

**ARKANSAS RIVER POWER AUTHORITY**  
**Board of Directors Meeting Minutes**  
August 29, 2024

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, August 29, 2024. Following appropriate notice, President Sutherland called the meeting to order at 10:00 AM.

ARPA Board Members present:

HOLLY: Blaine Ice  
Randy Holland

LA JUNTA: Gary Cranson  
P. Lorenz Sutherland

LAMAR: Houssin Hourieh  
(vacancy exists)

LAS ANIMAS: Ron Clodfelter

SPRINGFIELD: Heath Piper

TRINIDAD: Linda Vigil

ARPA Staff present:

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

ARPA Legal Counsel present:

Brandon Dittman, Wilson Williams Fellman Dittman

Others (guests) present:

Bill Jackson, Utility Director, City of La Junta  
John Krajewski, JK Energy Consulting<sup>1</sup>  
Brian Boerner, Sandhills Energy<sup>2</sup>  
Cam Nielsen, Sandhills Energy<sup>3</sup>

---

<sup>1</sup> Attended the meeting by ZOOM from 10:00 – 10:38 AM

<sup>2</sup> Attended the meeting by ZOOM from 10:00 – 10:52 AM

<sup>3</sup> Attended the meeting by ZOOM from 10:00 – 10:52 AM

**ROLL CALL:** President Sutherland called the meeting to order at 10:00 AM. Roll call was circulated. Houssin Hourieh reported Board Member Stagner has resigned his position on the ARPA Board of Directors, as well as the Lamar Utilities Board. The city of Lamar is in the process of advertising the position. Board Members Stwalley, Shew and Suhler were absent.

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

**APPROVAL OF AGENDA:** The agenda was revised to move items 11 a. and b. under New Business to follow 10 a. under the General Manager Report. The agenda was approved as revised.

**APPROVAL OF THE MINUTES: a. MAY 30, 2024 REGULAR MEETING.** The minutes of the May 30, 2024 regular meeting was approved as presented.

**PUBLIC COMMENT:** None.

**ARPA RATE STRUCTURE AND FUTURE RATES: a. Update from JK Energy Consulting.** John Krajewski, JK Energy Consulting, attended by ZOOM and reviewed for the Board the qualification criteria for an incremental load development rate that ARPA would extend to the member municipalities. He also provided a first draft of the proposed tariff language for that incremental rate. The Board will review this further at the October meeting.

**UPDATE ON PURCHASE POWER AGREEMENT WITH CLAY CREEK, LLC: a. Update from Sandhills Energy (aka Clay Creek).** Cam Nielsen and Brian Boerner, Sandhills Energy, attended the meeting by ZOOM to update the Board on the solar projects being developed in Lamar, La Junta, Trinidad and a 4<sup>th</sup> location near Las Animas currently being evaluated.

**FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: a. 2024 2<sup>nd</sup> Quarter Financial Review.** Finance Manager Ritter provided the 2<sup>nd</sup> Quarter Financial Review. **b. July 2024 Financial Statement.** Financial Manager Ritter presented the July 2024 financial statement. Board Member Hourieh moved to accept the July financial statement and approve outstanding bills, seconded by Board Member Ice. The motion was approved unanimously. **c. Update on Year End Financial Projections.** Finance Manager Rigel provided the end-of-year financial projections using the actual amounts for January through July and the budgeted numbers for August through December. **d. 2025 Preliminary Budget Review and Schedule.** The General Manager reviewed the 2025 preliminary budget. The Board will receive the proposed budget no later than October 15. An in-depth review of the budget will be presented at the October 31 meeting. The Budget Hearing, and adoption, will be held at the December 5 meeting of the Board of Directors. President Sutherland commented there is evidence that the Federal Reserve will be lowering interest rates on new CD's. ARPA budgeted a conservative number for Interest income in 2025. ARPA has a few CD's that will be coming due in the near term; staff is evaluating renewal interest rates for them.

**OPERATING REPORT:** Aarin Ritter presented the Operating Report for July 2024.

**a. Wind Report.** Arvenia Morris presented the Wind Report for July 2024. Houssin

Hourieh provided a report on the status of the LUB's T-2 wind turbine. The gearbox has failed, and the economics do not support the cost of the repair of the unit. LUB has decided to "mothball" the unit and use it for spare parts and training.

**OPERATING COMMITTEE REPORT:** The Operating Committee met on August 22, 2024 in Las Animas. General Manager Rigel provided a summary of the items discussed. **a. Update on Distribution System Planning Services.** The General Manager updated the Board on the status of the distribution system planning services project with CLP Engineering. **b. Members Cost of Service Studies.** JK Energy Consulting provided a proposal to prepare retail cost of service studies for the six ARPA member communities. The Operating Committee discussed the cost of service study proposal at length at their meeting on August 22 and recommended that ARPA enter into a letter agreement with JK Energy Consulting to provide cost of service studies for the member's retail rates. The contract would be between ARPA and JK Energy Consulting; however, ARPA will bill each member for their portion of the invoice. Board Member Hourieh moved to direct the General Manager to execute the contract as discussed, seconded by Board Member Holland, passed unanimously.

