

BOARD OF UTILITIES COMMISSIONERS – February 11, 2025

CITY OF LA JUNTA)
COUNTY OF OTERO) SS
STATE OF COLORADO)

A Regular Meeting of the Board of Utilities Commissioners of the City of La Junta, Colorado, was called to order by Chairman Patrick Berg on Tuesday, February 11, 2025, at 4:00 p.m. in the Council Chambers of the Municipal Building.

Roll was called and the following Board Members were present:

Present: Joe Ayala, Mayor
 Patrick Berg, Chairman
 Mike Bourget, Commissioner

Absent: Paul Velasquez, Council Member/Vice-Chair

Also present: Brad Davidson, Interim City Manager
 Bill Jackson, Asst. City Manager
 Erin Harris, City Attorney
 Melanie Scofield, City Clerk
 Tom Seaba, Director of Water/WW
 Chris Arguello, Electric Superintendent
 Martin Montoya, Director of Engineering
 Keith/Valerie Manweiler, La Junta
 Bette McFarren, RF Gazette



Subject to approval at the
March 11, 2025
Utilities Board Meeting



MINUTES OF PREVIOUS MEETING

Chairman Berg asked if there were any corrections or additions to the minutes of the Regular Meeting of January 14, 2025.

MOTION TO APPROVE THE JANUARY 14, 2025 MINUTES AS PUBLISHED: Ayala

SECOND: Bourget

DISCUSSION: There was no discussion

VOTE: The motion carried 3-0 (Velasquez absent)

RECOGNITION: Chairman Berg thanked Gary Cranson for his years of service on the Utility Board and the community from December 2019 through January 2025.

CITIZEN PARTICIPATION

1. There was no citizen participation.

REPORTS

A. ARPA Board: Gary Cranson submitted the following report:

- 1. Summary of December 2024 Financial and Operating Statements:** In December, revenue from power sales was \$107,257 (4.8%) less than budget. Cost of goods sold was \$39,654 over budget. Net operating revenue for December was \$268,031.
- 2. Year to Date Income Statement:** Revenue from power sales was better than budget by \$325,515 (1.2%). Total revenues were better than budget by \$796,643. Total cost of goods sold was greater than budget by \$61,140 (0.3%). Total A & G expenses are under budget by \$128,729 (1.9%). YTD Net Revenue is \$4,312,564. Average of 128 days cash on hand. Debt service coverage year to date is 1.38 X.

3. **December Operating Report:** Member Energy sales were 3.4% less than budget in December and 3.4% less than they were in 2023. Member energy sales YTD are about 1.2% better than budget and 3.5% better than sales in 2023. Member demands of 39.6 mW was about 0.5% lower than December 2023. All in cost to members YTD is \$0.10002 per kWh which is 2.1% lower than 2020 when ARPA last changed its rates. The avoided cost rate for January is \$52.49 per mWh.
4. **RATE Update:** ARPA reduced its wholesale rate January 5, 2025. The ARPA wholesale rate was reduced by approximately 8.6% from a composite rate of \$0.1023/kWh to \$0.09348/kWh.
5. **Next Regular Meeting:** February 27, 2025 10:00 AM at Otero College in La Junta.

The Board discussed that since the reports are already in the packets and are available to the public, only comments or notable changes would need to be addressed. It was also discussed to revisit having Gary Cranson remain on the ARPA Board.

B. Water & Wastewater Treatment (Tom Seaba):

1. R.O. Plant
 - Routine maintenance: flushed air relief valves, changed oil/grease on finish water pumps and RO motors, calibrated lab equipment, cleaned chlorine storage tanks, checked media depth in manganese filters.
 - Chemical audit.
 - Changed all cartridge filters.
 - Changed light fixtures in chlorine room to LED fixtures.
 - Troubleshooting ideas to keep West tank pressure transducer from freezing.
 - Yearly update to SOP's.
 - Meter Reading, additional facilities maintenance.
2. Distribution
 - Repaired main break in 10 Block of West 6th. Coordinating to replace that section of main in March/April when asphalt is available.
 - Repaired 16" meter leak on raw water main leaving south well field.
 - Repaired 4" hydraulic pump and completed fabricating reverse bucket.
 - Meter Reading and utility billing office generated work orders, equipment maintenance.
3. Wastewater
 - Treated 25.009 million gallons. Removed 22ft³ of screenings and 26ft³ of grit.
 - RO concentrate discharge to plant was 10.245 million gallons.
 - Jetted 1,200 feet of line for seven emergency calls and twenty-two manhole locate requests.
 - Replaced gas meter to RAS building due to leak.
 - Grit building pipes and process froze due to HVAC still down as we wait for replacement part to arrive. Installed two new valves to better isolate water use.
 - RAS pump lead change from #3 to #2, pump #3 cleaned and oil/grease changed.
 - All screens and filters changed in headworks building.
4. Other Notables:
 - Screw press for WWTP on order, 4-6 months estimated for build and delivery. RFP for building being created and should be released before end of February.
 - Hired two new employees for the RO plant.
 - Completed purchase order for comprehensive water testing cycle under the emerging contaminants grant; three-month cycle.
 - Collecting data to apply for USDA grant towards water tower replacement/refurbishment.
 - Two employees attended RMWEA Fundamentals course in Denver.

5. Additional Information:

- At the next conduit meeting, there should be some discussion regarding the type of governance we would like to see if we were to be a part of it. What type of board and what type of power. If there is no separate governance board, specifically for the conduit, then the standard boards that oversee things through the Southeastern District are the ones that would take over and those are mostly populated by Pueblo and Colorado Springs. We would want to make sure they have as little as possible to say in what our business would be. That would be our conduit that we would be paying into, if we were participating.
- Funds for the conduit could be affected by the federal funding freeze. The only funds that are not at risk would be our state revolving funds that are fully funded for the financial year. Most of the rest of them are either line by line or are emerging contaminants grants.

