

ARKANSAS RIVER POWER AUTHORITY
Board of Directors Meeting Minutes
August 26, 2021

The Board of Directors of the Arkansas River Power Authority (ARPA) met at the Lion's Den, 200 South Main Street, Springfield, CO., on Thursday, August 26, 2021. Following appropriate notice, President Sutherland called the meeting to order at 10:00 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: 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

Heath Piper, Electric Superintendent, Springfield Municipal Utilities

ROLL CALL: President Sutherland called the meeting to order at 10:00 AM. Roll call was circulated. Guests were those listed on page 1. Board Members Valentine, Tanner and Lopez were absent.

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

APPROVAL OF AGENDA: The agenda was approved as published.

APPROVAL OF THE MINUTES: a. JULY 29, 2021 REGULAR MEETING. The minutes of the July 29 regular meeting were approved unanimously by motion from Board Member Hourieh, second by Board Member Melcher.

PUBLIC COMMENT: None.

FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: a. July 2021 Financial Statement. Finance Manager Ritter presented the July 2021 financial statement. Due to not having received the PSCo billing until late on Wednesday, August 25, the July financial statement presented at the meeting is based on an estimated PSCo invoice. Board Member Suhler moved, seconded by Board Member Melcher, and approved unanimously to accept the July financial statement and approve outstanding bills. **b. 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. **c. 2022 Preliminary Budget Review.** The General Manager presented a review of the preliminary budget for 2022. **d. Review 2nd Quarter Financial Statement.** Aarin Ritter presented the 2nd Quarter Financial Statement. **e. Investment of Reserve Funds.** Based on a recommendation from UMB Bank (ARPA's Bond Trustee), ARPA invested a majority of its reserve funds in "laddered" maturities that extend over the next 2-5 years, with the first maturity in 2023.

FITCH RATINGS-REPORT: ARPA had its annual credit rating review with Fitch in late August. Fitch reaffirmed ARPA's investment grade credit rating of BBB- with a stable outlook. It is expected that a formal report will be issued within the next few days.

OPERATING REPORT: Aarin Ritter presented the Operating Report for July 2021 to the Board. **a. Wind Report.** Arvenia Morris presented the Wind Report for July 2021 to the Board.

OPERATING COMMITTEE REPORT: The Operating Committee met on August 19 in Las Animas. Ron Clodfelter, Chairman of the Operating Committee provided a report.

GENERAL MANAGER REPORT: a. Miscellaneous. *Tri-State/La Junta 115 kV substation transformer replacement.* The General Manager briefed the Board on Tri-State's intended replacement of a backup transformer at their La Junta substation that serves both La Junta and SECPA. Construction is currently scheduled for October 2023. *WAPA-CRSP Hydrology-Federal Power Allocation.* The General Manager updated the Board on the Lamar Utilities Board CRSP hydro allocation. WAPA is developing a two-year program to allow its CRSP firm electric service customers (LUB) to determine the best long-term path forward for replacing a portion of both its energy and capacity allocations. The action is necessary due to the long-term drought conditions that has caused a significant decline in generation from WAPA-CRSP hydro-generating resources.

NEW BUSINESS: None.

PLANNING AND COMMUNICATION: None.

MEMBER CITIES' REPORTS: None.

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

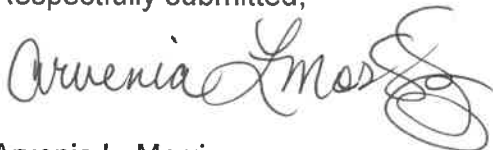
At 11:46 AM Board Member Hourieh moved, seconded by Board Member Melcher, and approved unanimously by roll call vote to go into Executive Session to discuss the topics as stated. The General Counsel of the Authority stated that the discussion in Executive Session pertaining to the FERC Settlement Update 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 11:48 AM prior to the discussion pertaining to the FERC Settlement. The Executive Session was concluded at 12:00 PM.

UNFINISHED BUSINESS: None.

NEXT MEETING DATE – September 30, 2021: Based on the increase in COVID cases in Las Animas County (Trinidad), the Board determined it was in the best interest of all involved to change the meeting location from Trinidad to Holly for the September 30 meeting. The Board was encouraged to give some thought to the scheduling format of Board of Director meetings in the year 2022, e.g., time of day for meetings (morning, afternoon) and frequency of meetings (monthly, quarterly).

ADJOURN: The August 26, 2021 meeting of the Board of Directors was adjourned at 12:04 PM.

Respectfully submitted,



Arvenia L. Morris
Secretary