

**ARKANSAS RIVER POWER AUTHORITY**  
**Board of Directors Meeting Minutes**  
August 27, 2020

The Board of Directors of the Arkansas River Power Authority (ARPA) met by Webcast and conference call on Thursday, August 27, 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 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:

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

Clifford Boxley, Lamar Utilities Board<sup>1</sup>

Russ Baldwin, Reporter, Prowers Journal<sup>2</sup>

Bill Jackson, Assistant City Manager, City of La Junta, Operating Committee member<sup>3</sup>

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<sup>1</sup> Joined the meeting at 9:40 AM

<sup>2</sup> Joined the meeting at 9:49 AM

<sup>3</sup> Left the meeting at 11:06 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 received.

**APPROVAL OF THE MINUTES OF THE JULY 30 MEETING:** The minutes of the July 30, 2020 regular meeting was unanimously approved by motion from Board Member Melcher, second by Board Member Lopez.

**PUBLIC COMMENT:** None.

**EXECUTIVE SESSION CRS § 24-6-402 (4)(a)(b) and (e): a. Engineering Contract Negotiations. b. FERC Settlement Update. c. Update on LUB Territorial Dispute with Southeast Colorado Power Association (SECPA).** The Authority's General Counsel stated that the matters to be discussed in Executive Session would include Engineering Contract Negotiations, FERC Settlement Update and Update on LUB Territorial Dispute with Southeast Colorado Power Association. 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 9:07 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 pertaining to Engineering Contract Negotiations and FERC Counsel activities would include privileged attorney-client communications. He recommended that no record be kept of those portions of the discussions constituting privileged attorney-client communications. The discussion regarding the LUB territorial dispute would not contain attorney-client communication; therefore, the electronic recording device would remain on. Accordingly, based on the foregoing advice of counsel, the electronic recording device was turned off at 9:10 AM and was turned back on at 9:40 AM because the attorney-client communication had concluded. The Executive Session was concluded at 9:48 AM.

**OPERATING COMMITTEE MEETING - REPORT:** The Committee met by conference call on August 26. Rick Rigel provided a summary of discussion at the meeting. **Pad Mount Transformer Bids.** ARPA issued to the Members an Invitation to Bid for pad mount transformers. Bids were due on August 26; no bids were received. **Disposition of 135' manlift.** ARPA issued to the Members an Invitation to Bid for a 135' manlift. Bids were due July 15 with the City of La Junta being the only interested purchaser. It was the Operating Committee's recommendation to sell the manlift unit to La Junta for \$10,000. Board Member Lopez moved to follow the Operating Committee's

recommendation to sell the unit to La Junta for \$10,000, seconded by Board Member Hourieh, passed unanimously. **ARPA/Member Generation.** The General Manager reported on a call he received from PSCo regarding ARPA's ability of provide grid support using ARPA's/member's generating units. **Future Power Supply Options.** ARPA will begin discussion at the September Board of Directors meeting, and over the next several months, on options for a new power supply agreement that would begin February 1, 2025.

**FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS:** **a. July 2020 Financial Statement.** Aarin Ritter, Manager of Finance and Accounting, presented the July 2020 financial statements. Board Member Sutherland moved, seconded by Board Member Hourieh, and approved unanimously to accept the July financial statement and pay outstanding bills. **b. Review of 2<sup>nd</sup> Quarter Financial Statement.** Aarin Ritter presented the 2<sup>nd</sup> Quarter Financial Statement. **c. Projected Year-end Financials.** General Manager Rigel presented an update on the year-end financial projections. The year-end projections are based on the actual financials through July and budgeted revenues and expenses for August through December. **d. 2021 Preliminary Budget Review.** The General Manager presented a review of the preliminary budget for 2021.

**OPERATING REPORT:** The Board received the Operating Report for July 2020. **a. Wind Report.** The Board received the wind generation report for July 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 project schedule. Representatives from ARPA, Burns and McDonnell's project manager Donald Barris, City of Lamar representatives, and LUB Superintendent Hourieh met on August 17 to review the demolition process. The City of Lamar agreed to extend the deadline for the north side removal by three months to February 13, 2021. Four demolition contractors were selected to participate in the bid process for the demolition work of the plant. Bids are due September 9. **i. Consider Approval of Burns and McDonnell EPC Contract.** The ARPA Staff and the Demolition Committee (Board Members Hourieh and Clodfelter and Operating Committee Member Jackson) together recommend ARPA pursue an EPC (Engineering, Procurement, and Construction) Contract with Burns and McDonnell. Board Member Stagner moved, seconded by Board Member Lopez, to authorize the General Manager and Attorney to continue to negotiate an EPC Contract with Burns and McDonnell. **ii. Consider Approval for Sale of Pad Mount Transformers.** Per the Operating Committee meeting report there were no bids from the Members for the pad mount transformers so the transformers will be included in the LRP equipment sale. **b. Ratify Sale of Mercury 50 Solar Natural Gas Turbine.** Board Member Hourieh moved, seconded by Board Member Melcher, and approved unanimously, to ratify the General Manager's execution of the Mercury 50 generating unit purchase agreement with Quantum Power. **c. Miscellaneous. I. Future Power Supply Discussion.** ARPA's power supply agreement with PSCo terminates January 31, 2025. ARPA will begin to

explore its options for power supply beginning February 1, 2025. **Power Generation Discussion.** As reported from the Operating Committee meeting, ARPA was recently contacted by PSCo, its Balancing Authority (BA), regarding a potential need for ARPA to put its diesel generation on-line due to the high loads PSCo was experiencing in its BA. **S&P Credit Rating Annual Review.** ARPA recently had its annual credit rating review with Standard and Poor's Rating Services. It is expected the report will be issued in the next few days. **Fitch Credit Rating Annual Review.** ARPA recently has its annual credit rating review with Fitch. It is also expected that a formal report will be issued within the next few days.

**NEW BUSINESS:** None.

**PLANNING AND COMMUNICATION:** The General Manager attended the Springfield Board of Trustees meeting in early August. He is available to begin attending other member's governing board meetings, at their request, to give an ARPA update.

**MEMBER CITIES' REPORTS:** None.

**UNFINISHED BUSINESS:** None.

**NEXT MEETING DATE AND LOCATION:** The next regular meeting of the Board of Directors will be September 24, 2020 by WebCast and conference call.

**ADJOURN:** The August 27, 2020 meeting of the Board of Directors was adjourned at 11:25 AM.

Respectfully submitted,



Arvenia L. Morris  
Secretary