

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 Frank McKenzie on Tuesday, October 17, 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
 Gary Cranson, Vice-Chairman
 Frank McKenzie, Chairman
 Paul Velasquez, Council Member

Absent: Mike Bourget, Commissioner

Also present: Rick Klein, City Manager
 Bill Jackson, Asst. City Manager
 Phil Malouff Jr., City Attorney
 Debra Fraker, Admin. Asst.
 Paula Mahoney, Admin. Asst.
 Tom Seaba, Director of Water/WW
 Martin Montoya, Director of Engineering
 Aliza Libby, Director of Finance
 Meghan Yergert, RO Plant ORC
 Betty McFarren, RF Gazette

MINUTES OF PREVIOUS MEETING

Chairman McKenzie asked if there were any corrections or additions to the minutes of the Regular Meeting of September 19, 2023. Hearing none, the chairman declared the September 19, 2023 minutes approved as published.

CITIZEN PARTICIPATION

1. There was no citizen's participation.

REPORTS

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

1. **Summary of August 2023 Financial and Operating Statements:** During the month of August, revenue from power sales was more than budget by \$14,246 (0.5%) and total revenue was more than budget by \$35,036. Total cost of goods sold was under budget by 4.2%. Purchased power costs were under budget by \$34,367 (2.8%). Transmission expenses were under budget by \$47,849. Net Revenue from Operations for the month was \$849,333.
2. **Year to Date Income Statement:** Revenue from power sales was less than budget by \$754,790 (3.9%). Total revenues were less than budget by \$564,831 YTD. Interest income was \$185,680 which is better than budget. Total cost of goods sold was less than budget by \$954,545 (7.5%). YTD purchased power costs were under budget by \$658,941 (8.7%). YTD Transmission expenses were under budget by \$333,866. Total YTD A & G expenses are under budget by \$60,249 (1.4%). YTD Net Revenue is \$2,931,991. Debt Service Coverage YTD is 1.43X.
3. **Operating Report:** ARPA paid \$49.56 per mWh for 17,573 kWH reported as produced by member solar installations.

4. Member Energy sales for August was 1.27% more than budget and 3% more than 2022. Energy Sales YTD was 4% less than budget and 2.7% less than 2022. *Coincidental peak demand* was 3.9% higher than 2022 at 60.8 mW and occurred on August 16th in hour ending 4:00 p.m. All in cost of power to members YTD is \$0.0999 per kWh; 2.3% lower than 2020.
5. **Next Meeting** –October 26, 2023, 10:00 a.m. at Otero College in La Junta. The 2024 Budget and Preliminary Cost of Service Study results both will be reviewed.

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

1. R.O. Plant
 - Routine maintenance: Checked all belts, packing/nozzles, and greased motors on degassifiers, cleaned and calibrated all probes, tested pH, conductivity, and hardness on all wells.
 - Calibrated field-testing equipment.
 - Well #9 work completed. Waiting for Bac-T sample and flow meter certification before return to service.
 - Replaced vent cover on 3MG tank and installed new screen on Prairie View tank overflow per CDPHE recommendation.
 - Repaired leak on chlorine circulating pump.
 - Installed new chlorine and analyzer with samples manually every four hours until monitoring system put back online.
 - Rebuilt feed dump AUMA actuator to include circuit board, clutch, motor, and reverser and replaced AUMA actuator on RO “A”.
 - Meter reading and installation, building maintenance, and groundskeeping.
2. Distribution
 - Completed main replacement and valve installation under Highway 109 that feeds the old Boys Ranch property.
 - Hydrant repair and flushing.
 - Repaired service leaks replacing the lead service liens.
 - Installed new meters.
 - Meter reading and utility billing office generated work orders, equipment maintenance.
3. Financials (Water Fund)
 - September water revenues were \$359,500. The budget for September was \$309,800. Revenues were \$49,700 above the monthly budget. Compared to 2022, revenues showed a \$49,600 increase. Year-to-date revenue is at 98%. Budget shows we should be at 75%. The city billed 71,197,000 gallons of water compared to 61,420,000 in 2022.
 - Total expenses were \$343,000 with a monthly budget of \$451,700. Expenses were \$108,700 less than the budgeted amount for September.
 - Compared to 2022, assets decreased \$1,551,200 and liabilities decreased \$997,700. Net change in fund balance is (\$553,455) for year-to-date 2023.
4. Wastewater
 - Treated 26.456 million gallons. Removed 25.0 ft³ of screenings and 24.0 ft³ of grit.
 - RO concentrate discharge to plant was 18.848 million gallons.
 - Jetted 4,589 feet of line for four emergency calls and thirty-two manhole locate requests.
 - A/c system in UV building needs replaced. Motor and compressor shot.
 - Replaced failed solenoid to grit pump/screw.
 - Training and system check performed by Trojan Technologies representative. New UV bulbs and cleaning solution on order.
 - Cleaning, maintenance on north clarifier.
 - Additional plant, collection system, grounds maintenance.

