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, March 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
Keith Manweiler (arrived during Executive Session)
Paul Velasquez, Council Member/Vice-Chair

Subject to approval at the
April 8, 2025
Utilities Board Meeting

Absent: None

Also present: Michael Hart, City Manager
Bill Jackson, Asst. City Manager
Erin Harris, City Attorney
Melanie Scofield, City Clerk
Paula Mahoney, Admin. Asst.
Tom Seaba, Director of Water/WW
Chris Arguello, Electric Superintendent
Martin Montoya, Director of Engineering
Aliza Libby, Director of Finance
Mike Weber, Hazan
Bette McFarren, RF Gazette

MINUTES OF PREVIOUS MEETING
Chairman Berg asked if there were any corrections or additions to the minutes of the Regular Meeting of February 11, 2025.

MOTION TO APPROVE THE FEBRUARY 11, 2025 MINUTES AS PUBLISHED: Ayala

SECOND: Bourget

DISCUSSION: There was no discussion

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

MOTION TO AMEND THE AGENDA TO INCLUDE THE LP BREAKER REPLACEMENT BUDGET AMENDMENT FROM LAST MEETING INTO UNFINISHED BUSINESS OF THIS MEETING: Ayala

SECOND: Velasquez

DISCUSSION: There was no discussion

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

CITIZEN PARTICIPATION
1. There was no citizen participation.

REPORTS

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

1. **Summary of January 2025 Financial and Operating Statements:** In January, revenue from power sales was $92,706 (4.4%) better than budget. Cost of goods sold was $76,118 over budget. Net operating revenue for January was $245,917. Total A & G expenses are under budget by $33,460. Net Revenue for the month is $73,686. Average of 123 days cash on hand. Debt service coverage year-to-date is 0.95X.

2. **January Operating Report:** Member Energy sales were 6.9% better than budget in January and 0.6% more than they were in 2024. Member demand of 44.7 mW was about 4.2% lower than January 2024. All in cost to members YTD is $0.09005 per kWh which is 8.6% lower than 2024 and 10.2% lower than 2020. The avoided cost rate for February is $54.58 per mWh.

3. **Next Regular Meeting:** May 29, 2025 10:00 AM at Otero College in La Junta.

MOTION TO GO INTO EXECUTIVE SESSION FOR DISCUSSION OF A PERSONNEL MATTER UNDER C.R.S. §24-6-402(4)(f) AND NOT INVOLVING: ANY SPECIFIC EMPLOYEES WHO HAVE REQUESTED DISCUSSION OF THE MATTER IN OPEN SESSION; ANY MEMBER OF THIS BODY OR ANY ELECTED OFFICIAL; THE APPOINTMENT OF ANY PERSON TO FILL AN OFFICE OF THIS BODY OR OF AN ELECTED OFFICIAL; OR PERSONNEL POLICIES THAT DO NOT REQUIRE THE DISCUSSION OF MATTERS PERSONAL TO PARTICULAR EMPLOYEES: Ayala

SECOND: Velasquez

DISCUSSION: There was no discussion

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

The Utility Board went into Executive Session at 4:05 p.m. and reconvened at 4:37 p.m.

B. Water & Wastewater Treatment (Tom Seaba):

1. R.O. Plant
   - Routine maintenance: inspected chemical injectors and flushed lines, inspected meter bearings in wells 1, 7, 11, 13; facility safety checks.
   - Quarterly water tank inspections.
   - Chemical wash done on RO “B”.
   - Repaired leaks on end-caps on RO “B”.
   - Replaced gasket on manganese filter #1.
   - Meter Reading, additional facilities maintenance.

2. Distribution
   - Hydrant maintenance and radio read meter maintenance and inspections.
   - Installed two new services and separated an old “master/slave” meter set-up.
   - Ongoing support for gas line installation near our mains in North La Junta.
   - Checked for leak in 1000 block of Cimarron. No leaks discovered. Presumed heavy drainage of ground water. Discovered one lead service line that will be replaced.
   - Meter Reading and utility billing office generated work orders, equipment maintenance.

3. Wastewater
   - Treated 22.594 million gallons. Removed 22ft^3 of screenings and 26ft^3 of grit.
   - RO concentrate discharge to plant was 8.171 million gallons.
   - Jetted 10,712 feet of line for six emergency calls and twenty-eight manhole locate requests.

