

**ARKANSAS RIVER POWER AUTHORITY**  
**Board of Directors Meeting Minutes**  
December 2, 2021

The Board of Directors of the Arkansas River Power Authority (ARPA) met at the Otero Junior College Student Center, 2001 San Juan, La Junta, CO., on Thursday, December 2, 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)

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, Finance/Accounting Manager

ARPA Legal Counsel present:

Peter Edwards, Director-Fairfield and Woods, PC

Others (guests) present:

Rick Klein, City Manager, City of La Junta  
Bill Jackson, Asst. City Manager, City of La Junta  
Blaine Ice, Trustee, Town of Holly

**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 Stagner, Tanner and Valentine were absent. Board Member Melcher introduced Blaine Ice. Mr. Ice is a member of the Holly Board of Trustees and will be representing Holly on the ARPA Board beginning January 1, 2022. Mr. Melcher will be leaving the Board effective December 31, 2021. President Sutherland expressed his appreciation to Calvin Melcher for his service.

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

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

**APPROVAL OF THE MINUTES:** a. **OCTOBER 28, 2021 REGULAR MEETING.** The minutes of the October 28 regular meeting were approved unanimously by motion from Board Member Melcher, second by Board Member Hourieh.

**PUBLIC COMMENT:** None.

**FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS:** a. **October 2021 Financial Statement.** Finance Manager Ritter presented the October 2021 financial statement. Board Member Lopez moved to accept the October financial statement and approve outstanding bills, seconded by Board Member Melcher. The motion was approved unanimously. b. **2021 3rd Quarter Financial Review.** Finance Manager Ritter presented the 3<sup>rd</sup> quarter financial statement.

**OPERATING REPORT:** Aarin Ritter presented to the Board the Operating Report for October 2021. a. **Wind Report.** Arvenia Morris presented to the Board the Wind Report for October 2021. At the October meeting of the Board, LUB Electric Superintendent reported that metal shavings were detected in the gear box of ARPA's Prowers County turbine. Upon consultation with ReNew Wind Power, it was recommended the oil be drained, flushed, and replaced with no additional action at this time.

**OPERATING COMMITTEE REPORT:** The General Manager presented a review of the agenda items discussed at the Operating Committee meeting that was held on November 18. Those included a review of the Distributed Generation (DG) Policy, self-supply of renewables, community funds from Guzman Energy and the American Rescue Plan/Stimulus funds.

**BUDGET HEARING 2022 BUDGET:** President Sutherland opened the budget hearing at 10:56 AM. General Manager Rigel presented a review of the proposed 2022 budget. There were no written or oral comments from any member of the public on the proposed budget. President Sutherland closed the public hearing at 11:12 AM. a. **Approval of the ARPA Budget and Appropriation Resolution of 2022.** Board Member Cranson moved to adopt **Resolution No. 09-21** to approve the 2022 Budget and to appropriate an expenditure of \$24,858,361 in 2022, seconded by Board Member Melcher. Motion passed unanimously by all board members in attendance. A copy of Resolution No. 09-21 is attached to and made a permanent part of these official minutes.

**GENERAL MANAGER REPORT:** a. **Update on Tri-State Transmission Rate Filing.** Tri-State filed its proposed Open Access Transmission Tariff (OATT) settlement with the Federal Energy Regulatory Commission (FERC) on October 22. The filing included implementation of its proposed 2021-2022 rate on an "interim" basis pending FERC approval.

The Settlement was filed as an “uncontested” settlement. The General Manager briefed the Board on that filing to which ARPA is a “settling party”. **b. Report on S&P Annual Credit Rating Review.** ARPA received its published credit rating from Standard and Poors (S&P). S&P re-affirmed ARPA’s current investment-grade credit rating (BBB with stable outlook). The Board was provided a copy of the rating agencies’ report. **c. Miscellaneous.** *Sale of Capacity to Guzman Energy.* The General Manager briefed the Board on an agreement currently being negotiated for a sale of 1-4MWs of capacity per month from February to December 2022. The Trinidad-ARPA generating units will be the basis for the capacity. *Sale of ARPA Car.* The ARPA car is experiencing damage to its electrical system(s) due to rabbits chewing through wiring. It is Staff’s recommendation to sell the 2017 Ford Edge automobile. Board Member Melcher moved to accept bids on the 2017 Ford Edge from the member municipalities. The bids will be open for a 30 day time period and include a minimum bid of \$18,000. If no offer is received from a member municipality, the General Manager is authorized to sell the car in accordance with ARPA’s purchasing policy. The motion was seconded by Board Member Suhler and passed unanimously.

