

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, February 28, 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 – via telephone
 Mike Bourget, Commissioner – via telephone
 Gary Cranson, Vice-Chairman
 Frank McKenzie, Chairman
 Paul Velasquez, Council Member

Absent: none

Also present: Rick Klein, City Manager
 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
 John Krajewski, JK Engineering
 Julianne Woldridge, MacDougall & Woldridge
 Carlos Angel, La Junta
 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 January 17, 2023. Hearing none, he declared the January 17, 2023 minutes approved as published.

CITIZEN PARTICIPATION

1. Carlos Angel, 1319 Carson Avenue: Owns the house located at 409 Prospect. Requested an adjustment to his utility bill because of a water leak. Rick Klein and Tom Seaba will get together to remedy the situation.

JK ENGINEERING RATE STUDY presented by John Krajewsky. The purpose of the rate study is to review financial performance of each utility and develop rates that reflect the cost of service and accomplish other goals established by the City. (Summary of recommendations listed below)

- Electric Utility Recommendations:
 - Increase customer charge for residential and small general service customers and decrease energy rates.
 - Reduce the ECA to zero.
 - Review rates on a regular basis, particularly as purchased power costs change.
- Water Utility Recommendations:
 - Implement a 10.1% rate increase.
 - Consider additional water rate increases of 10.0% in FY 2024 and 2.0% in FY 2025.
 - City should review its water rates on a regular basis, especially as general and administrative costs increase.

- Wastewater Utility Recommendations:
 - Implement a 16.9% rate increase.
 - City should consider additional wastewater rate increases of 5.8% in FY 2024 and 2.0% in FY 2025.
 - Rate differential between inside, west side and outside city should be kept in place.
 - City should review its wastewater rates after FY 2025 or if significant changes to system, including capital improvement or operating expense, increases.
- Sanitation Utility Recommendations:
 - Implement a 21.4% rate increase.
 - City should consider additional sanitation rate increases of 3.0% in FY 2024, FY 2025 and FY 2026.
 - City should review its sanitation rates on a regular basis, especially as general costs increase, landfill charges increase and equipment needs to be replaced.
- Overall Rate Impact (typical residential rate increase/decrease per month):

○ Electric (based on 700 kWh usage)	(\$ 0.20)
○ Water (3/4" line)	\$ 3.96
○ Wastewater	\$ 8.00
○ Sanitation	\$ 0.15
○ Total	\$11.91

Chairman McKenzie: Wants to see some fact checking being performed by the media to make sure what is being published in the paper is factual. Not only the upcoming rates should be published but also when the rates were previously increased.

ARK VALLEY CONDUIT by Julianne Woldridge. At the request of the City of La Junta, Ms. Woldridge has been talking to the attorney for the Southeastern Water Conservancy District about the City's concerns and questions regarding the Conduit. There aren't a lot more answers to give right now. There are a lot of things that are still undecided at this time. She has expressed to the Southeasterns attorney some of the City's major questions and concerns. Further discussions are warranted. Discussion continued regarding putting down in writing the concerns and questions to all parties involved in a formal way and what that would look like.

REPORTS

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

1. **Summary of December 2022 Financial and Operating Statements:** During the month of December, revenue from power sales was better than budget by \$23,486 (1.0%) and total revenues was better than budget by \$41,144. Total cost of goods sold was right on budget. Net Revenue from Operations for the month was \$527,639.
2. **Year to Date Income Statement:** Revenue from power sales was less than budget by \$48,441 (0.2%). Total Revenues are better than budget \$1.75 million YTD. Interest income is \$79,232 better than budget with rising interest rates. Total cost of goods sold was less than budget by \$697,003 (3.9%). Purchased power costs YTD are under budget by \$335,909. Transmission expenses YTD are under budget by \$385,803. Total A & G expenses are under budget by \$289,838 (4.3%). YTD Net Revenue is \$6.46 million. Debt Service Coverage YTD is 1.69X.
2. **Operating Report:** Member Energy sales for December is 2.1% better than budget and about 10.0% better than 2021. Member Energy Sales YTD is 0.5% less than budget and 1.16% better than 2021. All in cost of power to members YTD is \$0.1002 per kWh; 2.3% lower than 2019.
3. **Next Meeting –May 25, 2023 at Otero College in La Junta.**

Chairman McKenzie: Aliza has reformatted the financial statements for the electric department. This will be done to the other three utilities as well. It would be refreshing if the department heads would give a summarized report like Gary just gave for ARPA. Then the Board would have what it needs to know as to what is happening in those utilities. This is for clarity.

