

BOARD OF PUBLIC UTILITY COMMISSION

The regular meeting of the CITY OF FARMINGTON BOARD OF PUBLIC UTILITY COMMISSIONERS was held Wednesday, November 13, 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
Jeff Parkes
Gordon Glass
Alex Uhl
Connie Dinning
Marty Johnson
Joanne Duckwitz

Commission members absent:

Kyle Westall
Tory N. Larsen

City personnel present:

Electric Utility Director
Electric Engineering
Electric Generation
Electric Field Operations
Electric Utility Financial Analyst
Electric Customer Service
Public Works Department
Public Works/Jacobs
Administrative Services
Legal
PUC Secretary

Hank Adair
John Armenta
Britt Chesnut
Luke Lugenbeel
Olena Erickson
Nicki Parks
Jeff Smaka
Teresa Brevik
Sheree Wilson
Jennifer Breakell
Amy McKinley

Guests: Steve Ellison
Linda Corwin

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 October 9, 2019 meeting. Commissioner Johnson moved to approve the Minutes and Commissioner Uhl seconded the motion. Upon voice vote, the motion passed unanimously.

BUSINESS

Election of Chair and Vice-Chair

Discussion ensued regarding the process for electing members to hold the Chair and Vice-chair positions.

Commissioner Glass commented he feels it would be a good idea to have a process where the person holding the vice-chair position move up to the Chairperson position, noting this process provides for rotation and experience in leadership.

Commissioner Johnson asked Chair Spence if he would be interested in continuing as the chairperson of the commission. Chair Spence commented he would be happy to continue as chair provided others did not want the opportunity. Commissioner Johnson then asked the other commissioner if they are interested in taking on the role of chair.

Commissioner Glass nominated Jeff Parkes for the position of chair and Connie Dinning as vice-chair.

Commissioner Uhl suggested maintaining the status quo for this upcoming year.

Commissioner Johnson made a motion to maintain the current leadership, James Spence as Chair and Jeff Parkes as Vice-Chair. Commissioner Duckwitz seconded the motion. Upon voice vote, the motion passed unanimously.

Water/Wastewater Report

Mr. Jeff Smaka offered a review of the water and wastewater activities taking place around the city for the month of October.

Mr. Smaka reminded the commission that NewGen Strategies and Solutions was awarded the contract for the Water/Wastewater Cost of Service Study.

Mr. Smaka reviewed the status of various water and wastewater projects taking place throughout the city.

Commissioner Glass asked if there is a five-year renewal and replacement that will revert to a previous rate. Mr. Smaka said the completion of the cost of Service study will provide the recommended rate information.

Vice-Chair Parkes asked if year five of the current Cost of Service has been reached. Mr. Smaka said current rates are the fifth year rates. Commissioner Gordon asked if rates would stay the same after this year. Mr. Smaka said the commission and the city council will make a decision regarding rates following completion of the cost of service study. Mr. Smaka clarified there are two ways to change rates: 1) perform a cost of service study and a decision would be made regarding rates using the information provided in the study; 2) per City of Farmington ordinance, city staff can recommend a change in rates without a cost of service study, and upon council approval the change would be implemented.

Water/Wastewater Operations Report

Ms. Teresa Brevik offered a presentation regarding water/wastewater operations for October 2019.

Ms. Brevik's report noted the Animas River flows trended just below the median daily flows until the snow storm event at the end of the month. She said Farmington Lake is at 100% capacity.

Regarding maintenance matters, Ms. Brevik noted that in October seven new meters were installed and there were 16 water line breaks in October; five main lines and 11 service lines.

Electric Utility Report

Mr. Brandon Hill offered information from the Electric Utility Report for the month of September 2019. He reported the total GWh Sales for September was 97 GWh; 25 GWh for Residential; 40 GWh for Commercial; 32 GWh for Industrial. The PCA remains at \$0.0100 per kWh. Capital Expenditures were projected to be \$3.5million with actual Capital Expenditures being slightly over \$1million.

Director's Report

Mr. Hank Adair provided information regarding the activities of the electric utility for the month of October 2019.

Regarding Substation work, contractor Eaton completed some testing at the Cottonwood substation.

Mr. Adair shared Distribution/Transmission project updates noting work at the Mesa Mobile home is underway. The installation of electric utilities for this neighborhood is tedious and will be completed in approximately three months. Work is complete on the Chaco transmission line. FEUS contracted with Probst Electric to perform energized transmission line work on the Hare to Dwight Arthur transmission line. Work is complete on 28 of the 130 structures on this line.

Regarding FEUS generation sources, at the Navajo Hydro Plant, the USBR reduced flow to 300 CFS for reclamation work causing a reduction in generation from 15MW to 6.6MW.

The scheduled fall outage at the Bluffview plant is complete and the plant is back in service.

The San Juan Generating Station experienced reasonable performance in October.

Regarding the new generation source, the contract for EPC (engineer, procure, and construct) is going out for rebid.

Regarding Customer Service activities, Mr. Adair said DataProse was awarded the contract for billing services and staff has been working with DataProse on the conversion process and this process is likely to be complete by end of the year.

BUSINESS FROM THE FLOOR


Mr. Steve Ellison, 333 Canyon View Drive, Farmington, NM, asked what role FEUS would play in conferring with PNM about a new energy site that will be a benefit to San Juan County. City Attorney Jennifer Breakell, commented that the City of Farmington and San Juan County are firmly opposed to PNM's plan to place replacement power resources outside of San Juan County but the matter will ultimately be up to the New Mexico Public Regulatory Commission to regulate where the replacement power resources will be located. Mr. Ellison asked if there is a plan B for the utility and the City of Farmington if it is determined that CCS is not an option. Mr. Adair noted that the most recent FEUS IRP details the closure of SJGS and how FEUS would replace that loss of power. This IRP did not address a plan for CCS.

Ms. Linda Corwin of 820 Bertie Lane, Bloomfield, NM addressed the commission and asked about where the electric vehicle charging stations will be placed. Mr. Adair quickly reviewed the five public locations and asked staff to communicate with Ms. Corwin regarding this information. Mr. Adair noted the proposed locations were discussed at PUC and city council meetings and this information may be noted in the meeting minutes and these documents are provided on the city's website.

ADJOURNMENT

There being no further business to come before the Commission, upon motion duly made and seconded, the meeting adjourned at 4:07 pm.

Approved this 11th day of December 2019.



James Spence, MD, Chair