

SUBJECT TO APPROVAL AT THE FEBRUARY 10, 2026 UTILITIES BOARD MEETING

BOARD OF UTILITIES COMMISSIONERS – January 13, 2026

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 Patrick Berg on Tuesday, January 13, 2026, at 4:00 p.m. in the Council Chambers of the Municipal Building.

Roll was called and the following Board Members were present:

Present: Joe Ayala, Mayor
 Patrick Berg, Chairman
 Mike Bourget, Commissioner
 Paul Velasquez, Council Member/Vice-Chair

Absent: CaSandra Thomas, Commissioner

Also present: Michael Hart, City Manager
 Erin Harris, City Attorney
 Melanie Scofield, City Clerk
 Aliza Libby, Director of Finance
 Tom Seaba, Director of Water/WW
 Chris Arguello, Electric Superintendent
 Martin Montoya, Director of Engineering
 Paula Mahoney, Admin. Asst.
 John Armstrong, Clean Valley Recycling

MINUTES OF PREVIOUS MEETING

Chairman Berg asked if there were any corrections or additions to the minutes of the Regular Meeting of December 9, 2025. Hearing none, the Chairman asked for a motion to approve the minutes as published.

MOTION TO APPROVE THE DECEMBER 9, 2025 MINUTES AS PUBLISHED: Bourget

SECOND: Velasquez

DISCUSSION: There was no discussion

VOTE: The motion carried 4-0 (Thomas absent)

CITIZEN PARTICIPATION

1. Aliza Libby, Director of Finance: Reminded the public that the Utility Office drive-up is open Monday thru Thursday from 7:30 a.m. – 5:00 p.m. If your due date is on the 10th or 20th of the month and falls on a Friday, Saturday, Sunday, or holiday, it will be due the next business day.
2. John Armstrong, Clean Valley Recycling General Manager: They are preparing for a large and important state policy that’s going into effect this year known as EPR (Extended Producer Responsibility). This will affect the city, all municipalities, and anyone that’s touching the recycling chain of command, in some capacity. There’s going to be a lot of great opportunities, funding and support but they are making sure they are prepared as an organization to meet that level of demand.

REPORTS

A. ARPA Board (Gary Cranson submitted the following report):

1. Summary of November 2025 Financial and Operating Statements:

- In November, revenue from power sales was less than budget by \$76,168 (4.1%).
- Cost of goods sold was under budget by \$33,770 (2.9%).
- Net operating revenue for November was \$351,167.

2. Year to Date Income Statement:

- Revenue from power sales was better than budget by \$312,450 (1.3%).
- Total revenues were better than budget by \$627,598.
- Total cost of goods sold was under budget by \$240,979 (1.6%).
- Total A & G expenses are under budget by \$239,086 (4.0%).
- YTD Net Revenue is \$4.5 million (32.7%) better than budget.
- Average of 142 days cash on hand.
- Debt service coverage year to date is 1.43X.

3. November Operating Report:

- Member Energy sales were 4.0% less than budget in November and about 8.0 % less than they were in November 2024.
- Member energy sales YTD are 0.86% better than budget and 1.52% less than YTD 2024 sales.
- Member demands of 37 mW were 7.0% lower than November 2024.
- All in cost to members YTD is \$0.09263 per kWh which is 7.5% lower than 2024 and 9.5% lower than 2020.
- The avoided cost rate for December will be \$41.32 per mWh.
- The 2025 YTD blended rate for power is \$42.30 per mWh compared to \$52.30 per mWh in 2024, about 19% cheaper.
- Budget for 2026 will be approved at the December Board Meeting and includes the following:
 - Revenues of \$28.56 million
 - Total Operating Expenses of \$17.8 million (2.1% increase)
 - Power Supply \$11.9 million (small decrease)
 - Transmission \$4.4 million (11.4% overall increase)
 - Admin and General \$1.4 million (1.5% decrease)
 - Debt Service Totaling \$8.3 million
 - Interest of \$4.9 million
 - Principal of \$3.4 million
 - Non-Operating Expense \$2.5 million (excluding debt service)
 - Lamar Settlement \$167,482
 - Contingency of \$100,00
 - Net Cash of (\$236,826)

4. Next Regular Meeting: February 26, 2026 at 10:00 a.m. at Otero College in La Junta.

B. Water & Wastewater Treatment (Tom Seaba):

1. R.O. Plant

- Routine maintenance: Clearwell inspection, PM degassifiers and manganese filter modulating valves, safety checks.
- Replaced meter register in well #1, had accuracy certified.
- Changed cartridge filters.
- Main screen on south booster generator failed. New screen on order.
- New employee training.
- Additional facilities and grounds maintenance; meter reading.