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

1. R.O. Plant
 - Browns Hill Engineering was onsite to evaluate the SCADA system and electronics.
 - Repaired gasket break on the 18" feed line inside the plant. The basket blew underneath RO "A". The RO plant was shut down for eight hours for repairs.
 - Performed maintenance on the concentrate blend and feed dump modulating valves and also modulating valves on manganese filters which are showing increased wear. Will need replacement in 2024.
 - Changed oil in finished water pumps and RO motors.
 - Calibrated lab equipment.
 - Cleaned small chlorine tank and refilled with 10% solution.
 - Checked static levels on all wells.
 - Meter Reading, property maintenance.
2. Distribution
 - Repaired a main break on the 18" steel line that hangs on the North La Junta bridge. A hole was caused by drainage seeping through bridge seems onto the pipe. An additional area shows severe degradation and a repair band will be placed over it. A pipe specialist did an initial survey of the pipe and will present his recommendations soon. We intended to recoat the exterior and replaced the pipe hangers that support the pipe.
 - New service installed in the 300 block of Raton Avenue.
 - Repaired three main breaks: 3rd and Adams Avenue just east of the bridge, 13 Chaparral Circle, and the main on the North La Junta bridge.
 - Rebuilding wing mower for Holbrook farms and additional equipment maintenance.
 - Meter reading and utility billing office generated work orders.
3. Wastewater
 - Treated 24.737 million gallons. Removed 51.0 ft³ of screenings and 53.0 ft³ of grit.
 - RO concentrate discharge to plant was 18.217 million gallons.
 - Jetted 4,587 feet of main. Eleven emergency calls and twelve manhole locate requests.
 - New sewer tap installed at 100 block of east 12th Street.
 - Repaired malfunctioning pump at the McDonald's lift station.
 - Reprogrammed generator auto-control functions.
 - Additional generator maintenance.
 - Establishing new permits for all liquid waste haulers. (Septic, grease traps, etc.)
 - Additional plant, collection system, and grounds maintenance.
4. Other Notables:
 - Meghan Yergert and Katelin Reed were asked to be presenters at the Girls in the Middle Conference. Girls in the Middle Conference is a hands-on conference for 5th – 8th grade girls to learn more about science, technology, engineering, arts and math careers. The 2023 Conference theme is "Rivers of Discovery."
 - Hired Casey Weber as a water treatment operator beginning January 16, 2023.
 - Hired Heidi Schueller as an industrial pretreatment coordinator beginning February 1, 2023.
 - Safety training concerning winter driving.
5. Arkansas Valley Conduit Update

FOR IMMEDIATE RELEASE

Monday, January 23, 2023

CONTACTS:

Rachel Skaar (Bennet) – 202-594-6252

Anthony River-Rodriguez (Hickenlooper) – 202-836-0797

**Bennet, Hickenlooper Urge BOR to Allocate Additional Funding for the
Arkansas Valley Conduit**

Washington, D.C. – Today, Colorado U.S. Senators Michael Bennet and John Hickenlooper urged the Bureau of Reclamation (BOR) to consider allocating additional funding from the recent omnibus funding bill for Fiscal Year 2023 (FY23) or the *Bipartisan Infrastructure Law* (BIL) for the Arkansas Valley Conduit (AVC).

The AVC is a planned 130-mile water-delivery system from the Pueblo Reservoir to communities in Bent, Crowley, Kiowa, Otero, Prowers, and Pueblo counties. The Conduit is the final phase of the Fryngpan-Arkansas Project, which Congress authorized in 1962.

“The Conduit has been one of Colorado’s top priorities for nearly six decades,” wrote the senators. “Continuing to invest in this project will allow the project’s stakeholders to plan for more effective construction and delivery of clean drinking water throughout Southeast Colorado.”

In the letter, the senators highlight the \$60 million allocated for the construction of the AVC from the BIL last fall, and ask BOR to allocate additional funds, which could be immediately applied to help advance different components of the AVC.

“For years, this project languished due to insufficient funding and a prohibitive cost-share agreement,” continued the senators. “Congressional appropriations over the past decade coupled with BOR’s recent \$60 million award will finally enable the construction of this long-promised project. More investment, from the FY23 omnibus or future BIL awards, would accelerate the construction timelines and improve planning efficiency.”

