

ARKANSAS RIVER POWER AUTHORITY
Board of Directors Meeting Minutes
January 28, 2021

The Board of Directors of the Arkansas River Power Authority (ARPA) met by GoToMeeting and conference call on Thursday, January 28, 2021. Following appropriate notice, President Stwalley called the meeting to order at 9:00 AM.

ARPA Board Members present:

HOLLY: Calvin Melcher *
Michael Tanner

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

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:

Bill Jackson, Assistant City Manager, City of La Junta, Operating Committee member
Rick Klein, City Manager, City of La Junta
Ed Vela, City Council, City of La Junta
Heath Piper, Electric Superintendent, Town of Springfield
Dustin Ramsey, Meter Technician, City of Las Animas *

* Attended from the ARPA office

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 Valentine was absent.

APPROVAL OF AGENDA: The agenda was revised by deleting CRS Section 24-6-402(a) from the list of reasons for the Executive Session.

APPROVAL OF THE MINUTES of the DECEMBER 3, 2020 MEETING: The minutes of the December 3, 2020 regular meeting was unanimously approved by motion from Board Member Sutherland, second by Board Member Melcher.

PUBLIC COMMENT: None.

FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: **a. November 2020 Financial Statement.** Finance Manager Ritter presented the November 2020 financial statement. Board Member Sutherland moved, seconded by Board Member Cranson, and approved unanimously to accept the November financial statement and pay outstanding bills. **b. December 2020 Financial Statement.** Finance Manager Ritter presented the December Financial Statement. Board Member Melcher moved, seconded by Board Member Clodfelter, and approved unanimously to accept the December financial statement and pay outstanding bills. The Board was notified that on January 15, 2021 all outstanding 2010 Power Revenue Bonds were paid in full. The total amount paid was \$15,066,966.

OPERATING REPORT: The Board received the Operating Report for November and December 2020. **a. Wind Report.** The Board received the wind generation report for November and December 2020.

GENERAL MANAGER REPORT: A written and verbal report was provided to the Board. **a. Update on the Demolition of the LRP.** The demolition contractor mobilized the week of January 11, 2021. The General Manager updated the Board on the demolition work currently underway at the LRP site, the status of the demolition permit required by the CDPHE and receipt of the pollution liability insurance as required by the EPC contract. **b. Miscellaneous. FERC Settlement of Flex Reserve Service.** General Manager updated the Board on the doc-less intervention ARPA filed at the Federal Energy Regulatory Commission (FERC) in relation to Xcel Energy's filing for a rate change to "Flex Reserve Services". Flex Reserve is basically backup for wind generation. Xcel's filing proposed an increase in the tariff charged for this service and the implementation of a similar tariff for solar. *Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS).* SPP's energy imbalance service will begin operation in February. ARPA filed a "doc-less" intervention at FERC regarding a filing Tri-State made relative to joining the Southwest Power Pool WEIS. *Live On-Line Training.* The Board was briefed on live on-line training on transformer management that ARPA purchased for each member municipalities' electric department.

NEW BUSINESS: Consider Approval of 3rd Amendment to Mutual Release

and Settlement Agreement with the City of Lamar. The Board received a copy of the proposed 3rd Amendment to the Mutual Release and Settlement Agreement. The General Manager briefed the Board on certain provisions of the Amendment. Board Member Lopez voiced his concern regarding a lump sum payment of \$511,000 to the City of Lamar; primarily, that the funds will be used as outlined in the Amendment. General Counsel advised the Board that the City is required to provide documentation of expenditures upon ARPA's request. Board Member Cranson moved, seconded by Board Member Clodfelter, and passed unanimously, to authorize the General Manager to sign the Amendment as drafted, provided however, that the Amendment must be signed by both parties and become effective no later than February 9, 2021. **b. Designating Public Places for Posting Meeting Notices - Action Item. Resolution No. 01-21.** Designating Public Places For Posting of Meeting and Other Notices in 2021, was presented to the Board. Board Member Melcher moved, seconded by Board Member Sutherland and approved unanimously, to adopt **Resolution No. 01-21** as presented. **c. Designating Dates and Locations for Meetings – Action Item.** Designating Dates and Locations for Regular Meetings of the Board of Directors in Calendar Year 2021 and January 2022, were presented to the Board. Board Member Sutherland moved, seconded by Board Member Lopez to adopt **Resolution No. 02-21** as presented. Resolution Nos. 01-21 and 02-21 are attached to and incorporated in these minutes.

