

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, September 13, 2023 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:	Tory N. Larsen Connie Dinning Linda Corwin Nathan Thompson Drew Degner Patricio Sanchez John Buffington Diane Schmidt Stewart Logan George Sharpe
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Commission members absent:

Council Liaison:	Janis Jakino
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constituting all members of said Advisory Commission.

Also present were:

Electric Utility Director	Hank Adair
Electric Engineering	John Armenta
Electric Business Operations	Sheree Wilson
Electric Customer Service	Nicki Parks
Electric Generation	Britt Chesnut
Community Works	Mark Hathcock
Community Works	Benedikte Webb
Administrative Services	Nalinee Jose
PUC Secretary	Amy McKinley

Guests:

The meeting was convened by the Chair.

The Chair called for a motion to approve the Minutes of the August 9, 2023 Regular meeting.

Regarding the Energy Markets Presentation, Commissioner Corwin requested comments discussing contract termination be added to the Minutes. The August 9, 2023 Minutes were amended as follows: The Brattle Group, page 4, last paragraph, the following language was added: Commissioner Thompson asked about the WEIS contract term. Ms. Jacobson-Quinn stated the WEIS contract is a continual renewal contract but has an off boarding agreement which states the minimum notice to leave the WEIS market is six months. Further clarification notes the minimum notice is sixty days.

Commissioner Degner offered a motion to approve the Minutes as amended and Commissioner Sharpe provided a second. By voice vote, the motioned passed.

**BUSINESS**

**Water/Wastewater O&M Report**

Utilizing a PowerPoint presentation, Ms. Benedikte Webb, provided information regarding water/wastewater operations activities for August. Jacobs data indicated water production for August 2023 was 523 million gallons. Farmington Lake levels are very near capacity. Four new meters (1 commercial, 3 residential) were installed in August. There were ten water line breaks in August, four service line breaks and six main line breaks.

Regarding Wastewater treatment, effluent flow for August was 5.97 MGD. The report noted the Effluent BOD (Biochemical Oxygen Demand) was at 4.58 mg/L; effluent TSS (Total Suspended Solids) was at 2.46 mg/L; Effluent TDS (Total Dissolved Solids) Net Increase was 259.88 mg/L (the NPDES Permit limit is 497.0 mg/L); Effluent e.Coli continued to be very low at 2.13 MPN/100ml (the NPDES Permit limit is 126.0/MPN/100mL).

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

Mr. Mark Hathcock, Water/Wastewater CIP Administrator, provided an update regarding capital projects planned and under way throughout the city.

For Renewal and Replacement projects, work continues on the 2019 Polyline Replacement project. As of September 5, 1,385 polylines have been replaced. The contractor, KG Sewer, is working on 23<sup>rd</sup> Street from Sullivan to Sage. Work continues on the Valve Rehabilitation Project. As of September 5, the contractor, TRC has replaced, adjusted or repaired 100 of 120 valves/valve boxes. The 4-inch cast iron to 6-inch PVC fire line upgrade on Skyline Drive was completed. On Chaco Avenue, the upgrade from 4-inch cast iron to 8-inch PVC was 70% complete as of September 8. Sewer point repairs were completed, one on Sunset Avenue and one on Clayton Avenue.

Regarding the federally funded Water Treatment Plant #1 project, a funding request has been submitted to NMED for DWSRF (Drinking Water State Revolving Fund). Staff is working with Jacobs Engineering to revise plan set and scope. The project should go out for bid January 2024. The RFQP for the Feasibility Study for Farmington Lake Dam Raising went out on August 30. Responses are due by October 4. A new project set to begin September 18 is the Delhi 4-inch case iron to 8" PVC water line upgrade.

### **Electric Utility Report**

Ms. Sheree Wilson provided a PowerPoint presentation to detail FEUS financial information for August 2023.

Ms. Wilson noted Customer Consumption for August was on track for Budget with Budget being 88,910 MWH and Actual was 88,552 MWH. The Overall Year to Date Total Consumption was 172 MWH. A review of the utility's Cash Balance demonstrated a positive Restricted Cash Reserve of \$34.9 million, with a Unrestricted Cash Balance of \$3.5 million.

Regarding Revenue, Ms. Wilson noted the FY2024 Year to Date Revenue for August was \$28 million, 1% over Budget.

FY2024 Expenses for August was budgeted at \$21.7 million; Actual Expenses for August was \$12.8 million. Year to Date Capital Improvement Expenses was \$2.8 million, 58% under budget.

