

**CITY OF TRUTH OR CONSEQUENCES
PUBLIC UTILITY ADVORSORY BOARD
MINUTES
TUESDAY, JANUARY 19, 2021**

REGULAR MEETING

Regular meeting of the Public Utility Advisory Board of the City of Truth or Consequences, New Mexico to be held in the City Commission Chambers, 405 W. Third, Truth or Consequences, New Mexico, on Tuesday, January 19, 2021 at 5:30 pm.

INTRODUCTION:

ROLL CALL:

George Szigeti, Chairman
Jeff Dornbusch, Vice-Chairman
Ron Pacourek, Member
Gil Avelar, Member
Don Armijo, Member

ALSO PRESENT:

Traci Alvarez, Grant/Projects Coordinator & Designated Zoning Official
Bo Easley, Electric Department Director
Dawn C. Barclay, Deputy City Clerk

Paused for a moment of silence in remembrance of Hans Townsend.

1. APPROVAL OF AGENDA:

Member Dornbusch made a motion to approve the agenda. Member Pacourek seconded the motion. Motion carried unanimously.

2. APPROVAL OF MINUTES:

a. Regular meeting of Monday, November 16, 2020:

Member Dornbusch moved to approve the Minutes of Monday, November 16, 2020. Member Avelar seconded the motion. Motion carried unanimously.

3. COMMENTS FROM THE PUBLIC:

Ron Fenn – He requested the video link be turned on during the meetings. He continued to speak wanting to address the solar installation proposals in addressing the requested proposed changes to Ordinance #669. He thought that the 52 solar applicants, must be considered. Excess electric should only be tied to the rate that is already established by the city in the contract with the solar farm. He feels the 6.9 cents a kilowatt goes back to over 25 years.

Ariel Dougherty – In regards to the proposed changes to Ordinance #664. She proposed that the board have a public meeting prior to finalizing. She has some concerns with the wording under 1. (a.) & 1. (b.). She is also concerned about the customer average usage language. Under 2(a.) she noted that making AMI hook ups mandatory is not a good idea, and further, it is under litigation.

Under 3(e) the 40% limitation would be discriminatory against citizen producers as opposed to the payments to the Solar Farm.

4. RESPONSE TO COMMENTS FROM THE PUBLIC:

Bo Easley, Electric Department Director – There are 54 total solar customers are in the city. 46 residential, and 8 commercial. The city has a contract with Sierra Electric Co-op and that contract requires us to buy so much power every year. If we don't there is a penalty. If we continue this way there will come a time where they will shut everything down, and nobody will have electric, and the city would be at default of the contract with Sierra Electric Co-op.

5. NEW BUSINESS:

a. Discussion/Action: Residential Solar Generation Limits:

Chairman Szigeti –made reference to (1) a. "sized for the most" should be removed.

Member Pacourek – made reference to (1) b. He wanted to know where the information came from regarding the proposed wording that will take the place of the portion that states, "Exceeds 90%."

Chairman Szigeti – explained where the proposed change came from for the wording "10 KW for residential." There is a break out at 10 KW in the state regulations on Renewable Systems such as Solar. They have a simplified approval process for anything below 10 KWS. It is designed to allow a homeowner to install with a limited approval process. Anything over 10 KW goes through the full approval process.

Member Pacourek stated he would like the 90% to remain in effect.

Member Avelar - also agreed the 90% should remain in effect.

Member Armijo – also agreed the 90% is a good start, but will it affect the city's system.

Bo Easley, Electric Department Director – confirmed that it will affect what the city buys from Sierra Electric Co-op, and it might affect Walmart or even the Solar Array, but it will not have an impact on any of the city transformers.

Member Dornbusch – would like to know how much is purchased in total vs. how much is contracted to purchase.

Bo Easley, Electric Department Director – confirmed that the contract is in place for an estimated 15 years. If the contract is altered, the city will be penalized and the rates could go up.

Chairman Szigeti – the \$8.00 a month customer connection fee is still there, and is still being paid whether or not the customer has solar installed. The Electric Department has \$1.5 million dollars extra each year that they push over to the general fund. He doesn't think that is a sign that the Electric Department is being under paid. Our City Manager has been looking at trimming the budget, and finding alternate revenues so the city is not depending upon the Electric Department. The fact

of the matter is that they are pulling in \$1.5 million every year that they are not using. The small difference in revenue (that is happening here) is not making a big dent in that \$1.5 million dollars, and with all of these solar customers, the surplus is still there.

