

ARKANSAS RIVER POWER AUTHORITY
Board of Directors Meeting Minutes
December 7, 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, December 7, 2023. Following appropriate notice, President Sutherland called the meeting to order at 10:00 AM.

ARPA Board Members present:

HOLLY: Blaine Ice

LA JUNTA: Gary Cranson
P. Lorenz Sutherland

LAMAR: Roger Stagner

LAS ANIMAS: Ron Clodfelter

SPRINGFIELD: Heath Piper
Jay Suhler

TRINIDAD: Frank Shew

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 Junta
Lynn Wright, Electric Superintendent, Las Animas Municipal Light & Power
John Krajewski, JK Energy Consulting¹
Ed Vela²

¹ Attended the meeting from 10:00 AM to 12:15 PM

² Attended the meeting from 10:00 AM to 12:15 PM

ROLL CALL: President Sutherland called the meeting to order at 10:00 AM. Roll call was circulated. Board Members Stwalley, Vigil and Holland were absent.

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

APPROVAL OF AGENDA: President Sutherland announced that Agenda Item 10a (Update on Power Supply Portfolio Options) would be moved to follow Agenda Item 7b and will be re-labeled 7.1. The agenda was approved as amended.

APPROVAL OF THE MINUTES: a. OCTOBER 26 REGULAR MEETING. Board Member Suhler moved to approve the minutes of the October 26 regular meeting. Motion was seconded by Board Member Cranson and approved unanimously.

PUBLIC COMMENT: None.

FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: a. 3rd Quarter Financial Statement. Financial Manager Ritter provided the 3rd Quarter Financial Statement. **b. October 2023 Financial Statement.** Ms. Ritter presented the October 2023 financial statement. Board Member Ice moved to accept the October financial statement and approve outstanding bills, seconded by Board Member Suhler. The motion was approved unanimously. **c. Update on Year End Financial Projections.** General Manager Rigel provided the end-of-year financial projections using the actual amounts for January through October and the budgeted numbers for November and December.

BUDGET HEARING 2024 BUDGET: President Sutherland opened the budget hearing at 10:15 AM. General Manager Rigel presented a review of the proposed 2024 budget. There were no written or oral comments from any member of the public on the proposed budget. President Sutherland closed the budget hearing at 10:24 AM. **a. Approval of the ARPA Budget and Appropriation Resolution of 2024.** Board Member Cranson moved to adopt **Resolution No. 03-23** to approve the 2024 Budget and to appropriate an expenditure of \$25,428,886 in 2024, seconded by Board Member Ice. The motion passed unanimously. A copy of **Resolution No. 03-23** is attached to and made a permanent part of these official minutes.

ARPA Wholesale Rate: a. Consider Adoption of ARPA Wholesale Rate IX. A new proposed wholesale rate was presented to the Board. There is no change to the current energy or demand rate as adopted in the previous Wholesale Rate. The new rate addresses a short-term reduction in WAPA's firm electric service customers' power supply contracts. Board Member Cranson moved to adopt the following resolution:

Resolution No. 04-23. Wholesale Rate - Volume IX

A Resolution of the Board of Directors of the Arkansas River Power Authority Adopting a New Wholesale Rate

RESOLVED, that the Board of Directors hereby adopts the Authority's new Wholesale Rate as attached hereto, and presented to the Board; and

BE IT FURTHER RESOLVED, that the new Wholesale Rate shall become effective as of January 7, 2024; and upon the effective date the existing wholesale rate (Volume VIII) shall be cancelled in its entirety. The motion to adopt Resolution No. 04-23 was

seconded by Board Member Suhler and passed unanimously. Resolution No. 04-23 is attached to and incorporated in these minutes. The ARPA staff will formally notify the member systems of the new wholesale rate pursuant to the requirements in Section 12.3 of the 1983 Power Sales Agreement. **b. Discussion on Cost-of-Service Study and Future Rate Strategy.** ARPA engaged JK Energy Consulting to perform a cost-of-service study focusing on ARPA's wholesale rate beginning with the Guzman Energy contract date of February 1, 2025. John Krajewski presented a review of rate options for discussion and to determine next steps in the rate process including a schedule for rate implementation. **1. Update on Power Supply Portfolio Options.** The General Manager reported that Sandhills Energy, aka Clay Creek, LLC, was preliminarily awarded RUS funding through its PACE "forgivable loan" program for all three of the proposed solar installations (Lamar, La Junta, Trinidad). ARPA has received Initial pricing from Sandhills Energy for the energy and a draft of the Purchase Power Agreement (PPA). Staff is in the process of finalizing its comments on the proposed PPA. The General Manager reviewed certain provisions included in the initial draft of the Agreement. Once contract negotiations are in final form, the PPA would need to be approved at a special meeting of the Board in mid to late January in order to adhere to the RUS funding schedule.

