

BOARD OF UTILITIES COMMISSIONERS – December 10, 2024

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, December 10, 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.
 Bob Houston, La Junta



Subject to approval at the
January 14, 2025
Utilities Board Meeting



MINUTES OF PREVIOUS MEETING

Chairman Cranson asked if there were any corrections or additions to the minutes of the Regular Meeting of November 12, 2024. Commissioner Bourget had one correction. Hearing no further corrections or additions, he declared the minutes approved as amended.

CITIZEN PARTICIPATION

1. There was no citizen participation.

REPORTS

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

- 1. Summary of October 2024 Financial and Operating Statements:** In October, revenue from power sales was \$36,897 (1.8%) better than budget. Cost of goods sold was \$49,291 over budget. Net operating revenue for October was \$497,937.
- 2. Year to Date Income Statement:** Revenue from power sales was better than budget by \$371,147 (1.6%). Total revenues were better than budget by \$836,857. Total cost of goods sold was less than budget by \$71,044 (0.5%). Total A & G expenses are under budget by \$271,255 (4.8%). YTD Net Revenue is \$4,013,479. Average of 119 days cash on hand. Debt service coverage year to date is 1.44 X.
- 3. October Operating Report:** Member Energy sales were 1.2% better than budget in October and just a bit less than they were in 2023. Member energy sales YTD are about 1.3% better than budget and about 4.2% better than sales in 2023. Member demands of 44 mW was about 2.3% lower than October 2023. All in cost to members YTD is \$0.10026 per kWh which is 2.1% 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. This includes the proposed rate reduction beginning January 5, 2025 that decreases ARPA wholesale rates by approximately 8.6% from a composite rate of \$0.1023/kWh to \$0.09348/kWh.
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: Flushed chlorine lines and pressure transducers, replaced batteries in exit and safety signs, replaced chlorine room lights, sampled RO's.
 - Rebuilt valve for chlorine lines.
 - Brown's Hill Engineering onsite working on remote radio's and troubleshooting punch list.
 - Snow and tree debris removal.
 - Meter Reading, additional facilities maintenance.
2. Distribution
 - Replaced water service in 300 block of Lewis Avenue.
 - Seeded thirty additional acres at the farms.
 - Winterized farm equipment.
 - Assisted with snow/tree limb removal.
 - Ramp and trailer fabrication/repair for heavy truck transportation.
 - Meter Reading and utility billing office generated work orders, equipment maintenance.
3. November 2024 Water Fund Financials. The 2024 budget is \$4,129,100 less \$3,057,811.83 in expenses and \$150,530.95 in encumbrances leaving a remaining budget of \$920,757.22. Revenues exceed expenses by \$137,575.86.
4. Wastewater
 - Treated 25.636 million gallons. Removed 16ft³ of screenings and 34ft³ of grit.
 - RO concentrate discharge to plant was 10.289 million gallons.
 - Jetted 5,725 feet of line for eleven emergency calls and forty-three manhole locate requests.
 - Routine maintenance: RAS pump change from #1 to #2, RAS pump #1 oil changed and cleaned. Blower 1 and 3 oil changed, grit and headworks buildings heater screens and coils cleaned.
 - Worked on north clarifier to include sanding, grinding, and painting on arms and flanges; trough cleaned and RAS pump 3 serviced. North clarifier was brought online on November 5th and is functioning normally.
 - Troubleshooting issues with pump 3 bypass with assistance from SBT and Browns Hill's assistance.
 - Additional plant, collection system, and grounds maintenance.
5. November 2024 Wastewater Fund Financials. The 2024 budget is \$3,810,300 less \$3,318,113.46 in expenses and \$160,317.89 in encumbrances leaving a remaining budget of \$331,868.65. Expenses exceed revenue by \$697,594.19.
6. Other Notables:
 - Continue Lead and Copper surveys. Unknown lines notice to be submitted to CDPHE before November 15th.
 - Completing CDPHE grant for assistance with I&I and flow studies in sewer collection system.

- Interviewed several candidates for open RO Plant and Distribution openings.
- Working with Purchasing Department to quote water and wastewater testing services for 2025.

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

1. Line Crew
 - Daily reads, disconnects and maintenance.
 - The crew finished hanging Christmas decorations.
 - Had multiple service calls from the November snowstorm.
 - A broken guy wire was replaced on a primary riser pole at 12th Street and Garfield Avenue.
 - A pole enforcer was added to a broken power pole in the backyard of 12 Mountview Drive.
 - Performed routine maintenance on digger trucks, bucket trucks, and chainsaws. Maintenance was also completed on several street lights.
 - The crew responded to sixty-eight underground 811 locates in November.
2. SOLAR Accounts
 - The total kWh returned to the system was 8,410 from 40 customers. A total of \$454.14 was rebated at the avoided cost. There are currently 38 residential and 2 commercial solar customers.
3. System Update
 - Continue to work with ARPA and Sandhills Energy on solar installation at the Industrial Park.
 - Assembling information and costs for breakers for the LP-Sub.
 - Evaluating total system for infrastructure improvements.
4. Bill received a letter from JK Energy Consulting explaining that since ARPA's wholesale rate to us is going down in 2025 that we will not need to do the rate increase that was suggested in the study. He now recommends that we leave our rates as they are and when the time comes, maybe a couple of years, see how things are.
5. The Christmas Lighting contest will begin on December 16th and judged on the 19th.
6. November 2024 Electric Fund Financials. The 2024 budget is \$12,352,800 less \$10,687,264.44 in expenses and \$137,682.32 in encumbrances leaving a remaining budget of \$1,527,853.24. Revenue exceeds expenses by \$655,115.61.

