

**SUBJECT TO APPROVAL AT THE NOVEMBER 18, 2025 UTILITIES BOARD MEETING**

BOARD OF UTILITIES COMMISSIONERS – October 14, 2025

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 Vice-Chair Paul Velasquez on Tuesday, October 14, 2025, 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  
                      Mike Bourget, Commissioner - via telephone  
                      Keith Manweiler, Commissioner  
                      Paul Velasquez, Council Member/Vice-Chair

Absent:            Patrick Berg, Chairman

Also present:     Michael Hart, City Manager  
                      Erin Harris, City Attorney  
                      Cristian Estrada, Deputy City Clerk  
                      Tom Seaba, Director of Water/WW  
                      Chris Arguello, Electric Superintendent  
                      Martin Montoya, Director of Engineering  
                      Aliza Libby, Director of Finance

**MINUTES OF PREVIOUS MEETING**

Vice-Chairman Velasquez asked if there were any corrections or additions to the minutes of the Regular Meeting of September 9, 2025. Hearing none, the Vice-Chairman declared the minutes approved as published.

CITIZEN PARTICIPATION - None

**REPORTS**

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

**1. Summary of August 2025 Financial and Operating Statements:**

- In August, revenue from power sales was \$65,302 (2.4%) better than budget.
- Cost of goods sold was \$67,869 (4.2%) under budget.
- Net operating revenue for August was \$977,280.

**2. Year to Date Income Statement:**

- Revenue from power sales was better than budget by \$318,230 (1.8%).
- Total revenues were better than budget \$458,512.
- Total cost of goods sold was under budget by \$110,367 (1.0%).
- Total A & G expenses are under budget by \$136,985 (3.2%).
- YTD Net Revenue is \$3,388,549 (26.3%) better than budget.
- Average of 120 days cash on hand.
- Debt service coverage year to date is 1.46X.

**3. August Operating Report:**

- Member Energy sales were 0.86% better than budget in August and 2.58% less than they were in August 2024.
- Member energy sales YTD are 1.5% better than budget and 0.95% less than YTD 2024 sales.
- Member demands of 69 mW were 2% higher than August 2024.
- All in cost to members YTD is \$0.09261 per kWh which is 7.4% lower than 2024 and 9.4% lower than 2020.
- The avoided cost rate for September is \$39.51 per mWh.
- The 2025 YTD blended rate for power is \$40.23 per mWh compared to \$52.01 per mWh in 2024, **about 23% cheaper**.

4. Next Regular Meeting: October 30, 2025 at 10:00 a.m. at Otero College in La Junta.

## **B. Water & Wastewater Treatment (Tom Seaba):**

### 1. R.O. Plant

- Routine maintenance: PM on degassifiers, cleaned RO concentrate conductivity probes.
- Replaced mechanical seal on RO A.
- Replaced membranes on RO B, vessel #40.
- Replaced packing gland in Reserved Booster pump #2.
- Diagnosed problems for SCADA contractor on caustic pump #4 stroke controller; they made programming adjustments.
- Replaced bellows pump on Clor-Tec, pH probe on cleaning tank, and chlorine tubing.
- Additional facilities and grounds maintenance; meter reading.

### 2. Distribution

- Replaced fire hydrants at 8<sup>th</sup> & Colorado and the Brewery. Repaired hydrant at 8<sup>th</sup> and Cimarron.
- Repaired water main leak at the Brewery.
- Installed 2" tap at Brick & Tile Park for irrigation.
- Service repair on 800 blk of San Juan.
- Meter Reading and utility billing office generated work orders, equipment maintenance.

### 3. Wastewater

- Treated 23.553 million gallons. Removed 43ft<sup>3</sup> of screenings and 32ft<sup>3</sup> of grit.
- RO concentrate discharge to plant was 20.798 million gallons.
- Jetted 5725' of line for 12 emergency calls and 36 manhole locate requests.
- #2 RAS pump cleaned, drained, and oil changed. Pump #1 put in service.
- UV channel scraped and cleaned, lamps cleaned.
- Additional facilities and grounds maintenance.

### 4. Other Notables:

- Received 2<sup>nd</sup> compensation payment from the PFAS lawsuit. This is from 3M. Expecting the single payment from DuPont later this year. BASF and TYCO payments were slated for this year; however, claims are still pending court verification.
- Continued work on engineering for potential SFR loan.
- Continued work on engineering for EC level 2 grant.
- Adjusted grant scope for the EPA Infrastructure Resilience Sustainability Program grant.
- Continued work on DSV review. Application submitted for November WQCC meeting.

### 5. Additional:

- There will be a budget amendment in the amount of \$1.9 million coming before the board at the next meeting because this year's budget will have to be amended.

## **C. Electric Department (Chris Arguello):**

### 1. Line Crew

- Added a 25 kVA transformer for Black Hills Gas.
  - Had a transformer go bad at the Golf Course.
  - Phased in a 3.7 kVA transformer on 7<sup>th</sup> and Colorado Avenue.
  - Decoy owls have been installed at our substations, where we have been experiencing issues with birds.
  - Removed a damaged pole in City Park.
  - Changed out a blown arrester and a cut-out at the air base.
  - Removed the lights at the old tennis courts in the City Park and replaced some bad bulbs at Veterans Field.
  - Had some substation training on relay switches.
2. SOLAR Accounts
    - There are currently 39 residential and one pending, and 2 commercial customers.
  3. System Update
    - SF6 Breaker Replacement – Looking to schedule another walkthrough. There has been no set date at this time.