- Center well of clarifiers cleaned.
- Headworks compactor trough and filtrate screen cleaned and disinfected.
- Scum pit cleaned and disinfected to kill any filaments.
- All screens and filters changed in headworks building.

4. Other Notables
   - Fulfill data requests for EC grant due March 13th.
   - Prepare rough draft of the annual Consumer Confidence Report.
   - Prepare court comments of concern for Colorado Springs Utilities Substitute Water Supply Plan. Water quality concerns about Lake Meredeth discharges.
   - Discussions with Aurora about leasing farm irrigation equipment.
   - CIRSA inspection.
   - Participated in Arkansas River Morphology seminar.
   - Had a sewer line completely compacted by stuff from the brewery. We replaced around sixty feet of line that couldn't be cleared and cleaned out about 140 feet until another blockage was hit. We have some more clean heads with cutting tips on order and have started discussions with the brewery when it comes to discharge.
   - Received projected amount of project water from the Southeastern Colorado Water Conservancy District. It's estimated we might get about 921-acre feet. I requested 1100-acre feet and if we get that, that will leave us with only sixty acres open in our storage in Pueblo. The Southeastern District would like to have a work session strictly looking at the finances only, not the project as a whole.

5. Financials
   - In Wastewater, Revenue is less then Expenses leaving a negative balance of about $195,000. Started off the year on February 1st with a payment of around $365,000 to the state repaying the construction loan for the Wastewater Treatment Plant. Then around $130,000 is the first 1/3 payment towards the screw press along with two sludge hauling estimated around $47,400 each. Rates for sludge hauling have also increased. In 2026, we hope to actualize the savings of doing this process in-house.
   - In Water, Revenues were a little bit less than expenses; however, revenues were up across the board this same time last year. There is definitely a positive increase from the rate increase and the conservation tiers. Part of what was expensive this month was some contract services we have. Those will be reimbursed through the emerging contaminants grant. We had a few obligations when it comes to water with the Holbrook that we had to pay for earlier this year than last year.

6. Mike Weber
   - Handed out a flyer prepared by Hazen Engineering and Maverick Solutions (attached). The numbers show that your emerging contaminants are higher than the EPA standard and you will need to be looking at ways to take care of this. One way is the conduit. There are three alternative ways you can take care of the problem that the EPA agrees with. Scenario #1 is to increase your RO capacity. Scenario #2 is a pre-treatment ion exchange. Scenario #3 is a bypass ion exchange. There is a grant available, $30 million ($10 million over the next three years), that I think you should apply for to fund this implementation. If you are approved, it can actually put one of these three scenarios in place. The Hazen team will have a recommendation for you in the next 45 days on which one is the most viable with cost estimates.

     (Questions from the Board were answered.)

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

1. Line Crew
   - Daily reads, disconnects and maintenance.

- A broken guy wire was replaced at the Kiva.
- We reset a decorative streetlight on 2nd Street and San Juan Avenue.
- Troubleshooting occurred on a reclosure at Potter Park and also on the lights at the courthouse.
- The crew cut in a road to access our power poles on the west side of McDonald's.
- Maintenance was performed on our insulated blankets and line hoses.
- A lineman took the demonstration table to Swink School for a safety demonstration.

2. SOLAR Accounts
   - The total kWh returned to the system was 14,130 from 40 customers. A total of $749.60 was rebated at the avoided cost. There are currently 38 residential and 2 commercial solar customers.

3. System Update
   - Breaker purchase for LP substation.

4. Financials
   - The only thing of significance on the electric expenditures is that we received the transformer for Lewis Bolt & Nut. We ordered that on May 10, 2023 for $56,617.00 and when we received it, it cost $70,000.00

D. Sanitation (Martin Montoya):

1. Cardboard program numbers. Will be looking into a few more things. Still have a 9-month employee position open. There might be a possibility of making the program happen with the current staff.

