



AGENDA
REGULAR MEETING LA JUNTA CITY COUNCIL
LA JUNTA, CO
JUNE 1, 2026
6:00 PM
COUNCIL CHAMBERS
601 COLORADO AVENUE

COUNCIL GOALS

- Envision a safe, flourishing downtown that provides a strong commercial tax base.
- Strive to be active stewards of existing aging infrastructure.
- Recognize importance of experience, well trained, and community minded staff.
- Ensure its electorate is well informed of on-going successes and future plans.
- Envision a safe, secure community for its families and youth.
- Promote redevelopment of existing businesses and neighborhoods and increase quality of life for all its residents.

CALL TO ORDER (Mayor Ayala)

INVOCATION (Mayor Ayala)

PLEDGE OF ALLEGIANCE (Mayor Ayala)

ROLL CALL (City Clerk)

- Council Members
- Ramirez (Ward 1)
- Velasquez (Ward 1)
- Copley (Ward 2)
- Ayala (Mayor)
- Ochoa (Ward 2)
- Pantoya (Ward 3)
- Rikhof (Ward 3)

CITIZEN PARTICIPATION (5-minute time limit per person)

INFORMATION

A. DeBourgh Manufacturing - Patrick Berg (Presentation)

CONSENT AGENDA

A. Regular Meeting Minutes May 18, 2026

UNFINISHED BUSINESS

- A. Second Reading/AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA JUNTA, COLORADO, ACTING BY AND THROUGH ITS WATER ENTERPRISE, AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND GOVERNMENTAL AGENCY BOND WITH THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY FOR THE FINANCING OF WATER SYSTEM IMPROVEMENTS INCLUDING LEAD SERVICE LINE REPLACEMENTS; AUTHORIZING THE PLEDGE OF NET REVENUES OF THE WATER ENTERPRISE; AUTHORIZING CITY OFFICIALS TO EXECUTE DOCUMENTS AND TAKE ACTION NECESSARY TO CARRY OUT THE FINANCING; AND PROVIDING OTHER MATTERS RELATED THERETO (Mayor) (Action)

NEW BUSINESS

- A. Appointment of Members to the La Junta Capital, Inc. Board (Mayor) (Action)
- B. AVRMC Amended and Restated Bylaws (Mayor) (Action)
- C. Committee/Board Report
- D. City Manager Report
- E. Community Events/Council Report
- F. Governing Body Report

ADJOURN

CITY COUNCIL MEETING – May 18, 2026

STATE OF COLORADO)
COUNTY OF OTERO) SS
CITY OF LA JUNTA)

CALL TO ORDER: The regular meeting of the City Council of the City of La Junta, Colorado, was called to order by Mayor Ayala on Monday, May 18, 2026, at 6:00 p.m. in the Council Chambers of the Municipal Building.

INVOCATION: Mayor Ayala gave the invocation.


PLEDGE OF ALLEGIANCE: Mayor Ayala led everyone in the Pledge of Allegiance.

ROLL CALL: The following Council Members were present:


Damon Ramirez, Ward 1
Paul Velasquez, Ward 1
Scott Copley, Ward 2
Joe Ayala, Mayor
Lisa Pantoya, Ward 3
Maureen Rikhof, Ward 3

Absent: Chandra Ochoa, Ward 2

Also present: Melanie Scofield, City Clerk
Dawn Block, Personnel Director
Tom Seaba, Director Water Utilities
Elaine McIntyre, La Junta
Ron Hogan, AVRMC
Jennifer Hinkhouse, La Junta
Ed Wiker, La Junta
Kasey Miehlike, La Junta
Sherry Johnson, La Junta
Scott Johnson, La Junta
Carly Johnson, La Junta
Cheryl Lindner, La Junta
CaSandra Thomas, La Junta
Gary Reed, Rocky Ford
Nancy Harrington, SECO News
Adrian Hart, SECO News
Bette McFarren, RF Gazette



Subject to approval at the
June 1, 2026
City Council Meeting



CITIZEN PARTICIPATION (5-minute time limit per person):

1. Gary Reed, 18975 State Highway 202, Rocky Ford: Want to talk about this ordinance about the business registration. The way this thing stands, this is just a paper that says give me \$25.00. It's so vague. I'm not sure that it can even be enforceable the way it stands. Changes need to be made mostly for clarification. Businesses that are doing business in La Junta should have a registration. My big questions is, is everybody going to have to have this? Or is it just certain businesses. I'm thinking Starlink satellite, Verizon, Dish Network, all these other guys. How are they even going to know that they need to have a business registration? If we have a traveling nurse that comes in, does home health, and she has her own business. Maybe she comes from Pueblo or Rock Ford. Do they have to have that same registration? The next thing, we talked about fees and I don't think anybody is ever going to complain about \$25.00. I've been in business a long time. I'm not sure if this registration fee is going to do anything for the business. What is the business going to see for this \$25.00? It's going to be listed on the website? Is there going to be some kind of promotion for these businesses? What happens if they don't pay? There's a \$50 late fee up to \$100. Most businesses, you already know

CITY COUNCIL MEETING – May 18, 2026

who's here. There the one's that are probably going to pay it anyway. It's the one's that we don't know that's here that we're targeting.

2. Carly Johnson, 602 Belleview Ave., La Junta: Speaking in opposition to the proposed business registration ordinance. I support communication and collaboration between the city and local businesses. However, I do not believe this ordinance is necessary. Businesses are already registered through multiple existing systems including the Colorado Secretary of State, State and Local sales tax licensing, health permits and building permits. The ordinance never clearly explains what specific problem this new registration system solves that current systems do not already address. I'm also concerned that while the ordinance repeatedly states this is not regulatory and not a licensing scheme it still creates annual renewals, penalties, municipal infractions and court enforcement. There is also language that is overly broad and open to interpretation, including allowing the city to request any other information reasonably necessary from municipal administration. That gives future administrations wide discretion to expand requirements over time. My concern is not really about the \$25.00 fee its about creating another layer of bureaucracy for businesses that are already dealing with rising costs, heavy regulations, and one of the highest sales tax rates in the state. While the fee may be small today, the ordinance already allows future councils to increase fees and penalties by resolution. That is why many business owners are concerned about future expansion. If our goal is economic development and revitalization, I believe we should focus on reducing barriers for businesses, not creating additional administrative requirements without clear demonstrated need. For those reasons, I respectfully ask council to vote no.
3. Cheryl Lindner, 16 E. 22nd Street, La Junta: Thanked the city for the nice job they've done at the park with the pickle ball and tennis courts. It's exciting to see people utilizing them like they do at the college.

MOTION TO GO INTO EXECUTIVE SESSION FOR DISCUSSION OF A PERSONNEL MATTER UNDER C.R.S. 24-6-402(4)(f) AND NOT INVOLVING: ANY SPECIFIC EMPLOYEES WHO HAVE REQUESTED DISCUSSION OF THE MATTER IN OPEN SESSION; ANY MEMBER OF THIS BODY OR ANY ELECTED OFFICIAL; THE APPOINTMENT OF ANY PERSON TO FILL AN OFFICE OF THIS BODY OR OF AN ELECTED OFFICIAL; OR PERSONNEL POLICIES THAT DO NOT REQUIRE THE DISCUSSION OF MATTERS PERSONAL TO PARTICULAR EMPLOYEES: Velasquez

SECOND: Ramirez

DISCUSSION: There was no discussion

VOTE: The motion carried 6-0 (Ochoa absent)

The Council went into Executive Session at 6:13 p.m. and reconvened at 6:38 p.m.