Bennet and Hickenlooper have consistently advocated for increased funding for the AVC. The FY23 omnibus spending bill, which was signed into law in December, included \$10.1 million for the Conduit after Bennet and Hickenlooper urged the Senate Appropriations Committee to continue to fund the project last May. In October, the senators visited Pueblo to celebrate the announcement of \$60 million in BIL funds for the Conduit. The senators and U.S. Representative Ken Buck (R-Colo.) urged the OMB and BOR in July to allocate these funds. In March, Bennet and Hickenlooper secured \$12 million for the Conduit from the FY22 omnibus bill. Prior to FY22, Bennet helped secure more than \$70 million for the AVC. Bennet and Hickenlooper will continue working in Washington to ensure Colorado has the resources needed to complete this vital project for the region.

In 2009, Congress passed legislation Bennet worked on with former U.S. Senator Mark Udall (D-Colo.) to authorize a federal cost share for the construction of the Arkansas Valley Conduit. In 2013, Bennet and his colleagues sent a letter to the BOR to quickly approve the Conduit’s Environmental Impact Study (EIS) in order to expedite the project’s preconstruction process. In 2014, following Bennet and Udall’s efforts to urge the BOR to quickly approve the Conduit’s EIS, the Record of Decision was signed in February. Bennet joined the groundbreaking for the project in October 2020.

The text of the letter is available below:

Dear Commissioner Touton,

We write to encourage you to consider allocating additional funding, from either the recent omnibus for Fiscal Year 2023 (FY23) or the Bipartisan Infrastructure Law (BIL), for the Arkansas Valley Conduit (the Conduit). As you know, the Conduit has been one of Colorado’s top priorities for nearly six decades. Continuing to invest in this project will allow the project’s stakeholders to plan for more effective construction and delivery of clean drinking water throughout Southeast Colorado.

The recent omnibus bill for FY23 exceeded the President’s Budget request, including funding for ongoing work for Water Conservation and Delivery Projects. Although some of the additional

funding was appropriated for specific purposes, we ask that the agency allocate additional funding for the Conduit from remaining funds.

We are pleased that the \$60 million already allocated to the project from BIL will result in the start of construction early this year as well as other activities. Stakeholders have indicated that additional funds could be immediately applied to the following:

- *A contract to complete construction of the first reach of the trunk line to Boone, CO;*
- *Paying the remaining balance of the Construction Recovery Fee owed to the Pueblo Board of Water Works (which would avoid escalation charges);*
- *Construction of the dechloramination injection site as part of the Boone reach.*

We commend the Bureau of Reclamation (BOR) staff at the regional and area levels, as well as in your office, for their partnership with the Southeastern Colorado Water Conservancy District to move this critical safe drinking water project forward. We understand that discussion of accelerating project construction is taking place based on the availability of BIL funds in addition to annual appropriations. Please also note that the State of Colorado proposes to direct an additional \$20 million in grants to further assist the local water providers in building the connections to the trunk line.

For years, this project languished due to insufficient funding and a prohibitive cost-share agreement. Congressional appropriations over the past decade coupled with BOR's recent \$60 million award will finally enable the construction of this long-promised project. More investment, from the FY23 omnibus or future BIL awards, would accelerate the construction timeline and improve planning efficiency.

We appreciate your attention and look forward to continuing to work with you on this important project.

Construction on the AVC will begin in 2023 on both the Reclamation (federal) and Enterprise (local) projects. WCA Construction will begin mobilizing near the AVC connection point with the Pueblo Water system in early 2023, with pipe for the trunk line going into the ground by June. Reclamation already has begun working on the design for the areas east of Boone. To date, \$111.1 million in federal appropriations and infrastructure funding for the construction for the AVC has been received.

The Enterprise is completing design for delivery lines to Boone and Avondale and is getting ready to solicit bids for construction. As mentioned earlier, the design and construction are funded (for this reach) by ARPA funding from Pueblo County.

The CWCB has approved an additional \$20 million grant for the AVC, which will be part of the CWCB Water Projects Bill in 2023. The General Assembly still must approve the funding. That money will allow an accelerated schedule for design. The design of many delivery lines and spurs will be funded in part by ARPA contributions from Bent, Otero, and Prowers counties, the City of Las Animas, and the Town of Ordway.

Enterprise staff has met with Reclamation, and the goal is to reach Lamar by no later than 2029 rather than the 2035 date identified in 2020 planning. Much of the federal funding is expected to come through the Infrastructure Investment and Jobs Act, which has a portion of funding dedicated to Reclamation water projects.

On the Enterprise side of the project, they are working to keep construction costs as low as possible for participants by pursuing grant opportunities and making efficient changes in the design of spurs and delivery lines. The Enterprise will work to have the delivery lines for each participant in place by the time the trunk line reaches their area.

