

ARKANSAS RIVER POWER AUTHORITY
Board of Directors Meeting Minutes
September 30, 2021

The Board of Directors of the Arkansas River Power Authority (ARPA) met at the Holly Senior and Community Center, 129 South Main Street, Holly, CO., on Thursday, September 30, 2021. Following appropriate notice, President Sutherland called the meeting to order at 10:00 AM.

ARPA Board Members present:

HOLLY: Calvin Melcher
Mike Tanner

LA JUNTA: Gary Cranson
P. Lorenz Sutherland

LAMAR: Houssin Hourieh (also a member of the Operating Committee)
Roger Stagner¹

LAS ANIMAS: Ron Clodfelter (also a member of the Operating Committee)

SPRINGFIELD: Darwin Hansen
Jay Suhler

TRINIDAD: Carlos Lopez²
Mike Valentine³

ARPA Staff present:

Rick Rigel, General Manager
Arvenia Morris, Office Manager

ARPA Legal Counsel present:

Peter Edwards, Director-Fairfield and Woods, PC

Others present:

Dustin Ramsey, Meter Technician, City of Las Animas

Vance Brian, Board of Trustees, Town of Holly

Ed Vela, City Council, City of La Junta

John Krajewski, JK Energy Consulting, Smithfield, NE⁴

Bill Jackson, Assistant City Manager, City of La Junta, Operating Committee member⁵

Rick Klein, City Manager, City of La Junta⁶

¹ Joined by conference call at 10:35 AM

² Joined by conference call

³ Joined by conference call

⁴ Joined by conference call 10:00 AM – 11:15 AM

⁵ Joined by conference call

⁶ Joined by conference call 10:13 AM – 11:30 AM

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 Member Stwalley was 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. **AUGUST 26, 2021 REGULAR MEETING.** The minutes of the August 26 regular meeting were approved unanimously by motion from Board Member Melcher, second by Board Member Hourieh.

PUBLIC COMMENT: None.

EXECUTIVE SESSION CRS § 24-6-402 (4)(b) and (e): a. Power Supply Contract Negotiations. The Authority's General Counsel stated that the matters to be discussed in Executive Session would include Power Supply Contract Negotiations. 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 10:07 AM Board Member Hourieh moved, seconded by Board Member Suhler, and approved unanimously to go into Executive Session to discuss the topic as stated. The Executive Session was concluded at 11:16 AM.

UNFINISHED BUSINESS: a. **Consider Approval of Power Supply Contract.** Board Member Melcher moved to table Consideration Approval of Power Supply Contract, seconded by Board Member Hourieh, passed unanimously.

FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: a. **August 2021 Financial Statement.** General Manager Rigel presented the August 2021 financial statement. Board Member Suhler moved, seconded by Board Member Clodfelter, and approved unanimously to accept the August 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 August and budgeted revenues and expenses for September through December.

SUBMISSION OF 2022 PROPOSED BUDGET TO BOARD OF DIRECTORS. a. **Report by General Manager and Discussion.** The General Manager presented a review of the 2022 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 2, 2021.** Board Member Hourieh moved that in accordance with the Colorado Local Government Budget Law, the proposed 2022 budget be published and made available by appropriate distribution to the City Clerk of each member municipality and in the manner required by Colorado law, and establish December 2, 2021 as the date for the public hearing for adoption of the 2022 budget. Said hearing shall be held at the December 2, 2021 meeting

of the Board of Directors in La Junta, or if weather conditions prohibit a face to face meeting, by conference call. The motion was seconded by Board Member Lopez and approved unanimously.

OPERATING REPORT: General Manager Rigel presented the Operating Report for August 2021 to the Board. **a. Wind Report.** Arvenia Morris presented the Wind Report for August 2021 to the Board.

GENERAL MANAGER REPORT: a. Miscellaneous. Xcel Energy Security Deposit. The General Manager reported that, per its FERC Open Access Transmission Tariff, Xcel Energy required that ARPA post a security deposit, citing ARPA's negative balance sheet as the reason for the security posting. The deposit has been posted; however, ARPA has requested a copy of the creditworthiness evaluation on which the request was purportedly based upon. Performance Bond Released. The General Manager reported the performance bond that was required under the lawsuit settlement with the Lamar Utilities Board and the City of Lamar, has been released. WAPA-CRSP. The Bureau of Reclamation has issued modeling projections indicating an elevated risk of reservoirs falling below minimum power generation levels in the next five years. WAPA is proposing a rate increase and a reduction in hydro-power allocations beginning December 1, 2021 for its CRSP customers. Options for replacing the reduction of CRSP power will be evaluated by ARPA and LUB.

NEW BUSINESS: None.

PLANNING AND COMMUNICATION: The Board was reminded 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).

MEMBER CITIES' REPORTS: Trinidad. Board Member Lopez reported the 200th anniversary of the Santa Fe Trail would be celebrated in Trinidad the first weekend of October. Also, Action 22 will be holding their annual meeting in Trinidad October 15-16. Springfield. Board Member Suhler announced there will be upgrades and new construction at the Springfield hospital and school district facilities. A new Family Dollar store will be built and new government housing will be coming in the future. The Cobblestone Motel company is also locating a new franchise on the south end of Springfield near Big R.

NEXT MEETING DATE – September 30, 2021: Board Member Clodfelter moved, seconded by Board Member Melcher, and passed unanimously to change the October 28 meeting to a face-to-face meeting in Trinidad beginning at 10:00 AM.

ADJOURN: The September 30, 2021 meeting of the Board of Directors was adjourned at 12:10 PM.

Respectfully submitted,



Arvenia L. Morris
Secretary