CONSENT AGENDA**A. Regular Meeting Minutes May 4, 2026**

MOTION TO APPROVE THE MAY 18, 2026 CONSENT AGENDA: Ramirez

SECOND: Velasquez

DISCUSSION: There was no discussion

VOTE: The motion carried 6-0 (Ochoa absent)

UNFINISHED BUSINESS

- A. **Second Reading/AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA JUNTA, COLORADO, AMENDING TITLE 17 OF THE LA JUNTA MUNICIPAL CODE TO ADD A DEFINITION OF "SHIPPING CONTAINER (CONEX BOX)," TO AMEND TABLE 17-B (SCHEDULE OF USES), AND TO CREATE SECTION 17.40.215 ENTITLED "SHIPPING CONTAINERS"**. The ordinance was introduced by title only, there being copies available to those in attendance.

CITY COUNCIL MEETING – May 18, 2026

MOTION TO PASS THE ORDINANCE ON SECOND READING: Rikhof

SECOND: Velasquez

DISCUSSION: This was discussed extensively at Planning Commission prior to coming to the council.

VOTE: The motion carried 6-0 (Ochoa absent)

- B. Second Reading/AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA JUNTA, COLORADO, ADDING CHAPTER 5.12 TO TITLE 5 OF THE LA JUNTA MUNICIPAL CODE ESTABLISHING A BUSINESS REGISTRATION REQUIREMENT WITHIN THE CITY.** The ordinance was introduced by title only, there being copies available to those in attendance.

Mayor Ayala: Had discussions with a lot of business owners, a lot of people that wanted more understanding on where we were at with this. So, before we vote, I'm putting three clarifying amendments into ordinance 1700. They reinforce and clarify each addressing a public concern raised since the first reading. I reached out to CML on these. I'm satisfied that these fall within the scope of clarifying amendments permissible on a second reading under Colorado Municipal Law. (See attachment "Ordinance No. 1700 – Proposed Amendments" dated May 18, 2026). I think this meets us halfway and this is just the foundation. If everything goes as planned, no business owner is going to be paying until 2028.

Lengthy discussion continued regarding the following points:

- Asked about striking 5.12.100 Enforcement of Civil Penalties.
- We're not enforcing imprisonment but we need some kind of teeth. The \$50 - \$100 isn't a deal breaker.
- Language is being added that is not necessary or helpful, this section doesn't make sense.
- If this is about encouraging participation and not enforcement, this section isn't necessary.
- Still need some kind of penalty.
- The ordinance doesn't need to be perfect tonight, that's what resolutions are for. Things can be addressed as they come up. Tonight is laying the foundation.
- There's also a safety aspect. The emergency personnel can use reverse 911 if needed.
- We need to be accountable for the businesses that are here.
- Having a list of contractors, electricians, plumbers and other services would be helpful for new businesses coming to La Junta.
- Discussion on not striking 5.12.100. The language is pretty basic. Nothing is written to where it is an absolute.
- Seems that we may be losing the original intent. If it's just a voluntary help our businesses be better and grow or is it truly a licensing wrapped up into some kind of penalty assessment for those who don't register.
- Need a one-stop shop for people looking to open a business in La Junta. We have other programs to offer.
- As a council, as a city, we should know how many businesses we have, what type of business they're conducting, are they who they say they are. This protects the health and welfare of our citizens.
- If this is the best vehicle that we have, we may need to do more work to make sure its solid. Or is there another way to get to our ultimate goal?

MOTION TO PASS THE ORDINANCE WITH THE AMENDMENTS PROVIDED EARLIER: Velasquez

SECOND: Pantoya

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DISCUSSION: Council Member Rikhof: On the issue of City Council setting fees, as a body, we should decide who sets fees. It should be administrative. I don't think the City Council should be in the business of setting fees. I agree that we need to do something that is supportive of businesses and I agree you have to start somewhere. We had a conflict-of-interest policy, let's pass this and then we'll figure out what it looks like and how it's implemented and it's been several months and there's been nothing. I don't think we have a good track record for let's just start it and see how it goes, get more information later. There are some good reasons to do this. What we've got is very convoluted and does not match our goals. Just passing it would not move us down the road.

VOTE: Those voting YES: Ayala, Pantoya, Velasquez

Those voting NO: Copley, Ramirez, Rikhof

The motion failed 3-3 (Ochoa absent)

NEW BUSINESS**A. AVRMC Consolidation Agreement – Second Amendment.**

MOTION TO ACCEPT THE AVRMC CONSOLIDATION AGREEMENT – SECOND AMENDMENT:
Rikhof

SECOND: Pantoya

DISCUSSION: Council Member Rikhof: Mr. Hogan has given us a heads up two meetings ago and referenced it last meeting. She appreciates his hard work and the hospital.

VOTE: The motion carried 6-0 (Ochoa absent)

B. A Resolution of the City Council of La Junta, Colorado, Declaring a Stage II Water Shortage Pursuant to Section 13.04.315 of the La Junta Municipal Code and Implementing Stage II, Level A Water Restrictions. Resolution No. R-12-2026 was presented for the council's consideration.

Tom Seaba: This would be a request of people to reduce the amount of watering by time. Residents with even numbered addresses may only irrigate on Sunday, Wednesday and Friday. Odd numbers would be Tuesday, Thursday, and Saturday. Commercial users would be Monday, Wednesday, and Friday. You can still water your plants, trees, hanging baskets whenever you would like to, as long as you're utilizing a watering device with a positive shut-off valve.

Everybody knows we had a miserable winter when it came to snowfall in the mountains. When it comes to water, the City of La Junta utilizes well augmentation from our project water from the Frying Pan Arkansas Project. That water is transported from the western slope over to the eastern slope, goes from Turquoise Reservoir and is held in Pueblo Reservoir. That's where our storage is at. The City of La Junta maintains approximately 5,200 standard acre feet for storage plus an additional 600-acre feet that we can get access to by being a current participant in the Arkansas Valley Conduit project. This year, because of the lack of snowfall, they were only able to transfer over a very minimal amount of water. After they do some general water accounting to take care of certain aspects that they need to do either at the reservoir or with Kansas, it left them with only 55-acre feet of water in excess. To put that into perspective, the City of La Junta alone received 1,100-acre feet as our water allotment. Currently we stand with just over 4,300-acre feet in current storage. That's about 2 ½ - 3 years of storage at normal operation. Not knowing what future weather patterns are, knowing that it takes multiple years to overcome reduction in storage that we will have this year; by receiving no allotment, we would like to try to reduce the amount of water required to draw on our storage in replenishments of our well augmentation decrees.

MOTIN TO ADOPT RESOLUTION NO. R-12-2026: Ramirez

SECOND: Pantoya

DISCUSSION: There was no discussion

VOTE: The motion carried 6-0 (Ochoa absent)

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C. First Reading/AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA JUNTA, COLORADO, ACTING BY AND THROUGH ITS WATER ENTERPRISE, AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND GOVERNMENTAL AGENCY BOND WITH THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY FOR THE FINANCING OF WATER SYSTEM IMPROVEMENTS INCLUDING LEAD SERVICE LINE REPLACEMENTS; AUTHORIZING THE PLEDGE OF NET REVENUES OF THE WATER ENTERPRISE; AUTHORIZING CITY OFFICIALS TO EXECUTE DOCUMENTS AND TAKE ACTION NECESSARY TO CARRY OUT THE FINANCING; AND PROVIDING OTHER MATTERS RELATED THERETO.

