

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, July 10, 2019 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
Gordon Glass
Alex Uhl
Connie Dinning
Joanne Duckwitz
Tory N. Larsen
Chris Hunter
Kyle Westall

Commission members absent: Marty Johnson
Jeff Parkes

City Council Liaison: Linda Rodgers

City personnel present:
Electric Utility Director Hank Adair
Electric Engineering John Armenta
Business Operations Brandon Hill
Public Works Department Jeff Smaka
Public Works Department David Sypher
Jacobs Teresa Brevik
Administrative Services Teresa Emrich
Administrative Services Olena Erickson
PUC Secretary Amy McKinley

Guests:

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

Chair Spence asked for a motion to approve the Minutes of the May 8, 2019 PUC Meeting. Commissioner Hunter moved to approve these Minutes and Commissioner Glass seconded the motion. Upon voice vote, the motion passed unanimously.

Chair Spence asked for a motion to approve the Minutes of the special meeting held on June 20, 2019. Commissioner Hunter moved to approve the Minutes and Commissioner Uhl seconded the motion. Upon voice vote, the motion passed unanimously.

BUSINESS

Water/Wastewater Report

Mr. Jeff Smaka, offered a review of the water and wastewater activities around the city.

Mr. Smaka highlighted the progress of the 2P Waterline Replacement project. He noted phase I of this project entailed installing water line on US 64; an approved change order allowed work on several side streets (S. Graham, Sycamore, Griffin, Bramble, Plum, Dustin). Phase I of the project is complete and staff is working on project loan closeout documents. Phase II of this project is 95% complete and is for mainline work on McCormick School Road and Murray Drive. Phase III of the 2P Waterline Replacement project will take place in 2019. Streets affected during this portion of the project are US64/Camina Flora along Bloomfield Blvd to McCormick School Rd., Hutton Ave. from

US64 to Southside River Rd., Don Rovin from US64 to end of street, Carlton Avenue from US64 to Bloomfield Blvd.

Regarding Renewal and Replacement projects, Mr. Smaka's report noted the status of the many projects underway:

- 4P Pump Station project on Wildflower Parkway is 75% complete.
- Waterline installation project along W. Main Street is 70% complete and the bursting sewer line project along W. Main Street is 65% complete.
- E. Main St. - Intersection of Pinon Hills Blvd - Replacing 16" steel waterline with 16" PVC waterline - Construction completed.
- San Juan Blvd - Butler to Scott - Replacing 6" C.I. waterline with a 12" PVC waterline - Construction started in the Intersection of San Juan Blvd/ Butler Ave.; Construction 68% complete.
- San Juan Blvd - American to Scott - Replacing 6" C.I. Waterline with a 16" PVC waterline - Construction 72% complete.
- Sullivan Ave. - 20th St. to Cliffside - Replacing 6" C.I. waterline with a 12" PVC waterline - Construction completed.
- Sullivan Ave. - Cliffside to 30th St. - Replacing 6" C.I. waterline with a 12" PVC waterline - Construction 97% complete.
- W. Broadway Ave. - Lake St. to W. Main St. - Replacing 6" C.I. waterline with 12" and 8" PVC waterline- Construction 5% complete.

Commissioner Hunter observed some signs on Butler and 20th Street and he asked how long this project would last. Mr. Smaka said this project would take approximately 90 days to complete. Regarding the large project description signage, Commissioner Hunter would like to see language about the use of R&R fees noted on the signs.

Mr. Sypher commented that the Public Works department has a policy that designates signage will be installed for those projects that meet a minimum project cost. He noted the city's website does offer an interactive map that offers a great deal of information for ongoing and upcoming projects.

Water/Wastewater Operations Report

Ms. Teresa Brevik offered a presentation regarding water/wastewater operations for June 2019. She noted the Animas River levels were higher than normal in June due to the snow melt and rain storms. Ms. Brevik's report noted Farmington Lake level is at 100% and she noted that the Farmer's Ditch Pump Station and the Animas #2 Pump Station are in use.

