A Regular Meeting of the Board of Utilities Commissioners of the City of La Junta, Colorado, was called to order by Chairman Lorenz Sutherland on Tuesday, March 12, 2019, at 4:00 p.m. in the Power Board Room of the Municipal Building.

Roll was called and the following Board Members were present:

Present: Jim Goodwin, Commissioner
Frank McKenzie, Vice-Chairman
Jeffri Pruyn, Mayor
P. Lorenz Sutherland, Chairman

Absent: Mike Bourget, Commissioner

Also present: Bill Jackson, Asst. City Manager
Melanie Scolfield, City Clerk
Gary Cranson, ARPA Representative
Tom Seaba, Director of Water & Wastewater
Reuben DeLeon, Electric Superintendent
Darren Adame, Director of Engineering
Elaine McIntyre, Council Member
Edward Vela, Council Member
Kathy DelRio, La Junta
Bette McFarren, Tribune Democrat

MINUTES OF PREVIOUS MEETING
Chairman Sutherland asked if there were any corrections to the minutes of the Regular Meeting of February 12, 2019. Hearing none, he declared the minutes approved as published.

CITIZEN PARTICIPATION
1. There was no citizen participation.

REPORTS
A. ARPA Board. Gary Cranson gave the following report:
   1. Comparison of (unaudited) YTD 2018 to YTD 2017 Income Statement
      • Total YTD Revenues were better by $10,994,606. Revenues from Power Sales YTD are $1,102,498 higher.
      • Total Cost of Goods Sold (COGS) were up 3.9%. WAPA/LAP costs are $381,387 lower (due to LAP rate reduction).
      • Purchased Power costs are $739,575 more, due to increase in purchase power contract rate and higher sales. Transmission related expenses for the year are $286,422 higher.
      • Total A & G Expense is 14% lower; (this does not include 2017 City of Lamar Settlement of $8,041,286).
      • Total 2018 Net Revenues NOT including Extraordinary Income and Expense is $5,027,208 compared to 2017 Net Revenues of $3,129,473, nearly a 61% increase over 2017.
   2. Financial Reports
      • Revenues from Power Sales are better than budget by $17,569 (0.8%).
      • Total COGS are over budget by $49,189 (3.6%).
      • Gross profits are less than budget by $3,543.
      • Total A & G Expenses YTD are under budget by $32,902.
      • Net Revenues for the month are $290,777.
• Operating Debt Service Coverage Year to Date is 1.32X.
• Member energy sales 2019 YTD are 0.9% better than 2018
• Member energy sales are about 2.7% better than budget YTD
• All in Power Cost to members for January 2019 was $0.1006 per kWh
• January energy supplied primarily by TWIN EAGLE and WAPA:
  TWIN EAGLE 69% $52.30 per mWh
  WAPA 27%
  Loveland Area (LAP) $31.76 per mWh
  CO River Storage (CRSP) $29.38 per mWh
  Wind 4% $57.27 per mWh
• Blended rate for January of $48.72 per mWh (budget $46.96)
• Blended rate is $1.50 per mWh lower in 2019 compared to the 2018 rate of $47.22.
• Twelve-month average energy rate of $46.50 per mWh

3. General Manager Report
• CAMU: The Governor has identified a goal of having 100% renewable power supply for the State by 2040. CAMU will be working with the Public Power utilities in the state in conjunction with the Energy Office and the Administration to gauge the impact this would have on Public Power. Among State legislative bills of interest is HB19-1003 “Community Solar Gardens Modernization Act.” Bill seeks to amend the statute regarding solar gardens maximum size from 2 mW to 10 mW. Municipal utilities are exempt from this section of the statute. CAMU is monitoring to protect the exemption.
• POWER SUPPLY TRANSACTION: Per the January 31 Board’s instruction to continue pursuing negotiations and communications with Tri-State, the General Manager and/or the Board President met with the governing boards from Springfield, Las Animas, Holly and La Junta. The primary purpose was to assess their intent for moving forward with the Tri-State transaction. ARPA staff will confer with Bond Counsel regarding discussion in Executive Session and focus on Tri-State proposal rather than on fixed cost proposal.
• ARPA SCHOLARSHIP PROGRAM: The 2019 scholarship program is underway. Scholarships are $1000 funded equally between ARPA and the ARPA member municipality