5. Financials (Waste Water Fund)

- September sales were \$234,900. This was \$35,200 more than the September anticipated budget of \$199,700. However, compared to 2022 sales were up \$26,900. Year-to-date revenue is at 78%. Budget shows we should be at 75%. Revenues are up YTD.
- Total expenses for September were \$193,900. This was \$13,900 less than the anticipated budget of \$207,800. Year-to-date expenses is \$37,600 less than budgeted and \$161,500 more than 2022. Expenses are at 76%. Budget shows we should be at 75%.
- Compared to 2022, assets decreased \$921,100 and liabilities decreased \$104,600. Net change in fund balance is (\$816,428) for year-to-date 2023.

6. Other Notables:

- Assisted Street Department with Carson Avenue repaving project.
- Assisted Rocky Ford with a live service tap.
- Meetings to be scheduled concerning water resources with the AVC.

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

1. Line Crew

- Daily reads, disconnects and maintenance.
- The crew changed out a four-way junction in a cement vault that was submerged in water behind the Copper Kitchen.
- An old, open secondary copper line at La Junta Mill was retired.
- A scheduled outage at Colorado Bank & Trust occurred due to the repair and replacement of some old porcelain arresters.
- Troubleshooting was performed on underground primary lines at 14th Street and Maple Avenue.
- At 1017 Edison Avenue, the crew responded to a call regarding a burnt-up secondary wire and successfully resolved the issue.
- A digger truck was used by the crew to assist the Water Department at one of the well fields.
- The line crew is almost finished with tree trimming.

2. SOLAR Accounts

- The total kWh returned to the system was 10,223 from 20 customers. A total of \$500.93 was rebated at the avoided costs. There are currently 25 solar customers.

3. Financials (Electric Fund)

- Total revenue was \$1,237,700. This is less than the September budget of \$1,257,000 by \$19,300. Compared to 2022 sales were up 6.33%. Kilowatt usage increased compared to 2022. Total kilowatts billed was 8,317,275. Year-to-date was \$8,962,000 which was below the \$9,477,900 budget by \$515,900. This is a 0.61% decrease for the year-to-date.
- Expenses were \$1,175,600 for September. August ARPA bill is NOT included. This is \$86,700 more than the budget. Expenses were decreased by 2.71% compared with 2022. Expenses exceeded revenue by \$61,000 for September 2023. Year-to-date, revenues have exceeded expenses by \$858,300.
- Compared to 2022, assets increased \$128,100 and liabilities increased \$730,500. Net change in fund balance is \$858,331 for year-to-date 2023.

D. Sanitation. Martin Montoya gave the following report:

1. October City Clean Up, in the first two hours, there was one roll-off completely full. It has since died down. We are currently in the middle of loading our fourth roll-off. Last year, we took a total of fourteen roll-offs. So, it's coming down.

Mayor Ayala: You and your crew have done an amazing job this year. With Carson Avenue and helping with rates on the boxes. I want to say thank you for all the work that you're doing for our city.

2. Financials (Sanitation Fund)

- September revenues were \$102,100. This was \$17,600 above the estimated September budget of \$85,400. Comparatively, it is a 14% increase from 2022. Year-to-date revenue is at 93%. Budget shows it should be at 77%. Recycling revenues have increased steadily since its inception. There were 242 accounts participating in curb side pick-up in September. In 2022, only 232 residents participated. Total revenues were above the 2022 by \$14,200.
- Total sanitation expenses were \$79,300. This is \$38,300 below the September budget of \$117,600. Year-to-date expense is \$112,200 less than budgeted and \$200 less than 2022. Expenses are at 65%. Budget shows we should be at 75%. Net change in fund balance is \$35,800 for year-to-date 2023.

