

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 Gary Cranson on Tuesday, March 19, 2024, 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, Commissioner
 Mike Bourget, Commissioner
 Gary Cranson, Vice-Chairman
 Paul Velasquez, Council Member

Absent: None

Also present: Brad Davidson, Interim City Manager
 Bill Jackson, Asst. City Manager
 Melanie Scofield, City Clerk
 Paula Mahoney, Admin. Asst.
 Aliza Libby, Director of Finance
 Tom Seaba, Director of Water/WW
 Martin Montoya, Director of Engineering
 Bette McFarren, RF Gazette

MINUTES OF PREVIOUS MEETING

Chairman Cranson asked if there were any corrections or additions to the minutes of the Regular Meeting of February 20, 2024. Hearing none, the Chairman asked for a motion to approve the minutes as published.

MOTION TO ACCEPT THE FEBRUARY 20, 2024 MINUTES AS PUBLISHED: Ayala

SECOND: Bourget

DISCUSSION: There was no discussion

VOTE: The motion carried 5-0

CITIZEN PARTICIPATION

1. There was no citizen participation.

REPORTS

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

1. **Summary of January 2024 Financial and Operating Statements:** During the month of January, revenue from power sales was greater than budget by \$122,994 (5.4%) and total revenue was greater than budget by \$208,798. Total cost of goods sold was over budget by \$73,415. Purchased power costs were over budget by \$78,105 (8.2%). Transmission expenses were right on budget. Net Revenue from Operations for the month was \$413,812.
2. **Year to Date Income Statement:** Debt Service Coverage YTD is 1.54X.
3. **Operating Report:** ARPA paid \$53.16 per mWh for 14.4 mWh produced by member solar installations. Energy sales for January was 6.7% greater than budget and 3.7% more than 2023. *Coincidental peak demand* was 46.0 mW. It occurred on January 15th in the hour ending 6:00

p.m. and was 6.6% higher than the 2023 peak. All in cost of power to members YTD is \$0.9898 per kWh; 1.3% lower than 2020.

4. **Next Meeting** –May 30, 2024, 10:00 a.m. at Otero College in La Junta.

B. Water & Wastewater Treatment. Tom Seaba gave the following report:

1. R.O. Plant

- Routine maintenance: Cleaned injectors, pressure valves, vibration dampeners, and check balls on all chemical systems.
- Chemical cleaned all three RO's.
- Drained/cleaned/inspected/refilled chlorine tanks.
- Replaced leaking 2-1/2" valves on cartridge filter vessels.
- Repaired/replaced broken handles on RO valves.
- Meter reading and facilities maintenance.
- Browns Hill Engineering will begin to replace the SCADA system starting next Monday.

2. Distribution

- Continue installations of services and hydrant replacement at new sheriff's office.
- Repair service leaks.
- Fire hydrant service/repair.
- Meter reading and utility billing office generated work orders, equipment maintenance.

Aliza Libby reported that a loan was made from the electric fund to the waste water fund in the amount of \$100,000 at the end of last year because Enterprise Funds cannot have a negative balance. That loan has been reversed for 2024.

Tom Seaba reported that there were two significant emergency expenses: one being a collapsed manhole at 3rd and Hayes Avenue and the other was pumping out over 520,000 gallons of excess sludge that built up in the plant.

3. January 2024 Water Fund Financials. The 2024 budget is \$3,793,700 less \$447,293.01 in expenses and \$242,310.63 in encumbrances leaving a remaining budget of \$3,104,096.36. Expenses exceed revenue by \$30,972.68.

4. Wastewater

- Treated 24.245 million gallons. Removed 20.0 ft³ of screenings and 38.0 ft³ of grit.
- RO concentrate discharge to plant was 8.442 million gallons.
- Jetted 8,962 feet of line for seven emergency calls and one-hundred thirty manhole locate requests.
- Cleaned UV channel. Replaced bank "A" UV fixtures, eight total. Also checked sensors, self-cleaner, and replaced oil in self-wipe mechanism.
- Conducted Reg 85 nutrients testing.
- Cleaned lift stations at Wal-Mart and McDonalds.
- Additional plant, collection system, and grounds maintenance.

5. January 2024 Wastewater Fund Financials. The 2024 budget is \$3,503,900 less \$736,867.84 in expenses and \$318,641.48 in encumbrances leaving a remaining budget of \$2,448,390.48. Expenses exceed revenue by \$267,295.55.

6. Other Notables:

- Monthly safety meeting topics was fire & safety, and conflict resolution.
- 3rd notice of violation mailed to businesses not in compliance with 2023 backflow testing. In-person visits to be conducted.
- Continued work on lead and copper survey of the city.

- Continued SRF package revisions.
- Grant application submitted for technical assistance.
- Several employees to training conferences in March.
- Hazen and Sawyer Engineering has finished their engineering report to address concerns with the Arkansas Valley Conduit. They would like to schedule a time to give their presentation.