Commissioner Glass asked if it is possible for the customer to select the size of water meter. Mr. Smaka said the customer is able to select a water meter size at the time of building permit completion.

Ms. Brevik said that Jacobs personnel were honored to assist the Farmington Parks Department with planting trees at the Totah Behavioral Health Center. Jacobs staff also helped assemble outdoor seating for this location.

Commissioner Hunter asked about the noticeable sewer treatment smell in the hospital area. Other commissioners said they were also aware of the odor. Ms. Brevik said Jacobs had also received calls about sewer odors and she has been monitoring this issue. She said it is possible that a main line cleaning project has disturbed sewage as the lines move through various lift stations. Mr. Sypher said staff would review projects and processes to determine the nature of the odor problem.

Electric Utility Report

Mr. Brandon Hill offered information from the Electric Utility Report for the month of May 2019. He reported the total GWh Sales for May was 74GWh; 16GWh for Residential; 31GWh for Commercial; 27GWh for Industrial. Mr. Hill noted that in Revenue, Residential revenue was \$26.57 million, Commercial revenue was \$36.41 million, and Industrial revenue was \$18.71 million. Regarding Capital Expenditures, Mr. Hill's report noted the budgeted capital expenditures for May 2019 was \$954 thousand and actual capital expenditures was \$1.1 million.

Electric Vehicle Charging Station Project Update

Mr. Hank Adair offered a review of the presentation regarding the proposed installation of electric vehicle charging stations.

Commissioner Glass stressed that FEUS is in the business of selling electricity and EV charging stations are a way to sell electricity. He also noted he feels the EV charging stations will be a good economic tool.

Commissioner Larsen advised staff to move forward with the proposed station installations.

Commissioner Uhl urged staff to communicate with and urge private entities to install charging stations. Mr. Adair said community economic development sources could best communicate with private entities about this opportunity. Commissioner Uhl stressed he is opposed to placing city owned stations on private property.

Commissioner Glass suggested a charging station be located along the Riverwalk area. He also suggested selecting either the Farmington museum or the Farmington Public library, but not both.

Commissioner Hunter said he would like to see signs placed at the entrances to Farmington so drivers are aware that Farmington does have EV charging locations. Commissioner Glass noted his experience with locating charging stations is that persons searching for locations primarily use the internet.

For consensus regarding placement locations to submit to council for consideration, the majority of the commissioners were agreeable to each of the following locations:

- Location 1 North Allen parking lot
- Location 2 Farmington Gateway Museum
- Location 3 Farmington Public Library
- Location 4 Rocky Reach/Berg park area

Mr. Adair shared that EV charging rates in the region range from Free to \$1.25 per hour. FEUS recommended a rate of \$1.25 per hour.

Commissioner Duckwitz asked if it would be possible to use the lodger's tax for incentivizing use of charging stations.

City Attorney Breakell noted the use of the lodger's tax for this purpose would not be an allowable use of tax dollars per state code and city of Farmington code. Ms. Breakell said the use of CTED funds would be a decision made by City Council as to whether EV charging Stations was an allowable use of these funds.

Commissioner Dinning recommended charging the proposed \$1.25 per hour rate. She said she likes the idea of no subsidization. She said that once installation of the stations is complete and historical data is gathered regarding usage, a determination could be made regarding changing the rate. Commissioner Westall agreed with Commissioner Dinning's statements.

Commissioner Larsen commented that FEUS would never need to install another charging station, as these four stations will be the incentive for private entities to install their own stations. Commissioner Larsen indicated the \$1.25 per hour rate is a good rate.

Commissioner Duckwitz noted she is agreeable to moving ahead with the EV Charging Station project.

