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, June 11, 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
Frank McKenzie, Vice-Chairman
P. Lorenz Sutherland, Chairman

Absent:
Mike Bourget, Commissioner
Jim Goodwin, Commissioner
Jeffri Pruyn, Mayor

Also present:
Rick Klein, City Manager
Bill Jackson, Asst. City Manager
Phil Malouff Jr., City Attorney
Debra Fraker, Admin Assistant
Gary Cranson, ARPA Representative
Rick Gumke, Line Crew Chief
Darren Adame, Director of Engineering
Edward Vela, Council Member
Kathy DelRio, La Junta
Bette McFarren, Tribune Democrat

Due to lack of quorum, no business was conducted, only reports were given.

REPORTS

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

1. Financial Reports (abbreviated)
   - YTD Revenues from Power Sales are better than budget by $106,611 (1.3%).
   - YTD Total COGS are over budget by $105,961 (2%).
   - YTD Gross profits are better than budget by $146,475.
   - YTD Total A & G Expenses are under budget by $209,457.
   - YTD Net Revenues are $907,308.
   - Net Revenues for the month are $210,917.
   - Operating Debt Service Coverage Year to Date is 1.24X.
   - Member energy sales 2019 YTD are 0.6% less than 2018.
   - Member energy sales are about 2.6% better than budget YTD.
   - All in Power Cost to members for April 2019 was $0.1017 per kWh.
   - March energy supplied primarily by TWIN EAGLE and WAPA:
     - TWIN EAGLE 59% $54.20 per mWh
     - WAPA 34% $34.35 per mWh
     - CO River Storage (CRSP) 3% $33.11 per mWh
     - Wind 7% $43.99 per mWh
   - Blended rate for April was $48.71 per mWh (budget $47.42).
   - Blended rate is $3.91 per mWh higher in 2019 compared to the 2018 rate of $44.80.
• Twelve-month average energy rate of $47.10 per mWh.
• April revenue from Member sales of $1.099 million.
  Revenue from energy sales was $1.7 million
  Revenue from demand units was $197,871

2. General Manager Report
• The Annual S&P Credit rating review was discussed. S&P affirmed ARPA’s long-term “BBB” rating. The outlook is stable.

B. Water & Wastewater Treatment.  Rick Klein gave the following report in Tom’s absence:

1. R.O. Plant
• Continue interior/exterior LED light conversion.
• Completed Sanitary Survey (complete water system inspection performed by the CDPHE).
• Storage tank inspections conducted including top hatches and interiors.
• Work on radio telemetry for SCADA system.
• Grounds maintenance at all properties.

2. Distribution
• Valve installed and service connection maintenance for current Primary School (East School).
• Assisted with installation of new water lines at rodeo grounds.
• Installation of new meters.
• Meter reading.

3. Wastewater
• Veris on site to begin pumping of remaining sludge and decommissioning of digesters.
• New 8” main installed in alleyway 1000 block between Hayes and Topeka (alley between Fresenius Medical and future construction).
• Treated 34.78 million gallons. Removed 0 ft³ of screenings and 26 ft³ of grit.
• Jetted 8,364 feet of main in reference to twelve emergency calls and fifty man-hole locates.
• New plant rated at 93% complete.
  o New plant is in operation.
  o Automatic gate operational.
  o Phase 2 of construction underway. (Blower building and aeration basin rehab.)
  o Demolition crews begin mobilization from Blue Lake to La Junta to begin June 10th.

4. All Departments
• Safety meeting concerning body ergonomics and lockout/tagout.
• Summer employees begin work on June 10th.

C. Power Distribution. Rick Gumke gave the following report in Reuben’s absence:

1. Line Crew
• Set two 25 kva transformers, one at 535 Barnes and one at 513 Belmont.
• Sent five guys to Castle Rock for Flagging training.
• Helped service man with cut-offs.
• Set new pole at 1424 Kilgore that was rotten.
• Painting downtown pole lights.
• Set transformer and pulled in wire and term and tested the wire. Waiting on inspection to heat up at Sonic.
• Sonic is energized and ready to go.
• Started tree trimming on the west side.
• Trenched a water line in at the Rodeo Grounds.
• Worked on speakers at the Race Track.
• Set electric trailer up at Veteran’s Field.
• Have nine new customers from Black Hills.
C. **Power Plant.** Bill Jackson gave the following report:
   1. The six generators will have to have gas service, which will cost us. We are having Black Hills give us a price for tapping, boring, laying the line, etc. As soon as we get that cost, we'll be ready to go to bid.

D. **Sanitation.** Darren Adame gave the following report:
   1. May report.

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2. OCLI meeting on Monday the 17th.

NEW BUSINESS
A. **City Manager’s Comments.**
   1. La Junta is looking better all the time.

B. **City Attorney's Comments.**
   1. Always a privilege.

C. **Governing Body's Comments.**
   1. Chairman Sutherland: You’ll notice that the electric cost adjustment is less. ARPA reduced the wholesale rate by 2% starting this year in January.

There being no further business, the meeting adjourned at 4:24 p.m.

CITY OF LA JUNTA

ATTEST: P. Lorenz Sutherland, Chairman

Melanie R. Scofield, City Clerk