

**CITY OF TRUTH OR CONSEQUENCES
PUBLIC UTILITY ADVISORY BOARD
MINUTES
MONDAY, MARCH 15, 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 Monday, March 15, 2021 at 5:30 pm.

CALL TO ORDER

ROLL CALL:

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

ALSO PRESENT:

Traci Alvarez, Acting City Manager
Bo Easley, Electric Department Director
Angela A. Torres, CMC, City Clerk-Treasurer
Dawn C. Barclay, Deputy City Clerk

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 Tuesday, January 19, 2021.

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

3. COMMENTS FROM THE PUBLIC: (3 Minute rule applies)

Ron Fenn gave comments regarding the following:

- His thought on commercial and residential solar.

- He informed the board about various “utility” reports they can request from the city.

Ariel Dougherty gave comments regarding the following:

- Her thoughts about advisory committee's responsibility to receive public input.
- Her thoughts on item 5.a Residential Solar Generation Limits.
- Her thoughts on the proposed electric vehicle charging station.

Martha Rimmel gave comments regarding the following:

- Her thoughts on item 5.a Residential Solar Generation Limits.

Susan Crow emailed her public comment that was read by City Clerk Torres. (Complete copy attached hereto and made apart hereof).

4. RESPONSE TO COMMENTS FROM THE PUBLIC

No response to comments from the public.

5. OLD BUSINESS:

a. Discussion/Action: Residential Solar Generation Limits:

Chairman Szigeti - started off with some new information regarding the reason why he had setup the revision on this ordinance for a yearly true up. It was due to the limitations with the current billing procedure through the utility office. To change to a monthly true up, it would not be possible giving the way the system is set up at this time. He met with Utility Manager Sonya Williams to discuss the billing process step by step. They addressed problems the system has with limited information being printed on the utility bills. Any changes to the format must go through “Tyler” at a cost. Once “Tyler” makes the necessary changes to the billing system, a monthly true up can be implemented. This is also a common billing practice for other solar customers. On a monthly basis, the utility office looks at what was delivered to the customer, and subtracts that from the number of kilowatt hours that was pushed back into the grid. If the number is positive (*meaning they took in more than they produced*) then they are billed for the amount. If the number is negative, they are then credited for that excess electricity. In his research he found that every case where excess production is pushed back to the utility company, it is credited at a far lower rate than the actual cost of the deliverable electricity. Sierra Electric does this, if you produce more kilowatt hours then what you pull in that excess is credited back 2.014 cents per kilowatt hour, which is about 13 cents a kilowatt hour less then what they pay. He noted customers are given credit for excess production at the full rate. He feels the City should not be giving credit in excess of above the whole sale rate which is around 5.5 cents per kilowatt hour. That figure is calculated based upon the electric cost adjustment. Taking the total cost of electricity divided by the total use of the total amount paid. Based upon his evaluation, he is proposing to drop back, and do a monthly true up using a model that is being used by other utility

companies. The recommendation is to use 5.3 cents per kilowatt hour for the credit for the extra production every month.

Bo Easley, Electric Department Director - asked Chairman Szigeti if he was taking into consideration the contract with WAPA and the Solar Array.

Chairman Szigeti – confirmed his information was solely based upon the usage from Sierra Electric.

Bo Easley, Electric Department Director – pointed out that the figures included the WAPA and Solar Array.

Chairman Szigeti – stated that he separated out Sierra Electric Coop. The current contract has a minimum purchase amount of 16,500,000 kilowatt hours per year from SEC, and 500,000 kilowatt hours came on. He used 2018 as a reference, and the city purchased 23,500,000 from Sierra Electric Coop. The difference is the figured used for his calculations.

Bo Easley, Electric Department Director – asked that WAPA and Solar Array need to be included.

Chairman Szigeti – the amount we get from the solar farm and WAPA is consistent. He claimed no spikes in production from either one will influence the amount purchased from Sierra Electric Coop.

Member Armijo – asked what limits Sierra Electric Coop has on their customers when they build their systems?

Chairman Szigeti – responded they have no limit.

Member Armijo – was concerned about the city putting in new systems and selling electricity. At what point is that classified as a business, and the producers become a vendor? Would the city have to offer contracts to these producers? He also pointed out that the 90% limit was created so the city does not over produce and have to pay customers back at the end. Right now, the city is not selling the excess.