Member Dornbusch – wanted to confirm if the meters were close to completion, and if a report would be made available in regards to the increase of the efficiency on the meters.

Bo Easley, Electric Department Director - the Utility Department can more than likely supply that report.

Member Pacourek – Sierra Electric Co-op could raise their prices to offset their bottom line due to more electric car sales, and road improvements from fuel sales tax.

Chairman Szigeti – explained about how the end of the year excess would be handled. Up to 100% usage is balanced off. At end of the year if you have excess kW hours that have not been used to offset the usage that is reimbursed at 40% of the current electric rate. That comes out to 5.3 cents per kW hours.

Bo Easley, Electric Department Director – pointed out the Utility Office assesses that every month.

Chairman Szigeti – agreed with Electric Department Director Easley. If you end up with a credit at the time of assessment, it is carried over to the next month, but due to small solar units, there is not usually a carryover. When solar panels are added, it may generate more electricity than is being used, and there would be a credit at the end of the year. Under the current rules, the reserve would keep growing until you terminated the account, at which time a reimbursement would be issued. Under the new proposal, any excess that is generated over the course of the year will only be reimbursed at the whole sale rate. The consumer will not be penalized for installing an oversized unit, nor will be rewarded. By implementing the end of the year true up, and setting it at whole sale rate, it discourages the new consumer from installing an oversized unit. It is proposed, as an automatic refund that will be calculated by the utility office every year in October.

Member Pacourek – noted there might be an additional cost to the Utility Department to process a reimbursement check.

Chairman Szigeti – responded, the systems software should be able to calculate the credit with ease.

Bo Easley, Electric Department Director – suggested speaking with Utility Office Manager Sonya Williams, City Manager Madrid, and City Attorney Rubin for further discussion.

Chairman Szigeti – explained that the City Manager and the City Attorney have already approved the red lined proposed changes.

Member Pacourek moved to table this item to another meeting where the City Manager and City Attorney can be present. Member Avelar seconded the motion.

George Szigeti, Chairman voted nay

Jeff Dornbusch, Vice-Chairman voted nay
Ron Pacourek, Member voted aye
Gil Avelar, Member voted aye
Don Armijo, Member voted aye

Motion carried with a 3 to 2 vote.

b. Discussion/Action: Type of Utility Reports to be furnished to the PUAB:

The Board would like to coordinate with the department heads on which information would be reported to them and how often. Some examples given were production, revenues vs. expenses, miscellaneous costs, utility office rate changes, calculation on the energy cost adjustment for the electric department, flow of the pumps, suggestions from the departments, and more efficient ways to operate the department. The Board suggested that the Utility Department print an insert explaining how the Smart Meters can be read.

Bo Easley, Electric Department Director suggested that the Board try to be very specific on the type of reports they are expecting to receive. That way all of the departments involved have the proper time to research.

The board agreed to further discuss at another meeting, the specific information on the report(s) needed from each city utility department then send that list to the City Manager for review.

c. Discussion/Action: Set time for next month's meeting due to Federal Holiday:

Chairman Szigeti made a motion to set next month's meeting to Tuesday, February 16, 2021 at 5:30 p.m. Vice-Chairman Dornbusch seconded the motion. Motion carried unanimously.

6. COMMENTS FROM THE BOARD:

Member Pacourek commented on the following:

- He was concerned of the fact that the reading from the old meter was not correctly carried over to the smart meter.
- He asked for clarification of the term "Ex Officio".
- He felt that the trash pick-up for seasonal resident's item should have been added to this agenda.
- He suggested changing the delivery of the agenda packet from 3 days to 5 days prior to the upcoming scheduled meeting.

Chairman Szigeti requested that the third item be added to next month's agenda.

Deputy Clerk Barclay reminded Member Pacourek that this portion of the meeting is for reports/comments only. She directed him to contact city staff for any question he may have.

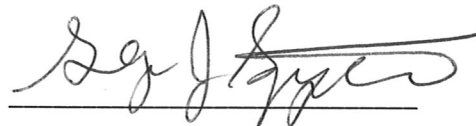
7. COMMENTS FROM STAFF:

There were no comments from the staff.

8. ADJOURNMENT:

Chairman Szigeti made a motion to adjourn meeting. Member Avelar seconded the motion. Motion carried unanimously.

PASSED AND APPROVED ON THIS 15th DAY OF MARCH, 2021.

A handwritten signature in black ink, appearing to read "George Szigeti", written over a horizontal line.

Chairman George Szigeti, Chairman
Public Utility Advisory Board