Tom Seaba: This project could be considered phase 2 of what has become a 3-phase project out of something that was devised in 2015. At that time, it came back as too expensive. The 1st phase on this was to replace our south booster station right by the big 3-million-gallon tank that takes care of the south tank up at 26th and Santa Fe Avenue. It had three pumps in it. We were down to one functioning and on its last leg. The 2nd phase is to take care of the transmission lines that goes up to the south tank. A proposed replacement of that tank would be phase 3. With a much larger water storage tank. It's a 250,000-gallon tank but it's responsible for about 40% of the city's customers.

The scope of this project would be to replace all of the distribution main and water service lines, meters, fire hydrants. It would start at 10th and Colorado, Colorado to 22nd, Cimarron from 16th – 22nd, Raton from 20th – Mountain View, Smithland from 16th – 22nd, 22nd Street from Smithland to Santa Fe, then Santa Fe from 22nd – the tank at 26th. This will give us brand new transmission lines. It'll also put in a 12" line that would go over to about 22nd and Smithland which is kind of the area that has been engineered, what would be phase 3. We hope to install a new approximately 1.2-million-gallon water storage tank. Along with this is the replacement of any lead service or anything that requires replacement from the new lead and copper revised rules. We will be receiving that \$6.245 million in principle forgiveness and then we will just take on the remaining \$8.715 million and change as moneys we need to repay at 1.7% over 30 years.

MOTION TO PASS THE ORDINANCE ON FIRST READING: Rikhof

SECOND: Pantoya

DISCUSSION: There was no discussion

VOTE: The motion carried 6-0 (Ochoa absent)

D. Committee/Board Reports

1. Utilities Board (Council Member Velasquez):
 - Congratulations to Catherine Mondragon for being the recipient of the ARPA/Electric Department scholarship. She'll be going to UCCS in Colorado Springs.
 - Extend a Thank You to Mr. Mike Bourget for almost a decade of service on the Utility Board. He'll be leaving us because he's selling his house and will no longer be a resident of La Junta.
2. Library Advisory Board (Council Member Rikhof):
 - The six-word story winners. They are fantastic. It's on their Facebook page.
 - The Summer Reading Program kickoff is June 1st from 10:00 a.m. – 12:00 p.m.

D. City Manager Report (given by Dawn Block)

- Mr. Hart apologizes for not being in person. He is attending college graduation for his oldest son Austin in Las Vegas.
- Road Repairs: Cimarron, Belleview and Lincoln Avenues – 1st – 3rd Street; 9th Street from San Juan to Belleview Avenues; 14th Street from Santa Fe to Colorado Avenues; (the intersection of 5th Street and Colorado Avenue; looking at possibly doing concrete.)
- The pool opens June 1st.
- CML District meeting on May 21st at Otero College.
- CML Conference is June 22nd – 26th.
- Mayor Ayala and City Manager Hart had a great visit and tour at Auggie's. The store is looking great! Nolan indicated they are still working to open sometime this month.

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- Will be bringing Economic Development recommendations to the June 1st meeting to get that kicked off.
- The tennis courts/pickleball court opening is getting closer. Brock is working on the pickleball tournament/grand opening. Pickleball community members, please get in touch with Rufus or Brock.
- Mr. Hart sends his sincerest appreciation to Ron Hogan and AVRMC in negotiating the consolidation agreement. He really enjoyed the opportunity to get to visit with Ron and other staff members on multiple occasions to get this to where it is now. He looks forward to working with AVRMC for many years to come.

E. Community Events/Council Report

- They did a phenomenal job at the Picketwire with Come From Away.

F. Governing Body Reports

1. Council Member Velasquez:
 - Congratulations to the Class of 2026.
2. Mayor Ayala:
 - We will be getting negotiations started with some legal professionals that CML has given us for an interim basis as we work on a long-term plan for our City Attorney.
 - Nolan and crew invited me and City Manager Hart to go take a tour of Auggies. It's amazing.
 - Next week we will be doing another tour of Bents Fort with Jacob Topping and hopefully State Representative Ty winter.
 - I was able to take another Bents Fort tour with CSU Pueblo Trio. They are a college access program geared toward low income, first-generation college students
 - Myself and City Manager Hart also went to the Catholic Church as they made a check presentation to Associated Charities in the amount of \$2,000 from the St. Pat's Dinner Auction committee.
 - Special congratulations to our two new officers. Officer Hall and Officer Hoffman. Me and City Manager Hart also attended the PD graduation of our two new officers.
 - I also want to say Thank You very much to my dear friend Mike Bourget and the years of service that he gave to the Utility Board.

There being no further business, the meeting adjourned at 7:26 p.m.

ATTEST:**CITY OF LA JUNTA**

 Melanie R. Scofield, City Clerk

 Joseph Ayala, Mayor

ORDINANCE NO. 1701

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA JUNTA,
COLORADO, ACTING BY AND THROUGH ITS WATER ENTERPRISE,
AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND
GOVERNMENTAL AGENCY BOND WITH THE COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY FOR THE FINANCING OF WATER
SYSTEM IMPROVEMENTS INCLUDING LEAD SERVICE LINE REPLACEMENTS;
AUTHORIZING THE PLEDGE OF NET REVENUES OF THE WATER ENTERPRISE;
AUTHORIZING CITY OFFICIALS TO EXECUTE DOCUMENTS AND TAKE ACTION
NECESSARY TO CARRY OUT THE FINANCING; AND PROVIDING OTHER
MATTERS RELATED THERETO.**

WHEREAS, the City of La Junta, Colorado (the “City”), acting by and through its Water Enterprise (the “Water Enterprise”), owns and operates a municipal water system for the benefit of residents and customers of the City; and

WHEREAS, the City has determined that improvements to the water distribution system, including lead service line replacements (the “Project”), are necessary to protect public health, improve water infrastructure, and maintain reliable utility service; and

WHEREAS, the Colorado Water Resources and Power Development Authority (the “Authority”) administers the Drinking Water Revolving Fund (“DWRF”) pursuant to Section 37-95-107.8, C.R.S.; and

WHEREAS, the Authority approved financial assistance for the Project in a total amount not to exceed Fourteen Million Nine Hundred Sixty-One Thousand Four Hundred Fifty Dollars (\$14,961,450), including approximately Six Million Two Hundred Forty-Five Thousand Five Hundred Five Dollars (\$6,245,505) in up-front principal forgiveness and a repayable loan component in the estimated amount of Eight Million Seven Hundred Fifteen Thousand Nine Hundred Forty-Five Dollars (\$8,715,945), for a term of thirty (30) years at an interest rate of 1.75% per annum;

WHEREAS, the financing is evidenced by a Loan Agreement and Governmental Agency Bond between the City, acting by and through its Water Enterprise, and the Authority; and

WHEREAS, the Utility Board of the City of La Junta has reviewed the proposed financing documents and recommended approval of the Loan Agreement, Governmental Agency Bond, and related financing documents by the City Council;

WHEREAS, the obligations under the Loan Agreement and Governmental Agency Bond are payable solely from the Net Revenues of the Water Enterprise System and do not constitute a general obligation debt or multiple-fiscal year direct or indirect debt or other financial obligation of the City within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the City Council hereby finds and determines that entering into the Loan Agreement and related financing documents is necessary, proper, and in the best interests of the City and its residents.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA JUNTA, COLORADO:

Section 1. Approval of Project and Financing.

