

ARKANSAS RIVER POWER AUTHORITY
Board of Directors Meeting Minutes
April 30, 2020

The Board of Directors of the Arkansas River Power Authority (ARPA) met by conference call on Thursday, April 30, 2020. Following appropriate notice, President Rick Stwalley called the meeting to order at 9:00 AM.

ARPA Board Members present:

HOLLY: Calvin Melcher¹

LA JUNTA: Gary Cranson
P. Lorenz Sutherland

LAMAR: Houssin Hourieh (also a member of the Operating Committee)
Roger Stagner

LAS ANIMAS: Ron Clodfelter (also a member of the Operating Committee)
Rick Stwalley

SPRINGFIELD: Darwin Hansen
Jay Suhler

TRINIDAD: Carlos Lopez
Mike Valentine (also a member of the Operating Committee)

ARPA Staff present:

Rick Rigel, General Manager

Arvenia Morris, Office Manager

Aarin Ritter, Manager of Finance and Accounting

ARPA Legal Counsel present:

Peter Edwards, Director-Fairfield and Woods, PC

Others (guests) present:

Rick Klein, City Manager, City of La Junta

Dustin Ramsey, Meter Technician, Las Animas Municipal Light & Power

Bill Jackson, Assistant City Manager, City of La Junta, Operating Committee member

Ed Vela, City Council, City of La Junta

Clifford Boxley, Lamar Utilities Board

Russ Baldwin, Reporter, Prowers Journal²

¹ Attended the meeting from 9:00AM – 10:21AM

² Joined the meeting at 9:57AM

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

ROLL CALL: President Stwalley called the meeting to order at 9:00 AM. Secretary Morris took roll call. Guests were those listed on page 1. Board Member Tanner was absent.

APPROVAL OF AGENDA: The agenda was approved as presented.

APPROVAL OF THE MINUTES OF THE MARCH 26, 2020 REGULAR MEETING: The minutes of the March 26, 2020 regular meeting were unanimously approved as presented by motion from Board Member Lopez and second by Board Member Melcher.

PUBLIC COMMENT: None.

ELECTION OF OFFICERS: a. Resolution No. 01-20.

Board Member Houssin Hourieh moved to adopt Resolution 01-20 to retain the current slate of officers. There was no further discussion and no nominations from the floor.

RESOLVED, that the following are hereby elected officers of the Arkansas River Power Authority for the period April 2020 to April 2021: Rick Stwalley, President; Lorenz Sutherland, Vice President; Gary Cranson, Treasurer; Arvenia Morris, Secretary.

The motion to adopt Resolution No. 01-20 was seconded by Board Member Clodfelter and it carried unanimously.

EXECUTIVE SESSION CRS § 24-6-402 (4)(a)(b) and (e): a. LRP Sales Agency and Project Pricing Negotiations. b. FERC Settlement Negotiations. The Authority's General Counsel stated that the matters to be discussed in Executive Session would include LRP Sales Agency and Project Pricing Negotiations and FERC Settlement Negotiations. The specific subsections of CRS § 24-6-402(4) authorizing these matters to be conducted in Executive Session are as follows:

- subsection (a), the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interest; and
- subsection (b), conferences with the General Counsel of the Authority for the purposes of receiving legal advice on specific legal questions; and
- subsection (e), determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.

Board Member Stagner moved, seconded by Board Member Melcher, and approved unanimously at 9:09 AM to go into Executive Session to discuss the topics as stated. The General Counsel of the Authority stated that the discussion in Executive Session would constitute or include privileged attorney-client communications. He recommended that no record be kept of those portions of the discussions constituting privileged attorney-client communications. Accordingly, based on the foregoing advice of counsel, the electronic recording device was turned off at 9:11 AM. The Executive Session was concluded at 9:55 AM.

OPERATING COMMITTEE MEETING REPORT: a. Update on COVID-19

Operations Impact. The Committee met by conference call on April 22. The General Manager provided a written report and provided a summary of discussion at the meeting.

FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: Aarin Ritter, Manager of Finance and Accounting, presented the March 2020 financial statements. Board Member Sutherland moved, seconded by Board Member Lopez, and approved unanimously to accept the March 2020 financial statement and pay outstanding bills. **a.**

Report on Financial Projections and the COVID-19 Impact. Sales in March were down approximately 4.5 percent compared to March 2019. In an effort to project how ARPA's 2020 year-end financial situation may look if the COVID-19 impact resulted in reduced sales, staff modeled a reduction in sales for the months of April through August and budgeted sales for the last quarter of the year. The modeling was presented to the Board for discussion.

OPERATING REPORT: The Board received the Operating Report for March 2020. **a. Wind Generation Report.** The Board received the wind generation report for March 2020.

GENERAL MANAGER REPORT: A written and verbal report was provided to the Board. **a. Update on the Sale/dismantling of the LRP.** The General Manager reviewed the three phases of dismantling, removal, and demolition of the LRP. Phase 1 includes the northside coal handling equipment, Phase 2 includes the boiler and steam turbine generator, and Phase 3 is the storage domes on the northside. The dismantling and demolition of the domes is contingent upon request by the City of Lamar. An Agreement for engineering services has been reached with Burns and McDonnell to act as Owner's Engineer during the sales/dismantling process. The General Manager provided an overview of those services. **i. LRP Sales Agency Agreement. ii. LRP Purchase Agreement.** Per discussion in executive session regarding Sales Agency and Purchase Agreements for the LRP, Board Member Sutherland moved, seconded by Board Member Valentine, and approved unanimously, to authorize the General Manager to negotiate agreements in accordance with Board guidelines as discussed. **b. Follow-up on Fort Morgan Pyrolysis Project.** As a follow-up to the presentation heard at the March 26 Board of Directors meeting regarding the Pyrolysis project in Fort Morgan, the General Manager shared additional information provided by CR Energy regarding the Solar Turbine generator that was selected for the Project. **c. Miscellaneous.** Members of the Colorado Association of Municipal Utilities (CAMU) will participate in a call with the Colorado Energy Office (CEO) to review the Greenhouse Gas Emission "Roadmap". The CEO is seeking input from the municipals as they draft the rules with Colorado Department of Public Health and Environment and Air Quality Control Commission on greenhouse gas reduction goals.

NEW BUSINESS: None.

PLANNING AND COMMUNICATION: **a. ARPA Scholarship Program.** There was a total of 15 high school seniors that submitted an application for the ARPA college

scholarship for the 2020-21 school year. Names of the recipients will be announced at the May meeting. **b. APPA National Conference.** The APPA National Conference has been cancelled; however, APPA will hold a Public Power Connect Virtual Summit & Business Meeting over the same dates, June 6-10.

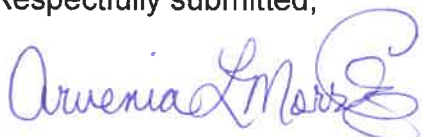
MEMBER CITIES' REPORTS: *Trinidad:* Board Member Lopez announced the Trinidad City Council will extend funding from Trinidad's first quarter 2020 cannabis tax revenue to locally owned businesses in the forms of utility credits and rental/mortgage assistance. Board Member Lopez also announced that Board Member Valentine has been named City Manager for the City of Trinidad.

UNFINISHED BUSINESS: **a. Consider Approval of Personnel Policy Manual.** The Board received a proposed final draft of the Personnel Policy Manual. Board Member Sutherland moved to adopt the Personnel Policy Manual, seconded by Board Member Cranson. Following discussion for clarification of when the Manual would be dated and also the date that would be used on the Acknowledgement page, the motion passed unanimously.

NEXT MEETING DATE AND LOCATION: The next regular meeting of the Board of Directors will be May 28, 2020. The meeting is currently scheduled to be held in Las Animas, however, the location will be revisited in mid-May because of COVID-19 and the "safer-at-home" order.

ADJOURN: The April 30, 2020 meeting of the Board of Directors was adjourned at 10:54 AM.

Respectfully submitted,



Arvenia L. Morris
Secretary