D. Sanitation (Martin Montoya):

1. Customer Information (November)

CUSTOMERS	2024	2023	DIFF.	CHANGE
Residential	2,784	2,793	(9)	-0.32%
Commercial	436	432	4	0.92%
Industrial	11	10	1	9.09%
Municipal	29	28	1	3.45%
Total	3,260	3,263	(3)	13.14%

2. Landfill

TONS	2024 October	2024 YTD	2023 October	2023 YTD	DIFF.	CHANGE
Otero County Landfill	403.63	5766.7	568.85	6152.84	(165.22)	
Southeast Recycling	5.56	187.44	10.68	193.32	(5.12)	-92.09%
Clean Valley - Curbside	4.53	38.55	4.38	41.19	0.15	3.31%
Clean Valley - Trailer	1.34	28.08	2.15	30.04	(0.81)	-60.45%
Total	415.06	6020.77	586.06	6417.39	(171.00)	-149.23%

TONNAGE	
Open Top	13.43
Compactor	10.13
Residential	200.68
Commercial	111.01
Roll Offs	66.93
	402.18

3. Other Income

ITEM	Nov.2024	Nov.2023	YTD 2024	YTD 2023	DIFF.	CHANGE
Special Pick-Up	1	8	37	67	-30	-81.08%
40-YD Boxes	11	17	249	269	-20	-8.03%
20-YD Boxes	8	7	237	180	57	24.05%
Overages	4	3	120	134	-14	-11.67%
Compactor	4	6	53	50	3	5.66%
Trx Station (Open Box)	13.43	21.18	420.7	429.47	-8.77	-2.08%
Trx Station (Compactor)	10.13	13.73	122.25	180.59	-58	-47.72%
Tote Replacement	3	7	161	54	104	66.46%

4. The changing of the employees work hours also affected the trash routes. Flyers went to everybody affected but not everybody received them in time. They are still being handed out.
5. We were informed that the information being supplied by Southeast Recycling as far as what they were providing and how they were looking at it vs how we were looking at it, was not the same. Originally, they were giving us totals in cubic yardage and we were reporting it as tons. We've gone back and changed it throughout the last two years.
7. November 2024 Sanitation Fund Financials. The 2024 budget is \$1,683,800 less \$1,523,868.07 in expenses and \$2,321.16 in encumbrances leaving a remaining budget of \$157,609.77. Expenses exceed revenues by \$293,081.65.

NEW BUSINESS

- A. A Resolution Recommending that the City Council Approve a Loan from the Colorado Water Resources and Power Development Authority to the City of La Junta (Acting by and through its Water Enterprise) in the Maximum Aggregate Principal Amount of Not to Exceed \$300,000.00 for the Purpose of Paying the Costs of Certain Water Facilities.** Director of Water/Wastewater, Tom Seaba, explained that this is not a debt. It's the way the State Revolving Fund issues these particular grants. They operate utilizing the term grants but they're issued as principal forgiveness loans. As long as we meet the scope of work that is laid out in the agreement for this grant or principal forgiveness loan, 100% of it is repaid or is exhausted from our books. We get complete reimbursement. It's a reimburse as we go. What this design and engineering grant is for is to prepare us to have all of our plans signed and stamped from an engineer to be able to then move forward towards a SRF loan. Those are the low interest loans that we can get from the state to handle large capital projects. It's a progression that we qualify for as a disadvantaged community. Resolution No. RUB-8-2024 was presented for the Boards consideration.

MOTION TO ADOPT RESOLUTION NO. RUB-8-2024: Berg

SECOND: Velasquez

DISCUSSION: There was no discussion

VOTE: The motion carried 5-0

B. Interim City Manager Comments.

1. The Street Department is in the process of cleaning up the area around 3rd Street and Adams where the tree limb drop off was.
2. We are back to normal operations at the tree dump (hours and fees.)
3. Appreciate everybody in the community for the help in cleaning up after the storm.
4. Hats off to the guys in the Street, Water and Electric Departments that took care of doing all the tree trimming and picking up the limbs in the parks.

C. Governing Body's Comments.

1. Chairman Cranson:
 - Would like to continue to receive the Disconnect Report.
 - Will look over the Utility Board Policy and propose any changes needed along with the reason for the change and then will present it to the board.

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