The City Council hereby approves and accepts the financing of the Project through the Drinking Water Revolving Fund administered by the Colorado Water Resources and Power Development Authority.

Section 2. Approval of Loan Agreement.

The Loan Agreement between the Colorado Water Resources and Power Development Authority and the City of La Junta, Colorado, acting by and through its Water Enterprise, substantially in the form presented to the City Council, is hereby approved.

Section 3. Approval of Governmental Agency Bond.

The issuance and delivery of the Governmental Agency Bond contemplated by the Loan Agreement are hereby authorized and approved.

Section 4. Pledge of Net Revenues.

The City hereby irrevocably pledges the Net Revenues of the Water Enterprise System, as defined in the Loan Agreement, subject to any prior and superior lien obligations, for payment of amounts due under the Loan Agreement and Governmental Agency Bond.

Section 5. Authorized Officials.

The Mayor, City Manager, Director of Water Utilities and Motor Pool, City Clerk, City Treasurer, and City Attorney are hereby authorized and directed to execute and deliver the Loan Agreement and Governmental Agency Bond in substantially the forms presented to the City Council, with such changes as the executing officials deem necessary or appropriate consistent with the intent of this Ordinance, together with any certificates, requisitions, closing documents, and related instruments necessary or convenient to carry out the financing contemplated herein.

Section 6. Enterprise Finding.

The City Council hereby finds and determines that the Water Enterprise constitutes an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution and that the obligations authorized herein are payable solely from enterprise revenues.

Section 7. No General Obligation Debt.

The obligations authorized by this Ordinance shall not constitute a general obligation debt or multiple-fiscal year direct or indirect debt or other financial obligation of the City within the meaning of Article X, Section 20 of the Colorado Constitution. The obligations shall be payable solely from the pledged revenues of the Water Enterprise.

Section 8. Ratification.

All actions previously taken by City officials and staff in connection with the Project and financing described herein are hereby ratified, approved, and confirmed.

Section 9. Repealer.

All ordinances, resolutions, or parts thereof in conflict with this Ordinance are hereby repealed only to the extent of such conflict.

Section 10. Severability.

If any section, clause, sentence, or provision of this Ordinance is held invalid, such invalidity shall not affect the remaining portions of this Ordinance.

Section 11. Safety Clause.

The City Council hereby finds, determines, and declares that this Ordinance is necessary for the immediate preservation of the public peace, health, and safety.

INTRODUCED, READ, AND ORDERED PUBLISHED on first reading this 4th day of May, 2026.

CITY OF LA JUNTA, COLORADO

Joseph Ayala, Mayor

ATTEST:

Melanie R. Scofield, City Clerk

PASSED ON SECOND READING, APPROVED, AND ADOPTED this 18th day of May, 2026.

CITY OF LA JUNTA, COLORADO

Joseph Ayala, Mayor

ATTEST:

Melanie R. Scofield, City Clerk

AMENDED AND RESTATED BYLAWS
ARKANSAS VALLEY REGIONAL MEDICAL CENTER

PREAMBLE

WHEREAS, the Arkansas Valley Regional Medical Center (the “Medical Center” or the “Corporation”) is a non-profit corporation providing acute health care services and other needed health care services in La Junta, Colorado;

WHEREAS, the Board desires to adopt these Amended and Restated Bylaws (the “Bylaws”) to replace and supersede all prior versions, subject to approval by the City Council or written waiver as required.

NOW, THEREFORE, the Board hereby adopts these Bylaws as the governing document of the Medical Center, effective upon approval by the City Council or written waiver of such approval as required by the Bylaws.

ARTICLE I.

NAME, OBJECTIVES, PLACE OF BUSINESS, & SEAL

Section 1. The objectives of the Corporation shall be:

- A. To operate and maintain needed health care services and programs in the southeastern Colorado region for persons suffering from illness or disabilities in a manner so that patients receive appropriate care irrespective of race, color, creed, sex, sexual orientation, social status, national origin, religious preference, or financial status.
- B. To recognize persons as social, intellectual, spiritual, and physical beings; and to treat each individual with dignity.
- C. To carry on any educational activities related to rendering care to the sick and injured, and for the promotion of health within the region.
- D. To receive, hold, administer, invest, liquidate, sell, dispose, and apply all donations, bequests, properties, and funds for the purposes herein set forth.
- E. The Corporation is organized exclusively for charitable, educational and scientific purposes; and its activities are conducted in such a manner that no part of its net earnings inure to the benefit of any member, director, officer, board member, or individual. The Corporation shall not engage in carrying on propaganda or otherwise attempting to influence legislation and shall not participate in or intervene in any political campaign on behalf of any candidate for public office.
- F. To keep abreast of current health care practices, legislation, and policies that impact the provision of quality and economic health care in the Arkansas Valley region and to

adjust to changes in the health care environment to enable the Corporation to continue as a major health care provider in the region.

G. To work with ancillary and related organizations in a manner consistent with the objectives herein and to carry out the objectives of the Corporation.

H. Notwithstanding anything herein to the contrary, the Medical Center shall exercise only such powers as are in furtherance of the exempt purposes of organizations set forth in Section 501(c)(3) of the Internal Revenue Code of 1986 and its regulations, as the same now exist, or as they may be hereafter amended from time to time.

Section 2. The Corporation shall maintain its principal office for the transaction of its business at or near 1100 Carson Avenue, La Junta, in the County of Otero, in the State of Colorado. It may have other offices at such other places as the Directors may, from time to time, determine.

Section 3. The Corporation shall have a common seal, consisting of a circle having on its circumference the words “Arkansas Valley Regional Medical Center” and across its interior body the word “SEAL” provided however, that the application or use of such seal shall not be required for any document to be binding upon the Corporation unless specifically required by the laws of the State of Colorado.

ARTICLE II.

BOARD

Section 1. The Medical Center Board (the “Board”) shall consist of eleven (11) members, unless expanded or contracted as provided herein.

A. General.

(1) Members of the Board will represent the Medical Center service area, and will provide expertise in the specific areas of health care, business, finance, and other areas as the Board determines it needs from time to time. Additionally, consideration will be given to providing ethnic and gender representation in member selection, subject to meeting the other criteria and expertise factors set forth in these Bylaws.

(2) Members of the Board shall not receive compensation for their services as members of the Board. A director may be reimbursed for reasonable expenses incurred on behalf of the Corporation, subject to any policies or approval procedures established by the Board.

(3) At no time may more than one (1) appointee be a member of the City Council of La Junta, and the City Council alone shall appoint members from the City Council. Further, the City Council shall not appoint members in a manner that would cause the Corporation to be subject to the Colorado Open Meetings Law. In the event a sitting member of the Board is elected to the City Council after

appointment to the Board, such sitting member shall immediately resign from the Board.

(4) In the event of a vacancy on the Board, the vacancy shall be filled by the body which made the appointment to the vacant position.

(5) The initial members shall be those individuals named in the Articles of Incorporation (the "Articles"). They shall apportion themselves between one (1), two (2), three (3) and four (4)-year terms initially, and which are as close to equal in number as can reasonably be accomplished. Thereafter, members will serve for four (4)-year terms such that the Board membership is staggered in accordance with the initial division. Further, to the extent reasonably possible, the apportionment shall be such that each of the appointing bodies shall have no more than two (2) new appointments each year.

(6) Any Board member appointed, as provided herein, may be removed by the appointing body at any time, with or without cause.