**NEW BUSINESS:** **a. Designating Public Places for Posting Meeting Notices - Action Item. Resolution No. 10-21.** Designating Public Places For Posting of Meeting and Other Notices in 2022, was presented to the Board. Board Member Suhler moved to adopt **Resolution No. 10-21** as presented, seconded by Board Member Hansen. The motion was approved unanimously. **b. Designating Dates and Locations for Meetings – Action Item.** Designating Dates and Locations for Regular Meetings of the Board of Directors in Calendar Year 2022. Three options for meetings were presented to the Board. Options were (1) meeting quarterly, (2) meeting every other month, and (3) adhering to the current schedule of 10 meetings per year. Following discussion, Board Member Lopez moved to use the quarterly option but add an additional meeting on October 27 and to hold the meetings in La Junta. The motion to adopt **Resolution No. 11-21**, using the quarterly option as discussed, was seconded by Board Member Hourieh and passed unanimously with Board Member Melcher abstaining. Resolution Nos. 10-21 and 11-21 are attached to and incorporated in these minutes.

**UNFINISHED BUSINESS:** **a. Consider Adopting Amended and Restated Resolution No. 07-21.** At the October 28 meeting of the Board of Directors the Board adopted Resolution 07-21 approving the Power Sales Agreement with Guzman Energy, LLC. The Resolution reflects an agreement effective date of October 28. Although there were no material changes to the agreement as presented to the Board at the October meeting, it took a couple weeks to bring the agreement to final form and the contract was formally executed on November 15, 2021. Board Member Suhler moved, seconded by Board Member Cranson, and approved unanimously by roll call vote, to approve the amended and restated Resolution No. 07-21.

**RESOLUTION NO. 07-21: AN AMENDED AND RESTATED RESOLUTION OF THE BOARD OF DIRECTORS OF THE ARKANSAS RIVER POWER AUTHORITY APPROVING THE POWER SALES AGREEMENT DATED AS OF NOVEMBER 15, 2021 BY AND AMONG ARKANSAS RIVER POWER AUTHORITY AND GUZMAN ENERGY, LLC.**

Amended and Restated Resolution No. 07-21 is attached to and made a permanent part of these official minutes.

**PLANNING AND COMMUNICATION:** None.

**MEMBER CITIES' REPORTS:** Trinidad. Board Member Lopez reported that Board Member Valentine will be stepping down from his service on the ARPA Board. Board Member Lopez and Trinidad Power and Light Superintendent, Dean Duran, have both submitted a letter of intent to represent the City of Trinidad on the ARPA Board of Directors. Trinidad City Council will meet on December 7 to consider those appointments. Lamar. Board Member Hourieh reported Roger Stagner has submitted his application to the Lamar City Council for a new term on the ARPA Board. La Junta. Rick Klein congratulated the City of Trinidad for receiving the Rebuilding American Infrastructure with Sustainability and Equity grant, (RAISE). This funding will be the final grant to replace the last 29 miles of bolted rail with new Continuous Welded Rail on the Southwest Chief line. He emphasized this would never have been accomplished without the cooperation and support of the communities along the route. He provided an update on the Southwest Chief route proposal that would extend the line from La Junta to the front range, including Pueblo and Colorado Springs.

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

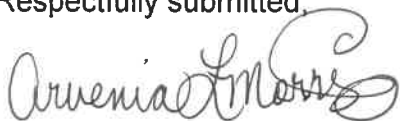
- Under subsection (b), conference with the General Counsel of the Authority for the purpose of receiving legal advice on specific legal questions; and
- Under subsection (e), determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.
- Under subsection (f) to discuss a personnel matter

At 12:07 PM Board Member Hourieh moved to go into Executive Session to discuss the topics as stated, seconded by Board Member Hansen. The motion was approved unanimously. The digital recorder was turned off at 12:11 PM prior to the FERC privileged attorney-client communication and turned back on at 12:17 PM for the discussion on the power supply contract negotiations and the personnel matter. The Executive Session was concluded at 12:28 PM.

**NEXT MEETING DATE:** The next regularly scheduled meeting of the Board of Directors is February 24, 2022 in La Junta at the Otero Junior College Student Center.

**ADJOURN:** The December 2, 2021 meeting of the Board of Directors was adjourned at 12:31 PM.

Respectfully submitted,



Arvenia L. Morris  
Secretary

**ARPA BUDGET AND APPROPRIATION RESOLUTION OF 2022**  
**RESOLUTION No. 09 -21**

**WHEREAS**, the Arkansas River Power Authority (ARPA) was created and organized as a political subdivision of the State of Colorado; and

**WHEREAS**, it is necessary that the Board of Directors adopt a budget for the year 2022; and

**WHEREAS**, following advance published notice in accordance with Colorado law, a hearing was held on the proposed 2022 budget at a regular meeting of the Board of Directors on December 2, 2021, at which meeting a quorum of the Board was present; and

