

**Subject to approval at the  
May 14, 2019  
City Council 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, April 9, 2019, at 4:00 p.m. in the Council Chambers of the Municipal Building.

Roll was called and the following Board Members were present:

Present           Mike Bourget, Commissioner  
                    Frank McKenzie, Vice-Chairman  
                    P. Lorenz Sutherland, Chairman

Absent:           Jim Goodwin, Commissioner  
                    Jeffri Pruyn, Mayor

Also present:   Rick Klein, City Manager  
                    Bill Jackson, Asst. City Manager  
                    Phil Malouff Jr., City Attorney  
                    Melanie Scofield, 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  
                    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 March 12, 2019. Some typographical errors were pointed out, he declared the minutes approved as amended.

#### CITIZEN PARTICIPATION

1. There was no citizen participation.

#### REPORTS

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

1. Financial Reports March 2019 (abbreviated)
  - YTD Revenues from Power Sales are better than budget by \$96,294 (2.2%).
  - YTD Total COGS are over budget by \$90,455 (3.4%).
  - YTD Gross profits are better than budget by \$57,143.
  - YTD Total A & G Expenses are under budget by \$120,481.
  - YTD Net Revenues are \$478,242.
  - Net Revenues for the month are \$187,465.
  - Operating Debt Service Coverage Year to Date is 1.25X.
  - Member energy sales 2019 YTD are 0.4% less than 2018.
  - Member energy sales are about 3.7% better than budget YTD.
  - All in Power Cost to members for February 2019 was \$0.1018 per kWh.

- February energy supplied primarily by TWIN EAGLE and WAPA:
 

TWIN EAGLE 69%	\$54.20 per mWh
WAPA 24%	
Loveland Area (LAP)	\$36.06 per mWh
CO River Storage (CRSP)	\$31.93 per mWh
Wind 7%	\$42.49 per mWh

    - Blended rate for February was \$50.71 per mWh (budget \$50.16).
    - Blended rate is \$0.52 per mWh higher in 2019 compared to the 2018 rate of \$50.19.
    - Twelve-month average energy rate of \$46.60 per mWh.
2. General Manager Report
- CAMU: General Manager provided a report on bills that Colorado Association of Municipal Utilities (CAMU) is tracking in the state legislature that may affect electric utilities. The Board also received a copy of the CAMU January 2019 rate survey results for Southeast Colorado utilities.
  - POWER SUPPLY TRANSACTION: The General Manager provided a report in executive session. As a follow-up, the City of La Junta has expressed concerns with the Tri-State power supply proposal and will report back to the Board once they've had a chance to further discuss the issue. The Board also directed ARPA staff to discuss the transaction with bond counsel. Bond counsel has advised that the Power Sales Agreement cannot be rescinded or materially revised so long as there are bonds outstanding. Bond counsel also noted that all ARPA members confirmed and ratified both the Organic Contract and the Power Sales Agreement in conjunction with the bond refunding that occurred last summer.
  - OPERATING COMMITTEE MEETING REPORT: General Manager reported on two in-house trainings scheduled in April. Bucket truck rescue training will be held in Las Animas on April 10. Parks and Rec. Department employees are invited to the training event on the 10<sup>th</sup>. Bucket truck and pole-top hurt-man rescue training will be held in La Junta on April 18<sup>th</sup>. Lineman Appreciation Day, April 18, ARPA will host a BBQ between training sessions. All line workers from the member utilities have been invited.
  - APPA LINEWORKERS RODEO SITE CONSTRUCTION PROJECT: ARPA put together a crew of nine line workers to assist Colorado Springs Utilities with the construction of the site for the Line Workers Rodeo that will take place on March 29-30. La Junta sent three workers to assist in the two-day construction project.
  - APPA HEALTH INSURANCE STUDY: The members provided the American Public Power Association with data to assist them in studying the feasibility of an Association Health Plan. Results are pending.
  - S&P DATA REQUEST: SUP Global requested that the cities of Trinidad, Lamar, and La Junta complete a data request for information. The responses have been submitted to S&P to be used in conjunction with a review of ARPA's credit rating.
  - FCC RULING REGARDING POLE ATTACHMENTS: General Manager reported ARPA signed on to a bill to support a congressional bill that would overturn actions by the Federal Communications Commission to regulate public power pole attachments in Public rights-of-way.
  - AVIAN POLICY: Board Member Hourieh reported on an incident Lamar Utilities Board (LUB) had with the US Fish and Wildlife Division. LUB is developing a Raptor Protection Policy and will participate in training on raptor protection provided by the Nebraska Municipal Public Power. The training will be open to all the ARPA members.

