

**ARKANSAS RIVER POWER AUTHORITY**  
**Board of Directors Meeting Minutes**  
September 24, 2020

The Board of Directors of the Arkansas River Power Authority (ARPA) met by Webcast and conference call on Thursday, September 24, 2020. Following appropriate notice, Vice President Lorenz Sutherland 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)

SPRINGFIELD: Jay Suhler

TRINIDAD: Carlos Lopez  
Mike Valentine (also a member of the Operating Committee)<sup>1</sup>

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

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

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

Rick Klein, City Manager, City of La Junta

John Krajewski, JK Energy Consulting, Lincoln, NE<sup>3</sup>

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<sup>1</sup> Left the meeting at 9:58 AM

<sup>2</sup> Joined the meeting at 9:38 AM

<sup>3</sup> Attended the meeting from 9:53 AM – 11:08 AM

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

**ROLL CALL:** Vice President Sutherland called the meeting to order at 9:00 AM. Secretary Morris took roll call. Guests were those listed on page 1. Board Members Tanner, Hansen and Stwalley were absent.

**APPROVAL OF AGENDA:** The agenda was approved as presented.

**APPROVAL OF THE MINUTES OF THE AUGUST 27 MEETING:** The minutes of the August 27, 2020 regular meeting was unanimously approved by motion from Board Member Stagner, second by Board Member Melcher.

**PUBLIC COMMENT:** None.

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

At 9:07 AM Board Member Hourieh moved, seconded by Board Member Suhler, 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. Accordingly, based on the foregoing advice of counsel, the electronic recording device was turned off at 9:09 AM. The Executive Session was concluded at 9:37 AM.

**FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: a. August 2020 Financial Statement.** Aarin Ritter, Manager of Finance and Accounting, presented the August 2020 financial statements. Board Member Lopez moved, seconded by Board Member Melcher, and approved unanimously to accept the August financial statement and pay outstanding bills. **b. Update on 2010 Bond Transaction.** General Manager Rigel provided an update on the 2010 Bond Transaction including conversation with both Goldman Sachs (Underwriter for the 2018 bond financing) and PFM (Public Financial Management), ARPA's financial advisor, regarding the most efficient use of monies. It was a general concurrence to continue with plans to retire the 2010 bonds.

**SUBMISSION OF 2021 PROPOSED BUDGET TO BOARD OF DIRECTORS: a. Report by General Manager and Discussion.** The General Manager presented a review of the 2021 Proposed Budget. The Board will receive a final draft of the proposed

budget by October 15 as required by the Colorado local government budget law. **b. Authorize Publication of Availability and Set Budget Hearing Date for December 3, 2020.** Board Member Lopez moved, seconded by Board Member Hourieh, and approved unanimously, that in accordance with the Colorado Local Government Budget Law, the proposed 2021 budget is available to be published by appropriate distribution to the City Clerk of each member municipality and in the manner required by Colorado law, and that a hearing on the proposed budget be held at the December 3, 2020 meeting of the Board to be held by conference call, or in La Junta, if weather conditions and COVID-19 restrictions allow a face to face meeting.

**OPERATING REPORT:** The Board received the Operating Report for August 2020. **a. Wind Report.** The Board received the wind generation report for August 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. Burns and McDonnell has eliminated two of the four contractors from the short-list of bid responses. The second amendment to the ARPA/City of Lamar Settlement Agreement was approved by the Lamar City Council on September 14. Staff developed door hangers that will be distributed to residents located around the plant, informing them of the upcoming demolition activity. **i. Burns and McDonnell EPC Contract-Report.** The Negotiations are ongoing. Board Member Melcher moved, seconded by Board Member Hourieh, and passed unanimously, that in consultation with the Demolition Committee, and once the EPC contract is in final form, to schedule a special meeting by conference call to consider approval of an EPC Contract with Burns and McDonnell. **b. Miscellaneous. i. Future Power Supply Discussion-JK Energy Consulting.** John Krajewski (JK Energy Consulting) provided for discussion and review, various options for power supply beyond January 31, 2025 at which time ARPA's power supply agreement with PSCo terminates. Board Member Clodfelter moved, seconded by Board Member Hourieh, and passed unanimously, to provide a notice to proceed to JK Energy Consulting to develop a Request for Proposal for power supply beginning February 1, 2025. **ii. Review/Update of Strategic Plan.** General Manager Rigel reviewed the Strategic Plan that was developed in 2016. The Board received a worksheet identifying the progress that has been made on addressing the objectives, and other areas that are in need of updating. Planning priorities to consider in the near-term include securing power supply after 2025, succession planning for staff and for the organization, and updating legal documents (Organic Contract and Power Supply Agreement). Discussion on these topics will commence at upcoming meetings, preferably face to face meetings. **iii. Report on Credit Rating Publications.** ARPA received its published credit rating from both S&P Global and Fitch. Both Agencies re-affirmed ARPA's current investment-grade credit rating. The Board was provided a copy of both rating agencies' reports.

**NEW BUSINESS:** None.

**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 October 29, 2020 currently scheduled by WebCast and conference call. It was discussed to hold in-person meetings in both October and December. ARPA staff will reserve the banquet room at the OJC, if it is available.

**ADJOURN:** The September 24, 2020 meeting of the Board of Directors was adjourned at 11:34 AM.

Respectfully submitted,



Arvenia L. Morris  
Secretary