**GENERAL MANAGER REPORT:** **a. Update on DOLA/Colorado Energy Office Grid Resilience Program Grants.** The General Manager provided an update. The Department of Local Affairs and the Colorado Energy Office announced the Colorado Grid Resilience Grant program application period begins August 27. There are four types of grants: Grid Hardening, Advanced Grid Monitoring, Microgrids for Community Resilience Planning and Microgrids for Community Resilience Construction. Due dates range from November 1 – December 4 depending on the grant. Southern Colorado Economic Development District (SCEDD) will assist the participating members with grant writing at no charge. **b. DOE-GRIP Funding Review.** The Department of Energy is administering \$10.5 billion in funding to enhance grid flexibility and improve power system resilience to extreme weather events. The DOE has put aside funds specifically for projects for smaller utilities that sell less than 4 million MWh per year. The minimum funding level is \$10 million with a 1/3 match. **c. Consider Engaging a Grant Writing Consultant for DOE-GRIP Funding.** Staff have interviewed 3 national firms that develop the DOE grant applications. ARPA staff would recommend executing an agreement with the Ferguson Group (TFG) for developing a DOE-GRIP grant application. Board Member Clodfelter moved to direct the General Manager to negotiate a contract with The Ferguson Group for grant writing services for the Department of Energy-GRIP program, seconded by Board Member Hourieh, passed unanimously. **d. Consider Agreement for Engineering Services with CLP Engineering.** Board Member Clodfelter moved to direct the General Manager to develop and execute an amendment to the CLP Engineering Agreement, as discussed. The motion was seconded by Board Member Hourieh, and it passed unanimously. **e. Springfield Microgrid Grant Award.** Springfield has provided CLP Engineering notice to proceed with the microgrid planning grant. **f. Guzman Community Funds.** Guzman Energy is providing \$10,000 annually earmarked as

community funds; however, ARPA can use the funds at its discretion. The Operating Committee recommended the funds be used for safety training equipment. Staff will obtain a cost estimate for the safety training equipment and bring it back for discussion at the next meeting. **g. Report on Fitch Ratings.** ARPA had its annual credit rating review with Fitch. Fitch reaffirmed ARPA's investment grade credit rating of BBB- with a *revised* rating outlook from stable *to positive*. **h. Natural Gas Pipeline Abandonment – Update.** Negotiations are continuing with CAMPOS for the contract to design a scope of work for the natural gas pipeline abandonment. **i. Miscellaneous. Tri-State Activities.** ARPA filed an intervention on a FERC filing regarding Tri-State Member's rates. The Network Integration Transmission Service Agreement (NITSA) with Tri-State is up for renewal in February. The PSCo/Tri-State 230 kV transmission line that serves most of SE Colorado tripped off line in the afternoon of July 15. Load was shifted to the 115 kV line which was unable to handle the full load. Following discussion on how Tri-State handled the outage, Board Member Hourieh reported they had a conversation with the manager of the dispatch operation and they have established a protocol for any future outages/events. In July, Xcel Energy made ARPA, and the City of Trinidad aware they may be called upon to run the Trinidad generation to provide additional capacity because of the extreme temperatures. Lamar Utilities Board has a new Colorado River Storage Project (CRSP) contract that begins on October 1, 2024. ARPA has an agreement with LUB to provide the scheduling services for that contract. ARPA drafted an amendment to that original contract, that LUB has approved, naming ARPA as the scheduling agent for LUB's new CRSP contract.

**NEW BUSINESS:** None.

**UNFINISHED BUSINESS:** None.

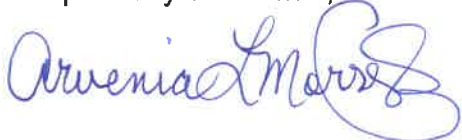
**PLANNING AND COMMUNICATION:** None.

**MEMBER CITIES' REPORTS:** Board Member Blaine Ice (Holly) reported that when they operated the generators on July 15, the generators, both Holly's and ARPA's together, were unable to carry the entire town because of the hot temperatures.

**NEXT MEETING DATE:** The next regularly scheduled meeting of the Board of Directors is October 31, 2024, in La Junta at the Otero College Student Center.

**ADJOURN:** The meeting of the Board of Directors was adjourned at 2:15 PM.

Respectfully submitted,



Arvenia L. Morris  
Secretary