

TOWN OF LA JARA

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Regular Meeting & Public Hearing

Date: February 12, 2015

A permanent set of these minutes are maintained in the Town Clerk's Office. Approved Minutes are also available on the web at www.townofajara.com

Call to Order:

The regular meeting of the La Jara Town Board of Trustees was held at the Northerners' Senior Center, and called to order by Mayor Zaragoza @ 7:00 p.m.

Pledge of Allegiance:

The Pledge of Allegiance was led by Mayor Zaragoza

Roll Call:

Present were Trustees: Gallegos, Cummings, Salazar, Espinoza, Valdez, Mayor Zaragoza, and Pro Tem Mayor Medina.

A quorum was present.

Also Present were: Town Manager Koenig, Town Attorney Valdez, Chief of Police Dan Martinez, Town Clerk Shawn Pagnotta, Deputy Town Clerk Michelle Hamilton, Maintenance Supervisor Matt Herrera, Building Inspector Joseph Trottnner, Officer Staggs and Officer Campos.

Guests Present were: Many citizens, both resident and non-resident, of the town, Leroy Cruz of the Colorado Rural Water Association.

Mayor Zaragoza gave a brief introduction of the purpose of the public hearing and Leroy Cruz's involvement.

Mr. Cruz gave his background and experience with other municipalities. He then explained the work he did on the rate study. He explained the town's demographics and how he got the 3.5% escalation factor. He explained that the Water and Power Authority requires a 1.2 % parity on the loan the town is seeking. He explained EQR's and how they are determined, both for residential and commercial users. He explained fixed costs vs. operational costs. In his proposed plan, residential in-town customers would pay a base rate of \$15.00 plus \$.60 per 1,000 gals. Commercial in-town users would pay a base rate x EQR's + \$.60 per 1,000 gals. He said that depreciation, or reduction of water usage, is not considered in this study. He then gave his waste water analysis. He said the town could accept a flat rate or a flow rate, and he explained them both. Afterwards, he asked if there were any questions.

Town Manager Koenig interjected, saying that he understands that everyone will want to know "why". He said that #1: The water side of this enterprise fund is not paying for itself. #2: The town needs a loan

from the state to replace the trunk line. He said that the old one was installed in 1972. He said that the state inspectors have been down three times to give warnings. He explained that the state mandated the project, but did not fund it. He explained that they had tried for loan forgiveness two years in a row but that they were not accepted. The loan the town is trying to procure is a 0% interest loan for 20 years. He said that they have applied for DOLA grant to pay for half of the loan. DOLA received 60 million dollars' worth of grant requests and has only 30 million dollars to give. Koenig said that last year, the sewer backed up all the way to Poplar. He stressed that the trunk line must be replaced. He said the big users, the hospital, Inn at the Rio Grande, Plaza del Sol, and the schools, will go up significantly. He explained that the way it is now, residents are paying for those big users' water/sewer.

Guest Mr. Haslett – in-town resident: So you guys are going to make an additional \$2,600.00 per month in revenue on just in-town residents? The sewer is a pretty big hike too. Mr. Cruz: This is a small rate hike and you will still be paying less than your neighboring towns, like San Luis and Del Norte. The important thing to remember is that right now your water enterprise has a monthly shortfall.

Guest Mr. Cornum – resident and commercial business owner in-town: What is the water and sewer in Sanford? Is it chlorinated? Town Manager Koenig: It's a flat rate of \$35.00 and it is un-metered and un-chlorinated. He then explained that the state mandated the chlorination. He said that water tests are done and reported to the State every month. Cornum: Why does commercial business have to pay more than residential? Mr. Cruz: Charges are based on the demand that commercial businesses put on the system. Mr. Cornum then argued that he has one public restroom at his business, and last month's usage was lower at his business than at his home. He calculated that he is paying around \$600 per year for his business to have water and sewer, without the increase. He then asked about the extra water allotment the town gives over the winter months. He thought he should not even have a bill according to that allotment. Mr. Cruz then explained that everyone pays a monthly minimum, regardless of usage.

Koenig reminded the present citizens that the town is trying to raise the rates, only the bare minimum to satisfy the requirements of the loan.

Guest Mr. Gallegos – out-of-town resident: The base rate will go up substantially. I question the inflation factor, 3.5% is too high. Last year the inflation rate was 0.1%. I think your rate factor of 3.5% is wrong. Mr. Cruz: it may have been low for the past few years, but there is no predicting what it will be in the future. He said that when he looks at the cash the town has on-hand, he sees very little. He said that if anything goes wrong with the system, the town has no reserves to fix it.

