complete. Items completed included CGT water wash, seasonal tuning, Borescope inspection, and an upgrade of the control system. The San Juan Generating Station saw challenging performance from Unit 4 related to bottom ash and pump issues. The IRP Kick Off Meeting was held on April 27.

The new Selectron Bill Pay system went live on May 10. As of the date of this meeting, minimal individual issues have been experienced. Regarding the Cost of Service study, Ms. Olena Erickson continues to work with the contractor by providing data for model creation.

FEUS continues to see strong interest in rooftop solar installations.

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

No business from the floor.

**ADJOURNMENT**

There being no further business to come before the Commission, a motion to adjourn the meeting was made by Commissioner Degner and seconded by Commissioner Uhl. Upon voice vote, the motion passed unanimously.

The meeting was adjourned at 5:08 pm.

Approved this 9th day of June, 2021.

  
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Jeff Parkes, Chair