

ARKANSAS RIVER POWER AUTHORITY
Board of Directors Meeting Minutes
May 28, 2020

The Board of Directors of the Arkansas River Power Authority (ARPA) met by Webcast and conference call on Thursday, May 28, 2020. Following appropriate notice, President Rick Stwalley called the meeting to order at 9:00 AM.

ARPA Board Members present:

HOLLY: Calvin Melcher

LA JUNTA: Gary Cranson
P. Lorenz Sutherland

LAMAR: Houssin Hourieh (also a member of the Operating Committee)
Roger Stagner¹

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 Junta²

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

Russ Baldwin, Reporter, Prowers Journal³

¹ Joined the meeting from 9:18 AM – 10:25 AM

² Joined the meeting from 9:05 AM – 11:42 AM

³ Joined the meeting at 10:42 AM

NOTICE TO ARPA BOARD OF DIRECTORS REGARDING CHANGE OF TIME AND LOCATION FOR MAY MEETING: On May 18 a notice was issued by President Richard Stwalley, to the ARPA Board of Directors, advising that the regular meeting scheduled on Thursday, May 28 would be held by WebCast and Conference Call and would begin at 9:00 AM.

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 APRIL 30, 2020 REGULAR MEETING: The minutes of the April 30, 2020 regular meeting were presented for approval. One correction was noted by the Secretary. Board Member Melcher moved, seconded by Member Sutherland and passed unanimously to approve the minutes as corrected.

PUBLIC COMMENT: None.

EXECUTIVE SESSION CRS § 24-6-402 (4)(a)(b) and (e): a. LRP Sales Agency and Project Pricing Negotiations. b. FERC Settlement Negotiations. c. Polsinelli Energy Group Representation. The Authority's General Counsel stated that the matters to be discussed in Executive Session would include LRP Sales Agency and Project Pricing Negotiations, FERC Settlement Negotiations and Polsinelli Energy Group Representation. 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 purpose 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 Sutherland moved, seconded by Board Member Hourieh, and approved unanimously at 9:07 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 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 9:10 AM. The Executive Session was concluded at 10:40 AM.

OPERATING COMMITTEE MEETING REPORT: a. Update on COVID-19 Operations Impact. The Committee met by conference call on May 20. Ron Clodfelter, Chairman of the Committee, provided a summary of discussion at the meeting.

FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: Aarin Ritter, Manager of Finance and Accounting, presented the April 2020 financial statements.

Board Member Sutherland moved, seconded by Board Member Melcher, and approved unanimously to accept the April 2020 financial statement and pay outstanding bills. **a. Update on Financial Projections.** Sales in April were 2 percent better compared to April 2019 and 2.5 percent better than budget year to date. Plans to retire the 2010 bonds remains on schedule. **b. 1st Quarter Financial Review.** Aarin Ritter provided the 2020 1st Quarter Financial Review.

PRESENTATION OF THE 2019 AUDITED FINANCIAL STATEMENTS. a. Resolution No. 02-20. Ronny Farmer, rfarmer, llc presented the 2019 audit. Following presentation and discussion of the 2019 Audit, Board Member Hourieh moved adoption of the following resolution:

RESOLUTION NO. 02-20. ACCEPTANCE OF THE 2019 AUDIT

RESOLVED, THAT THE 2019 AUDIT PREPARED BY THE AUTHORITY'S INDEPENDENT AUDITOR IS HEREBY ACCEPTED AS PRESENTED TO THE BOARD OF DIRECTORS ON MAY 28, 2020. Board Member Lopez seconded the motion to adopt Resolution No. 02-20, passed unanimously.

OPERATING REPORT: The Board received the Operating Report for April 2020. **a. Wind Generation Report.** The Board received the wind generation report for April 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 reported Burns and McDonnell is developing the demolition plan for the Lamar Repowering Project. It is expected Burns and McDonnell will do a site visit in June. Board Member Hourieh moved to authorize the General Manager to negotiate with the potential purchaser for the LRP and to seek guaranteed pricing per discussion in executive session, seconded by Board Member Melcher, passed unanimously. **b. Miscellaneous. Colorado Legislature.** The General Manager reviewed bills that the Colorado Association of Municipal Utilities (CAMU) is currently monitoring. There are two bills in draft form directly tied to the COVID-19 pandemic. The bills are related to "Employer Provided Paid Sick Leave" and "Worker's Compensation For COVID-19". Another bill of particular interest is *SB20-204, Additional Resources to Protect Air Quality*. This bill is related to air permit fees charged by the Air Pollution Control Division. Air permits are required for any entity owning generating units. *69 kV Wheeling Agreement with Black Hills.* The 69 kV wheeling agreement with Black Hills for service to Las Animas is being updated and will include a rate increase. *CPUC Activity.* United Power and La Plata Electric are seeking to exit the Tri-State Cooperative and are requesting that Colorado Public Utilities Commission set the exit fee for withdrawing. The CPUC set hearings to determine fees, on May 18-22, with statements of positions due May 29.

NEW BUSINESS: Board Member Lopez is running for state senator for Senate District 35. He stated that if he were to get elected, and the Board, or any member of the Board, felt it would create a conflict of interest, he would resign from the ARPA Board of

Directors.

PLANNING AND COMMUNICATION: a. ARPA Scholarship Program-Consider Additional Funding. There was a total of 21 high school seniors that submitted an application for the ARPA college scholarship for the 2020-21 school year. La Junta City Council Member Vela requested that ARPA consider funding all scholarship applicants for 2020. Following discussion, Board Member Cranson moved to give the 13 remaining applicants a scholarship award of \$750, seconded by Board Member Lopez. Following discussion and vote, the motion failed. Board Member Cranson moved, seconded by Board Member Hourieh, to give the 13 remaining applicants a scholarship award of \$500. Motion passed with Board Members Suhler and Clodfelter opposed.

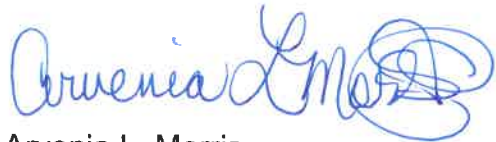
MEMBER CITIES' REPORTS: None.

UNFINISHED BUSINESS: None.

NEXT MEETING DATE AND LOCATION: The next regular meeting of the Board of Directors will be July 30, 2020. The meeting is currently scheduled to be held by WebCast and conference call. Staff will send a Doodle Poll early in July to get the Board's input about holding a face-to-face in Las Animas or a WebCast and conference call as scheduled.

ADJOURN: The May 28, 2020 meeting of the Board of Directors was adjourned at 11:58 AM by motion from Board Member Melcher, second by Board Member Lopez.

Respectfully submitted,



Arvenia L. Morris
Secretary