B. Appointments from the Medical Center.

(1) The Board shall appoint seven (7) members, two (2) of whom shall be physicians, and five (5) of whom shall be non-physicians.

(2) Physician appointments shall be of individuals who are credentialed as "Active Staff" by the Board. One (1) physician must be a resident of the City of La Junta (the "City"), and the second physician may or may not be such a resident. Appointments shall be made from candidates nominated by the Nominating Committee.

(3) The five (5) non-physicians appointed by the Board shall be made from candidates nominated by the Nominating Committee. One (1) appointee must be a resident of the City, and at least three (3) such members shall be appointed to represent the Corporation's service area, excluding La Junta. To the extent reasonably possible, nominees submitted by the Nominating Committee shall reflect the geographic diversity of the Corporation's service area as defined by service area population, and the appointments shall reflect the skill needs of the Board and other criteria set forth herein.

C. Appointments by City.

(1) The City shall appoint four (4) members, three (3) of whom shall represent the greater La Junta geographical area and may or may not live within the City limits. The Nominating Committee of the Corporation shall provide the City with a letter at least twenty-one (21) days prior to the expiration of the existing City appointments which will contain the name of one (1) or more nominees for each La Junta area appointment needed and a statement of the skills expressly needed by the Corporation as to that appointee. The City shall not be bound to appoint from nominees submitted by the Nominating Committee, but shall make every

reasonable effort to make appointments that meet the express needs of the Medical Center identified by the Nominating Committee statement referred to above.

(2) The City shall further appoint one (1) member who shall be a member of the City Council and whose eligibility shall be at the sole discretion of the Council. This member shall serve to foster communication between the City and the Corporation and may be removed only by action of the City Council, resignation, or term expiration.

(3) In recognition of the fact that the appointed council person shall be privy to confidential matters of both the City and the Corporation, the appointed council person shall maintain confidentiality as to all matters discussed in executive session of either entity or in conjunction with discussions with the respective entity's attorneys. That appointee shall not be required to divulge any matters made known to that appointee while the appointee is acting within the appointee's position as an elected official of the City or when acting within the appointee's position as a member of the Corporation.

(4) The City and the Medical Center are parties to a Consolidation Agreement, as amended (the "Consolidation Agreement"). Upon the Medical Center's non-compliance with Article X of the Consolidation Agreement, as determined under the terms thereof, the City may appoint one (1) additional member to the Medical Center Board in accordance with Article IV, Section B, Subsection 2 of the Consolidation Agreement, for a two (2)-year term.

D. The Board shall determine its size from time to time, subject to limitations contained herein, and which size shall not require City approval so long as it is in accord with the Agreement. The Board size may not be increased to more than fifteen (15) members. Any additional Board members above the base of eleven (11) shall be appointed from the service areas of the Medical Center. Further, those additional appointments may only be made to provide the Board with specific professional expertise. Additionally, the City shall be entitled to appoint at least one-half (1/2) of the additional Board members over the initial appointment of eleven (11) members and to select the additional members based upon any criteria which the City, in its sole discretion, desires, consistent with the professional expertise which is the basis for the expansion of the Board.

E. The Board may be operated with less than nine (9) members from time to time subject to the requirements that geographical diversity not be impaired and that the four (4) memberships appointed by the City and the two (2) physician positions appointed by the Board must remain full.

Section 2. Each Board member shall meet the following qualifications for Board membership.

A. Integrity: Must be primarily honest and devoid of personal interest in the financial affairs of the Medical Center; uncompromising about public welfare, and can be relied upon to protect the interests of the patients.

B. Substance: Must be a person of substance. This is the combination of the attributes of reliability, predictability, and sensitivity to the mores and needs of the community. It includes the leadership and executive ability which is usually based on integrity. It inspires confidence and trust and is recognized because of past contributions and success.

C. Informed: Has been a resident of the region for at least two (2) years and must be able to interpret the needs and desires of the community; has demonstrated interest and activity in efforts to improve the quality of life in the member's community; keeps educated and knowledgeable about community issues and problems.

D. Competent: Must be successful in the member's own business or profession.

E. Time: Must be willing to devote adequate time to read, counsel, and attend meetings regularly.

F. Commitment: Must evidence a personal commitment to and be in sympathy with the objectives of the Corporation.

Section 3. Specific duties of the Board shall include:

A. To develop clear program goals and strategic plans to assure itself that the objectives of the Corporation outlined in Article I, Section 1 will be accomplished.

B. Except to the extent unnecessary by reason of use of a management organization in lieu of a CEO, to employ a competent Chief Executive Officer ("CEO"); to conduct an annual evaluation of the performance of the CEO; and to review and set the CEO's remuneration.

C. To interpret regional health needs, develop short and long-range plans and adopt such policies and controls which will ensure that quality care is rendered and which will promote and assure high ethical and professional standards in the administration of its program. The Board shall require such reports and make such evaluations to assure itself that minimum standards of care as recommended by bodies accrediting the Medical Center are met or exceeded.

D. To receive recommendations from the Medical Staff and make appointments to and assignments of responsibilities within the Medical Staff of the Medical Center. To receive and consider all reports on the professional competence and conduct of each Medical Staff member and take such action which will be to the best interest of the Medical Center and its patients.

E. To approve an annual budget and rate structure, and to employ an independent auditor, and to receive such financial and statistical reports, including the annual reports of an independent auditor, to assure sound business principles are followed.

F. To help interpret the purpose and function of the Medical Center to the region; to be sensitive to community reaction; and to convey those impressions to the CEO.

G. To participate annually in a Board self-evaluation process.

H. To elect to use a management organization in lieu of or in addition to a CEO, with the approval of the City as provided in the Agreement. In such event, the Board shall determine the duties and remuneration of the management organization, and further define the role of the CEO accordingly.

Section 4. Board members might become engaged in personal business with the Medical Center which may influence the member's ability to act objectively as a Board member. In the event that there is any potential for conflict of interest, the following shall apply:

A. Any director, officer, or executive employee who has occasion to participate in a recommendation or decision which may involve a conflict of interest shall disclose such conflict or potential conflict; and the disclosure shall be noted in the minutes of the meeting, a memorandum of disclosure, or in some other appropriate written record.

B. Each director, officer, and employee at the executive staff level shall disclose in writing to the Chairperson at the time of that party's appointment, and annually thereafter, and also at the time any such matter is considered by the Board, any interest which might lead to a conflict of interest.

C. The Chairperson will report to the Board the results of the annual conflict of interest survey and any other disclosure of a potential or actual conflict of interest for full discussion and disposition by the Board.

D. In accordance with the provisions of the Colorado Revised Nonprofit Corporation Act, as amended (the "Act"), an interested director may be counted and present at a meeting for purposes of determining a quorum, and the mere fact that an interested director is present at or participates in a meeting of the Board where a conflicting interest transaction is discussed shall not cause the action to be void or voidable as long as the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or a committee of the Board, and the Board or committee of the Board in good faith authorizes, approves, or ratifies the conflicting interest transaction by an affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum.

Section 5. A Board member may resign at any time by providing written notice to the Chairperson of the Board or the Secretary of the Medical Center. Such resignation shall take effect on the date specified in the notice, or if no date is specified, upon receipt of the notice by the Chairperson or Secretary. The Board may accept the resignation immediately or at a later date as appropriate to ensure continuity of governance. Any resignation shall be noted in the minutes of the next meeting of the Board.

ARTICLE III.