C. Electric Department. Bill Jackson gave the following report:

1. Line Crew
 - Daily reads, disconnects and maintenance.
 - There was a blown arrestor on a 15 kVA transformer at the airbase hangars.
 - A transformer was leaking oil at 810 Smithland Avenue due to a failed pressure release valve.
 - The crew did a cross-arm change-out on South San Juan Avenue.
 - Added two new streetlight poles on the Brick & Tile Trail at Train Hill.
 - An underground wire was installed for the entrance sign at the Industrial Park.
 - Two iron poles were set at 3rd and Adams Avenue and 3rd and Bradish Avenue.
 - A primary pole snapped on Highway 50 and Dalton Avenue.
 - Some copper ground wire was stolen off of one of the transformer bank poles behind the 600 block of Belleview Avenue.
 - There was a system-wide outage caused by a secondary service slapping into the transmission line from the high winds.
2. SOLAR Accounts
 - The total kWh returned to the system was 12,163 from 25 customers. A total of \$645.00 was rebated at the avoided costs. There are currently 32 residential and 2 commercial solar customers.
3. System Update
 - Working on system upgrades and equipment testing.
4. January 2024 Electric Fund Financials. The 2024 budget is \$12,206,700 less \$1,250,552.41 in expenses and \$293,527.83 in encumbrances leaving a remaining budget of \$10,662,619.76. Revenue exceeds expenses by \$722,712.83.

D. Sanitation. Martin Montoya gave the following report:

1. Still having issues with the trash truck. In general, they should last anywhere from 10-15 years. The city doesn't have the knowledge on how to keep these vehicles up and running. By coming up with a program of replacing them every five years, you'd be getting a good value for the truck that you had and able to replace it with a new truck. (There was lengthy discussion regarding the maintenance and leasing of trucks.)
2. Changed the color of the trash cans to black cans with orange lids and orange city logo.
3. Two sanitation employees got their CDL's
4. Finding human waste in dumpsters and commercial containers. It was suggested to incorporate a shared master lock.
5. February 2024 Sanitation Fund Financials. The 2024 budget is \$1,513,500 less \$155,005.04 in expenses and \$31,546.25 in encumbrances leaving a remaining budget of \$1,326,948.71. Revenue exceeds expenses by \$63,852.75.

NEW BUSINESS

- A. Level One Water Restrictions.** Tom Seaba stated that we are currently under these restrictions which was enacted about four years ago. It generally says to not water between 10:00 a.m. and 6:00 p.m. during the hottest parts of the day and hottest months of the year. This goes for any outdoor water usage. There is still a need to rebuild water storage accounts which got seriously depleted in the previous four years during the drought. It was suggested to continue with Level One Water restrictions.
- B. A Resolution Recommending to City Council the Amendment of the 2024 Budget for the Electric Fund.** Resolution No. RUB-1-2024 was presented for the board's consideration as follows:

WHEREAS, the Board of Utilities Commissioners of the City of La Junta have determined that it would be necessary to make additional expenditures in various City Utility Funds; and

WHEREAS, the Electric Fund anticipates expenditures not otherwise anticipated at the time of the creation of the 2024 budget; and

BE IT THEREFORE RESOLVED AS FOLLOWS:

BE IT RECOMMENDED by the Board of Utilities Commissioners of the City of La Junta that the City Council amend the 2024 operating budget as follows:

SECTION 1. Electric Fund – That an additional \$11,000.00 be appropriated for the following expenditures:

- A. That the expenditures shall be for the following:
1. Capital Outlay - Vehicles.....\$ 11,000.00
- B. That the revenue sources shall be as follows:
1. Retained Earnings\$ 11,000.00

BE IT FURTHER RESOLVED that this Resolution be forwarded to the City Council with the request of the Council to amend the 2024 Budget accordingly.

MOTION TO ADOPT RESOLUTION NO. RUB-1-2024: Bourget

SECOND: Berg

DISCUSSION: There was no discussion

VOTE: The motion carried 5-0

- C. Rate Increase per JK Engineering Study.** The JK Engineering study recommended a 5.8% increase for wastewater which would be \$3.19. Aliza Libby recommended \$3.00. This would increase the current \$55.00 fee to \$58.00. In regards to water, JK had recommendations of increasing rates only. Tom and Aliza recommend increasing the customer charge by \$4.00 because it's a constant and not based on rates. It was decided that Tom Seaba would bring back to the board more specific data on increasing water revenues and to focus on wastewater at this time. (Lengthy discussion continued.)

MOTION TO INCREASE WASTEWATER FROM \$55.00 TO \$58.50 EFFECTIVE MAY 1, 2024, WITH PROPER COMMUNICATION TO THE PUBLIC: Berg

SECOND: Bourget

DISCUSSION: There was no further discussion

VOTE: The motion carried 5-0

D. Interim City Manager's Comments.

1. Thanked the board and looks forward to working with them.

E. Governing Body's Comments.

1. Council Member Velasquez: Believes the City Council should kick back the issue of the Arkansas Valley Conduit so that the Utility Board can continue fact finding and conversations. The Board agreed.

Tom Seaba: The Conservancy District recently announced Mr. Broderick's replacement, Leann Noga. The District is at a point where they're ready to start engaging in discussion to show where the project has gone, what the new estimated costs are, build times, etc. They gave a pause until Hazen was able to give their presentation.

MOTION TO RECOMMEND CITY COUNCIL ALLOW THE UTILITY BOARD TO CONTINUE FACT FINDING AND CONVERSATIONS REGARDING THE ARKANSAS VALLEY CONDUIT IN ORDER TO BE ABLE TO MAKE INFORMED DECISIONS: Velasquez

SECOND: Berg

DISCUSSION: There was no further discussion

VOTE: The motion carried 5-0

There being no further business, the meeting adjourned at 5:35 p.m.

ATTEST:

CITY OF LA JUNTA

Melanie R. Scofield, City Clerk

Gary Cranson, Chairman