

*Subject to approval at
the February 13, 2018
Utilities Board Meeting*

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 Lorenz Sutherland on Tuesday, January 9, 2018, 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
Jeffri Pruyn, Mayor
P. Lorenz Sutherland, Chairman

Absent: Jim Goodwin, Commissioner

Also present: Rick Klein, City Manager
Bill Jackson, Asst. City Manager
Melanie Scofield, City Clerk
Tom Seaba, Administrative Coordinator
Rick Gumke, Line Crew Chief
Frank McKenzie, La Junta
Gary Cranson, ARPA Representative
Aimee Hill, Engineering
Elaine McIntyre, Council Member
Kathy DelRio, La Junta
Sandy Leonard, Ark Valley Resource Center
Bette McFarren, Tribune-Democrat

MINUTES OF PREVIOUS MEETING

Chairman Sutherland asked if there were any corrections to the minutes of the Regular Meeting of December 12, 2017. Hearing none, he declared the minutes approved as published.

OATH OF OFFICE TO NEWLY ELECTED COMMISSIONER

The City Clerk administered the oath of office to newly elected commissioner Frank McKenzie.

CITIZEN PARTICIPATION

Sandra Leonard, Arkansas Valley Resource Center: Our Board of Directors and myself have a project that we've put together (attached). We provide services to victims of violent crime and we also provide shelter. We have an emergency shelter now but we're going to build a new shelter. One of the things my Board wanted to look at was renewables for the new center. We would like to know how the Utilities Board feels about renewables and the support for non-profits for doing renewables because we have to really watch our expenses. Our program is not funded by tax payers. It is vendor generated. We bring in about \$280,000 in grant money to the community. We have four staff members that own homes in La Junta. So we're all pretty invested into the community. My Board didn't want to put a huge line item in for this and then find out that there wouldn't be the support for renewables for the facility.

Chairman Sutherland: As far as renewables, we have in our existing policies, a section called "co-generation". Co-generation is a little bit of an animal than renewables. As we speak, there's a framework sitting on Mr. Klein's desk for a renewables policy for this Board. The complicating factor is that all of our electricity is supplied to us by ARPA. There are six member communities in ARPA. So it's their sole responsibility to provide power to the six municipalities. They are also looking at a renewable energy policy and what would be required for each of the six municipalities. That's why we only have a framework sitting on Rick's desk. The other key is anyone wanting to see their excess electricity back to the grid. This individual would become a generator of electricity for ARPA. So you can see that we have a

few policy issues to deal with. I don't believe this Board has any aversion against renewables. As a Board, we are obligated not to shift costs unfairly. Renewables pose a little bit of a challenge because as the interest in renewables increases, the consumption goes down from the City's perspective. The consumption goes down; the cost per unit kilowatt hour goes up. So that causes a shift in costs unfairly to the customers that do not have renewables.

City Manager Klein: What we get from ARPA is what they call a blended rate. ARPA gets an allocation from the Federal Government. Twin Eagles supply electric. Some of the member cities have wind turbines. So, we're using wind and water. What we've been going back and forth on is the solar. The solar is coming. ARPA can only take in so much solar before their Twin Eagle contract would open back up and then they'll raise the price on everybody. I will be getting to that renewable policy framework.

REPORTS

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

1. R.O. Plant
 - Replaced pressure transmitters on Prairie View tank, level readings were erratic and setting off alarms.
 - Repaired R.O. cleaning system check valve.
 - Replaced all cartridge filters. The previous filters treated approximately 350 million gallons.
 - R.O. "B" train is beginning to shutdown moments after startup due to high differential pressure. Some adjustments have been made and a thorough chemical cleaning of the membranes is scheduled.
2. Distribution
 - Connecting new service line to WWTP.
 - Repaired service main leaks at 24th and Carson and 7th and Adams.
 - Meter Reading.
3. Wastewater
 - Jetted 1,416 feet of sewer main throughout city.
 - Repair/replacement of current effluent line is ongoing. Line will be inspected by video on January 16, 2018.
 - WFI will begin annual clean, cut, and camera of city mains on the west end of the city to include Wal-Mart and surrounding mains.
 - New construction continues ahead of schedule due to good weather.
4. All Departments
 - Certification testing for several employees on January 12th in Pueblo.
 - Chris Menges is the new Water Quality Technician.