MEETINGS

Section 1. The Board shall hold at least six (6) regular meetings per year, spaced at reasonable intervals of not more than sixty (60) days and such other meetings as may be agreeable to a majority of the Board.

Section 2. Directors' meetings may be held at the principal office of the Corporation at or near 1100 Carson Avenue, La Junta, in the County of Otero, and State of Colorado or at any other place within or without the State of Colorado designated by written consent of all the directors entitled to vote thereat.

Section 3. The annual meeting of the Directors shall be held in July of each year at 1100 Carson Avenue, La Junta, Colorado. The Board may, by resolution, designate a different date, time, or place (including by electronic means as permitted in these Bylaws and by applicable law) for the annual meeting, provided that such meeting is held at least once each calendar year. At such annual meeting, the directors shall elect officers, make Board appointments, and transact such other business as may properly be brought before the meeting.

Section 4. Special meetings of the directors for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairperson, and shall be called by the Chairperson or the secretary at the request, in writing of a majority of the Board. Such request shall state the purpose or purposes of the proposed meeting.

Section 5. Business transacted at all special meetings shall be confined to the objects stated in the call.

Section 6. Written notice of the special meeting of the directors stating the time, place and object thereof shall be mailed, postage prepaid to each director at such address as appears on the books of the Corporation. Any reference to "postage-prepaid mail" shall include electronic mailings/e-mail.

Section 7. In exercising any of its general powers, the Board shall function in a fashion subject to and consistent with the terms and provisions of the Agreement, as referred to in Article XIII where applicable.

Section 8. It shall be the duty of the directors to cause to be kept a complete record of all their minutes and acts, and of the proceedings of the directors.

Section 9. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are allowed by statute or by the Articles.

Section 10. Meetings of the Board may be held at any time or place fixed by a quorum thereof.

Section 11. The transactions of any meeting of the Board, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be attached to and made a part of the minutes of the meeting.

Section 12. At all meetings of the Board, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of the majority of the directors present at which there is a quorum shall be the act of the Board except as may be otherwise specifically provided by statute, the Articles, or these Bylaws.

Section 13. Any action required by law to be taken at a meeting of the Board, or any committee thereof, or any other action which may be taken at a meeting of the directors, or any committee thereof, may be taken without a meeting if every member of the Board in writing either: (1) votes for such action, or (2) votes against such action or abstains from voting and waives the right to demand that a meeting be held. Action is taken only if the affirmative votes for such action equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. The action shall only be effective if there are writings which describe the action, signed by all directors, received by the corporation and filed with the minutes. Any such writings may be received by electronically transmitted facsimile or other form of wire or wireless communication providing the Corporation with a complete copy of the document including a copy of the signature. Actions taken shall be effective when the last writing necessary to effect the action is received by the Corporation unless the writings set forth a different date. Any director who has signed a writing may revoke it by a writing signed, dated, and stating the prior vote is revoked. However, such writing must be received by the Corporation before the last writing necessary to effect the action is received. All such actions shall have the same effect as actions taken at a meeting, in accordance with the Act, Section 7-128-202.

Section 14. Members of the Board or any committee of the Board may participate in and vote at any meeting through the use of teleconference, videoconference, or other real-time electronic communication technology that allows all members participating to hear and be heard simultaneously. Participation through such means shall constitute presence in person at the meeting for all purposes.

Section 15. Executive or closed sessions may be held upon a majority vote of the directors present at any meeting. Executive or closed sessions will be limited to the Board and those individuals designated by the Board. Formal action may be taken by the Board in executive or closed session, and it will be up to the Board whether minutes of the executive or closed session will be required. If minutes are compiled, the Board may limit access to the closed or executive session minutes as it deems appropriate. Such minutes shall be restricted, kept separate from regular Board minutes, and accessible only by those persons authorized by the Board or otherwise authorized by law.

Section 16. Any action that may be taken at a meeting of the Board or any committee thereof may be taken without a meeting in the manner permitted by the Act, including by written

or electronic consent, as provided in Section 13 above. The Board may adopt policies further detailing permissible methods of electronic consent and related recordkeeping

Section 17. Directors are expected to attend all regularly scheduled meetings of the Board, and virtual attendance shall be considered attendance for this purpose. A director may not miss more than three (3) regularly scheduled meetings in a calendar year. Specially called meetings are not counted toward this limit. Missing three (3) or more regularly scheduled meetings in a calendar year may lead the Board, in its discretion, to request that the director resign. The decision to make such a request shall rest solely with the Board.

ARTICLE IV.

OFFICERS OF THE BOARD

Section 1. The officers of the Board shall be chosen by the directors, and shall be a Chairperson, Vice-Chairperson, Secretary, Treasurer, and such other officers as may be required, all of whom shall be elected by the Board from among its own membership at each annual meeting, and shall hold office for a period until the next annual meeting or until their successors have been duly elected and qualified. The offices of Secretary and Treasurer may be held by the same person at the pleasure of the Board.

Section 2. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 3. The Chairperson shall preside at all meetings of the Directors, and shall see that all orders and resolutions of the Board are carried into effect. The Chairperson shall also be an ex-officio member of all committees except the Nominating Committee.

Section 4. The Chairperson shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the Corporation, which have been first approved by the Board. When any instrument requires a seal, it shall be attested by the signature of the Secretary.

Section 5. The Vice-Chairperson shall, in the absence or disability of the Chairperson, perform the duties and exercise the powers of the Chairperson and shall perform such other duties as the Board shall prescribe.

Section 6. The Secretary shall be responsible for the keeping and reporting of adequate records of all meetings of the Board and Executive Committee, including the recording of all votes in the minutes of all proceedings. The Secretary shall keep the corporate seal of the Corporation. Further, the Secretary shall give, or cause to be given, notice of all meetings of the Board when such notice is required by law or by these Bylaws to be given, and shall perform such other duties as may be prescribed by the Board. It is anticipated that the Secretary will delegate the actual transcription of minutes and other duties to the Board's recording secretary, and the Secretary's role in this regard will be general and supervisory.

Section 7. The Treasurer shall be prepared to provide reports to the Board as to the financial health of the Corporation. In performing this duty the Treasurer shall be entitled to rely

upon such officers, employees, legal counsel, public accountants, or other persons with professional or practical competence and the reports or information which they may generate concerning issues of a general financial nature. It is anticipated that the role of the Treasurer in this regard will be general and supervisory, and unless prudent and required, the Treasurer would not become involved in the day-to-day financial operations of the Corporation, that level of operation being left to management. The Treasurer shall have such other powers and perform such other duties as may from time to time be prescribed by the Board or the Chairperson. The assistant treasurers, if any, shall have the same powers and duties subject to the supervision of the Treasurer.

Section 8. In case of the absence of any officer of the Corporation, or for any other reason that the Board may deem sufficient, this Board may delegate the powers or duties of any such officer to any other director, provided a majority of the entire Board concurs therein.

ARTICLE V.

COMMITTEES OF THE BOARD

Section 1. The Committees of the Board shall consist of the Executive Committee, the Joint Conference Committee, and such standing and/or special committees as the Board may authorize.

Section 2. The Executive Committee shall consist of the Chairperson, the Vice-Chairperson, the Secretary, and the Treasurer. The Executive Committee shall have power to transact any business of the Medical Center requiring immediate attention during the interim between the meetings of the Board, provided any action taken shall not conflict with the policies of the Board. At least one (1) member of the Executive Committee shall be a City appointee pursuant to Article II above.

