

**Utility Manager's Report
November 16, 2022**

1. First is a PowerPoint presentation regarding the November 13th outage and its repair status. (To be attached.)
2. The negotiations to improve employee retention and recruitment were completed with the two unions and last night Council approved the budget revision approved by BPU and all the associated resolutions to complete this action. On behalf of staff and myself, I want to thank both the Board and Council in supporting these compensation increases.
3. After BPU approved the DPU strategic plan, DPU-SMT attended two half day strategic planning sessions to review the revised goals and objectives and update our action plans. The major issue before the department are the number of retirement eligible employees and the strain it places on the department. The DPU-SMT team will proposed in next year's budget to have 2 to 3 employees budgeted for the purpose of double filling positions and these proposed positions will float around the department based on need. The current system is a retirement letter is required before a replacement recruitment can commence. Recruiting typically takes two to three months to complete. Next, the retiring employee gets to use 520 hours of sick leave and their accumulated vacation that can extend the employee being on the books for up to five months after they retire. Double filling will allow for a recruitment to occur prior to the employee retiring and then the new employee can receive some training before assuming the retiring employee roles. Last year, the Board supported double filling the Deputy for GWS for six months due to his retirement plans and this is currently in process.
4. Project Management Committee (PMC) meeting regarding the CFPP and this phase of project continues to remain under budget, but the schedule has slipped by a month. In January, the Economic Competitive Test (ECT) and a new budget and plan of finance will be presented to BPU. This step will trigger the off-ramp option or if we plan to continue in the project. I will propose a January 11th meeting with BPU and UAMPS.
5. I met with Senator Heinrich staff regarding the benefits of the CFPP. The staff was interested in learning about the project and the need clean dispatchable power. The Senator's office is working on the DOE appropriations budget. The DOE grant for the CFPP is subject to annual appropriations.
6. The UAMPS Resource Project Committee has several projects in the pipeline.
Geothermal Proposal (The Power Pool has requested 10 MW)
Gas Generation and Feasibility Study that may include the addition of hydrogen fuel (The Power Pool has requested 10 MW)
Two Solar plus battery storage proposals (The Power Pool has yet to consider these proposed projects)

7. For the LANL solar site, staff met with LANL staff on the technical aspects of the project, and we have identified a potential vendor to construct the project. While there is acreage for 10 MW, there are a couple of acres that may not be developable due to flood plain restrictions and cultural issues. Next Steps are for LANL to receive these clearances for developable area, a geotechnical report, and some specifications on the point of connection for the project. It was determined that battery storage at this site would not be beneficial. LAC requested a battery siting study that follows the joint IRP. We did learn that LANL is installing an eight MW four-hour battery at another location. proposal is to use a similar lease arrangement as held at the landfill and purchase the power.
8. The San I. Pueblo is still waiting on the result of their study on the solar site. One positive step forward is the tribal government approved the solar site land use. Staff will continue to engage with this potential partner.
9. FERC has retained a settlement judge regarding PNM's 864 filing and LAC is preparing in the discovery phase and a final hearing on November 30th in Washington D.C. Mr. Garcia will be attending this hearing.
10. For SJGS, the project is in the decommissioning phase and a letter was issued to San Juan County manager notifying him that the SJGS is closed and a decommission plan will be submitted within 90-days as required by San Juan County Ordinance. Also, the City of Farmington request for a temporary restraining order to suspend any decommissioning activities was denied by the arbitrator. This lawsuit is ongoing and to date three arbitrators have been selected and these arbitrators are reviewing the evidence submitted and have yet to schedule a trial date.
11. The setup and testing of the Tyler 311 are progressing. During testing, staff identified a couple of issues to resolve before this product can go live. Most of the features are working properly.
12. Staff selected a vendor for the electric rate study, and they are working with procurement on the agreement.
13. This month's Technical Working Group TWG meeting covered what the TWG shared vision is and how risks and values may influence this share vision.
14. I attended the N3B quarterly community update. Most of the meeting covered the progress on WIPP Shipments, a stop work order due to safety concerns site wide with N3B, DP Road confirmation sampling work, and the progress they made and one setback with the well drilling for the chromium plume.

15. Attended several meetings on the waterline to the ski hill and 10-million-gallon storage reservoir. Staff is working on a term sheet on how to apply for and participate in potential grants for the project. There are \$2 Million budgeted by the county and the ski area has pledged another \$2Million to be used for grant matches.