Guest Mr. McDaniel – out-of-town resident: Why doesn't Sanford have to chlorinate their water if they have an elementary school in town? Town Manager Koenig: They do. The chlorination system goes only to the school. Mr. McDaniel: So you could have avoided chlorinating the whole town, and just done the school? Mr. Cruz: I venture to guess that in the near future, there will be no exemptions to chlorination. Mayor Zaragoza remarked that when they put the chlorination system in, they had enough foresight to do the whole town,

Mr. Cornum asked where the sewer water goes. Koenig replied that it goes to the Crowther ditch. Mr. Cornum asked why the town doesn't sell them the water. Koenig explained that Crowther has a claim to the water rights so they can't sell it, or use it for augmentation.

Guest Mrs. McDaniel – out-of-town resident: How does the canal water go into the lagoons? Mayor Zaragoza explained that there is damage to the trunk line so the water is leaking into the lagoons from the canals. Mrs. McDaniel then asked how the town board came up with the 1.75% increase in rates for out-of-town customers. Mr. Cruz replied that the 1.75% was established by an earlier board, years ago, but that municipalities do that because out-of-town users don't pay any taxes to the town.

Attorney Valdez remarked that he believes the 1.75% was established back in the early '70's when the two municipal wells were drilled. Mr. Cruz mentioned that in Monte Vista, out-of-town users are charged 2x what in-town users are.

Guest Mr. Sisneros – in-town resident: What is your calculated number of residents based on? I understand that the town board members get their water and sewer paid for, are they included as users? Mr. Cruz replied that all metered services are counted. There are no exclusions.

Mrs. McDaniel asked if the board members get their water and sewer paid for. Mayor Zaragoza confirmed that they adopted an ordinance allowing for the board members' water and sewer to be paid while they are serving, as an incentive for hard working board members now and in the future. Attorney Valdez commented that he has been representing the town board for over 40 years and they have never gotten compensation for their devotion and their personal liability. He said that Alamosa pays their board members \$400 per month.

Guest Mr. Villagomez in-town resident: Why was free water and sewer never proposed to the board before? Why don't you try to bring new businesses into town? People don't want to come to a town that has no upkeep. Koenig replied that they have a new business coming into town that should employ around 20 people. Mayor Zaragoza told Mr. Villagomez that he understands the concern, and that they are not alone. He said that all the little towns in the valley are losing enterprise. He said that they are working on creating a "brand" to attract businesses. Trustee Espinoza commented that she is giving a personal commitment to the town by purchasing a building and opening a business here that employs two people. She said that they all need to work together to encourage building owners to clean up store fronts. She said that signage, vehicle routes, and zoning are all factors that need to be addressed. She has seen major improvements but admits that it is a slow process and it takes everyone's cooperation. Mr. Villagomez stated that he appreciates her commitment. He said that people don't mind paying more if they see where the money is going. They want to see improvement. Town Manager Koenig remarked that they have to start somewhere. He said that sidewalks were a start. He said that they are doing what they can with the money that they have. He also said that grants are not as available anymore. He explained the GOCO grant the town has currently applied for. He said that everyone must be on board. He said that the town has people who own businesses on Main Street who don't want to see new businesses come in, and they don't want to run their own businesses or sell their buildings.

Mrs. McDaniel remarked that she knows the town is concerned about the shortfall of money, but she thinks that, as board members, they would want to pay their bills as part of their civic duty. She went on to say that she thinks that some people run for office just to get paid. Mayor Zaragoza responded that he hopes it gives incentive for new people to give their involvement. Mayor Pro Tem Medina commented that the board members don't just meet once a month. Mrs. McDaniel interjected that if they are so concerned about money, they should help out.

Guest Mr. Hoogendoorn – in-town resident: Being on the town board for many years, he saw that they had involvement with no dollars. He said that he is grateful to have the current board members who have an instigating desire to keep our town from going downhill. He said that we need to keep increasing our goals together.

Mayor Zaragoza stated that the final figures will be set at the March meeting. He said he hopes everyone understands the need for this rate increase and that they are willing to support the town's efforts.

Guest Mr. Baroz- in-town resident: I appreciate what the town is doing. Good Work. The maintenance guys are out sometimes at 4:00 a.m. trying to start vehicles in the cold. Could we consider building them a decent shop? Mayor Zaragoza replied that it is in the future plans.

