

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 Vice-Chairman Gary Cranson on Tuesday, April 11, 2023, 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
 Mike Bourget, Commissioner
 Gary Cranson, Vice-Chairman
 Paul Velasquez, Council Member

Absent: Frank McKenzie, Chairman

Also present: Bill Jackson, Asst. City Manager
 Phil Malouff Jr., City Attorney
 Melanie Scofield, City Clerk
 Paula Mahoney, Admin. Asst.
 Tom Seaba, Director of Water & Wastewater
 Martin Montoya, Director of Engineering
 Edward Vela, City Council
 Elaine McIntyre, City Council
 Betty McFarren, RF Gazette

MINUTES OF PREVIOUS MEETING

Vice-Chairman Cranson asked if there were any corrections or additions to the minutes of the Regular Meeting of March 14, 2023. Hearing none, the vice-chairman asked for a motion to approve the minutes as published.

MOTION TO ACCEPT THE MARCH 14, 2023 MINUTES AS PUBLISHED: Ayala

SECOND: Velasquez

DISCUSSION: There was no discussion

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

CITIZEN PARTICIPATION

1. There was no citizen participation.

REPORTS

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

1. **Summary of February 2023 Financial and Operating Statements:** During the month of February, revenue from power sales was less than budget by \$54,295 (2.6%) and total revenues was better than budget by \$37,478. Total cost of goods sold was under budget (5.0%). Purchased power costs were under budget by \$47,706 (5.3%). Transmission expenses were under budget by \$44,978. Net Revenue from Operations for the month was \$344,770.
2. **Year to Date Income Statement:** Revenue from power sales was less than budget by \$20,216 (0.5%). Total revenues were better than budget by \$9,230 YTD. Interest income was \$29,437 better than budget with rising interest rates. Total cost of goods sold was less than budget by \$61,503 (2.1%). Purchased power costs YTD were slightly over budget by \$9,319 (0.5%). Transmission expenses YTD were under budget by \$86,623. Total A & G expenses are under

budget by \$38,128 (3.4%). YTD Net Revenue is \$469,862. Debt Service Coverage YTD is 1.24X.

3. **Operating Report:** Member Energy sales for February was 2.5% less than budget and the same as 2022. Member Energy Sales YTD was right on budget and 1.3% better than 2022. All in cost of power to members YTD is \$0.0994 per kWh; 1.5% lower than 2020.
6. **Next Meeting** –May 25, 2023 at Otero College in La Junta.

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

1. R.O. Plant

- Diagnosed issues with Clortec flow sensor. New sensor on order.
- Chemical washes completed on RO's A & C.
- Flushing raw water lines in preparation for higher summertime flows.
- Installed new relays on reserve and south booster generators.
- Installed new pressure gauges on wells.
- Conducted the following routine maintenance: Checked/replaced chemical pump brushes in all chemical pumps; checked screens, belts, packing and nozzles on degassifiers; tested pH, conductivity, and hardness on all wells; sampled every RO vessel; greased pumps at reserve, Prairie View and West booster stations; changed oil, filters, and greased wells 1, 4, 5, 6, 7, 11 and 13.
- Revised SOP's.
- Meter Reading, building maintenance.

2. Distribution

- Main break at 3rd and Adams Avenue. Creating a bypass around that intersection since that section of pipe has three repair bands already on it and replacing the roadway would be costly.
- Assisted several customers stating they had low water pressure. Issues with water softeners or additional water fillers installed inside the home.
- Several repairs on service leaks in meter pits.
- Changed out several old, leaking meters to new radio read meters.
- Prep work for water installation for bathrooms at 10th and Barnes Avenue.
- Meter reading and utility billing office generated work orders.

3. Financials (Water Fund)

- March water revenues were \$170,900. The budget for March was \$191,000. Revenues were \$20,100 below the monthly budget. Compared to 2022, revenues showed a \$32,700 decrease. Year-to-date revenue is at 12%. Budget shows we should be at 18%. The city billed 18,495,000 gallons of water compared to 23,669,000 in 2022.
- Total expenses were \$363,500 with a monthly budget of \$301,200. Expenses were \$62,300 more than the budgeted amount for March. Year-to-date expenses were \$74,800 more than budgeted and \$251,400 less than 2022. However, if the bond retirement is removed, expenses are \$78,500 more than 2022. Expense are at 16%. The budget shows we should be at 22%. Although March numbers are not as aligned as anticipated, the year-to-date expenses are at acceptable levels.
- Compared to 2022, assets decreased \$166,500 and liabilities decreased \$14,600. Net change in fund balance is (\$151,900) for year-to-date 2023.

