

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, November 12, 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, Chairman
 Paul Velasquez, Council Member/Vice-Chair

Absent: none

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
 Aliza Libby, Director of Finance
 Paula Mahoney, Admin. Asst.
 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 October 8, 2024. Hearing none, he declared the minutes approved as published.

CITIZEN PARTICIPATION

1. Aliza Libby: Promoted budget billing for utilities for residential customers only. You may come into the office or call 719-384-2546 to sign up.

REPORTS

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

1. **Summary of September 2024 Financial and Operating Statements:** In September, revenue from power sales was \$15,540 (0.6%) less than budget. Cost of goods sold was \$48,606 under budget. Net operating revenue for September was \$586,940.
2. **Year to Date Income Statement:** Revenue from power sales was better than budget by \$334,250 (1.5%). Total revenues were better than budget by \$703,633. Total cost of goods sold was less than budget by \$120,335 (0.8%). Total A & G expenses are under budget by \$246,370 (4.8%). YTD Net Revenue is \$3,678,431. Average of 113 days cash on hand. Debt service coverage year to date is 1.46 X.
3. **September Operating Report:** Member Energy sales were 2.6% less than budget in September and 0.7% less than they were in 2023. Member energy sales YTD are about 1.4% better than budget and about 4.6% better than sales in 2023. Member demands of 57 mW were 6.4% lower than September 2023. All in cost to members YTD is \$0.10023 per kWh which is 2.2% lower than

2020 when ARPA last changed its rates. The avoided cost rate for September will be \$54.62 per mWh.

4. **General Update:** Final 2025 budget will be approved at the December 5th meeting.
5. **Next Regular Meeting:** December 5, 2024 10:00 AM at Otero College in La Junta.

B. Water & Wastewater Treatment (Tom Seaba):

1. R.O. Plant
 - Routine maintenance: PM on air handling units, checked and cleaned Y-strainers on Cla-Val's, changed oil and greased motors in south and air base booster stations, quarterly water tank inspections, calibrated lab equipment.
 - Received final scale inhibitor delivery for 2024.
 - Fabricated new chlorine injectors.
 - Winterized wells and booster stations.
 - Meter Reading, additional facilities maintenance.
2. Distribution
 - Hydrant maintenance and flushing.
 - Repaired two service leaks.
 - Meter Reading and utility billing office generated work orders, equipment maintenance.
3. October 2024 Water Fund Financials. The 2024 budget is \$4,129,100 less \$2,853,431.45 in expenses and \$162,586.97 in encumbrances leaving a remaining budget of \$1,113,081.58. Revenues exceed expenses by \$171,334.94.
4. Wastewater
 - Treated 27.667 million gallons. Removed 28ft³ of screenings and 31ft³ of grit.
 - RO concentrate discharge to plant was 17.749 million gallons.
 - Jetted 9,062 feet of line for fourteen emergency calls and forty-three manhole locate requests.
 - Routine maintenance: changed to winter oils, removed rust and painted exposed steel surfaces.
 - Replaced blown transformer fuses on McDonalds lift stations and replaced power switch fuses on Walmart lift station
 - Additional plant, collection system, and grounds maintenance.
5. October 2024 Wastewater Fund Financials. The 2024 budget is \$3,810,300 less \$3,051,724.00 in expenses and \$117,718.40 in encumbrances leaving a remaining budget of \$640,857.60. Expenses exceed revenue by \$671,661.18.
6. Other Notables:
 - Continue Lead and Copper surveys. Unknown lines notice to be submitted to CDPHE before November 15th.
 - Completing grant application for water meters.
 - Working with ESMIL on finalization of screw press design and cost.
 - Training of new personnel and published notices to interview for hire two new employees. One for the treatment plant and one for the distribution crew.
 - Attended meeting on AVC update.
 - Pursuing additional funding through emerging contaminants programs. We already have a \$300,000 grant to help facilitate upcoming treatment needs through these sources.
 - Put up Halloween decorations around 3MG tank grounds.