OPERATING COMMITTEE REPORT: At the Operating Committee on November 30, TextPower provided a presentation on texting as a form of communication between the utility and the retail customer. The Operating Committee directed Staff to get proposals for both a group system, under ARPA, and individual systems to compare possible cost savings. NMPP Energy is closing down its subsidiary that provided services such as Energy Distribution Service and Cost-of-Service studies. NMPP will be refunding membership fees for 2023. The Committee discussed potential uses for the refund. The Committee is interested in exploring a contract with JK Energy Consulting to perform Cost-of-Service studies. Additional options were discussed for use of training funds that are budgeted annually by ARPA.

OPERATING REPORT: Aarin Ritter presented the Operating Report for October 2023. **a. Wind Report.** Arvenia Morris presented the Wind Report for October 2023. **b. Update on T4 Gearbox Repair.** The General Manager updated the Board on the T4 gearbox failure and status of reviewing the quotes for repair. **c. Ratify GM Action to Issue Purchase Order to Renew Energy.** In order to keep the turbine repair process moving forward, the General Manager issued a purchase order on December 1, with Renew Energy, for the work. Board Member Suhler moved to ratify the action of the General Manager to issue the purchase order to Renew Energy to perform the work for the gear box replacement, seconded by Board Member Clodfelter. The motion was approved unanimously. A second purchase order was issued to Integrated Power Services to perform some additional work on T-4 to replace bearings and refurbish the collector ring. Staff is in the process of calculating the cost associated with the loss of production from T-4 under the business interruption insurance coverage through Chubb.

GENERAL MANAGER REPORT: a. Update on Distribution System Planning Services and Grant Funding. City Light and Power Engineering (CLPE) is progressing with mapping for the member's distribution systems and review of the information collected from the utilities. They are also scheduling additional on-site visits as needed.

i. Microgrid Grant Application Period. a. Springfield Project. Springfield/ARPA submitted a planning grant application to DOLA on November 16. CLPE provided a proposal for the planning grant engineering. DOLA anticipates announcing the funding awards in mid to late February.

c. Miscellaneous. The General Manager had an introductory zoom call with the Executive Director of CETA (Colorado Electric Transmission Authority) primarily to inform them that ARPA is interested in being active in CETA's endeavor to facilitate the expansion of electric transmission facilities in Colorado. The General Manager had an introductory call with the Colorado Energy Office's newly appointed "Advanced Clean Energy Advisor" to inform them that ARPA would like to be included in the development and work for the Energy Office's endeavor to unlock investment in energy solutions in Southeastern Colorado.

NEW BUSINESS: a. Designating Public Places For Posting of Meeting and Other Notices in 2024. Designating Public Places For Posting of Meeting and Other Notices in 2024, was presented to the Board. Board Member Cranson moved to adopt **Resolution No. 05-23** as presented, seconded by Board Member Stagner. The motion was approved unanimously.

b. Designating Dates and Locations for Meetings – Action Item. Designating Dates and Locations For Regular Meetings of the Board of Directors in Calendar Year 2024, was presented to the Board. Board Member Cranson moved to adopt **Resolution No. 06-23** as presented, seconded by Board Member Suhler. The motion was approved unanimously. A copy of **Resolutions No. 05-23 and 06-23** are attached to and made a permanent part of these official minutes.

UNFINISHED BUSINESS: None.

PLANNING AND COMMUNICATION: The General Manager shared some information that was reported by Chris Arguello (La Junta) at the Operating Committee meeting regarding solar rooftop units.

MEMBER CITIES' REPORTS: Congratulations to Board Member Ron Clodfelter who was recently elected as the Mayor for the City of Las Animas.

EXECUTIVE SESSION: CRS § 24-6-402 4(f). a. General Manager Performance Review. General Council Tharp announced the purpose of the executive session is for discussion of a personnel matter. The specific subsections of Section 24-6-402(4) of the Colorado Revised Statutes authorizing these matters to be conducted in executive session are as follows: Under subsection (f) to discuss a personnel matter. The discussion is not considered to be a privileged attorney-client communication; therefore, the electronic recording device will remain on for the discussion. Board Member Cranson moved to go into executive session to discuss the matters as stated, seconded by Board Member Suhler; the motion was approved unanimously. The executive session commenced at 1:36 PM and concluded at 1:49 PM.

NEXT MEETING DATE: The next regularly scheduled meeting of the Board of Directors is February 29, 2024, in La Junta at the Otero College Student Center.

ADJOURN: The meeting of the Board of Directors was adjourned at 1:52 PM.