Chairman Szigeti – solar residential and businesses that have their own co-generation facilities including wind, and those customers have a contract which is an interconnection agreement. He stated the rates they pay, and credits they get back are set by the City Commission. No other contracts need to be implemented. It's an individual agreement with the standards set by the City Commission. He went on to address the solar farm and stated that the energy received from the solar farm is purchased, and it was set up as a separate stand-alone contract that applies to the solar farm only, and it has no effect on the residential customer's.

Bo Easley, Electric Department Director – inquired about the cost increase that is charged to the City every year?

Chairman Szigeti –theoretically the electric cost adjustment can be calculated twice a year, and it would take into account any changes in the cost of electricity, and maintain a consistent profit margin

for the electric company if the cost of the electricity goes up. It is in place, and is there for the protection of the utility company.

Member Pacourek – asked when the last time the energy cost adjustment was calculated?

Chairman Szigeti – he did not know the date, but stated the current energy cost adjustment is exactly the same as it was when the ordinance was passed by the City Commission. He advised to leave it up to the City Manager to pursue.

Member Pacourek – stated that he met with the City Manager before he left office, and in his opinion, this calculation has never been done.

Chairman Szigeti – pointed out it has been noted by Ms. Alvarez. Protection from rising electric costs is already built into the system. Having the 90% limit was the only way the solar ordinance could get passed. If the systems were sized where they could not generate more the 90% of the usage, there would never be an excess credit at the end of the year. So there is no need for an annual true up if no one is producing extra excess electricity. However, over the past 8 years some systems now generate more electricity than what the customer is using. He claims the electric company gave their approval for the installs. He also claims the 90% limit has been violated many times, and if the city continues to allow oversized systems, why is there a need for the limit?

Bo Easley, Electric Department Director – clarified that the city is not allowing oversized systems, and it might be because customers have lowered their usage, and the system is now producing more electricity. He reminded Chairman Szigeti that when this started, it was suggested by the city that they use the 80%, but you advocated for the 90%; now you want to give money back to the customers that is over produced. The contract says that the customer will true up when the customer terminates service with the city.

Chairman Szigeti – clarified that currently the city is paying out 13.2 cents per kilowatt hour vs. the proposed changes. The new pay out rate would be 5.3 cents per kilowatt hour.

Vice-Chairman Dornbusch – commented, by setting the by back rate to 5.5 cents per kilowatt hour, the city makes money off the excess generation.

Chairman Szigeti – stated as right now the city is losing money by paying the solar farm .10/.11 cents per kilowatt hour and is paying solar generators even a higher amount at .13 per kilowatt hour, causing no profit for the city. Doing a monthly true up, and paying that excess monthly true up rate is the way all major utilities handle solar production.

Vice-Chairman Dornbusch – suggested that the city buy it at 5 cents KPH and sell it at 14 cents KPH. The city does not have to pay for any overhead, line generation loss, capital outlay, depreciation or installation. The home owner pays for everything. Sierra Electric Coop seems to be doing the same thing.

Member Avelar - made reference that certain type of batteries may have a conflict if electricity is returned at night.

Chairman Szigeti – made reference to the future when everyone upgrades their system to accommodate all electric appliances and electric vehicle charging systems.

Member Pacourek –reminded the board about the cost of cutting monthly reimbursement checks.

Vice-Chairman Dornbusch – stated it could be credited back electronically, and asked how the city was going to calculate the 90% usage.

Bo Easley, Electric Department Director – clarified by explaining, in the ordinance, if you have solar; the city will use the last 12 months of usage. He advised that the home owner should wait for approximately 6-7 months then re-submit a new application for review of usage. At that time, the home owner can decide whether or not to add another solar panel, and after the allowed time frame the homeowner can re-submit another application with the \$25 fee for processing.

Bo Easley, Electric Department Director – suggested changing it to 80% so nobody over produces.

Vice-Chairman Dornbusch – suggested getting rid of all limits on customers because that opens a new source of electric revenue, and a new source of electrons. Then we can re-write a new contract with 4 corners.

Chairman Szigeti – requested that the electric department provide the following at the next scheduled board meeting:

- Detailing of how solar systems are approved.
- How production is calculated.
- How many solar systems have produced more electricity during the year than they have purchased.
- Anything installed after the date original ordinance was passed.