Mayor Zaragoza moved the meeting along to other business, and the residents in attendance all left.

Agenda

Mayor Pro Tem Medina moved, and Trustee Valdez seconded, to approve the Agenda.

Vote Results:

Ayes: Trustees Gallegos, Cummings, Salazar, Espinoza, and Valdez. Mayor Zaragoza and Pro Tem Mayor Medina.

Nays: None

Motion Carried.

La Jara Police Chief Dan Martinez calls Officer Roberto Campos up in front of the board. Chief Martinez compliments the board on their accomplishments, then promotes Officer Campos to Corporal. He states the he and Sgt. Lujan will be handling the administrative side of the police department and Corporal Campos will be in charge of patrol.

Consent Agenda

Trustee Valdez moved, and Trustee Gallegos seconded, to approve the Consent Agenda.

Vote Results:

Ayes: Trustees Gallegos, Cummings, Salazar, Espinoza, and Valdez. Mayor Zaragoza and Pro Tem Mayor Medina.

Nays: None

Motion Carried.

Trustee Gallegos is concerned that the water samples are not included in the maintenance report. She has noticed that the numbers are different each month and she wants to compare. Maintenance Supervisor Matt Herrera replied that the numbers fluctuate and they will be different from month to month. Mayor Zaragoza asked if there were any other concerns.

Town Manager's Report

No report due to anticipated time constraints.

Town Attorney's Report

Attorney Valdez reported that he and Town Manager Koenig have been working hand and glove on the Water/Power Authority loan. He said that it is where their focus has been. Mayor Zaragoza thanked him for his hard work and effort. Attorney Valdez remarked that a lot of the work is behind the scenes. He also said that a franchise agreement with Xcel is being negotiated. He said that the last franchise agreement was in 1990. The new one will be in effect for 20 years, starting in August. He stated that it will be a source of revenue. He is questioning them because the agreement does not provide for the town being allowed to use poles for Christmas lights or festive decorations. He said it also does not give the town the ability to generate their own electricity (e.g. solar, wind). Koenig remarked that there were four items to be addressed with the new agreement: the use of poles, language about a two year notice before paving, and a couple of minor things.

Trustee Valdez moved, and Trustee Espinoza seconded, to approve the Town Attorney's Report.

Vote Results:

Ayes: Trustees Gallegos, Cummings, Salazar, Espinoza, and Valdez. Mayor Zaragoza and Pro Tem Mayor Medina.

Nays: None

Motion Carried.

Town Board of Trustees Comments

Trustee Valdez – none

Mayor Pro Tem Medina – Asked if Officer Campos gets a raise with his promotion. Town Manager Koenig confirmed that he does and it was budgeted for. Mayor Pro Tem Medina reminded the board that Rural Philanthropy Days is coming this fall. She announced that there will be a listening tour coming. She said that La Jara is hosting it. They will need to invite all of the public officials they can in the valley. It will take place April 22-23, 2015. Mayor Zaragoza said that Lynette DePriest volunteered to make desserts.

Trustee Salazar – Said that listening to folks tonight talk about pay and incentive, he proposes that each board member donate \$50 per year towards a scholarship. Mayor Zaragoza commented that Trustee Salazar should develop a plan and present it.

Trustee Espinoza – none

Trustee Gallegos – Commented that there is a lot of trash around the apartments by 1st Stop. She said there has been a mattress laying out there since Christmas. She suggested that the town ask the owners to clean it up. She asked if the town could put some benches or grass or something next to the park by Town Hall, or maybe a parking lot. (Railroad Owns) She said that the town needs more police presence. She said there was a fight at Jacks market and there was a ten minute response time on it. She said that people aren't interested in Glory Days and the town's officials don't even show up to it. Mayor Zaragoza replied that the previous evening's Glory Days meeting didn't even have a quorum. He said that if anyone wants to give input or be involved, that they should attend the meetings.

Trustee Cummings - Said that he would like to see the Glory Days meeting notices sent out sooner. Mayor Pro Tem Medina quickly mentioned that the new Planning and Zoning Commission met for the first time this evening.

Mayor Zaragoza – Commented that as a member of the board for the Northerners Senior Center, he would like to see the contract revisited to include non-residents for membership.

Adjournment

Trustee Salazar moved to adjourn. The Meeting adjourned at 8:44 p.m.

Respectfully Submitted by



Town Clerk - Shawn Pagnotta, CMC




Mayor / Mayor Pro Tem