**D. Sanitation (Martin Montoya):**

1. The October City Wide Clean Up effort is currently ongoing and will keep going until October 31st. It will be open every day except for Sunday from 9:00 a.m. to 4:00 p.m.
  - a. Have started keeping track of all vehicles coming in and what refuse is brought in. Rolled out the fee schedule for those that would like to use the Transfer Station who reside outside of the city/businesses.
2. Trash trucks are performing well and have not had any issues thus far; are currently in the process of taking bids for a roll-off truck for next year, if the budget is approved. Already have two quotes in.
  - a. Upon approval of the budget, there are a few things that would like to get done at the Transfer Station is building a housing for oil and paint, as well as a concrete slab to store tires on and other kind of refuse as such. These items will not be stored for long at this facility.
3. Had a meeting with SECRA and Clean Valley Recycling this month and a discussion of a merger was on the agenda. A merger committee has been formed and they are starting to develop what the merger would look like and are going to adhere to a timeline. Everyone is on-board with the merger decision.
4. Getting the first shipment of cardboard recycling containers this month, and the rest will arrive as the company can send them. Hopefully in November or December the cardboard program can begin to be rolled out.

**NEW BUSINESS**

**A. Appointment to the ARPA Board**

- a. Hopefully there will be a new member in November; Gary Cranson's term does not expire until December. That gives a bit of time to decide. Chris Arguello attends the meetings, and he may be a good fit for that seat on the ARPA board.

**B. A Resolution Changing the Pricing of Electric Charge for the City of La Junta; Providing for an Effective Date of the New rates; Providing for the Repeal of Conflicting Resolutions**

- a. It is a rate increase based on the discussion for the 2026 budget. This would go into effect January 1, 2026. The base rate is going up from \$10.80 to \$12.30.

MOTION TO APPROVE A RESOLUTION CHANGING THE PRICING OF ELECTRIC CHARGE FOR THE CITY OF LA JUNTA; PROVIDING FOR AN EFFECTIVE DATE OF THE NEW RATES; PROVIDING FOR THE REPEAL OF CONFLICTING RESOLUTION WITH A CHANGE OF VERBAGE IN SECTION 6.4 TO EITHER 10% OF THE HIGHEST BILL FROM THE PREVIOUS 11 MONTHS TO OR \$14.90 INSTEAD OF \$12.00: Ayala

SECOND: Manweiler

DISCUSSION: There was no discussion

VOTE: The motion carried 4-1 (BERG ABSENT)

**C. A Resolution Changing the Pricing of Sanitation Services for the City of La Junta; Providing for an Effective Date of the New Rates; Providing for the Repeal of Conflicting Resolutions**

- a. This would place into effect a 3% increase in Sanitation rates. Residential rate is increasing roughly by \$0.42 a month/approx. \$5.00 per year.

MOTION TO APPROVE A RESOLUTION CHANGING THE PRICING OF SANITATION SERVICES FOR THE CITY OF LA JUNTA; PROVIDING FOR AN EFFECTIVE DATE OF THE NEW RATES; PROVIDING FOR THE REPEAL OF CONFLICTING RESOLUTIONS: Ayala

SECOND: Manweiler

DISCUSSION: There was no discussion

VOTE: The motion carried 4-1 (BERG ABSENT)

**D. A Resolution Recommending to the City Council the Adoption of the 2026 Proposed Budget for the Electric Fund, Water Fund, Wastewater Fund and Sanitation Fund**

- a. A question raised by Vice-Chair Velasquez regarding the proposed budget compared to actual expenditures, and is not understanding what happens to the money that is not used from the budget? Is there a surplus? What is done with the surplus?
  - i. Aliza Libby, Dir. Of Finance – responded that it just sits in the budget, unspent. It is not sitting anywhere; it is just unspent. It doesn't go anywhere. The budget is just a "guide" to see how close a department is to their actual expenditures. It doesn't affect anything except for the fact that the budget was incorrect. It is not shown anywhere, except on the financial. For example, the budget is \$50,000 and they use \$20,000 then there is still \$30,000 that can be spent; but because it is a budget, it doesn't affect the actual expenses, revenues, liabilities and assets. The budget amount can be changed.
  - ii. Tom Seaba, Dir. Of Water/Wastewater – added that the budget is the potential of what could be spent. It allows room for that money to be actually spent, if needed. That way, in case of more expenditures, we have the room in the budget for those expenses and do not need to go before Utilities Board/City Council to request a budget amendment; it saves time and resources. It doesn't necessarily mean that entire amount will get spent within that calendar year.

MOTION TO REDUCE THE HOLBROOK LEGAL ATTORNEY BUDGET FROM \$50,000 TO \$35,000: Ayala

SECOND: Bourget

DISCUSSION: Manweiler – does not agree with the decrease in fees; water is one of those subjects that may become a greater subject of legal action. Would rather leave the budget proposal at \$50,000.

Ayala – The budget can still be amended, even after approval, if more funds are needed regarding the legal/attorney fees.

VOTE: The motion carried 3-2 (MANWEILER; BERG ABSENT)

Aliza Libby – With this motion, that changes the resolution amount for Water Fund from \$4,317,100.00 to \$4,302,100.00.

MOTION TO APPROVE A RESOLUTION RECOMMENDING TO THE CITY COUNCIL THE ADOPTION OF THE 2026 PROPOSED BUDGET FOR THE ELECTRIC FUND, WATER FUND, WASTEWATER FUND AND SANITATION FUND WITH ADDENDUM: Ayala

SECOND: Manweiler

DISCUSSION: There was no discussion

VOTE: The motion carried 4-1 (BERG ABSENT)

**E. City Manager's Comments – none**

**F. Governing Body's Comments - none**

1. There were no governing body comments.

There being no further business, the meeting adjourned at 4:56 p.m.

ATTEST:

CITY OF LA JUNTA

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Cristian Estrada, Deputy City Clerk

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Paul Velasquez, Vice-Chairman