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

1. Line Crew

- Daily reads, disconnects and maintenance.
- The crew took down Christmas decorations at the Municipal Building, City Park, Train Hill, downtown area and along Highway 50. The highway is a little more tedious because we have to have signs out and traffic control.
- We had an outage on the LP52-2 circuit which left over 1200 customers with no power. The cause of the outage was tracking on the crossarm. A cutout, arrester, insulator and a transformer all had to be replaced.
- The on-call lineman responded to two house fires at 915 Grace Avenue and 513 Lewis Avenue to disconnect the power.
- The crew set a pad mount 150kVA transformer at WW Feeds. We are removing the existing overhead transformer bank from our transmission pole.
- The Electric Department started digging the trench for the Lewis Bolt and Nut Company addition on the westside of the main building; adding three runs of 80 foot of underground wire for the riser pole.
- The crew has been going through the trucks and doing inventory on material. If we have overstock, we sent it back to the warehouse.
- We had to replace the 60-amp fuses in our relay box for the highway lights.

2. SOLAR Accounts

- The total kWh returned to the system was 3,692, from 13 customers. A total of \$243.67 was rebated at the avoided costs. There are currently 22 solar customers.

3. System Update

- Solar customer questions were gone over and billing verified. Thanks to Mr. Cranson for his help.
- Old equipment failures brought on by moisture from weather events continue to show up and as a result we have had a couple of short outages.
- These are not things that one normally sees in the day-to-day operation so we are thankful that we have the equipment and knowledgeable lineman to replace and upgrade this old equipment.

D. Sanitation. Martin Montoya gave the following report:

1. January 2023

Item	Year To Date Total				December			
	2021	2022	Diff	Change	2021	2022	Diff	% Diff
Otero County Landfill (tons)	6419.5	6121.75	(297.75)	(297.75)	503.6	460.44	(43.16)	(8.57)
Southeast & East Central Recycling (tons)	215.76	181.68	(34.08)	(34.08)	20.26	15.67	(4.59)	(22.66)
Clean Valley Recycling Curbside (tons)	39.46	43.415	3.96	3.96	5.23	3.98	(1.25)	(23.90)
Clean Valley Recycling Trailer (tons)	3.91	20.0925	16.18	16.18	1.38	1.875	0.50	26.40
Clean Valley Recycling E-Waste (tons)	Added in 2022	385.91	N/A	N/A	Added in 2022	0	N/A	N/A

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Item	Year to Date Total				January			
	2022	2023	Diff	% Diff	2022	2023	Diff	% Diff
Special Pick-Ups (Quantity)	5	2	(3.00)	(60.00)	5	2	(3.00)	(60.00)
40-yd Boxes (Rental & Service)	2	2	0.00	0.00	2	2	0.00	0.00
20-yd Boxes (Rental & Service)	1	4	3.00	75.00	1	4	3.00	75.00
40-yd Box (Service)	11	17	6.00	35.29	11	17	6.00	35.29
20-yd Box (Service)	8	5	(3.00)	(37.50)	8	5	(3.00)	(37.50)
Overage on Boxes (Days and/or Weight)	2	13	11.00	84.62	2	13	11.00	84.62
Compactor Box (Service)	3	4	1.00	25.00	3	4	1.00	25.00
Transfer Station Open Top (tons)	21.95	30.84	0.00	28.83	21.95	30.84	8.89	28.83
Transfer Station Compactor (tons)	11.91	10.54	0.00	(11.50)	11.91	10.54	(1.37)	(11.50)
Replaced Tote	77	3	0.00	(96.10)	77	3	(74.00)	(96.10)
Replaced Lid	0	4	0.00	100.00	0	4	4.00	100.00
Additional Tote	0	1	0.00	100.00	0	1	1.00	0.00
Repaired/Replaced Dumpsters (Quantity)	4	0	0.00	(100.00)	4	0	(4.00)	(100.00)

NEW BUSINESS

- A. Approval for ARPA Scholarship in the amount of \$700.00.** All member cities offer scholarships with ARPA matching each city.

MOTION TO APPROVE APRA SCHOLARSHIP IN THE AMOUNT OF \$700.00: Cranson

SECOND: Velasquez

DISCUSSION: There was no discussion

VOTE: The motion carried 5-0

B. City Manager's Comments.

1. There were no city manager comments.

C. Governing Body's Comments.

1. Chairman McKenzie: We need more discussion on the re-vegetation project in Cheraw.
2. Mayor Ayala: Need to schedule another joint meeting for the City Manager review to include Rick.

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There being no further business, the meeting adjourned at 6:07 p.m.

ATTEST:

CITY OF LA JUNTA

Melanie R. Scofield, City Clerk

Frank McKenzie, Chairman