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

1. Line Crew
 - Daily reads, disconnects and maintenance.
 - Tree trimming is complete for the season.
 - The crew worked on replacing a street light pole hit by a vehicle on Highway 50.
 - Line maintenance was performed on a few structures on the east side of town.
 - Secondary lines and hardware were replaced at the City Park.
 - A street light pole was removed at 9th Street and San Juan Avenue for a contractor. It was set back when the job was complete.
 - The crew rerouted a 4/0 service at the Lincoln Square building to enlarge the parking lot.
 - A new street light pole was added at 6th Street and Lewis Avenue.
 - La Junta Electric Department recently hosted the annual Mobile Substation Training for ARPA members.
 - The crew inspected Christmas decorations.
2. SOLAR Accounts
 - The total kWh returned to the system was 16,531 from 40 customers. A total of \$859.61 was rebated at the avoided cost. There are currently 38 residential and 2 commercial solar customers.
3. System Update
 - Solar generation for the Industrial Park site inspection is done. The PPA with ARPA is almost complete.
 - LP breaker research with pricing is underway.
 - System upgrades with substation improvements is a priority for ARPA DOE-GRIP grant. The total is 22 million combined with La Junta's 3.6 million.
 - ARPA will fund the match and invoice each system 1/60th each month.
4. October 2024 Electric Fund Financials. The 2024 budget is \$12,352,800 less \$9,785,708.16 in expenses and \$143,129.14 in encumbrances leaving a remaining budget of \$2,423,962.70. Revenue exceeds expenses by \$649,567.57.

D. Sanitation (Martin Montoya):

1. Customer Information (October)

CUSTOMERS	2024	2023	DIFF.	CHANGE
Residential	2,800	2,810	(10)	-0.36%
Commercial	432	433	(1)	-0.23%
Industrial	10	11	(1)	-10.00%
Municipal	29	18	11	37.93%
Total	3,271	3,272	(1)	27.34%

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2. Landfill	2024	2024	2023	2023				
TONS	October	YTD	October	YTD	DIFF.	CHANGE	TONNAGE	
Otero County Landfill	519.9	5363.07	545.32	5583.99	(25.42)		Open Top	68.8
Southeast Recycling	11.33	192.45	17.51	182.64	(6.18)	-54.55%	Compactor	11.62
Clean Valley - Curbside	3.07	34.02	3.23	36.81	(0.16)	-5.21%	Residential	237.95
Clean Valley - Trailer	1.74	26.74	3	27.89	(1.26)	-72.41%	Commercial	145.49
							Roll Offs	68.66
Total	536.04	5616.28	569.06	5831.33	(33.02)	-132.17%		532.52

3. Other Income

ITEM	Oct.2024	Oct.2023	YTD 2024	YTD 2023	DIFF.	CHANGE
Special Pick-Up	10	5	36	54	-18	-50.00%
40-YD Boxes	17	25	238	227	11	4.62%
20-YD Boxes	14	9	229	164	65	28.38%
Overages	5	8	116	123	-7	-6.03%
Compactor	6	5	49	39	10	20.41%
Trx Station (Open Box)	68.8	95.38	407.27	312.91	94.36	23.17%
Trx Station (Compactor)	11.62	10.54	112.12	156.32	-44	-39.42%
Tote Replacement	12	4	158	47	111	70.25%

4. Annual City Clean Up

ITEM	2024	2023	
Metal	123.94	17.77	Tons
Compactor	11.62	95.38	Tons
Open Top	68.8	4.8	Tons
Paint	1.75	2	Tons
Tv's/crt monitors	3	10.089	Roll Offs/Tons
Oil	605	110	Gal
Anit-freeze	110	55	Gal
Freon	25	65	Gal
Tires	700	1400	Pieces

- The landfill was closed Thursday and the majority of Friday. The Sanitation crews came in for a bit on Friday and then on the holiday Monday. Today they are working all trucks with two crews on both residential and commercial routes. They'll do the same thing tomorrow to get caught up.
- The annual clean-up went well. We still need to work on monitoring to make sure that just La Junta residents are using it. (There will be further discussion regarding concerns about the annual clean-up.)
- October 2024 Sanitation Fund Financials. The 2024 budget is \$1,683,800 less \$1,411,125.50 in expenses and \$349.00 in encumbrances leaving a remaining budget of \$272,324.50. Expenses exceed revenues by \$279,896.45.

NEW BUSINESS

- A Resolution Changing the Unclaimed Meter Deposit for Customers of the City of La Junta for the Year 2024; Providing for the Repeal of Conflicting Resolutions.** Director of Finance Libby explained that the Utility Board Policy says that when meter deposits are returned to the city unclaimed, that money is held onto for two years and then is donated to Associated Charities who will then disburse to people who need helping paying their utility bills. She was informed by the State of

Colorado that the City did not qualify to do this unless the money was held for five years. In preparing this change to the policy, she noticed that there's a lot of things that need updated. There was discussion amongst the Board regarding new verbiage that was not in this Resolution. It will be re-drafted and brought back to the Board next month.

B. Christmas Lighting Contest in the amount of \$600.00 to be distributed as follows: \$300 for First Place; \$200 for Second Place and \$100 for Third Place.

