

ARKANSAS RIVER POWER AUTHORITY
Board of Directors Meeting Minutes
October 26, 2023

The Board of Directors of the Arkansas River Power Authority (ARPA) met at the Otero College Student Center, 2001 San Juan, La Junta, CO., on Thursday, October 26, 2023. Following appropriate notice, President Sutherland called the meeting to order at 10:00 AM.

ARPA Board Members present:

HOLLY: Randy Holland
Blaine Ice

LA JUNTA: Gary Cranson
P. Lorenz Sutherland

LAMAR: Houssin Hourieh
Roger Stagner

LAS ANIMAS: Ron Clodfelter
Rick Stwalley

SPRINGFIELD: Heath Piper

TRINIDAD: None

ARPA Staff present:

Rick Rigel, General Manager
Aarin Ritter, Finance/Accounting Manager
Arvenia Morris, Office Manager

ARPA Legal Counsel present:

Ryan Tharp, Fairfield and Woods, PC

Others (guests) present:

Bill Jackson, Utility Director, City of La Junta¹
Dan Hodges, CAMU Executive Director²
John Krajewski, JKEnergy Consulting³

¹ Left the meeting at 11:45AM

² Attended the meeting to present the Legislative Update (10:24AM -11:22AM)

³ Attended a portion of the meeting by zoom to discuss the Cost-Of-Service Study (12:02PM to end of meeting)

ROLL CALL: President Sutherland called the meeting to order at 10:03 AM. Roll call was circulated. Board Members Suhler, Lopez and Shew were absent.

QUORUM: A quorum of the Board was present and voting at the meeting.

APPROVAL OF AGENDA: The agenda was approved as amended. President Sutherland announced that Agenda Item 5, Executive Session: Insurance Claim Regarding T-4 Equipment Breakdown, is not needed and is therefore removed from the agenda. That item will be discussed under Agenda Item 9, Operating Report.

APPROVAL OF THE MINUTES: a. AUGUST 31 REGULAR MEETING. Board Member Hourieh moved to approve the minutes of the August 31 regular meeting. Motion was seconded by Board Member Clodfelter and approved unanimously.

PUBLIC COMMENT: None.

LEGISLATIVE UPDATE – DAN HODGES – CAMU EXECUTIVE DIRECTOR. Dan Hodges, CAMU Executive Director, provided a presentation on the upcoming legislative session and how the Southeast Colorado communities are represented in the Legislature.

FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: a. September 2023 Financial Statement. Finance Manager Ritter provided an update on investment of the six \$200,000 Certificates of Deposit the Board authorized at the August 31 meeting. Ms. Ritter presented the September 2023 financial statement. Board Member Stwalley moved to accept the September financial statement and approve outstanding bills, seconded by Board Member Ice. The motion was approved unanimously. **b. Update on Year End Financial Projections.** General Manager Rigel provided the end-of-year financial projections using the actual amounts for January through September and the budgeted numbers for October through December.

SUBMISSION OF 2024 PROPOSED BUDGET TO BOARD OF DIRECTORS. a. Report by General Manager and Discussion. The Board received a draft of the proposed 2024 Budget (by email) on October 12 as required by the Colorado local government budget law. The General Manager presented a review of the 2024 budget including the most recent updates. **b. Authorize Publication of Availability and Set Budget Hearing Date for December 7, 2023.** Board Member Cranson moved that in accordance with the Colorado Local Government Budget Law, the proposed 2024 budget be published and made available by appropriate distribution to the City Clerk of each member municipality and in the manner required by Colorado law, and establish December 7, 2023 as the date for the public hearing for adoption of the 2024 budget. Said hearing shall be held at the December 7, 2023 meeting of the Board of Directors in La Junta. The motion was seconded by Board Member Hourieh and approved unanimously.