4. Wastewater

- After an amazing career of 42 years with the City of La Junta, Robert Lucero has chosen to retire on April 15, 2023. He has led a fantastic department through several transitions to include the building of our new WWTP. His dedication, service, knowledge, and dry humor will be greatly missed.
- Zeke Vigil has left La Junta to pursue a new opportunity. Best of luck to Zeke in this new endeavor.

- We will be working with Mark Foxworthy as a contract operator and trainer to build our certified staffing levels back to normal over the next year.
- Treated 26.126 million gallons. Removed 20.0 ft³ of screenings and 30.0 ft³ of grit.
- RO concentrate discharge to plant was 12.609 million gallons.
- Jetted 3,884 feet of line for emergency calls and monthly areas of concern. Sixteen emergency calls and thirty-two manhole locate requests.
- Heater fan in headworks building quit working. New sealed bearings and fan hub on order.
- Placed rock for erosion control and grounds landscaping.
- Industrial pretreatment inspections for March completed. Continue to revise and update inspection and cleaning schedules, site surveys, permits, and billing.
- Additional plant, collection system, and grounds maintenance.

5. Financials (Waste Water Fund)

- March sales were \$202,400. This was \$2,500 more than the march anticipated budget of \$199,900. However, compared to 2022 sales were up \$900. Year-to-date revenue is at 17%. Budget shows we should be at 24%. After the audit of the utility system some customer classifications were changed.
- Total expenses for March were \$235,300. This was \$25,400 more than the anticipated budget of \$209,900. However, treatment was well over budget due to sludge disposal. Year-to-date expenses was \$94,100 less than budgeted and \$58,700 more than 2022. Expenses are at 22%. Budget shows we should be at 28%.
- Compared to 2022, assets decreased \$243,400 and liabilities decreased \$48,500. Net change in fund balance is (\$194,900) for year-to-date 2023.

6. Other Notables:

- Level 1 water restrictions begin on May 1st.
- All systems are installed in new south booster station. Power has been connected to the building with communications being completed. Connection to the transmission main on Cimarron Avenue is scheduled for the 3rd week in April.
- Safety training concerning shoring and trenching.
- Cyber-security concerning cyber awareness.
- Training with Paul Schreve from Colorado Rural Water at the old armory building.
- Continued work on an SRF funding package with CDMSmith.
- Working on pipe assessment on the 18-inch line on the North La Junta bridge.

7. Arkansas Valley Conduit Update – Article from Southeastern Colorado Water Conservancy District:

- The first 15 truckloads of 30-inch HDPE pipe for the Arkansas Valley Conduit (AVC) were received today (Tuesday, March 28, 2023) by WCA Construction LLC, who received the contract to build the first 6 miles of the AVC in September 2022.
- The pipe is being stored along the route of the AVC conduit, which will begin at U.S. Highway 50 and 36th Lane.
- This is the first wave of deliveries that will continue during April and May. For the curious: each piece of 50-foot pipe weights about 9,000 pounds, and each truckload carried four pieces.
- Installation of the AVC pipeline is expected to begin soon, and construction of the first 6-mile stretch will be completed in 2024.
- The Southeastern District is completing the design of the Avondale and Boone delivery lines, and we expect to begin construction later this year. The District's Board of Directors approved contracts to design all of the AVC delivery lines by the end of 2024, and we expect to build these by the end of 2023 in order to begin delivery of water as soon as the trunk line reaches AVC participants.

- The District would like to express thanks to Reclamation officials for a visit of the AVC site last week. We can't wait to see dirt flying in the near future! As we confirm a date and time for an upcoming ground-breaking celebration, we will send out additional information.

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

1. Line Crew

- Daily reads, disconnects and maintenance.
- The crew set a 60-foot riser pole at the Light Plant Substation. They also ran six runs of 500 MCM wire up the pole to reroute the LP52-4 circuit and the LP52-3 circuit. Had to block off eastbound Highway 50 for a short time.
- A new 75 kVA transformer bank was built for the newly remodeled apartment at 10 E. 1st Street.
- A blown arrester was replaced at the Industrial Park on the AB52-7 circuit which was due to high winds.
- The crew responded to an antenna that fell on our service line at 1101 Smithland Avenue.
- There was a house fire in the 1800 block of Cimarron Avenue and the power was disconnected to the house for the Fire Department.
- There was an underground fault at 1902 College Drive. Eight direct buried connectors were dug up and new pipe and new conductors were added.
- An old capacitor bank on the 800 block of Maple Avenue was retired. It was no longer needed as we used it before the Gardner Sub was on line.
- A primary pole was added at 517 Maple Avenue.
- We had eighteen high-pressure sodium lights out at the Industrial Park. They were replaced with LED lights.