Chairman Szigeti made a motion to have a on the next agenda reports of how the proposed solar installations are assed and evaluated before they are approved; how many solar systems have been put in since the ordinance has passed; and how many of them are producing more electricity than the customer is using. **Member Avelar** seconded the motion. Motion carried unanimously.

An additional motion was made by **Chairman Szigeti** to continue with the process of amending the ordinance with the intent to eliminate the 90% limit on solar systems. Motion seconded by **Vice-Chairman Dornbusch**. Roll call was taken.

George Szigeti voted aye

Jeff Dornbusch voted aye

Ron Pacourek voted nay

Gil Avelar voted nay

Don Armijo voted nay

Motion failed with a 3-2 vote.

b. Discussion: Exemption of Trash Pickup for Seasonal Residents.

City Clerk Torres – mentioned this item was previously requested by Vice-Chairman Dornbusch. She asked the board if they would like to move forward with this item.

Vice-Chairman Dornbusch – replied yes. This purpose was to create some sort of mechanism for people who are part time residents to not have to pay for generating trash. Maybe an ordinance could be created to opt-out for seasonal residents.

City Clerk Torres – advised that the board pick one board member to visit with Sanitation Director Andy Alvarez, and Utility Office Manager Sonya Williams to further research this item, and bring back their findings and present it to the board.

Traci Alvarez, Acting City Manager – suggested that they look into the current contract, and annual increase it may have. She suggested also looking into what the implication may be if those fees were discontinued, how it could impact the solid waste budget, and how it can be regulated. It was mentioned by the board to remove the roll out. Ms. Alvarez responded this may impact Airbnb's, and possible cleaning services that generate trash while the resident was not occupying the property, and possible other underlying factors.

Chairman Szigeti – commented on he would like to see a pay-as-you-go weight system with a credit. The board made numerous comments not in favor of this idea, and it was noted that Jeff Dornbusch will visit with the departments, and report back to the board.

c. Discussion/Action: Type of Report from each Utility Department:

Chairman Szigeti - provided the board a handout named "Items for Quarterly Utility Reports" which is his recommendation of primary list of sample reports from all four departments and the utility office. He asked the board to review the recommendations and make their suggestion. It was asked at the last meeting when discussed to have a more detailed request list. The goal now is to review, make suggestions, and have a finalized list to present to all the departments.

Traci Alvarez, Acting City Manager – asked if the board had any objections to her meeting with the various departments as well. If the first quarterly report was due in June, the departments would have 3 months to prepare the report ironing out any questions or adjustment before June. She suggested the report be due in July.

The board had no objections.

Member Szigeti - suggested adding a new rate sheet along with the July reporting.

Member Avelar - suggested that each department head present their reports at the July meeting. He also would like to know about the composting program.

Chairman Szigeti - had additional requests to the reports to include; equipment status for each department on replacing and/or repairs, all used on effluent usage, water leak update from water department. He also updated the board regarding his visit with Jesse Cole of the Wastewater Department.

Chairman Szigeti recapped the additions that were added to the handout:

- **Water leak update, effluent use to reflect how much is being used, compost availability, equipment status for each of the four departments.**

Chairman Szigeti made a motion to approve the handout called “Items for Quarterly Utility Report” that was submitted at the meeting along with stated changes and a copy will be passed onto the City Manager and Departments. Member Armijo and Member Pacourek seconded. Motion carried unanimously.

6. NEW BUSINESS:

a. Discussion/Action: Change PUAB Meeting Time:

Vice-Chairman Dornbusch - wanted to bring this topic to the board in consideration of the city employees that are required to attend the PUAB meetings and may not be getting wage compensation outside of business hours in the form of overtime. He suggested having the meeting during city business hours.

Traci Alvarez, Acting City Manager – suggested the board coordinate through the City Clerk’s Office to avoid any conflict schedules in the City Chambers.

City Clerk Torres - confirmed that there are no conflicts should the board want to meet on the same day at an earlier time.

Vice-Chairman Dornbusch - suggested 3:00pm or 3:30pm in consideration for the working folks.

Traci Alvarez, Acting City Manager – reminded the board some of the utility departments start at 6:00am or 7:00am, so their end of day is at 3:00pm -3:30pm.

Chairman Szigeti - would like to know if there would be a hardship from the staff and/or public if the time was changed to an earlier time in the day.