2. Distribution

- New water service installed in 1500 block of Grace Avenue.
- New valve inserted on eight-inch line for Otero College drainage project.
- Worked on leak list.
- Equipment maintenance.
- Meter Reading and utility billing office generated work orders, equipment maintenance.

3. Wastewater

- Treated 26.601 million gallons. Removed 40ft³ of screenings and 63ft³ of grit.
- RO concentrate discharge to plant was 9.224 million gallons.
- Jetted 9,000 feet of line for eight emergency calls and ten manhole locate requests.
- Lovejoy (flexible shaft) coupling and VFD failed and were replaced on southside gearbox on orbal basin. Continuing observation to ensure no further issues.
- Construction continues on press building.
- Hauled 150,000 gallons of sludge to Industrial Park lagoons.
- Additional facilities and grounds maintenance.

4. Other Notables:

- Purchased grass drill for farms.
- Planning gate, box, and pipe replacements on farms.
- Research new grant opportunities.
- Research and prepare Industrial Pretreatment reports for EPA and new policies for 2026.
- Design and engineering meetings for Distribution main replacement project and brine management alternatives analysis meetings. Loan application for distribution project due to the state on January 5th.
- Training with Colorado Rural Water.

C. Electric Department (Chris Arguello):

1. Line Crew

- Daily reads, disconnects, and maintenance.
- Performed a primary pole change-out at 8th Street and Colorado Avenue, the pole was rotten.
- Removed a guy wire for wastewater for the foundation for the new building.
- Also replaced a guy wire North of the Red Lion Hotel.
- Finished up the backup feed to the well field in North La Junta.
- Crew did some tree trimming on 1210 Rice Avenue for the Street Department.
- Had a delta Y transformer go bad just North of the Boys Ranch and replaced it.
- Did some fiberglass repair on the boom on the digger truck.

2. SOLAR Accounts

- There are currently 40 residential and 2 commercial customers. A total of 9,770 kW was put back on the system for December.

3. System Update

- SF5 Breaker Replacement Project: Have the minutes from the November 19th meeting for review.

4. Solar Farm

- No new changes at this time.

5. Scholarship Application

- Available through ARPA and City of La Junta Electric Department for high school seniors whose families receive electric services from the City of La Junta. The scholarship is in the amount of \$1,400.00. Applications can be picked up at 515 Lacey Avenue and are due April 10th.

D. Sanitation (Martin Montoya):

1. Currently delivering cardboard containers and will be done by Thursday. Fees will not be charged until February 1st.
2. A topic of discussion for the Otero County Landfill is the State of Colorado entering into an agreement to start monitoring and charging landfills for the methane gas emissions. Our landfill doesn't have a lot of issues with that. They've done some testing through a third party where they've had drones go over and test for methane and I don't believe we have a lot of issues with that right now. It would definitely be an additional cost.

NEW BUSINESS

A. Request of Michael F. Gomez – Extension of City Water Service. A memo was sent to Mr. Gomez clarifying to him that if we were to fulfill his request, annexation would be required; however, at the last meeting he expressed a preference to not be annexed. He was asked to reply to let us know whether he was renewing the request or whether he would look for some other alternative. No action needs to be taken until we hear back from Mr. Gomez.

B. City Manager's Comments

1. There were no City Manager comments.

C. Governing Body's Comments

1. Mayor Ayala: Just because something comes up at this meeting doesn't mean that the Utility Board is the one making the decision. Likewise, with City Council. At the beginning of this meeting, Aliza talked about the four-day work schedule for the utility office. She did that last month as well too. I had a phone call about that. We don't make that decision. I want everyone watching to know that that decision wasn't made by us. Even though that announcement was made right here. There are numerous businesses in Otero County that are doing four-day work weeks. I do not believe that the city should be doing that for the utility office. I'm not in agreement with it. I think that those four-day work weeks for private companies allow their employees to do things like doctor appointments, dentist appointments, pay bills, have accessibility to getting those things done on a Friday but I don't believe that that's something that we should be doing. I just want it to be clear to everyone watching that this board did not make that decision.

There being no further business, the meeting adjourned at 4:36 p.m.

ATTEST:

CITY OF LA JUNTA

Melanie R. Scofield, City Clerk

Patrick Berg, Chairman