B. **Power Plant & Distribution.** Rick Gumke gave the following report in Reuben's absence:

1. Line Crew
 - Performing line maintenance on the LP 52-3 which is the Industrial Circuit. The crew has been adding dampers to the line to keep it from vibrating in high winds.
 - The crew has also been working at the old Boys Ranch replacing a few poles that had shell or butt deterioration and needed immediate attention. They also replaced a couple of transformers.
 - Replaced a transformer at Senior Village at 9th and Topeka Avenue. The transformer was hit by the owner of the property and the valve on the transformer was damaged and leaking. It was removed and another 75 KVA was set in place.
 - The crew has set a couple of poles at two different locations on Adams. One for a house service and the other for a street light.
 - Three new services were put in for the Santa Fe Signals.
 - Had to reinforce two poles in the Anderson Arroyo.

C. Sanitation. Aimee Hill gave the following report in Darren's absence:

1. Year-to-date numbers are as follows:
 - Special pickups up by 20
 - 40-yard boxes up by 46
 - 20-yard boxes up by 64
 - Containers from the shop up by 3
 - Compactor Box Service up by 23
 - New dumpster up by 13
 - New 40-yard box rents up by 29
 - New 20-yard box rents up by 315
2. The Bagster program started at the first of the year.
3. The new sanitation trucks are on schedule for March.

NEW BUSINESS

A. Election of Officers for 2018

1. **Chairman.** The chair opened the floor for nominations. Bourget nominated Frank McKenzie for Chairman. Bourget withdrew his nomination. McKenzie nominated Lorenz Sutherland for Chairman. Hearing no further nominations, the chairman closed nominations and called for the vote. Lorenz Sutherland was unanimously elected as Chairman.
2. **Vice-Chairman.** The chair opened the floor for nominations. Bourget nominated Frank McKenzie for Vice-Chairman. Mayor Pruyn seconded the nomination. Hearing no further nominations, the chairman closed the nominations and called for the vote. Frank McKenzie was unanimously elected as Vice-Chairman.

B. City Manager's Comments.

1. I took a two week stay-cation. I became a user of the community and people respected that. It did my heart a lot of good. I had a lot of fun in La Junta during my two weeks. I went down to the disc golf that Southeast Health Group put in. It reminded me why I live in La Junta and the Arkansas Valley.
2. We have our new Economic Development/Urban Renewal Director combined with Cynthia Nieb. We're going to hit the ground running and start working on the downtown.
3. Went to my Action 22 meeting last Friday, things are looking up in Southern Colorado. People are getting more engaged. Let's start building up now.
4. I went to a housing needs study. This is the first time since 1981 that they said we're going to gain in population. Every study since 1981 until now said that we were going to lose population. I believe we are going to gain.

C. City Attorney's Comments.

1. Not present.

D. Governing Body's Comments.

1. Chairman Sutherland: We are now back at a full Board. In my mind, one of the major priorities for this year, is to move forward on the plan to de-commission the power plant. HDR has been in and completed all their studies. Joe Kelley did quite a bit of work on some of the locations that would need back up generation and what it would cost. We need to get this done.

City Manager Klein: We were hoping to announce that the SCADA was up and running. They guy found a glitch and left and hasn't returned. We're trying to get him back.

Rick Gumke: They're talking about bringing in a private contractor.

Chairman Sutherland: But we need to have more. We need to have a serious conversation of when, who, how much and where, other than just getting the SCADA done. We need to have a plan and we need to get it done.

Commissioner Bourget: I'd like to add that several months ago we established this policy that we were going to de-commission the plant. There's always an excuse, the SCADA's not hooked up, or something. There's always something. Nothing has been done. Joe has provided a list, that I think is pretty complete, of necessary areas of concern for additional generation. What else is required? We need to start somewhere. It's time to get a concrete schedule on what we need to do and when it will occur.

Chairman Sutherland: There's also a finance piece as well as the technical part.

Commissioner McKenzie: In addition to de-commissioning the plant, I think we've got to work on budgets a lot sooner. We took the first step in getting the water fund headed in the right direction. We've got to turn all the funds around. There's no time like now. I'm really committed to that.

Commissioner Bourget: As we went through that, we did a lot of haggling; I don't think that's really the Board's responsibility to beat these guys up. That's Rick's job.

Commissioner McKenzie: So, you're going to get some marching orders.

City Manager Klein: Ok, I'm letting everybody come back from vacation and then we'll be on it.

Commissioner Bourget: Back to the power plant and SCADA, were we going to hire somebody or were we just going to wait for somebody to come back? Is there a breakdown in communication? What needs to be done?

Rick Gumke: My understanding is that the current plan is to bring in a private contractor to specify hands on with the system and get it going. When they're doing that, I don't know.

Commissioner Bourget: How long has this been going on?

City Manager Klein: Right before Thanksgiving and they haven't been back.

Commissioner McKenzie: Let's get on top of that.

There being no further business, the meeting adjourned at 4:39 p.m.

CITY OF LA JUNTA

ATTEST:

P. Lorenz Sutherland, Chairman

Melanie R. Scofield, City Clerk