

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

The Board of Directors of the Arkansas River Power Authority (ARPA) met by Webcast and conference call on Thursday, July 30, 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 Junta

Dustin Ramsey, Meter Technician, Las Animas Municipal Light & Power²

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

Jeffri Pruyn, Mayor, City of La Junta

Clifford Boxley, Lamar Utilities Board

¹ Joined the meeting at 9:17 AM

² Joined the meeting at 9:49 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: Board Member Sutherland moved, seconded by Board Member Melcher, and approved unanimously, to amend the agenda to add under New Business. b. Designating Dates and Locations for Meetings – Action Item.

APPROVAL OF THE MINUTES OF THE MAY 28 REGULAR MEETING AND JULY 15 SPECIAL MEETING: The minutes of the May 28, 2020 regular meeting was unanimously approved by motion from Board Member Hourieh, second by Board Member Melcher. The July 15 special meeting minutes were unanimously approved by motion from Board Member Melcher, seconded by Board Member Sutherland.

PUBLIC COMMENT: None.

EXECUTIVE SESSION CRS § 24-6-402 (4)(a)(b) and (e): a. LRP Sales and Demolition Negotiations. b. FERC Settlement Update. The Authority's General Counsel stated that the matters to be discussed in Executive Session would include LRP Sales and Demolition Negotiations, FERC Settlement Update. 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.

The Board of Directors at 9:11 AM voted unanimously 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 9:13 AM. The Executive Session was concluded at 9:24 AM.

OPERATING COMMITTEE MEETING - REPORT: Committee met by conference call on July 15. Rick Rigel provided a written report and summary of discussion at the meeting.

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

Member Melcher, and approved unanimously to accept the June 2020 financial statement and pay outstanding bills. **c. Update on Year-end Financial Projections.** General Manager Rigel presented an update on the year-end financial projections. The year-end projections are based on the actual financials through June and budgeted revenues and expenses for July through December. **d. Review 2021 Budget and Schedule.** The General Manager presented a review of the preliminary budget for 2021. **e. Consider Approval of Auditor's Engagement Letter for 2020-2022.** The Board received a copy of the engagement letter from ARPA's auditor for three years beginning in 2020. It was staff's recommendation to approve the engagement letter with Ronny Farmer of rfarmer, llc for the years 2020-2022. Board Member Lorenz Sutherland moved, seconded by Board Member Melcher, to approve the Auditor's engagement letter for 2020-2022, passed unanimously.

OPERATING REPORT: a. May 2020. b. June 2020. c Wind Report. The Board received the Operating Report for May and June 2020. **c. Wind Generation Report.** The Board received the wind generation report for May and June 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 updated the Board on the progress of the sale and dismantling of the LRP including the task list and proposed schedule. President Stwalley recommended a committee be appointed to review the bid package specifications that will be issued to bidders who have been pre-qualified by Burns and McDonnell, and also to review the bid responses. Those appointed to the Committee include Board Members Hourieh and Clodfelter and Operating Committee Member Bill Jackson. ARPA did not extend the contract with Savage Services for O&M and security services for the LRP which terminates on July 31, 2020. **i. Consider Approval of Burns and McDonnell Contract.** At the time of the meeting a contract proposal had not been received from Burns and McDonnell. **b. Polsinelli Energy Group Representation.** ARPA engaged the Public Policy Group to evaluate opportunities for debt relief. Phase I was to evaluate support for COVID-19 stimulus funding for debt relief. **i. Phase II Polsinelli Advocacy Effort – Action Item.** The congressional delegation declined to include this effort in stimulus priorities. It was recommended by the Polsinelli Energy Group not to proceed with Phase II at this time. **c. Miscellaneous.** The General Manager provided a written and verbal report. Clean Energy Plan (CEP). The CEP was established by the state legislature in 2019. ARPA's primary interest in monitoring the discussions regarding the CEP is the reporting requirements which may include reporting on the Green House Gas emissions resulting from retail sales to customers. This would include power sourced from in-state and out-of-state. ARPA has proposed that the reporting should be done by the Joint Action Agencies on behalf of their members, similar to the way the reporting is done for the Integrated Resource Plan. **Miscellaneous Member News.** *Trinidad.* ARPA has recently learned the San Isabel transmission rate to Trinidad will decrease approximately 15.9 percent. *Lamar.* Lamar Utilities Board filed a complaint with the Colorado Public Utilities Commission (CPUC) regarding a territorial

dispute with Southeast Colorado Power Association (SECPA). *Network Transmission*. ARPA staff will participate in the upcoming annual network transmission (virtual) meeting with Tri-State.

NEW BUSINESS: a. Approve Sales Contract for Mercury 50-Solar Natural Gas Turbine. A draft agreement has been provided to the company that submitted an offer for the Mercury 50, for their review and comment. **b. Designating Dates and Locations for Meetings – Action Item.** Board Member Sutherland moved to adopt Resolution No. 03-20, seconded by Board Member Lopez, and passed unanimously to designate the locations for the August 2020 meeting through the January 2021 meeting as WebCast and Conference Call. A copy of Resolution No. 03-20 is appended to these minutes.

PLANNING AND COMMUNICATION: None.

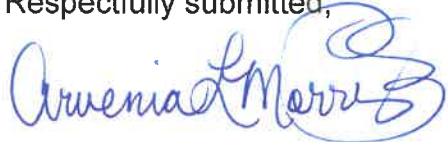
MEMBER CITIES' REPORTS: None.

UNFINISHED BUSINESS: None.

NEXT MEETING DATE AND LOCATION: The next regular meeting of the Board of Directors will be August 27, 2020 by WebCast and conference call.

ADJOURN: The July 30, 2020 meeting of the Board of Directors was adjourned at 10:48 AM.

Respectfully submitted,



Arvenia L. Morris
Secretary

RESOLUTION No. 03-20

Designating Dates and Locations For Regular Meetings of
the Board of Directors of the Arkansas River Power Authority
August 2020 through January 2021

**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 by WebCast and Conference
Call.

August 27, 2020
9:00 AM

September 24, 2020
9:00 AM

October 29, 2020
9:00 AM

December 3, 2020
9:00 AM

January 28, 2021
9:00 AM

ADOPTED this 30th day of July, 2020.

ARKANSAS RIVER POWER AUTHORITY


Richard Stwalley, President

ATTEST:


Arvenia L. Morris, Secretary