MOTION TO APPROVE CHRISTMAS LIGHTING CONTEST IN THE AMOUNT OF \$600.00 TO BE DISTRIBUTED AS FOLLOWS: \$300 FOR FIRST PLACE; \$200 FOR SECOND PLACE AND \$100 FOR THIRD PLACE: Ayala

SECOND: Bourget

DISCUSSION: There was no discussion

VOTE: The motion carried 5-0

C. Interim City Manager Comments.

- Hats off to all the departments across the city dealing with the big storm. Also thank you to those residents in helping pick up the tree limbs. There will be more talk about the damages this storm will create at the next council meeting. Thank you to everybody for being patient.

D. Governing Body's Comments.

1. Council Member Velasquez:

- As far as resources, the plows and dump trucks are nice but our most important resources that we have are our employees and the people that went out there and risked their lives to keep the power on, to keep the streets safe when everybody else was getting four or five days off because of the snow day. Let's be proud of our employees. Let's not take them for granted.

2. Council Member Bourget:

- On October 15th, there was an Arkansas Valley Conduit update meeting.

Water/WW Director Seaba: We heard from the Bureau of Reclamation and from members of the Southeast Colorado Conservancy District. As you're going towards Pueblo on Highway 50, you will see the areas where the conduit is going into the ground, then up Highway 96 towards Boone and Avondale. They already have their connect lines in the ground to connect to the conduit as they go.

As we knew from previously, the cost of the conduit has ballooned up to \$1.375 billion. They're trying to find ways to assist with the repayment on that. Some are legislative fixes to where the repayment terms would go from 50 years up to 100 years. Then there would be a reduction in the interest percentage which would hopefully eliminate or reduce that amount. One of the things that they would like other communities, as the conduit is coming towards their communities, is to research different viable funding sources that can help pay down what the cost would be for their connects.

Our connect line would be approximately seven miles up to just this side of Cheraw and it would have to follow Highway 109 down. Then you have the engineering feat of getting that 20" main underneath the Ft. Lyon Canal, the Arkansas River, the railroad, the highway, and at least one arroyo before it could get to our treatment plant. So, the cost for that would be somewhere between \$7-\$10 million. It depends on what the final engineering would show but it's a pretty significant sum. That would be the cost as of today. As we know with any project, the cost seems to vary until the project is final

They suggested that we look into, which we are currently pursuing, emerging contaminants funding. There's a pretty good pool of moneys in a few different agencies that you can apply for. The one you hear about the most is PFAS. La Junta does have small amounts of PFAS in its water sources which are our wells in North La Junta. We draw water from the Arkansas alluvial. We feel that contamination got into our alluvium through where the Fountain Creek comes down and connects to the Arkansas River and then as it goes through, it enters its way into every water source. La Junta has no manufacturing of anything that uses PFAS. It's just not a substance that can be found anywhere else in the Ark Valley except for waters that have trailed down their way from the larger communities north.

So, the status of the project is, that which is funded, they're still putting into the ground. That which is currently unfunded, they're still pursuing moneys for what would be the next reach that they would do down to Fowler and Ordway and that direction. They still hope for cities to find funding to help reduce the cost that would directly bear on us. One thing that I would mention is that if we were to qualify for moneys to pay for the connect of the conduit to La Junta, that would be money that would be directly beneficial to La Junta and its repayment schedule.

When it comes to future PFAS or the rest of the emerging contaminants or any future contaminant that would be regulated by the EPA or CDPHE, etc. Those would first be removed from any water we receive in the conduit by the City of Pueblo. They go from the reservoir treated by Pueblo, then it has to stop at the treatment plant that the conduit will have in place to where the chlorines are removed. Otherwise, your disinfection process is removed. Travel the rest of the way down to La Junta where we have to re-disinfect the water, put in our corrosion control treatments, and then we can send it to our customer that way.

It still leaves a lot of questions and a lot of room for this project to work and grow. As a reminder, we do have our emerging contaminants grant and Hazen Engineering is working on it with us. We hope at the end of this process, we will know which route would be best for La Junta. To go either joining the conduit to best take care of what our water quality needs would be or if it would be less expensive for us to go it alone and build our own additional treatment processes that we would take care of and manage in the future. Then, of course, there's the question regarding the receiving of our project water and the rest but these are discussions that were not brought up at that meeting.

(The Board continued discussion regarding the Arkansas Valley Conduit Update meeting.)

There being no further business, the meeting adjourned at 5:26 p.m.

ATTEST:

CITY OF LA JUNTA

Melanie R. Scofield, City Clerk

Gary Cranson, Chairman