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

1. R.O. Plant
  - Changed oil in all wells and boosters.
  - Maintained all flow meters.
  - Replaced PLC for chemical pumps.
  - Begun LED light conversion.

- State mandated testing for Groundwater Under the Direct Influence of Surface Water testing, April – October.
  - Repair/replace well #6 fascia.
2. Distribution
    - Continued work with contractors for new water main/service on 4<sup>th</sup> Street between Grant and Hayes (New Sonic).
    - New service installed on South San Juan.
    - Hydrant repairs.
    - General system maintenance.
    - Meter reading.
  3. Wastewater
    - WFI completed clean, cut, and camera work for the spring.
    - Treated 29.874 million gallons. Removed 38 ft<sup>3</sup> of screenings and 20 ft<sup>3</sup> of grit.
    - Jetted 7,349 feet of main in reference to twelve emergency calls and forty-five man-hole locates.
    - New plant rated at 87% complete.
      - Clean water test of new plant on hold due to issues with PRV's in both clarifiers.
  4. All Departments
    - Safety meeting concerning trenching and shoring.
    - Hired two new employees to Water Distribution Crew: Gailen Evett and Paul Martinez.

**C. Power Distribution.** Reuben DeLeon gave the following report:

1. Line Crew
  - Lost two poles due to the high winds that took place on March 13<sup>th</sup>. The two poles were replaced and are back in service. The high winds also damaged the wire that feeds the traffic lights on Santa Fe and Colorado Avenue. New cable had to be pulled in to all traffic lights as the insulation was worn off the cable wires.
  - The Crew took the transformer at the Light Plant out of service to have some maintenance done on the cooling fins as they were leaking and also the LTC (Load Tap Changer). The LTC was serviced and new oil was added to it and the transformer is back in service.
  - Began trenching in the new primary service for the new Sonic building. The pipe is in the ground and crew is waiting on the contractors to pour the cement pad and will then pull in the primary cable to the transformer that will service the building. A new overhead 25 KVA transformer was set on a different pole to feed an existing home that made room for the new primary feed to the Sonic structure.
  - There was a partial outage on the LP52-4 which is the East Loop. We had a blown fuse at 14<sup>th</sup> and Grace. The fuse was replaced and service was restored.
  - Continue to read meters as needed and also help the serviceman to pull meters for non-payment and reconnects.

**C. Power Plant.** Bill Jackson gave the following report:

1. Have been working with Travis Moore with HDR, we need to make some final decisions for the bid; the type of fuel to be used, whether we're going to need pedestals for the generators because of the flood plain. Diesel is a lot less expensive than natural gas. Should be able to have a bid out soon.

## BOARD OF UTILITIES COMMISSIONERS – April 9, 2019

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

## 1. March report.

	Month to Date	Month to Date	Over/Under	Year to Date	Year to Date	Over/Under
<b>March 2019</b>	2019	2018	<b>Month</b>	2019	2018	<b>Year</b>
Special Pickups	2	4	(2)	5	10	(5)
New 40 Yd Box	0	3	(3)	2	7	(5)
New 20 Yd Box	4	3	1	7	9	(2)
40 Yd Box Service	19	19	0	50	40	10
20 Yd Box Service	4	8	(4)	19	31	(12)
Overage on Wt on Boxes	7	3	4	18	3	15
Compactor Box Service	3	3	0	11	11	0
Bagsters	0	0	0	0	0	0