Section 3. The Joint Conference Committee shall consist of three (3) Board members, three (3) members of the Medical Executive Committee including the Chief of Staff, the CEO as ex-officio member, and such others appointed by Chief of Staff or Board Chairperson provided such additional appointments, if any, shall be equal in number by the Chief of Staff and the Board Chairperson. The Joint Conference Committee shall be a liaison committee which shall discuss medical administrative matters and serve as the official point of contact among Board, CEO, and Medical Staff.

Section 4. Standing committees shall be appointed annually by the Chairperson and shall include the following:

A. Finance/Investment Committee. Membership shall include the Treasurer of the Board as Finance Committee Chairperson, appointed Board members, CEO, and Chief Financial Officer (the "CFO"). The Finance/Investment Committee shall meet prior to each Board meeting to consider financial matters including, but not limited to, the monthly financial statements, the annual revenue and operating expense budget, the annual capital budget, investments, general liability insurance, and other insurance coverages required by the Board, and requests for expenditures not included in the operating or capital budget in excess of the amount dictated by Medical Center policy. Items approved on the annual

capital budget do not require additional approval for purchase so long as the net income per approved budget is met or exceeded. All capital equipment purchases in excess of Fifteen Thousand Dollars (\$15,000) but less than the amount designated in the Medical Center's Approvals Policy and revisions in the Medical Center's charges or rates for services will be reported as information to the Finance/Investment Committee at the regular Finance/Investment Committee meetings. The recommendations of the Finance/Investment Committee shall be submitted to the Board for final action.

B. People and Culture Committee. Membership shall include appointed Board members, CEO, CFO, and Director of Human Resources. This Committee shall review and make recommendations to the Board on revisions in the wage and salary schedule, the benefit plan including the health insurance and retirement programs, and any other matter the Board directs pertaining to personnel.

C. Nominating Committee. The Nominating Committee shall consist of all members (excluding the Chairperson) of the Board's Executive Committee plus two (2) "at-large" members. The two (2) "at-large" members shall be appointed by the Board from the remaining existing Board members (excluding the Board Chairperson) in such a way as to provide greater geographical diversity to the Committee. The Board's Chairperson shall not serve on the Nominating Committee. This Committee shall review applications for Board membership and shall make recommendations to the Board regarding new members.

D. Bylaws Committee. Membership shall include at least three (3) Board members, CEO, and the CFO. The Committee shall meet at least annually to review and make recommendations of changes to the Board, and to ensure that the Bylaws are current and in compliance with Medical Center accrediting agency's recommendations.

E. Consultation Team for Biomedical Ethical Issues. Membership shall consist of at least ten (10) members to include physicians, clergy, nursing, home health representative, legal profession, social work, Board, community, hospice, and long term care providers. The Medical Center Chaplain, if any, and CEO or their designee, shall be ex-officio members. This Committee shall meet at least semi-annually and as necessary for case consultation. This Committee shall function in an advisory capacity on biomedical ethical issues relating to Medical Center, and upon request, shall initiate or review policies of biomedical ethical content, and develop education programs of biomedical ethical issues for staff, physicians, and community.

F. Compliance Committee. An additional standing committee shall be the Compliance Committee. Board representation shall be as appointed by the Chairperson.

G. Executive Compensation Committee. Membership shall include the members of the Board's Executive Committee, one (1) physician member of the Board appointed annually by the Board Chair (unless otherwise directed by the Board), and the Chair of the People and Culture Committee, unless a conflict of interest exists with one or more of the designated appointees, which would lead the Board to appoint an alternate Board Member to the Executive Compensation Committee. The Committee shall meet at least annually to review fair market value compensation for executive leadership team members, establish

incentive compensation goals, and evaluate pay adjustments and incentive compensation payments for such executive team members, with the positions included within the executive leadership team to be defined annually by the Board. The Executive Compensation Committee shall make recommendations to the Board regarding executive compensation matters, and the Board shall retain final authority to approve all executive compensation arrangements, adjustments, and incentive compensation payments.

Section 5. Special committees and committee chairpersons may be appointed by the Chairperson of the Board for such special tasks as circumstances warrant. Such special committees shall limit their activities to the accomplishments of the task for which the committee is appointed, and the committee shall have no power to act except such as is specifically conferred by action of the Board. Upon completion of the task for which appointed, such special committee shall stand discharged.

Section 6. Frequency of committee meetings shall be determined by the nature and responsibility of the committee. All persons accepting committee responsibility shall attend each committee meeting. Reports and minutes of committee work and accomplishments shall be presented to the Board at regularly scheduled Board meetings unless otherwise specified. Non-Board members with skills which could contribute to the effectiveness of committee functions may be requested to serve on any committee other than the Executive Committee. Such non-board members shall serve in an advisory capacity only and shall not be entitled to vote on matters constituting the exercise of the Board's legal authority.

ARTICLE VI.

ADMINISTRATION

Section 1. Employment of the CEO. The Board shall employ a CEO, or enter into an agreement with a management organization that employs the CEO, who shall serve as the Board's executive representative in the management of the Medical Center. The CEO shall be given the necessary authority and shall be held responsible for the administration of the Medical Center in all its activities and its departments subject only to such policies as may be adopted and such orders that may be issued by the Board or by any of its committees to which it has delegated power for action. The CEO shall act as the "duly authorized representative" of the Board in all matters in which the Board has not formally designated some other person for that specific purpose.

Section 2. Authority and Duties of the CEO. The authority and duties of the CEO shall be delineated in a job description developed by the Board and if applicable in consultation with any management organization that employs the CEO, which shall include:

- A. Responsibility for carrying out all policies established by the Board in regard to the Medical Center.
- B. Developing and submitting to the Board a plan of organization of personnel and relationships for operation of the Medical Center.
- C. Coordinating with the Medical Staff and others concerned with the rendering of professional services to insure that the best possible care may be rendered to all the patients.

D. Submitting regularly to the Board (or its authorized committees) periodic reports showing the professional services and financial activities of the Medical Center and to prepare and submit such special reports as may be required by the Board.

E. Attending or designating appropriate administrative persons to attend all meetings of the Board and its committees.

F. Serving as a liaison officer and acting as a channel of communications for all official communications between the Board and the Medical Staff.

G. Participating in an annual self-evaluation process of the Board and the CEO, in coordination with the management organization that employs the CEO, if applicable.

Section 3. Contracting for Management Services. The Board may elect to contract with an independent management organization for assistance of the Corporation with any or all of the administration of the Medical Center. In the event the Board elects to contract with an independent management organization for such services, the Board shall determine such adjustments and the duties and responsibilities of the CEO and other officers as the Board designates as it deems appropriate, including the possibility of eliminating the position of CEO and other officers as the Board designates as described above. Any such actions of the Board shall comply with the Agreement and any agreement with a management organization that employs the CEO or other officers as the Board designates.

ARTICLE VII.

INDEMNIFICATION

Section 1. Indemnification. To the fullest extent permitted by the Act, as amended, the Corporation shall indemnify any person who is or was a director or officer of the Corporation, and may indemnify any person who is or was an employee or agent of the Corporation, against any liability and expenses reasonably incurred by such person in connection with any proceeding arising by reason of such service, provided that such person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Corporation.

Section 2. Advancement of Expenses. The Corporation may advance expenses to directors and officers in defending any such proceeding to the extent permitted by law and subject to receipt of any undertaking required by the Act.

Section 3. Non-Exclusivity. The rights conferred by this Article shall not be exclusive of any other rights to which a person may be entitled under the Articles, any agreement, vote of disinterested directors, or otherwise.