C. Electric Department (Chris Arguello/Bill Jackson):

1. Line Crew

- Daily reads, disconnects and maintenance.
- The crew has been working on a street light pole on Highway 50 that was hit by a vehicle.
- Maintenance is being performed on the high-voltage air switches on the distribution line.
- Vehicle and building maintenance are always a priority for the Electric Department.
- A bad arrestor was replaced on the air base breaker #8 in the Industrial Park.
- A switch was replaced on a high-voltage capacitor bank.
- The crew worked on a pad mount transformer at Casa del Sol for the new housing units.

2. SOLAR Accounts

- The total kWh returned to the system was 8,555 from 40 customers. A total of \$445.00 was rebated at the avoided cost. There are currently 38 residential and 2 commercial solar customers.

3. System Update

- Need to replace two 1960's breakers to insure substation transmission protection. The current equipment is leaking and is at the end of its service life.
- A budget amendment in the amount of \$683,151 from retained earnings is recommended.

That will not affect the budget. The John Krajewsky study on the pass through of the rates was emailed. We don't have to raise our rates because of the ARPA pricing. It goes back to the retained earnings and that's what we'll pay for that. So, there won't be an additional cost anywhere.

We asked for proposals from several providers. Eaton's the only one that responded with any type of proposal. They came down and surveyed the site. We made sure that it was a standard, not a gouging rate. They have a good reputation. So, that's the one we're recommending. The others didn't even respond. These folks are based out of Denver.

Lengthy discussion continued amongst the Board.

D. Sanitation (Martin Montoya):

1. If we were to do the cardboard recycling idea, that would require a budget amendment depending on how fast the program would be implemented.
2. SECRA (Southeast, East, Central Recycling Association) might have to call it quits but the State isn't interested in letting that happen. The State is looking at giving them funding in order to stay afloat. They're currently in the process of trying to get everything in line for the State to help them out.
3. The old sanitation truck went down. Arrangements have been made to make sure we're good for next Tuesday the 18th because we have to pick-up double trash on that day. The truck from the Industrial Park will be used to help out.

4. Will be moving the guard shack down from up top to closer to the gate so that we're making sure all the waste coming into the transfer station is being looked at.
5. Looking into setting up a station for used oil and a place to discard the plastic containers.
6. In the process of ordering new signs for the new rates and products that will be accepted at the transfer station.
7. Will be purchasing new totes for this year.

NEW BUSINESS

A. Board Vacancy Letter of Interest

1. Keith Manweiler submitted the following Letter of Interest:

"I am writing to express my interest in serving on the City of La Junta Utilities Board. As a longtime resident and former City employee, I have a deep appreciation for the importance of reliable utility services and would welcome the opportunity to contribute my experience to the Board.

I dedicated 32 years to working for the City, including 17 years in the Water Treatment Department, where I gained extensive knowledge of water management, infrastructure, and regulatory compliance. I also hold Level A Water Treatment and Level 4 Water Distribution certifications, which have provided me with a strong technical understanding of water systems and operations. Additionally, my background in agriculture has given me valuable insight into utility conservation and resource management, both of which are crucial to our community's sustainability.

With my experience and commitment to La Junta, I believe I can offer valuable perspective and help ensure the continued efficiency and effectiveness of our utility services. I would appreciate the opportunity to discuss my qualifications further and look forward to your consideration."

MOTION TO ACCEPT KEITH MANWEILERS LETTER OF INTEREST FOR THE UTILITY BOARD: Ayala

SECOND: Bourget

DISCUSSION: Keith knows the current state of the City's infrastructure and would like to help find solutions to improve our community. (The Board asked Keith some additional questions.)

VOTE: The motion carried 3-0 (Velasquez absent)

- B. **Approval for ARPA Scholarship in the amount of \$700.00.** All member cities offer scholarships with ARPA matching each city.

MOTION TO APPROVE THE ARPA SCHOLARSHIP IN THE AMOUNT OF \$700.00: Ayala

SECOND: Manweiler

DISCUSSION: There was no discussion

VOTE: The motion carried 4-0 (Velasquez absent)

- C. **LP Break Replacement – Budget Amendment.** This will start the project for the replacement of the breakers at the light plant sub in the amount of \$683,151.

MOTION TO RECOMMEND TO COUNCIL TO APPROVE THE BUDGET AMENDMENT FOR THE REPLACEMENT OF THE BREAKERS IN THE AMOUNT OF \$683,151: Bourget

SECOND: Manweiler

DISCUSSION: There was no discussion

VOTE: The motion carried 4-0 (Velasquez absent)

D. Interim City Manager Comments.

1. Last Utility Board meeting. Michael Hart will be starting next Tuesday as our new City Manager.
2. Thank you to all the utility crew members from all the different departments.
3. Thank you to the Utility Board. I learned a lot about the utilities, the enterprise funds, and how they work. I've had a very good time doing it and wish Michael the best of luck.

E. Governing Body's Comments.

1. Chairman Berg: Suggested looking at a way to do the packet and notes in a digital format moving forward. There's a lot of ways we can use some newer tools to have more updated information. Sometimes the packets are enormous for paper. I'd like to make a recommendation to consider using something along the lines of Google Docs that we can all access and be in a format that would work best for everyone.

There being no further business, the meeting adjourned at 5:02 p.m.

ATTEST:

CITY OF LA JUNTA

Melanie R. Scofield, City Clerk

Patrick Berg, Chairman