2. SOLAR Accounts

- The total kWh returned to the system was 9,844, from 12 customers. A total of \$541.44 was rebated at the avoided costs. There are currently 22 solar customers.

3. System Update

- We are currently applying for congressional funding for the backup generation and battery storage for the Industrial Park. We have reached the second tier and DOLA will be including our project in their funding request. The project is such that we can do in phases to best fit in their funding capabilities.
- The wind and weather events continue to point out weak areas in the system that need to be repaired and replaced.

4. Financials (Electric Fund)

- Total revenue was \$1,038,000. This is more than the February budget of \$819,200 by \$218,800. Compared to 2022 sales were up 3.84%. Kilowatt usage increased 310,255 compared to 2022. Total kilowatts bills was 6,923,080. Year-to-date was \$1,943,700 which was above the \$1,883,300 budget by \$60,400. This is a 4% increase for the year.
- Expenses were \$875,900 for February. This is \$59,000 less than the monthly budget. Transmission costs have decreased substantially with the changes in the light plant substation. ARPA costs were much lower than last year. Expenses were decreased by 4.28 % compared with 2022. Revenue exceeded expense by \$162,000 for February 2023.
- ARPA: Energy was increase 2.07% from 2022, however demand was down. Overall kWh was increased 2.13% from 2022. Even though we consumed more kWh, our costs were decreased due to the increased rate for avoided costs. Avoided cost rate for 2022 was .03218/kWh while in 2023 it was .05270/kWh.

Mr. Jackson recommended to the Board that they may want to move their meeting to the third Tuesday of the month rather than the second. This would allow time to get the ARPA billing in order to have a more current report.

MOTION TO CHANGE THE UTILITY BOARD MEETING FROM THE SECOND TUESDAY TO THE THIRD TUESDAY OF EVERY MONTH AT 4:00 P.M.: Bourget

SECOND: Ayala

DISCUSSION: There was no further discussion

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

D. Sanitation. Martin Montoya gave the following report:

1. Financials (Sanitation Fund)

- March revenues were \$92,500. This was \$15,900 above the estimated March budget of \$76,600. Comparatively, it is a 1.8% increase from 2022. Year-to-date revenue is at 20%. Budget shows it should be at 24%. Recycling revenues have increased steadily since its inception. There were 241 accounts participating in curbside pick-up in March. In 202, only 229 residents participated. Total revenues were above the 2022 by \$14,300.
- Total sanitation expenses were \$121,000. This is \$14,200 above the March budget of \$106,900. However, it is a 12% increase from 2022. Net change in fund balance is \$10,500 for year-to-date 2023.

2. Discussion of spreadsheet information regarding 2022 sanitation revenue, 2022 sanitation revenue with roll off adjustment, annual city clean-up and monthly tonnage reports from the landfill.

MOTION TO ACCEPT THE PROPOSED RATES ON THE 20 YARD AND 40 YARD ROLL-OFFS TO A FLAT FEE OF \$265 FOR 20 YARD AND \$465 FOR 40 YARD, EFFECTIVE MAY 1, 2023: Ayala

SECOND: Bourget

DISCUSSION: There was no further discussion

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

NEW BUSINESS

A. City Manager's Comments.

1. There were no city manager comments.

B. Governing Body's Comments.

1. Vice-Chairman Cranson: At the last meeting, a gentleman asked why the City was no longer part of a program that credited people's utility bills. Has this issue been resolved?

Asst. City Manager Jackson: Those were supplemental benefits from Medicaid and Medicare that were allowed during COVID.

2. Commissioner Bourget: Would like on next month's agenda, a discussion of our water lawyer representative, where we can review the current lawyer and consider alternative options.

There being no further business, the meeting adjourned at 4:54 p.m.

ATTEST:

CITY OF LA JUNTA

Melanie R. Scofield, City Clerk

Gary Cranson, Vice-Chairman