Traci Alvarez, Acting City Manager – stated the board might want to wait to after new City Manager's has been implemented.

No motion was made at this time from the board.

7. COMMENTS FROM THE BOARD:

Member Pacourek - had a question about solid waste rates being increased ever year by 5%. He found a typo with the year stated 2020 to 2021.

Chairman Szigeti - clarified that the annual increase with the solid waste charges was voted upon by an ordinance by the City Commission. He met with Sonya Williams, Utility Department Manager and they went through Cycle A of the billing process. He wanted to research where the root of some of issues were coming from. They started by importing the data from the system. He noted that manual readings are collected by a hand held device then downloaded to the city's server. Information from the A.M.I. meter goes to its own server. The billing info is pulled from the server using the "Tyler" program. Then "Tyler" generates the bill. From what they observed, "Tyler" is not handling the information correctly. "Tyler" is aware of this problem, and they are working on fixing this issue. When the bills are generated it also creates a list of errors, which must be corrected. There are also warnings of unusually high or low usage. He noted out of 1,700 accounts in Cycle A, there were over a 1,000 warnings. However, Sonya is able to go through and sort by the largest anomalies within the account and she particularly looks for really big numbers. She can go back and research the A.M.I. system for a daily comparison history. He went on to state that the "Tyler" needs a software update. He stated "Tyler" has made some adjustments to the software, and it somehow is creating and inserting an unusual number into certain accounts. It has nothing to do with what the customer used. If it not caught, the customer may get a bad bill. "Tyler" has other issues as well. Another issue that he noted was the outstanding Utility Department bills which total approximately \$218,000. He also stated that the city needs to be stricter on the collection process for any outstanding bills.

8. COMMENTS FROM THE STAFF:

Vice-Chairman Dornbusch – asked a question directed to staff and/or City Manager about the status of the USDA Water Line Replacement Project. He wanted to know if it was on schedule to start breaking ground.

Traci Alvarez, Acting City Manager - stated she has a capital project sheet that she can share with the board. The city is about 90 to 95% complete on the design for the downtown water. Pending all the approvals through the USDA level, construction can start no later than fall. She reminded the board, due to COVID, and USDA being a Federal Agency, they have not been in their offices for over a year, and it is a longer process due to this reason. She noted the city has \$14 million going out for various projects, grants, and cash match loans. A little over \$7 million is grant only.

9. ADJOURNMENT:

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

PASSED AND APPROVED on this 19th day of April, 2021.


George Szigeti, Chairman
Public Utility Advisory Board

T or C Public Comment

From: Suz Crow <suzcrow505@gmail.com>
Sent: Monday, March 15, 2021 8:56 AM
To: T or C Public Comment
Subject: Fwd: For PUAB public comment

Re: fees for keeping our analog meters. Any demand of extra payment to avoid having privacy, security or health infringed upon within one's own home is extortion, particularly in light of the fact that microwave radiation, including that emitted by smart meters, is classified by the WHO as a possible human carcinogen.

Even a \$5 monthly fee represents 20% of my monthly electric usage which is a usurious fee. Our community is primarily low income with many of those retired and on fixed incomes. Making opt-out or trip fees discriminates against low-income customers. We should not be penalized for our choices.

The 2005 clean energy act was intended as an opt-in program. The phrasing stated that advanced technologies are "TO BE OFFERED". It is a violation of the intent of the law making them mandatory. Additionally, the NM Regulatory commission set precedent April 11, 2018, Case No. 15-00312-UT by denying PNM any form of opt-out or trip fees as punitive and a hardship to customers.

Please recommend those choosing to keep analog meters be responsible for sending an image of their meter reading monthly by email, and change the policy that requires a utility employee to go out and read the meter, when you have visual confirmation of the reading in a photo. This is an unnecessary waste of our taxpayer dollars. Any fee that is imposed should be waived when the customer provides any form of self reporting, be it photos by email or documentation sent or dropped off at the office.

An opt-out /trip fee discriminates against those with medical conditions and violates the Americans with Disabilities Act.

New Mexico Statutes Chapter 62 § 62-8-1. Rates

Every rate made, demanded or received by any public utility shall be just and reasonable.

Please take these concerns into consideration when you make your recommendations to the commission.

Thank you,
Susie Crow