Revenue

Commercial Customers	Rate per Container	Monthly Revenue	Yearly Revenue	Years to recoup Container Cost
200	$25.00	$5,000.00	$60,000.00	3.05
300	$25.00	$7,500.00	$90,000.00	1.78

Revenue

Commercial Customers	Rate per Container	Monthly Revenue	Yearly Revenue	Years to recoup Container Cost
200	$35.00	$7,000.00	$84,000.00	1.94
300	$35.00	$10,500.00	$126,000.00	1.19

Expenses

	One-time	Recurring
Employee		$66,000.00
Containers (200)	$128,200.00	
Fuel		$18,000.00
Total	$128,200.00	$84,000.00

2. Financials:
   - Sanitation ended in the black last year and we are right on the mark for this year.

UNFINISHED BUSINESS

A. LP Breaker Budget Amendment.

Mayor Ayala: At the last meeting, there was an ask for the LP sub-breakers. It passed. Before it got to the council agenda, I was informed by our Finance Director that we may not be talking the same verbiage when it comes to retained earnings and what that looks like. I thought it would be appropriate for the Utility Board to be clear on what is being asked, where the money's coming from and what the language is. Typically, a written resolution is presented that has the purpose, the justification, the funding source, the impact, the alternatives, etc. All of that could have been better conveyed so that we wouldn't have to bring it back potentially costing us time.

Asst. City Manager Jackson: I'm the first guy to admit that the presentation I gave was confusing because I talked about 2024 and 2025 and the JK study. Actually, the terminology I meant to use was electric fund current assets and in that fund is the investments line which is our retained earnings, cash, that we have saved for capital improvement items. The investments we have in the bank is where I would like for that money to come from.

Chairman Berg: Is there preparation for a written resolution being discussed? Is that in the works?

City Attorney Harris: I have not drafted one up yet. I'd be glad to put something together. What I would want to understand is whether the resolution presented to all of you needs to just explain what was already voted on or whether you are seeking something of a do-over where we would write the resolution and then approve the written document, agreeing that it echoes what was voted on during the January meeting. I would just need direction from all of you.

Chairman Berg: I'm always on the side of taking less time and money to do something that brings clarity. The biggest lack of clarity for this Board sounds like, where the money was coming from and the retained earnings. Is that clear now by this description?

Mayor Ayala: Does the Finance Director agree with what has been presented by Mr. Jackson?

Director of Finance Libby: I think its still terminology. What he's saying is we're going to put the money in revenue, transferred to retained earnings, because its going to come from savings and they do have the money in their savings. Depreciation is saved for these types of projects because this asset has been completely depreciated out beyond its lifetime and it needs to be replaced. When he's saying retained earnings, he means under revenue, transfer from retained earnings but I will tell you it's coming from savings, our investments.

Asst. City Manager Jackson: So now we can ask Mrs. Harris to prepare a resolution for council that explains that like we normally do for a budget amendment.

NEW BUSINESS

A. Digital Packets.

Chairman Berg: I've got the digital packet right here in front of me. What I'd like to ask the Board is to make sure you get your Gmail addresses to Melanie so that she can share this with you. We're not ready to roll this out yet. There are formatting issues I'd like to go through. There's a lot of questions, clarifications, corrections that happen, even in this meeting. Or there's references to things that I didn't bring but if it was here, we could quickly pull up that information. I ask for your patience and I'd like to get to the point where the people that are presenting can put information in as well. I'd like to see everything in here before the meeting (instead of extra material presented during the meeting, so we're not wasting our time.)

B. **Replacement of Gary Cranson on the ARPA Board.**

Chairman Berg: We've discussed potentially having somebody that's on this Board now go to the ARPA meetings. I don't have a recommendation or decision on that. Would anybody like to take that place? Do we feel it pertinent to do that soon?

Mayor Ayala: I was thinking, since Gary is willing, when we find a replacement, if we had Gary sit with him for the first couple of months.

C. City Manager Comments.

1. Been able to tour all the facilities here at the City.
2. So far everything is going pretty well.
3. Recommend everybody go out to the sewer treatment plant and make sure to check out the headworks building.
4. Still meeting everybody, getting out and meeting all the crews.

D. Governing Body's Comments.

1. There were no governing body comments.

There being no further business, the meeting adjourned at 5:37 p.m.

ATTEST: CITY OF LA JUNTA

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Melanie R. Scofield, City Clerk Patrick Berg, Chairman