PLANNING AND COMMUNICATION: None.

MEMBER CITIES' REPORTS: None.

EXECUTIVE SESSION CRS § 24-6-402 (4)(b)(e) and (f): a. Evaluation of Power Supply Proposals – JK Energy Consulting. b. FERC Settlement Update. c. General Manager Contract Negotiations. The Authority's General Counsel stated that the matters to be discussed in Executive Session would include Evaluation of Power Supply Proposals, FERC Settlement Update, and General Manager Contract Negotiations. The specific subsections of CRS § 24-6-402(4) authorizing these matters to be conducted in Executive Session are as follows:

- 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; and
- under subsection (f), to discuss personnel matters.

At 9:57 AM Board Member Hourieh moved, seconded by Board Member Clodfelter, to go into Executive Session to discuss the topics as stated. The General Counsel of the Authority stated that for the discussion in Executive Session on the topic of Evaluation of Power Supply Proposals, ARPA's consultant from JK Energy Consulting will provide information on future power supply proposals under a confidential non-disclosure agreement. It is not expected this discussion will involve General Counsel providing legal advice so this topic is not considered to be privileged communications and shall be recorded. Discussion pertaining to FERC

Counsel activities would include privileged attorney-client communications and should not be recorded. The discussion on the General Manager Contract Negotiations would likely include a discussion of specific contract terms, or proposed terms, and related strategies and would likely contain explicit or implicit legal advice and requests for legal advice and in his opinion, would constitute privileged attorney-client communications and should not be recorded. 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 11:12 AM following discussion on the Power Supply Proposals. The Executive Session was concluded at 11:56 AM.

UNFINISHED BUSINESS: Consider Approval of General Manager Contract. Board Member Clodfelter moved, seconded by Board Member Sutherland, and approved unanimously to approve option 2, (Amended and Restated Employment Agreement) to the General Manager contract as presented in Executive Session.

NEXT MEETING DATE – FEBRUARY 25, 2021: The next regular meeting of the Board of Directors will be February 25, 2021 by GoToMeeting webcast and conference call.

ADJOURN: The January 28, 2021 meeting of the Board of Directors was adjourned at 12:00 PM.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Arvenia L. Morris". The signature is written in dark ink and includes a stylized flourish at the end.

Arvenia L. Morris
Secretary

RESOLUTION No. 01-21

**Designating Public Places For Posting of Meeting
And Other Notices**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARKANSAS RIVER POWER
AUTHORITY:**

Effective January 1, 2021 the following public places are hereby designated for the posting of meeting and other notices.

Arkansas River Power Authority
3409 South Main Street
Lamar, CO 81052

Arkansas River Power Authority
www.arpapower.org/public-notices
www.arkansasriverpowerauthority.org/public-notices

Post Office
101 East Santa Fe Street
Holly, CO 81047

Las Animas City Hall
532 Carson
Las Animas, CO 81054

Office of the City Clerk
601 Colorado Avenue
La Junta, CO 81050

Springfield City Hall
748 Main Street
Springfield, CO 81073

Lamar Light and Power
100 North Second Street
Lamar, CO 81052

Trinidad City Hall
135 North Animas
Trinidad, CO 81082

ADOPTED this 28th day of January, 2021.

ARKANSAS RIVER POWER AUTHORITY



Richard Stwalley, President



ATTEST:



Arvenia L. Morris, Secretary

RESOLUTION No. 02-21

Designating Dates and Locations For Regular Meetings of
the Board of Directors of the Arkansas River Power Authority
During Calendar Year 2021 and January 2022

**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 in the designated member municipalities or by WebCast as indicated.

January 28, 2021
9:00 AM
WebCast

February 25, 2021
9:00 AM
WebCast

March 25, 2021
10:00 AM
Lamar, CO

April 29, 2021
9:00 AM
WebCast

May 27, 2021
10:00 AM
Las Animas, CO

July 29, 2021
9:00 AM
WebCast

August 26, 2021
10:00 AM
Springfield, CO

September 30, 2021
10:00 AM
Trinidad, CO


October 28, 2021
9:00 AM
WebCast

December 2, 2021
10:00 AM
La Junta, CO

January 27, 2022
9:00 AM
WebCast

ADOPTED this 28th day of January, 2021.

ARKANSAS RIVER POWER AUTHORITY


Richard Stwalley, President



Arvenia L. Morris, Secretary