

SUBJECT TO APPROVAL AT THE JANUARY 13, 2026 UTILITIES BOARD MEETING

BOARD OF UTILITIES COMMISSIONERS – December 9, 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 Chairman Patrick Berg on Tuesday, December 9, 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
 Patrick Berg, Chairman
 Mike Bourget, Commissioner
 Paul Velasquez, Council Member/Vice-Chair

Absent: none

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

MINUTES OF PREVIOUS MEETING

Chairman Berg asked if there were any corrections or additions to the minutes of the Regular Meeting of November 18, 2025. Hearing none, the Chairman asked for a motion to approve the minutes as published.

MOTION TO APPROVE THE NOVEMBER 18, 2025 MINUTES AS PUBLISHED: Ayala

SECOND: Velasquez

DISCUSSION: There was no discussion

VOTE: The motion carried 4-0

CITIZEN PARTICIPATION

1. Michael Gomez, La Junta: Requested city water to his county property located on West 6th Street and have it run to the east corner of the property instead of the center of the property. Mr. Seaba informed the Board that the Utility Board Policy says that any new extensions of the current city distribution system be done to the center of the property. Also, this property is not within city limits. It would be a gesture of good will for the city to allow someone out of district to receive water service. This matter was taken under advisement and will be discussed at the next Board meeting.

2. Aliza Libby, Director of Finance: The Utility Office will have new hours beginning in 2026. It will be open Monday thru Thursday from 7:30 a.m. – 4:30 p.m. and the drive-up will be open Monday thru Thursday 7:30 a.m. – 5:00 p.m. If you are struggling with your utility bill, please come into the office prior to your services being pulled.

REPORTS

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

1. Summary of October 2025 Financial and Operating Statements:

- In October, revenue from power sales was better than budget by \$99,008 (5.4%).
- Cost of goods sold was just under budget by \$3,844 (0.3%).
- Net operating revenue for October was \$596,350.

2. Year to Date Income Statement:

- Revenue from power sales was better than budget by \$388,708 (1.8%).
- Total revenues were better than budget by \$704,573.
- Total cost of goods sold was under budget by \$207,209 (1.5%).
- Total A & G expenses are under budget by \$214,490 (4.0%).
- YTD Net Revenue is \$4.3 million (35.3%) better than budget.
- Average of 132 days cash on hand.
- Debt service coverage year to date is 1.47X.

3. October Operating Report:

- Member Energy sales were 4.0% better than budget in October and 2.21% more than they were in October 2024.
- Member energy sales YTD are 1.19% better than budget and 0.97% less than YTD 2024 sales.
- Member demands of 47 mW were 5.7% higher than October 2024.
- All in cost to members YTD is \$0.09288 per kWh which is 7.4% lower than 2024 and 9.3% lower than 2020.
- The avoided cost rate for November will be \$40.56 per mWh.
- The 2025 YTD blended rate for power is \$42.38 per mWh compared to \$52.25 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: December 4, 2025 at 10:00 a.m. at Otero College in La Junta.

B. Water & Wastewater Treatment (Tom Seaba):

1. R.O. Plant

- Routine maintenance: Flushed chlorine lines and pressure transducers; well draw-downs and static levels; water tank inspections
- Winterized all wells.
- Replaced bearing in well #1 meter.
- Replaced solenoid in well #4.
- New employee training.
- Additional facilities and grounds maintenance; meter reading.

2. Distribution

- Assist Swink with main break.
- Assist Street Department with asphalt patching.
- Replace cement removed for the new hydrant at 14th and Park Avenue.
- Install new two-inch water service at the WWTP for the screw press.
- Meter Reading and utility billing office generated work orders, equipment maintenance.

3. Wastewater

- Treated 23.669 million gallons. Removed 44ft³ of screenings and 53ft³ of grit.
- RO concentrate discharge to plant was 9.095 million gallons.
- Jetted zero feet of line and twelve manhole locate requests. (Jetter truck down due to mechanical issues.)
- Major upset in east aerobic digester. Large volumes of foam due to heavy load of BOD and TSS. Treated with sprayed diluted chlorine and water. Completed clean-up.
- Lost heat in headworks due to computer program issue. Uploaded all programming, heat now works.
- Replaced fuses and cleaned pressure switch for heater in grit building.
- Hauled 350,000 gallons of sludge to Industrial park lagoons.
- Additional facilities and grounds maintenance.

