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, August 13, 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: Mike Bourget, Commissioner
        Jim Goodwin, Commissioner
        Frank McKenzie, Vice-Chairman
        Jeffri Pruyn, Mayor
        P. Lorenz Sutherland, Chairman

Absent: none

Also present: Rick Klein, City Manager
              Bill Jackson, Asst. City Manager
              Phil Malouff Jr., City Attorney
              Melanie Swofford, City Clerk
              Gary Cranson, ARPA Representative
              Darren Adame, Director of Engineering
              Aliza Libby-Tucker, Director of Finance
              Elaine McIntyre, Council Member
              Edward Vela, Council Member
              Andrew Froese, Hancock Froese & Co
              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 July 9, 2019. Hearing none, he declared the July minutes approved as published.

AUDIT PRESENTATION
Andrew Froese with Hancock Froese & Co. presented the financial ratios as of December 31, 2018 for the Electric, Water, Sewer and Sanitation funds.

CITIZEN PARTICPATION
1. Kathy DelRio: Enjoys the swim aerobics at the pool.

REPORTS
A. ARPA Board. Gary Cranson gave the following report:
   1. Financial and Operating Report: June 2019 (abbreviated)
      • YTD Revenues from Power Sales are less than budget by $65,475 (0.5%).
      • YTD Total COGS are under budget by $72,638 (0.9%).
      • YTD Gross profits are better than budget by $210,290.
      • YTD Total A & G Expenses are under budget by $279,006.
      • YTD Net Revenues are $1,670,608.
      • Net Revenues for the month are $481,803.
      • Operating Debt Service Coverage Year to Date is 1.30X.
      • Member energy sales 2019 YTD are 6% less than 2018.
• Member energy sales are right on budget YTD.
• All in Power Cost to members for 2019 YTD was $0.1023 per kWh.
• June energy supplied primarily by TWIN EAGLE and WAPA:
  TWIN EAGLE  59%  $54.20 per mWh
  WAPA  34%
  Loveland Area (LAP)  11%  $31.16 per mWh
  CO River Storage (CRSP)  7%  $29.15 per mWh
  Wind  7%  $33.46 per mWh
• Blended rate for June was $46.23 per mWh (budget $46.00).
• Blended rate is $4.42 per mWh higher in 2019 compared to the 2018 rate of $41.99.
• Twelve-month average energy rate of $47.90 per mWh.
• June revenue from Member sales of $2.48 million.
• Revenue from energy sales was $2.11 million.
• Revenue from demand units was $322,798.
• 2018 Member revenues for June were $3.04 million.

2. General Manager Report
• WAPA reports it will not offer excess sales this year due to late snowpack.
• Contingency planning for failure of the LRP sale was discussed.
• Planning for 2020 budget will begin at the August meeting, final hearing and adoption at the December meeting.

3. ARPA 2018 Honor Roll of Merit
• Rick Klein was presented the ARPA 2018 Honor Roll of Merit for “his excellent leadership capabilities, and his well-thought out feedback and insight from a city managers perspective, to the ARPA Board of Directors.

B. Water & Wastewater Treatment.  Rick Klein gave the following report in Tom’s absence:
1. R.O. Plant
• Replaced antenna at the south booster station.
• Maintenance on North tank (vent screen, overflow transducer, UPS replaced).
• Safety shower/eyewash station maintenance.
• Continued work on Well #11.  Failed twice.
• Additional routine plant and grounds maintenance and meter reading.

2. Distribution
• Water main and fire suppression line replacement at DeBourgh Manufacturing.
• Repaired main and replaced fire hydrant at College Overlook Apartments.
• Dirt hauling to WWTP.
• Assist Street Department with asphalt patching.
• Equipment maintenance and meter reading.

3. Wastewater
• Treated 35.99 million gallons.  Removed 52 ft³ of screenings and 87 ft³ of grit.
• Jetted 8,194 feet of main in reference to ten emergency calls and twenty-seven man-hole locates.  Annual jetting is at 26,572 feet.
• Veris aiming to complete decommissioning of digesters by 08-16-19.  Delayed start due to issues at prior project.
• New plant rated at 96% complete.
  o AmWest completing SCADA integration.  Delayed due to delayed delivery of final systems.
  o Demolition of old plant near completion.  Only old digester building remains.
  o Moltz Construction beginning to de-mobilize.
  o Final inspections/walkthroughs should be completed by September 30th.

4. All Departments
• Safety meeting concerning chemical spills and leaks.
• Continuing to assist with an Arkansas Valley Conduit Regionalization Study.
- Regulations class presented by Mark Foxworthy of CRWA held on August 1st in La Junta.
- Well construction/protection class attended in Lamar on August 8th.

