



## BUSINESS OPERATIONS – AUGUST 2019

**Rick Klein, City Manager for the City of La Junta, was named to ARPA's Honor Roll of Merit:** The Arkansas River Power Authority Honor Roll of Merit is presented to a person or organization that makes a significant effort and unselfish contribution either to the mission and purpose of ARPA or to the betterment of an ARPA member community. Rick Klein, the City Manager of La Junta, was officially presented the 2018 Honor Roll of Merit for his excellent leadership capabilities, well-thought-out feedback and insight from a city managers perspective, to the ARPA Board of Directors. Over his career, Rick has spearheaded countless projects and area and state initiatives that not only improved City facilities and programs, but also reached beyond City and state boundaries. His most current project, preservation of the Southwest Chief, is a prime example of the passion and steadfast commitment he brings to projects that benefit not only La Junta, but all the Southeast Colorado communities. Rick commented that nothing is accomplished in a vacuum, change is inevitable and emphasized the power of teamwork and sticking together. **Congratulations Rick!**

**ARPA Operating Committee Accepts Bid for Equipment Inspections- Reviews Safety Training Funding:** ARPA entered into an agreement on behalf of its members for electric line equipment inspections for the years 2019-2021. The inspections will occur in October of each year at each member system location. Types of equipment inspected include bucket trucks, digger derrick equipment, hot sticks, rubber live line tools, covers and personal ground sets. The Operating Committee also reviewed safety training funds that are provided by ARPA. Funding is available for hot-line schools, meter training, and general field operations training. Funds can also be used to attend conferences provided by organizations such as APPA (American Public Power Association) and RMEL (Rocky Mountain Electric League).

**Summary of June 2019 Financial and Operating Statements:** During the month of June, revenue from power sales was less than budget by 5.7% and total cost of goods sold were under budget by 8.8%. Net revenue for the month was \$481,803 which was 8% better than budget. Year to Date revenues are 0.5% less than budget and cost of goods sold approximately 1% under budget. Net revenues YTD are well above budget at \$1,670,608

**ARPA Board Receives Introduction to Project Based Rate Structure:** John Krajewski of JK Energy Consulting provided a presentation to the Board on Project Based Rate Structure, and associated contracting, that is a business model used by some Joint Action Agencies. ARPA would continue to be responsible for its existing resources, compliance with its bond covenants, and member Power Supply Agreements. The Board took the presentation under advisement.

**Twin Eagle Contract Assignment:** Earlier this year, ARPA consented to the assignment of its Twin Eagle Partial Requirements Agreement (PRA) to Public Service Company of Colorado (PSCo), a highly rated, investor owned utility and subsidiary of Xcel Energy. The assignment went through a regulatory approval process with the Colorado Public Utilities Commission and the Federal Energy Regulatory Commission. The regulatory review and approval process has now concluded. Effective July 16, PSCo assumed ARPA's PRA. All terms, including the pricing in the Agreement, remain in place. The PRA is for approximately 65% of ARPA's power supply. The term of the ten-year Agreement is from February 1, 2015 through January 31, 2025.

**Next ARPA Meeting:** The next regularly scheduled meeting of the ARPA Board of Directors is Thursday, August 29, 2019. The meeting will be held in Holly, Colorado at the Holly Senior and Community Center, 129 S. Main Street, beginning at 10:00 AM. ARPA Board of Director meetings are open to the public.