**WHEREAS**, the Board is now appropriately advised and desires to take action on the proposed budget dated December 2, 2021

**BE IT RESOLVED** By the Board of Directors of the Arkansas River Power Authority (ARPA) that:

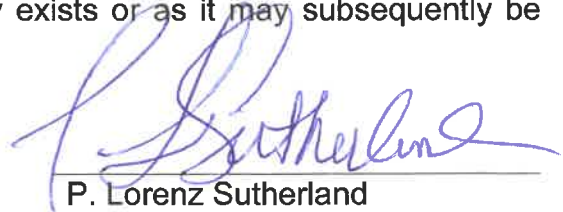
(1) Title

This Resolution shall govern the expenditure of funds by general purpose and amount for the calendar year 2022 commencing January 1 and ending December 31 and may be cited as "ARPA Budget and Appropriation Resolution of 2022".

(2)

The 2022 Budget presented to the Board on December 2, 2021, is hereby approved and there is budgeted and appropriated from revenues, assessments and other funds available to ARPA, the sum of Twenty-four million, Eight hundred fifty-eight thousand, three hundred sixty-one (\$24,858,361) dollars or so much thereof as the General Manager shall find necessary or desirable to expend to conduct the activities of ARPA, in accordance with the budget herein adopted and the ARPA Fiscal Resolution as it currently exists or as it may subsequently be amended.

Dated this 2<sup>nd</sup> day of December, 2021.



P. Lorenz Sutherland  
President  
Board of Directors  
Arkansas River Power Authority



ATTEST:



Arvenia L. Morris  
Secretary

**RESOLUTION No. 10-21**

**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, 2022 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](http://www.arpapower.org/public-notices)  
[www.arkansasriverpowerauthority.org/public-notices](http://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 2nd day of December, 2021.



*Arvenia L. Morris*  
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Arvenia L. Morris, Secretary

ARKANSAS RIVER POWER AUTHORITY  
*P. Lorenz Sutherland*  
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P. Lorenz Sutherland, President

**RESOLUTION No. 11-21**

**Designating Dates and Locations For Regular Meetings of  
the Board of Directors of the Arkansas River Power Authority  
During Calendar Year 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 municipality.

February 24, 2022  
10:00 AM  
La Junta, CO



August 25, 2022  
10:00 AM  
La Junta, CO

May 26, 2022  
10:00 AM  
La Junta, CO

October 27, 2022  
10:00 AM  
La Junta, CO

December 1, 2022  
10:00 AM  
La Junta, CO

**ADOPTED** this 2nd day of December, 2021.

  
ATTEST:  
  
Arvenia L. Morris, Secretary

ARKANSAS RIVER POWER AUTHORITY

  
P. Lorenz Sutherland, President

**AMENDED AND RESTATED RESOLUTION NO. 07-21**

**AN AMENDED AND RESTATED RESOLUTION OF THE BOARD OF DIRECTORS OF THE ARKANSAS RIVER POWER AUTHORITY APPROVING THE POWER SALES AGREEMENT DATED AS OF NOVEMBER 15, 2021 BY AND AMONG ARKANSAS RIVER POWER AUTHORITY AND GUZMAN ENERGY, LLC**

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**WHEREAS**, the Arkansas River Power Authority (“ARPA” or the “Authority”) is an intergovernmental entity and political subdivision of the State of Colorado formed to provide the wholesale electric requirements of its member municipalities, including the cities of Lamar, La Junta, Las Animas, Springfield, Holly and Trinidad, Colorado, each of which furnishes retail electric service to customers within its community; and

**WHEREAS**, the Authority currently obtains electric power and energy to supply the needs of its member municipalities from a variety of sources, including allocations of electricity from the Western Area Power Administration, self-generation and member generation, including wind generation, and power supply agreements with other sources; and

**WHEREAS**, the Board of Directors has determined that, given market conditions it is in the best interests of the member municipalities to secure reliable electric power at fixed rates for an extended period of time to provide rate stability; and

**WHEREAS**, the Authority and its Board of Directors have considered a number of alternative sources of electric power and energy and has determined that an agreement with Guzman Energy, LLC, is in the best interests of the member municipalities and their ratepayers;

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

1. The Power Sales Agreement Dated as of November 15, 2021 by and Among Arkansas River Power Authority and Guzman Energy, LLC, is hereby APPROVED.
2. The President and the General Manager of the Authority are hereby authorized to execute the Power Sales Agreement Dated as of November 15, 2021 by and Among Arkansas River Power Authority and Guzman Energy, LLC, on behalf of the Authority, along with any other documents and agreements necessary to give effect to that Agreement.

Approved this 2nd day of December, 2021.

ATTEST:

  
Arvenia L. Morris, Secretary

  
P. Lorenz Sutherland, President