C. Power Distribution. Bill Jackson gave the following report:
1. Line Crew
   - Still continue to tree trim on the West side of town.
   - Helped the service man with cut-offs. There were seventeen on the East side and nine on the West side.
   - Worked with contractors for CenturyLink on replacing joint poles.
   - Love’s store has their new service.
   - We hooked the electric trailer up for the Catholic Church.
   - A vehicle hit a light pole located at 1st and Santa Fe.
   - A truck that was over height hit one of the traffic lights at 3rd and Colorado.
   - The roofs on the old warehouse and Gardener substation have been replaced.
   - Helped the Parks Department with trees.
   - We participated in the Wet Parade which was a lot of fun.
   - The LP52-3 has a transformer hit by lightning.
   - Another vehicle hit a light pole at Hwy 50 and Lacy.
   - Removed lights at the Wastewater plant that were no longer needed.
   - Finished a cross arm change-out on South San Juan.
   - A fuse was blown at 26th and Santa Fe. The problem could not be located.
   - Working on the lights at 2nd and Colorado for the new parking lot.

C. Power Plant. Bill Jackson gave the following report:
1. We are ready to go out to bid.
2. Bids will open September 23rd.
3. We have already started decommissioning the North end of the plant.

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

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2. The City wide clean up will begin on September 9, 2019.
3. If there are any problems with lids on totes, please have homeowners notify Engineering.

NEW BUSINESS
A. Resolution to Recommend to City Council a Supplemental Budget for the Sanitation Fund, Wastewater Fund and Water Fund for 2019. Resolution No. RUB-2-2019 was presented for the Board’s consideration as follows:
WHEREAS, the Board of Utility Commissioners of the City of La Junta have determined that it would be necessary to make additional expenditures in various City Utility Funds; and

WHEREAS, the Sanitation Fund, anticipates expenditures not otherwise anticipated at the time of the creation of the 2019 budget; and

BE IT THEREFORE RESOLVED AS FOLLOWS:

BE IT RECOMMENDED that the Board of Utility Commissioners of the City of La Junta to the City Council amend the 2019 operating budget as follows:

SECTION 1. Sanitation Fund - That an additional $7,000.00 be appropriated for the following expenditures:

A. That the expenditures shall be for the following:
   1. Recycling Expense.......................... $ 7,000.00

B. That the revenue sources shall be as follows:
   1. Recycling Income.......................... $ 7,000.00

SECTION 2. Wastewater Fund - That an additional $140,000.00 be appropriated for the following expenditures:

A. That the expenditures shall be for the following:
   1. Loan Retirement............................ $ 140,000.00

B. That the revenue sources shall be as follows:
   1. Retained Earnings.......................... $ 140,000.00

SECTION 3. Water Fund - That an additional $13,000.00 be appropriated for the following expenditures:

A. That the expenditures shall be for the following:
   1. Loan Retirement............................ $ 13,000.00

B. That the revenue sources shall be as follows:
   1. Retained Earnings.......................... $ 13,000.00

BE IT FURTHER RESOLVED that this Resolution be forwarded to the City Council with the request of the Council to amend the 2019 Budget accordingly.

MOTION TO ADOPT RESOLUTION NO. R-2-2019: McKenzie
SECOND: Goodwin
DISCUSSION: There was no discussion
VOTE: The motion carried 5-0

B. City Manager’s Comments.
   1. Continue to work on the budget.

C. City Attorney’s Comments.
   1. Not in attendance.
D. **Governing Body’s Comments.**

1. **Commissioner Bourget:** Now that the treatment plant is about complete, how much of the 16.5 million that we borrowed is remaining?
   
   **City Manager Klein:** I believe that we will be closer to 18 million than the 19 million. So, we’ll only need 2 of the 3 additional million we borrowed.
   
   **Commissioner Bourget:** What happens to the other million dollars?
   
   **City Manager Klein:** We just don’t collect it.
   
   **Commissioner Bourget:** Regarding the long trend of depletion of assets in the electric fund, this needs to be addressed instead of just blown off again.
   
   **Commissioner McKenzie:** The other day I said I wanted to see how we’re going to pay for the distributed generation and right the fund balance at the same time. What will be the savings with decreased man power and decreased maintenance on that facility? How long is it going to take for this thing to flip the other direction?

2. **Commissioner Goodwin:** Please relay to the power crews kudos for the time they spend out in the bad weather and storms with the power outages. I want to make sure those guys know that what they do is appreciated.

3. **Chairman Sutherland:** It has been a pleasure serving on the Utilities Board; however, I will not be seeking re-election.

There being no further business, the meeting adjourned at 5:17 p.m.

CITY OF LA JUNTA

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ATTEST: P. Lorenz Sutherland, Chairman

Melanie R. Scofield, City Clerk