ARTICLE VIII.

MEDICAL STAFF

Section 1. Medical Staff Governance.

A. The Board shall appoint a Medical Staff (the “Medical Staff”) composed of practitioners who are graduates of recognized professional schools and licensed in Colorado. The Board shall ensure the Medical Staff is organized into a responsible administrative unit, and adopts such Bylaws, Rules and Regulations, and other necessary guidelines for government of their practice in the Medical Center in compliance with applicable federal and state law, accreditation, and Conditions of Participation requirements. In the case of the individual patient, the practitioner duly appointed to the Medical Staff shall have full authority and responsibility for the care of that patient, subject only to such limitations as the Board may formally impose and subject to the Bylaws, Rules and Regulations, and other necessary guidelines for the Medical Staff as adopted by the Medical Staff and the Board.

B. All applications for appointment to the Medical Staff shall be made in writing and shall be addressed to the CEO of the Medical Center. The application shall include full information concerning applicant’s education, licensure, practice, previous experience, and any unfavorable history with regard to medical and narcotics licensure or hospital privileges. This information shall be verified by the Credentials Committee of the Medical Staff.

C. All appointments to the Medical Staff and Allied Health Professional Staff shall be for three (3) years. Such appointments shall be renewable by the Board pursuant to formal reapplication for successive three (3) year terms. When an appointment is denied or privileges have been adversely affected by reduction, alteration, suspension, or termination, the staff member shall be afforded notice and hearing as set forth in the Medical Staff Bylaws, Fair Hearing Plan, or other relevant governing documents. Any recommendations shall be considered by the Board prior to implementation of any final action. All hearings shall be conducted under procedures adopted by the Board as set forth in the Medical Staff Bylaws, Fair Hearing Plan, and other relevant documents so as to ensure due process and to afford future opportunity for the presentation of all relevant information. After evaluation by the Joint Conference Committee, a recommendation shall be given to the Board for the Board’s final decision.

D. All appointments for Medical Staff clinical chiefs of service (Department Chairperson) shall be made by the Board upon recommendation of the Medical Staff. The term of appointment shall be for one (1) year. Duties and responsibilities of the Medical Staff clinical chiefs shall be set forth in the Medical Staff Bylaws. Medical Staff clinical chiefs shall be required to maintain their qualifications for Medical Staff membership and privileges appropriate to their assignments.

Section 2. Medical Care and Its Evaluation.

A. The cooperative efforts of the Medical Staff, the CEO, and the Board are necessary to consummate the Medical Center’s obligation to its patients. The Board has delegated to the Medical Staff the responsibility for the quality of medical care in the Medical Center, and the Medical Staff has accepted and will discharge this responsibility, subject to the ultimate authority of the Board. Based upon this understanding, the Board shall assign to the Medical Staff reasonable authority for ensuring patient care which is appropriate,

professional, quality oriented, and efficient in relation to the patient's needs and the Medical Center's resources.

B. The Medical Staff shall conduct an ongoing review and appraisal of the quality professional care rendered in the Medical Center, and shall report such activities and results to the Board. Reports may be in the form of Hospital Compare or such other reports as may be generated by Medical Center's accrediting agency.

C. The Medical Staff shall make recommendations to the Board concerning:

- (1) appointments, reappointments, and other changes in staff status;
- (2) granting of clinical privileges;
- (3) disciplinary actions;
- (4) all matters relating to professional competency; and
- (5) such specific matters as may be referred to it by the Board.

Section 3. Medical Staff Operating Documents: There shall be Medical Staff Bylaws, Rules and Regulations, Credentialing Manual, Fair Hearing Plan, amendments thereto, and any other documents authorized or directed by the Board, all of such documents setting forth the Medical Staff's organization and government (collectively, "Medical Staff Operating Documents"). Proposed Medical Staff Operating Documents, and any other proposed operating documents shall be recommended by the Medical Staff and be subject to approval by the Board. The power of the Board to adopt or amend Medical Staff Operating Documents and any other operating documents shall not be dependent upon ratification by the Medical Staff. The Medical Staff Operating Documents, and any other operating documents, as approved by the Board, shall become part of the Bylaws of the Medical Center.

Section 4. As provided for in the Medical Staff Bylaws, Credentialing Manual, and the Fair Hearing Plan, when the Board does not concur with a Medical Staff recommendation relative to Medical Staff appointment, reappointment, or termination of appointment, or the curtailment of clinical privileges, the matter shall be reviewed and evaluated by the Joint Conference Committee.

Section 5. Each Medical Staff member shall observe all ethical principles of the medical profession.

ARTICLE IX.

MEDICAL CENTER AUXILIARY

Section 1. The Medical Center Auxiliary is an arm of the Medical Center, organized to provide fundraising and volunteer services in support of the Medical Center. The bylaws of the Medical Center Auxiliary, and any amendments to them, shall be subject to review and approval of the Board.

Section 2. The extent of participation in Medical Center activity by volunteer groups or individuals not in the status of organized auxiliary shall be determined by the CEO after consultation with the Board.

ARTICLE X.

AMENDMENTS

Section 1. Except as otherwise provided herein, these Bylaws shall be adopted, amended, or repealed by the Board which action shall become effective only upon approval by the City Council except to the extent that said City Council has waived in writing the right to approve such amendment. These Bylaws shall be reviewed at least annually.

Section 2. Except as otherwise provided herein, in order to be properly considered before any meeting of the Board, notice of the proposed amendment or change to any Bylaw must be presented in writing to the members of the Board at least ten (10) days prior to the date upon which action may be required.

Section 3. Except as otherwise provided herein, any amendment, adopted Bylaw, or repealed Bylaw, must be approved by two-thirds (2/3) majority vote of the Board members present and voting. If said margin of approval cannot be obtained, then any proposed amendment, adopted Bylaw, or repealed Bylaw, shall be defeated, unless otherwise provided herein.

ARTICLE XI.

EMERGENCY ACTIONS

Section 1. An emergency exists for purposes of this Section if a quorum of the Board of Directors cannot readily be obtained because of a catastrophic event. In the event of such an emergency, and as provided in C.R.S. § 7-123-103, the Board of Directors may take any action permitted under that statute to ensure the continued governance and operation of the Medical Center. Any action taken in good faith pursuant to such statute shall be binding on the Medical Center.

ARTICLE XII.

PARLIAMENTARY PROCEDURE

Section 1. In all meetings and for matters of procedure, Robert's Rules of Order shall be followed, or such other procedures may be used as approved by the Board.

ARTICLE XIII.

AGREEMENT

This Corporation acquired all of its initial assets pursuant to an Agreement between the City, Mennonite Board of Missions, La Junta Community Hospital Corporation and the Copeland Trust dated October 27, 1997 (the "Agreement"). This Corporation holds and administers the assets

acquired by it and as said assets have subsequently changed and grown and may exist from time to time pursuant to and subject to the terms of said Agreement. In the event of any uncertainty as to a course of action or permissible conduct of the Corporation, the Corporation shall consult with and follow the intent of the Agreement. The Corporation further shall conduct its business and affairs in accordance with the terms and intent of the Agreement.

ADOPTED BY:
ARKANSAS VALLEY REGIONAL MEDICAL
CENTER BOARD OF DIRECTORS

By: _____

Date: _____

APPROVED:
LA JUNTA CITY COUNCIL

By: _____

Date: _____

By: _____

Date: _____