Regarding the PCA, FEUS recouped \$3.8 million through July 2023. In response to Commissioner Logan's question about the change in the PCA rate, Ms. Wilson and Mr. Adair confirmed the PCA will be reduced to \$0.0415 per kWh in October and will be further reduced to \$0.0225 per kWh in November.

Total Generation Cost per mWh for July 2023 was \$51.97 per mWh.

### **Director's Report**

Mr. Hank Adair, Electric Utility Director, provided a review of the activities of the utility for August, 2023.

Regarding Substation/Distribution/Transmission, the Animas Substation overall project schedule is 60% complete. Crews performed 28 transformer upgrades system wide. Underground work is complete for the Church of Jesus Christ of Latter-Day Saints temple on College Blvd., underground work was also completed at the East Main Maverick station. Work continues for the Desert Rose subdivision. Regarding transmission, crews performed an emergency outage to repair an arm on the Kutz to Gallegos line. This damage was discovered by a line patroller and the repair was completed quickly and safely.

Regarding Generation sources, flows increased to 800 CFS for 18.51MW of generation at the Navajo plant. A controls outage is scheduled for the end of October. At the Bluffview Plant, the EPA conducted a NPDES/Stormwater Inspection finding no observed deficiencies. Regarding new generation sources, FEUS is finalizing negotiations with Wartsila. Staff continues to work with the engineering contractor on scope and schedule. No comments were submitted related to

modification of the air permit. The Permit is to be issued October 12. Total MWh System Energy for August 2023 was 92,492 MWH.

The utility experienced four outages in August. On August 2 there was a lightning strike on the San Juan Circuit. On August 3 there was a pole top on fire in the Fruitland area. Crews took an outage to isolate and install jumpers. On August 6 crews requested a 20-minute outage on Pump Canyon to repair a cut out on a fuse. On August 14 a vehicle caught overhead lines and caused an outage on the Foothills circuit which affected Piedra Vista High School.

The utility is advancing discussion for the 30 MW solar installation to complete a purchase power agreement term sheet and agreement. Staff expects to bring documentation to this commission in October seeking advisement to council.

Commissioner Thompson asked for a monthly report regarding customer solar generation data.

Responding to a question from Commissioner Corwin, Mr. Adair stated he has not heard anything from the court regarding the Bloomfield matter.

### **BUSINESS FROM THE FLOOR**

Mr. David Fosdeck, 209 N. Locke Street, Farmington, provided a handout demonstrating the amount of interest in solar installations throughout the FEUS service territory. Mr. Fosdeck named a few solar providers who are selling systems in the area. Mr. Fosdeck also noted the Office of the New Mexico Attorney General is bringing a lawsuit against the New Mexico Solar Group and the Attorney General is also investigating Titan Solar Power.

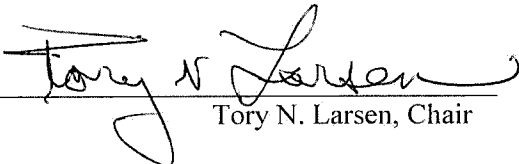
Mr. Fosdeck also provided some written questions he has received from various people, one question is regarding how to make an existing system larger. Another question invoiced the size limitations for a solar system. Mr. Adair clarified that for Residential systems the size limit is 100% and Commercial systems is 120%. Mr. Fosdeck noted for the record his recollection from various Cost of Service meetings was the size limit for Residential was 120% and for Commercial was 125%. Mr. Fosdeck said due to the installation of AMI meters, he has received a question about how a person can opt out of the AMI metering program due to radiation and other radio frequency emissions from the meter.

Mr. Adair responded to the question posed about customers who want to increase the size of their system due to the cost of the PCA. Mr. Adair said Rate 31 limits the size of a solar system to 100% because the utility allowed solar users to use the utility as a battery or electronic process. To determine the 100%, the utility analyzes the last 12 months of the load, and uses cap factors on the AC size to determine how big a system will be allowed. Regarding storage, storage is not included in the size limits. There was continued discussion regarding battery storage, using the grid as storage and the completion of AMI meter installation so more sophisticated rate structures can be reviewed. Regarding the ability to opt out of the AMI metering program, this issue is under review. Many utilities have a monthly fee for opting out of an AMI meter system. At the date of the meeting, less than ten of the 20,000 customers with AMI meters have said they do not want the AMI meter.

### **ADJOURNMENT**

There being no further business to come before the Commission the meeting was adjourned at 4:35 p.m.

Approved this 11th day of October, 2023.

  
Tory N. Larsen, Chair