Respectfully submitted,



Arvenia L. Morris
Secretary

ARPA BUDGET AND APPROPRIATION RESOLUTION OF 2024
RESOLUTION No. 03 -23

WHEREAS, the Arkansas River Power Authority (ARPA) was created and organized as a political subdivision of the State of Colorado; and

WHEREAS, it is necessary that the Board of Directors adopt a budget for the year 2024; and

WHEREAS, following advance published notice in accordance with Colorado law, a hearing was held on the proposed 2024 budget at a regular meeting of the Board of Directors on December 7, 2023, at which meeting a quorum of the Board was present; and

WHEREAS, the Board is now appropriately advised and desires to take action on the proposed budget dated December 7, 2023

BE IT RESOLVED By the Board of Directors of the Arkansas River Power Authority (ARPA) that:

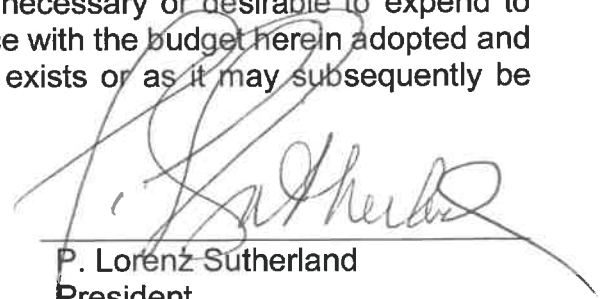
(1) Title

This Resolution shall govern the expenditure of funds by general purpose and amount for the calendar year 2024 commencing January 1 and ending December 31 and may be cited as "ARPA Budget and Appropriation Resolution of 2024".

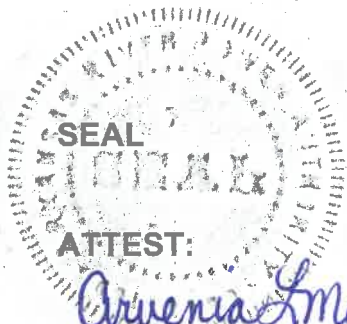
(2)

The 2024 Budget presented to the Board on December 7, 2023, is hereby approved and there is budgeted and appropriated from revenues, assessments and other funds available to ARPA, the sum of Twenty-five million, Four hundred twenty-eight thousand, eight hundred eighty-six (\$25,428,886) dollars or so much thereof as the General Manager shall find necessary or desirable to expend to conduct the activities of ARPA, in accordance with the budget herein adopted and the ARPA Fiscal Resolution as it currently exists or as it may subsequently be amended.

Dated this 7th day of December, 2023.



P. Lorenz Sutherland
President
Board of Directors
Arkansas River Power Authority



Arvenia L. Morris
Secretary

RESOLUTION No. 05-23

**Designating Public Places For Posting of Meeting
And Other Notices**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARKANSAS RIVER POWER
AUTHORITY:**

Effective January 1, 2024 the following public places are hereby designated for the posting of meeting and other notices.

Arkansas River Power Authority
3409 South Main Street
Lamar, CO 81052

Arkansas River Power Authority
www.arpapower.org/public-notices
www.arkansasriverpowerauthority.org/public-notices

Post Office
101 East Santa Fe Street
Holly, CO 81047

Las Animas City Hall
532 Carson
Las Animas, CO 81054

Office of the City Clerk
601 Colorado Avenue
La Junta, CO 81050

Springfield City Hall
748 Main Street
Springfield, CO 81073

Lamar Light and Power
100 North Second Street
Lamar, CO 81052

Trinidad City Hall
135 North Animas
Trinidad, CO 81082

ADOPTED this 7th day of December, 2023.

ARKANSAS RIVER POWER AUTHORITY



P. Lorenz Sutherland, President

ATTEST:



Arvenia L. Morris, Secretary

RESOLUTION No. 06-23

Designating Dates and Locations For Regular Meetings of
the Board of Directors of the Arkansas River Power Authority
During Calendar Year 2024

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARKANSAS RIVER
POWER AUTHORITY:**

Subject to further notice, the regular meetings of the Board of Directors of the Arkansas River Power Authority will be held on the following dates in the designated member municipality.

February 29, 2024
10:00 AM
La Junta, CO
ANNUAL MEETING

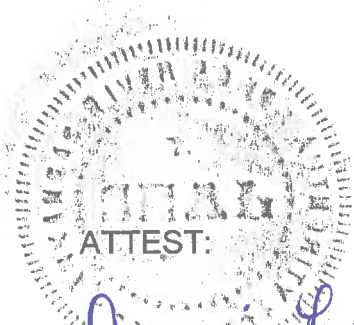
August 29, 2024
10:00 AM
La Junta, CO

May 30, 2024
10:00 AM
La Junta, CO

October 31, 2024
10:00 AM
La Junta, CO

December 5, 2024
10:00 AM
La Junta, CO

ADOPTED this 7th day of December, 2023.



Arvenia L. Morris
Arvenia L. Morris, Secretary

ARKANSAS RIVER POWER AUTHORITY
P. Lorenz Sutherland
P. Lorenz Sutherland, President