

ARKANSAS RIVER POWER AUTHORITY
Board of Directors Meeting Minutes
May 27, 2021

The Board of Directors of the Arkansas River Power Authority (ARPA) met at the Las Animas-Bent County Fire Department, 435 West 5th Street in Las Animas on Thursday, May 27, 2021. Following appropriate notice, President Sutherland called the meeting to order at 10:08 AM.

ARPA Board Members present:

HOLLY: Calvin Melcher¹

LA JUNTA: Gary Cranson²
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: Jay Suhler

TRINIDAD: None

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, City of Las Animas

Ronny Farmer, Independent Auditor, rfarmer,llc³

¹ Arrived at 11:00 AM

² Arrived at 10:21 AM

³ Attended the meeting via telephone from 10:39 AM – 10:53 AM

ROLL CALL: President Sutherland called the meeting to order at 10:08 AM. Roll call was taken. Guests were those listed on page 1. Board Members Tanner, Lopez, Hansen, Valentine, Melcher, and Cranson were absent for roll call. Due to the absence of a Quorum, the agenda was modified. The minutes will reflect the order of discussion.

OPERATING REPORT: Aarin Ritter presented the Operating Report for April 2021 to the Board. **a. Wind Report.** Arvenia Morris presented the Wind Report for April 2021 to the Board. General Manager Rigel reported the new monitoring system installation in the Springfield wind turbine has now been completed. **b. RECs Update.** The Board received an update on ARPA's opportunity to market its Renewable Energy Credits (RECs) for its wind renewable attributes. ARPA Staff is still reviewing its options for a Qualified Reporting Entity (QRE). A QRE must have real-time remote access to the wind turbine meters. At this time there is no real-time metering installed in the wind turbine generators.

OPERATING COMMITTEE MEETING REPORT: The Operating Committee met on Tuesday, May 18 in Las Animas. The General Manager provided a written and verbal report on the topics of discussion. Bucket truck rescue for non-electric utility personnel will be held on June 11 in La Junta. Bucket truck and pole top rescue for line workers will be held in La Junta on June 25. Mobile sub-station operation training will be held in Trinidad in conjunction with work to update substation equipment. Tentative date for this work and training will be in the Fall of 2021. The Committee discussed cyber security and the increased occurrences of "phishing". CIRSA is offering at no cost to its members phishing training through KnowBe4. Southeast Colorado Power Association (SECPA) appealed the decision of the Administrative Law Judge (ALJ) who ruled in LUB's favor in the matter of Lamar Utilities Board (LUB)/SECPA territorial dispute. A final decision on the appeal is expected in the late June to July time frame. Black Hills is upgrading its transmission facilities between Fowler and La Junta that includes upgrading the transmission line and installing an additional transformer. This requires them to take an outage on the 69 kV line serving Las Animas. LUB began serving Las Animas via its 69 kV line on May 18. The outage is anticipated to go until mid-September. Line worker/plant operator appreciation lunches will be scheduled in the near term. ARPA will issue a request for bid for its member's transformer oil testing. This will be for a 3-year contract. Discussion on American Rescue Plan (ARP). Action 22 is offering a group discussion program for community leaders and elected officials on June 11 to discuss usage and impact of the funding provided by the ARP.

QUORUM: A quorum of the Board was met at 10:21 AM.

APPROVAL OF AGENDA: The agenda was approved as presented.

APPROVAL OF THE MINUTES of the APRIL 29, 2021 MEETING: The minutes of the April 29, 2021 regular meeting was unanimously approved by motion from Board Member Hourieh, second by Board Member Suhler.

PUBLIC COMMENT: None.

FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: **a. April 2021 Financial Statement.** Finance Manager Ritter presented the April 2021 financial statement. Board Member Suhler moved, seconded by Board Member Hourieh, and approved unanimously to accept the April financial statement and pay outstanding bills. **b. Update on**

Financial Projections. The General Manager provided an end of year financial projections using the actual performance for January through April 2021 and the budgeted financial performance for May through December 2021. **c. 1st Quarter Financials.** Aarin Ritter provided a review of the 2021 1st Quarter financials.

PRESENTATION OF THE 2020 AUDITED FINANCIAL STATEMENTS: **a. Resolution No. 06-21.** Ronny Farmer, rfarmer, llc presented the 2020 audit. Following presentation and discussion of the 2020 Audit, Board Member Cranson moved adoption of the following resolution:

RESOLUTION NO. 06-21. ACCEPTANCE OF THE 2020 AUDIT

RESOLVED, THAT THE 2020 AUDIT PREPARED BY THE AUTHORITY'S INDEPENDENT AUDITOR IS HEREBY ACCEPTED AS PRESENTED TO THE BOARD OF DIRECTORS ON MAY 27, 2021. Board Member Stagner seconded the motion to adopt Resolution No. 06-21, passed unanimously.

GENERAL MANAGER REPORT: **a. Update on the Demolition of the LRP.** The demolition work is proceeding as scheduled. All equipment and structures have been removed from the site except the boiler. **b. Miscellaneous.** The General Manager provided an update on the legislative bills of interest to electric utilities. Those bills by number are: SB21-200, HB21-1284 and HB21-1286.

NEW BUSINESS: Sale of Ratzlaff Property. Discussion on the sale of the Ratzlaff property was introduced; however, it was determined not to consider a sale of the Ratzlaff property at this time.

PLANNING AND COMMUNICATION: ARPA Scholarship Program. There were seven high school seniors who were awarded scholarships for the academic year 2021-2022. The scholarships of \$1,000 are funded equally between ARPA and the member municipality.

MEMBER CITIES' REPORTS: None.

EXECUTIVE SESSION CRS § 24-6-402 (4)(a)(b) and (e): a. Power Supply Contract Negotiations. b. Sale of the Ratzlaff Property c. FERC Settlement Update. The Authority's General Counsel stated that the matters to be discussed in Executive Session would include Power Supply Contract Negotiations, Sale of Ratzlaff Property, and FERC Settlement Update. The specific subsections of CRS § 24-6-402(4) authorizing this matter to be conducted in Executive Session are as follows:

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

At 11:28 AM Board Member Stagner moved, seconded by Board Member Melcher, and approved unanimously by roll call vote 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 the FERC Settlement Update would include privileged attorney-client

communications and should not be recorded. He recommended that no record be kept of the discussion constituting privileged attorney-client communications. Accordingly, based on the foregoing advice of counsel, the electronic recording device was turned off at 11:56 AM prior to the discussion pertaining to the FERC Settlement. All guests were excused from the meeting for the discussion in Executive Session regarding the FERC Settlement; only members of the Board, Outside Counsel Edwards and ARPA Staff were in attendance. The Executive Session was concluded at 12:11 PM.

UNFINISHED BUSINESS: a. Consider Approval of Power Supply Contract. Board Member Melcher moved, seconded by Board Member Stagner, and approved unanimously to table approval of the Power Supply Contract. **b. Consider Approval of FERC Settlement Procedures Term Sheet.** Board Member Hourieh moved, seconded by Board Member Melcher, and approved unanimously to authorize the General Manager to execute the FERC related settlement in accordance with the terms as presented in Executive Session.

NEXT MEETING DATE – JULY 29, 2021: The next regular meeting of the Board of Directors will be July 29, 2021 by GoToMeeting and Conference Call.

ADJOURN: The May 27, 2021 meeting of the Board of Directors was adjourned at 12:20 PM.

Respectfully submitted,



Arvenia L. Morris
Secretary