NEW BUSINESS**A. Recommendation to City Council to Re-Appoint Lorenz Sutherland to the ARPA Board – term to expire 12/31/2027.**

MOTION TO RECOMMEND TO CITY COUNCIL THE REAPPOINTMENT OF LORENZ SUTHERLAND TO THE ARPA BOARD – TERM TO EXPIRE 12/31/2027: Cranson

SECOND: Velasquez

DISCUSSION: There was no discussion

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

B. A Resolution Recommending to City Council the Adoption of the 2024 Proposed Budget for the Electric Fund, Water Fund, Sewer Fund and Sanitation Fund. Resolution No. RUB-2-2023 was presented for the Board's consideration as follows:

WHEREAS, the proposed budget for the City of La Junta for 2024 has been prepared in conformance with the La Junta City Charter; and

WHEREAS, the Board of Utilities Commissioners has reviewed the proposed budget for the Electric Fund, Water Fund, Sewer Fund and other funds associated with the budget over which the Board of Utilities Commissioners has review and authority;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF UTILITIES COMMISSIONERS OF THE CITY OF LA JUNTA THAT THE PROPOSED 2024 BUDGET FOR INCOME AND EXPENDITURES FOR ALL FUNDS BE RECOMMENDED TO THE CITY COUNCIL FOR THE COUNCIL'S CONSIDERATION AND ADOPTION:

1. Electric Fund	-	\$12,206,700.00
2. Water Fund	-	\$ 3,818,700.00
3. Sewer Fund	-	\$ 3,503,900.00
4. Sanitation Fund	-	\$ 1,513,500.00

There was lengthy discussion regarding removing some capital outlay from the budget and then reassessing needs next year. In particular, the digger truck in the electric department budget in the amount of \$250,000. Safety concerns were brought up along with the substantial price savings to purchase now instead of waiting which is almost half. The Board made the following motion.

MOTION TO ADOPT RESOLUTION NO. RUB-2-2023: Cranson

SECOND: Velasquez

DISCUSSION: There was no further discussion

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

- C. Class Action Lawsuit – Napoli Shkolnik.** Back in April or May, we received an invitation to join a class action lawsuit that would only cost us 25% of whatever our settlement amount was. It was sent to us by a law firm, Napoli Shkolnik, which is a law firm out of the Bahamas. We had decided to wait awhile and see what happened and since then, there's now been a settlement of that class action lawsuit and now, the court and administrators are inviting all the various entities, municipalities to join into the settlement. Mechanically, what has to happen, is people have to opt in or opt out.

MOTION TO INSTRUCT THE CITY ATTORNEY TO PARTICPATE IN THIS CLASS ACTION LAW-SUIT: Cranson

SECOND: Velasquez

DISCUSSION: There was no discussion

VOTE: The motion carried

D. City Manager's Comments.

1. Working with the EPA and the \$500,000 Brownfield grant and getting the paperwork done on that with our consultants. Starting the trail for Brick and Tile park. TLM Constructors have already started.

E. Governing Body's Comments.

1. Commissioner Velasquez: Thanks for the tremendous job that the lien crew did on taking care of an outage the other day. I appreciate Miss Yergert speaking last night at City Council. I thought you did a fantastic job.
2. Vice-Chairman Cranson: I second his accolade for you. You did a great job.
3. Mayor Ayala: I want to say thank you to Frank McKenzie for being our chairman and doing all of this to volunteer to make his community a better place and I'm sad that this is your last meeting but just be on call for when I need you.
4. Chairman McKenzie: I love this town. It's been a privilege and there's been good parts. In the last six years that I've been here, we've had to do a lot of stuff. Thank you.

BOARD OF UTILITIES COMMISSIONERS – October 17, 2023

There being no further business, the meeting adjourned at 5:04 p.m.

ATTEST:

CITY OF LA JUNTA

Melanie R. Scofield, City Clerk

Frank McKenzie, Chairman