Commissioner Hunter offered a draft Motion document to the members for which he hoped to put to a vote by the commission expressing opposition to the use of rate dollars or tax dollars to subsidize the EV Charging Station project. His purpose of presenting the document at the meeting was to encourage other commissioners to add their name to the document. Because this document was not on the meeting agenda as an action item, per the New Mexico Open Meetings Act, Commissioner Hunter's desire to have a motion vote on this document was not allowed. City Attorney Breakell suggested that the title of the document change from a "Motion" to a "Recommendation to Council" and that Commissioner Hunter could then ask for a show of hands to indicate a consensus of the commission regarding the content of the document and its submittal to the council.

Mr. Adair asked for a consensus on the \$1.25 per hour rate, stating the results of such consensus would be the recommendation to council. No consensus took place as commissioners took this opportunity to express their thoughts about the information detailed within Commissioner Hunter's proposed document.

Mr. Adair reiterated his request for a consensus on the \$1.25 per hour rate.

Commissioner Glass expressed his appreciation for the excellent presentation by Mr. Adair regarding the EV Charging Station project. Commissioner Glass strongly objected to Commissioner Hunter's document and voiced his concerns that the EV Charging Station project could be de-railed by Commissioner Hunter's "wolf in sheep's clothing" proposal, which is an attempt to attach so many conditions to the project to ensure its failure.

Commissioner Westall noted he is in favor of the \$60,000 pilot project and he is in favor of the \$1.25 per hour rate.

Commissioner Uhl offered his input for consensus of Commissioner Hunter's document by stating that if the gross receipts taxes pay for the project, every person who spends money in Farmington will help cover the cost but if the utility pays for this project, only the utility ratepayers cover the costs.

Commissioner Dinning noted that she was not prepared to provide her support to the entire document as presented.

In an effort to gain Commissioner Dinning's support of the proposed document, Commissioner Hunter suggested the following revised language: "The recommendation would be that the FEUS customers not subsidize these stations and instead the utility customers be kept whole by some other funding mechanism if there is a financial loss."

Chair Spence asked for Mr. Adair's clarification about how to proceed with a consensus. Mr. Adair said he felt the document provided by Commissioner Hunter offered Commissioner Hunter's opinion regarding the direction council should take regarding this project. Mr. Adair repeated City Attorney Breakell's guidance to ask for a consensus of the commission.

Following several verbal changes to Commissioner Hunter's document, City Attorney Breakell provided direction by dividing the proposed document into three bullet points:

- Rate of \$1.25/hr: the consensus of the commission was to recommend this rate to the council.
- Subsidization of the cost of the charging stations: the majority of the commission was in consensus regarding subsidization. Commissioners against subsidization were Commissioners Hunter and Westall.
- No subsidization longer than 10 years: the majority of the commission was in consensus for having no long-term subsidization for this project.

Director's Report

Mr. Adair offered a brief review of the activities of the electric utility. He indicated work continues at the Cottonwood substation location and the Animas Sub Transmission Shovel review is complete.

Regarding Generation, the Navajo Hydro plant flow has increased to 1,000 cfs; output was 24.48 MW on July 10, 2019, which is 18% of total generation needs for the day, a very low carbon footprint. He observed that if the WAPA hydro is added, hydroelectric energy supplies 26% of this date's generation needs.

Mr. Adair reported three circuit outages in June: the June 18 outage was caused by a circuit in hot line hold (HLH) and sensitive response; a June 22 outage was caused by a failed pole; a June 26 outage was caused by a blown lightning arrester while in HLH.

Mr. Adair informed the commission of the federally mandated WECC Audits that are underway. The offsite O&P audit is currently taking place and WECC representatives

will be onsite the week of July 15 to conduct the onsite portion of the O&P audit and the CIP (Critical Infrastructure Protection) audit will take place July 29 through August 9.


BUSINESS FROM THE FLOOR

None.

ADJOURNMENT

There being no further business to come before the Commission, upon motion duly made and seconded, the meeting adjourned at 4:54 pm.

Approved this 14th day of August 2019.



James Spence, MD, Chair