4. Other Notables:

- Two new employees at RO Plant.
- Continue working toward pilot program for concentrate treatment with CU Boulder.
- Training with Colorado Rural Water.

5. Financials:

- In the Water Fund, Holbrook Farm Supplies, we wound up placing our 2nd half assessment charges on that line for the year. An assessment is what the company gives every person who owns water shares on the canal.
- Under Distribution, Mains and Accessories, there was a charge that is a purchase to be used to assist the college project. We need to drop the water main as it is at 18th Street along in front of the Kiva. All of this cost will be reimbursed to us by the college once the project is finished.
- Administrative and General, there's a contract service for divers to finish our tank inspections, reimbursable grant expenses and the Arkansas Valley Conduit charge expense for the 3rd quarter of participation in that project.
- In Wastewater, if we were to remove the payments made by the PFAS litigation, then we would be showing a fund balance of (\$469,000) which is less than the anticipated shortfall of (\$520,000). So, the budget itself is still doing well.
- If we had not been handling the sludge the way we were and kept that contract with Denali, we'd actually be nearing almost \$650,000 just to that sole contractor.

C. Electric Department (Chris Arguello):

1. Line Crew

- Daily reads, disconnects, and maintenance.
- Had annual safety inspections on the digger derricks/bucket trucks.
- Removed a pole from the City Park.
- Added cover-up protection on the tiebreakers in the airbase substation.
- Crew responded to a house fire at 1818 W. 4th Street. The service was cut.
- Did some troubleshooting on Christmas decorations throughout the town.
- Did some maintenance and training on equipment.

3. SOLAR Accounts
 - There are currently 40 residential and 2 commercial customers. A total of 9,986 kW was put back on the system for November.
4. System Update
 - SF5 Breaker Replacement Project: Have the minutes from the November 19th meeting for review.
5. Solar Farm
 - No new changes at this time.
6. Financials
 - Didn't find any red flags or errors. Red flags would be if the expenses were over revenues. After expenses, we made over \$800,000.

D. Sanitation (Martin Montoya):

1. Financials
 - There's about a \$25,000 discrepancy of expenses over revenue. In Sanitation's operational supplies MTD, there's about a \$23,000 increase in that due to the concrete pad for future buildings. Then we had a cost for TV's and tire recycling for the stuff we took in during the October cleanup month.
2. Sanitation pickup during Christmas: Wednesday will be picked up on Tuesday and Thursday trash will be picked up on Friday.
3. EPR (Extended Producer Responsibility) is sending out applications for municipalities to apply. I am currently in the process of filling out that application.

NEW BUSINESS

A. Board Vacancy Letters of Interest.

1. **Jeremiah Stoker**
2. **CaSandra Thomas**

MOTION TO RECOMMEND TO CITY COUNCIL THE APPOINTMENT OF CASANDRA THOMAS TO THE UTILITY BOARD: Bourget

SECOND: Velasquez

DISCUSSION: There was no discussion

VOTE: The motion carried 4-0

B. Christmas Lighting Contest in the amount of \$600.00 to be distributed as follows: \$300 for First Place; \$200 for Second Place and \$100 for Third Place.

MOTION TO APPROVE CHRISTMAS LIGHTING CONTEST IN THE AMOUNT OF \$600.00 TO BE DISTRIBUTED AS FOLLOWS: \$300 FOR FIRST PLACE; \$200 FOR SECOND PLACE AND \$100 FOR THIRD PLACE: Velasquez

SECOND: Bourget

DISCUSSION: There was no discussion

VOTE: The motion carried 4-0

C. City Manager's Comments

1. Recommends that the Board schedule a work session to discuss the Holbrook Farms and everything that it entails. It doesn't seem like everybody quite understands what's going on out there.

D. Governing Body's Comments

1. Commissioner Bourget: Thanked the four supervisors (Aliza, Tom, Chris and Martin) for working together and providing accurate reports.

There being no further business, the meeting adjourned at 4:54 p.m.

ATTEST:

CITY OF LA JUNTA

Melanie R. Scofield, City Clerk

Patrick Berg, Chairman