OPERATING REPORT: Aarin Ritter presented the Operating Report for September 2023. **a. Wind Report.** Arvenia Morris presented the Wind Report for September 2023. **b. Update on T4 Gearbox Failure.** The General Manager briefed the Board on the T4 gearbox failure and the claim filed through CIRSA and Chubb Insurance for Equipment Breakdown. Chubb has determined there is coverage for the equipment

breakdown as well as business interruption expense. The coverage is subject to a \$100,000 deductible. The Lamar Utilities Board will proceed with obtaining updated bids, and schedule, for the repair.

GENERAL MANAGER REPORT:

a. Update on Power Supply Portfolio Options. Discussion is continuing between Sandhills Energy and landowners in the Trinidad, La Junta and Lamar areas for solar installations. ARPA has received a draft purchase power agreement for the three solar energy installations which is estimated to be 11.4 MW, collectively. ARPA has also met with Guzman, and a 3rd party, regarding a potential larger solar development in the La Junta area that would include battery storage.

b. Update on Distribution System Planning Services and Grant Funding. City Light and Power Engineering (CLPE) has begun their work to review the existing infrastructure and related information (system mapping, substation and circuit loading, equipment type and age, etc.) in the member utilities. A kick-off meeting was held in September with CLPE's engineering team and members of the Operating Committee. CLPE has also had on-site meetings in all the member communities to review the distribution assets. The next group meeting with CLPE will be at the Operating Committee meeting on November 30.

i. Microgrid Grant Application Period. Staff is working with Springfield and La Junta on microgrid funding for resiliency purposes.

a. Springfield Project. ARPA Staff, Springfield Electric Superintendent Piper and CLPE had a conference call to discuss possible infrastructure improvements/upgrades and microgrid options to include in a planning grant.

b. La Junta Project. La Junta is actively pursuing a grant for battery back-up for its industrial park. The grant application has been submitted to the DOE.

ii. Grid Hardening-Grid Resilience Application Period.

a. Potential Project in Springfield. The Town of Springfield is considering a planning grant for upgrading its distribution voltage.

c. Miscellaneous. Standby Preventative Maintenance. ARPA entered into standby preventative maintenance agreements with Wagner Power Systems for both the 3 generating units in Trinidad and its unit in Holly. The agreements will provide oil/filter changes, fuel and coolant sampling and unit inspections. The agreement for Trinidad is for one year for all 3 units and includes an update to the operational software; the agreement for Holly is for three years.

Capacity Sale with Guzman Energy. ARPA is extending the capacity sale agreement with Guzman Energy through January 2025.

WAPA-Mount Elbert Pump Storage. Discussions continue between the Western Area Power Administration "WAPA" and its Firm Electric Service customers regarding the scheduling and management of the Mount Elbert Pump Storage resource once the SPP market is implemented. There may need to be a modification to the firm electric service customer contracts. More discussion with WAPA is necessary before a decision is made.

NEW BUSINESS:

a. Update on Cost-of-Service Study. The Western Replacement Firming program that WAPA CRSP used for rate years 2022-2023 has been extended through 2028. ARPA's consultant, John Krajewski, JK Energy Consulting, reviewed the tariff that was used for providing replacement power in years 2022-2023. He determined the method is equitable to both ARPA and Lamar Utilities Board and

recommended ARPA maintain its current approach through 2028. **b. Wholesale Rate – Annual Review.** The Board received a proposed Schedule E to the wholesale rate. Schedule E would allow for a modification to the wholesale rate to address the WAPA Western Replacement Firming program through 2028. The wholesale rate will be presented for approval at the December 7 meeting of the Board of Directors.

UNFINISHED BUSINESS: None.

PLANNING AND COMMUNICATION: None.

MEMBER CITIES' REPORTS: Electric Superintendent Hourieh reported the maintenance has been completed on the wind turbines and it went well. Electric Superintendent Piper reported the metering has been installed at the wind turbine in Springfield.

NEXT MEETING DATE: The next regularly scheduled meeting of the Board of Directors is December 7, 2023, in La Junta at the Otero College Student Center.

ADJOURN: The October 26, 2023 meeting of the Board of Directors was adjourned at 12:22 PM. A work session followed the meeting.

Respectfully submitted,



Arvenia L. Morris
Secretary