

OPERATING COMMITTEE MEETING
October 20, 2022
9:30 AM

The ARPA Operating Committee met at the City of Las Animas City Council Chambers at 9:30 AM on October 20, 2022. Committee members in attendance included Ron Clodfelter (Las Animas) Houssin Hourieh (Lamar), Dave Bachicha (Trinidad) and Heath Piper (Springfield). Also in attendance was Lynn Wright (Las Animas), and ARPA staff members Rick Rigel, Aarin Ritter and Arvenia Morris. Committee member Bill Jackson was absent.

Call to order: Chairman Clodfelter called the meeting to order at 9:48 AM.

Approval of Agenda:

The agenda was approved as received.

Operating Committee Member Reports. a. Supply Chain Issues. Houssin reported Lamar's difficulties in (1) getting companies to bid on transformers, and (2), once the purchase order had been issued, having the bidder honor the quoted price. Heath ordered a transformer in February, with expedited charges, and it still hasn't been received. Dave reported Trinidad's biggest challenge is getting meters through Sensus, their contracted meter supplier. Discussion ensued regarding potential funding for Electric Vehicle charging stations and the related infrastructure, through federal grants, that will become available through the state of Colorado.

Approval of Minutes: a. August 10, 2022. The minutes of the August 10 meeting were approved as received.

Review of Power Supply RFP: ARPA received an email update from a developer that indicated they would be able to maintain the pricing for the repowering of the ARPA/LUB wind turbines as proposed several months ago. They also indicated that for a small pricing increase, the wind repowering could be paired with a small solar installation to increase the capacity factor of the interconnection. The power supply RFP discussed at the August meeting will be placed on hold until the developer provides an "indicative pricing" proposal. Currently, permitted, and sited solar installations are taking 24 months to complete due to equipment constraints so planning for any solar installation should begin now. Further, detailed plans including site analysis and engineering need to be completed prior to submitting funding or permitting requests.

Mesa Hotline School Funding: The Mesa Hotline School is relocating their training facility due to commercial development at their current location. The Operating Committee recommended that the ARPA Board of Directors approve a \$5,000 donation to the Hot Line School relocation expense on behalf of its members. This funding would be taken from the training budget.

2023 Budget Discussion: a. Training Budget. Rick provided a review of the types of training included in ARPA's training budget and encouraged the members of take advantage of what is available, and further, if additional training is desired, to let staff know. **b. Capital Improvements.** The capital improvements budget for 2023 is \$140,000. This includes funding for wind turbine metering and contingencies. Staff

asked if any of the members knew of any other capital improvements that should be considered for funding, to let them know.

Tri-State Unbundling Substation Cost: Tri-State has informed ARPA that, in accordance with its FERC filing, it is required to “unbundle” certain costs associated with its substations. Specifically, reassess which customers are solely served by certain substation equipment and assign the associated costs to those customers. This may have an impact on ARPA members.

Pipeline Sales Agreement: Rick briefed the Committee on the natural gas pipelines owned by Lamar Utilities Board and ARPA. The pipelines are approximately 34 years old and have not been used since 2011. LUB has been in discussions with a company interested in purchasing the gas pipelines. This would relieve ARPA from ongoing costs including insurance and pipeline inspections. ARPA’s purchasing policy states that for surplus real property, once the General Manager has determined the property is surplus and no longer necessary for operations, it should be offered to the members via a bid process. Staff will issue a Call for Interest to the Members for sale of ARPA’s portion of the natural gas pipeline.

Miscellaneous Operations:

- a. Transformer Oil Filling.** Past discussion indicated there may be a need to have oil added to some of the Member’s substation equipment as a result of oil drawn for previous sampling. Staff made contact with Mountain States Transformer (MST) regarding the oil replacement service for the equipment. MST can do that service, but they prefer the equipment be deenergized during the process. At this time, it appears there is no need for the service.
- b. Update on Federal and State Funding Opportunities.** The Committee discussed the funding systems available for electric operations and the detailed planning necessary to access federal and state grants. The Committee discussed the priorities for funding, including technical assistance for distribution planning and grid modernization, energy efficiency programs and EV charging stations. Staff will be following up with its grant writer to evaluate the best opportunities for funding.
- c. Wind Farm Metering and Communications.** Rick reported the letter agreement for the metering work with Tri-State has been executed. Tri-State has not provided an updated schedule for the work but indicated they would like to begin in January. Their initial schedule anticipated the work to be completed in March. Once the wind turbine metering has been completed and the turbines are online, ARPA can begin selling its environmental attributes through WREGIS (Western Renewable Energy Generation Information System).
- d. Renewable Distributed Generation Policy Reporting.** The approach to determine the reimbursement for Renewable Generation Resources (RGR), is currently based on the energy imbalance market established by Xcel Energy. That rate, referred to as the Avoided Cost in ARPA’s tariff, has fluctuated significantly from month to month in recent months, and at times exceeded ARPA’s cost for purchased power. Discussion ensued as to the best approach for the reimbursement rate. This item will be on the Board of Directors October meeting agenda.

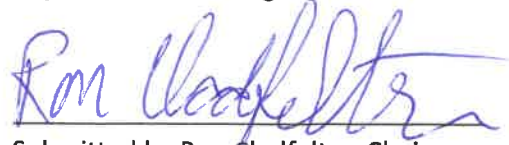
Invoice Review. Staff did a step-by-step review of ARPA’s monthly invoices for its members.

Member’s Usage Report and Review of Invoicing: The members were provided, in graph form, the MWh sales for January – September for the years 2017-2022 for each member municipality.

Elect New Chairman: Ron Clodfelter nominated Houssin Hourieh for Chairman. Houssin Hourieh nominated Bill Jackson for Chairman. Dave Bachicha moved to elect Houssin as the new chairman of the Operating Committee, seconded by Heath Piper. Motion carried with Hourieh voting NO, Clodfelter abstaining. Congratulations Houssin Hourieh.

Next Meeting Date: The 2023 meetings of the Operating Committee will be (quarterly) on the Thursday preceding the Board of Directors meetings. Staff will send a schedule once the Board of Directors meetings have been scheduled. At this time the meetings will be held at the City Hall in Las Animas.

Adjourn: The meeting concluded at 11:55 AM.

A handwritten signature in blue ink, appearing to read "Ron Clodfelter", with a horizontal line drawn underneath the signature.

Submitted by Ron Clodfelter, Chairman