## 2. Final walk through on Site #1 is complete.

## NEW BUSINESS

**A. A Resolution Recommending that the City Council approve a loan from the Colorado Water Resources and Power Development Authority to the City of La Junta (acting by and through its Wastewater Enterprise) in the maximum aggregate principal amount of not to exceed \$3,000,000.00 for the purpose of paying the costs of certain Wastewater Facilities.** Resolution No. RUB-1-2019 was presented for the Board's consideration as follows:

**WHEREAS**, the members of the Board of Utility Commissioners of the City (the "Board") have been duly elected and qualified; and

**WHEREAS**, the Board has heretofore recommended to the Council that the City's wastewater system (the "System") is and shall be an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution; and

**WHEREAS**, the Board finds and determines that it is in the best interests of the City to make certain improvements to the System (the "Project"); and

**WHEREAS**, the City Wastewater Enterprise Fund (as an enterprise) has made application to the Colorado Water Resources and Power Development Authority (the "CWRPDA") for a loan to finance; and

**WHEREAS**, the City Wastewater Enterprise Fund enterprise has determined that in order to finance all or a portion of the cost of the Project, it is necessary and advisable and in the best interests of the City for the City to enter into a loan agreement (the "Loan Agreement") with the CWRPDA, a body corporate and political subdivision of the State, pursuant to which CWRPDA shall loan the City acting by and through its wastewater enterprise a maximum amount of not to exceed \$3,000,000.00, including issuance costs, (the "Loan") for such purposes; and

**WHEREAS**, the repayment obligations under the Loan Agreement shall be evidenced by a governmental agency revenue bond (the "Bond") to be issued by the City acting by and through its wastewater enterprise to CWRPDA; and

**WHEREAS,** the City’s obligations under the Loan Agreement and the Bond shall constitute a revenue obligation of the City payable solely from the Pledged Property of the Wastewater Enterprise Fund (as defined in the Loan Agreement), and shall not constitute a debt or indebtedness of the City; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF UTILITY COMMISSIONERS OF THE CITY OF LA JUNTA, COLORADO:**

- 1) That the Board recommends favorable passage of the ordinance to be considered by the City Council which bears the following caption:

AN ORDINANCE AUTHORIZING A LOAN FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY TO THE CITY OF LA JUNTA ACTING BY AND THROUGH ITS WASTEWATER ENTERPRISE IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF PAYING THE COSTS OF CERTAIN WASTE WATER FACILITIES; AUTHORIZING THE FORM AND EXECUTION OF THE LOAN AGREEMENT AND A GOVERNMENTAL AGENCY BOND TO EVIDENCE SUCH LOAN; DELEGATING TO CERTAIN AUTHORIZED OFFICERS THE AUTHORITY TO DETERMINE, WITHIN CERTAIN PARAMETERS, CERTAIN FINANCIAL MATTERS PERTAINING TO THE LOAN; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO; AND PRESCRIBING OTHER DETAILS IN CONNECTION THEREWITH.

MOTION TO ADOPT RESOLUTION NO. RUB-1-2019: McKenzie

SECOND: Bourget

DISCUSSION: There was no discussion

VOTE: The motion carried 3-0 (Goodwin, Pruyn absent)

**B. City Manager’s Comments.**

- 1. Auditors are here and are impressed with the new accounting system.
- 2. There is a lot of activity going on along 1<sup>st</sup> Street/Hwy 50.

**C. City Attorney’s Comments.**

- 1. Always a privilege.

**D. Governing Body’s Comments.**

- 1. There were no governing body comments.

There being no further business, the meeting adjourned at 4:41 p.m.

CITY OF LA JUNTA

ATTEST:

\_\_\_\_\_  
P. Lorenz Sutherland, Chairman

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Melanie R. Scofield, City Clerk