B. Water & Wastewater Treatment. Rick Klein gave the following report in Tom’s absence:
1. R.O. Plant
• New membranes installed in “B” Train. This is the third set installed since the plant was constructed:
  o 1st set of membranes lasted 59 months and produced 919,327,266 gallons.
  o 2nd set lasted 119 months and produced 1,796,598,101 gallons.
  o A 95.43% increase in efficiency.
• Chemical cleaning completed of “A” and “C” Trains
• Repair and maintenance on emergency eyewash stations.
• Repaired pressure relief valve on raw water line.
• Maintenance on well control valves, pH probes, sample panels, and the heater.
2. Distribution
• Repaired main break at Frontage Road and Crooked Arroyo.
• Working with contractors for new water main/service on 4th Street between Grant and Hayes (new Sonic.)
• Several new services installed.
• General system maintenance.
3. Wastewater
• Recirculation pump in digester building down for repairs multiple times. Most recent repair is holding. Hoping no further repair or replacement is needed since it is an apparatus that will no longer be used when new plant comes on line.
• Treated 32.264 million gallons. Removed 34 ft³ of screenings and 26 ft³ of grit.
• Jetted 2,731 feet of main in reference to seven emergency calls and thirty one man-hole locates.
• Received approval for our final Direct Community Loan to complete WWTP.
• New plant rated at 85% complete.
  o All installed systems undergoing initial start-up inspections.
  o On 3/11/19 began filling plant with clean water to check system valves, piping, connections and also in preparation of starting clean water tests beginning April 1st.

4. All Departments
• Safety meeting for chlorine safety.
• Training with the Colorado Rural Water circuit rider held at water department.
• Two employees passed certification tests: Meghan Yergert, Wastewater Treatment Level “D” and David Salas, Wastewater Collections Level “1”.

C. Power Distribution. Reuben DeLeon gave the following report:
1. Line Crew
• Continues to read electric meters as needed and will do so until all meters have been replaced with the new radio read meters as soon as they arrive.
• Finished installing the street lights along 3rd Street from Lacy Avenue to Barnes Avenue and the steel poles removed. Have five poles left from 3rd to 5th Street on Santa Fe Avenue on the west side of the street.
• Installed a new three phase transformer station for Love’s Country Store as they are adding on new load and also building a new addition.
• Replaced a street light pole at 1st and Belleview Avenue that was hit by a car. The street light is back in service.
• New Service for Lewis Bolt and Nut on Monroy Avenue is now in service.
• Finishing building a second portable electric trailer that can be used for different functions in the City.

C. Power Plant. Bill Jackson gave the following report:
1. HDR has preliminary budgetary equipment costs. We’re looking at diesel rather than natural gas in some locations due to its high cost. The equipment specifications are being finalized for the bid.

D. Sanitation. Darren Adame gave the following report:
1. February report.

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2. Site #1 closure is doing well.
3. Gathering numbers showing the difference in tonnage on the different size totes.
NEW BUSINESS

A. City Manager’s Comments.
   1. Not in attendance.

B. City Attorney’s Comments.
   1. Not in attendance.

C. Governing Body’s Comments.
   1. Vice-Chairman McKenzie: La Junta Cares will be gearing up again.
   2. Chairman Sutherland: Approached by specific people regarding the professionalism of the Water Department during the line break at the arroyo. It was very much appreciated.
   3. Vice-Chairman McKenzie: Concerned about the tree dump being closed because of people abusing it. It’s a valuable resource.

There being no further business, the meeting adjourned at 4:42 p.m.

CITY OF LA JUNTA

ATTEST: P. Lorenz Sutherland, Chairman

Melanie R. Scofield, City Clerk