

ARKANSAS RIVER POWER AUTHORITY
Board of Directors Meeting Minutes
August 25, 2022

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, August 25, 2022. Following appropriate notice, President Sutherland called the meeting to order at 10:00 AM.

ARPA Board Members present:

HOLLY: Blaine Ice

LA JUNTA: Gary Cranson
P. Lorenz Sutherland

LAMAR: Houssin Hourieh

LAS ANIMAS: Ron Clodfelter
Rick Stwalley

SPRINGFIELD: Jay Suhler

TRINIDAD: Carlos Lopez
Aaron Williamson

ARPA Staff present:

Rick Rigel, General Manager
Aarin Ritter, Finance/Accounting Manager
Arvenia Morris, Office Manager

ARPA Legal Counsel present:

Peter Edwards, Fairfield and Woods, PC
Ryan Tharp, Fairfield and Woods, PC

Others (guests) present:

Lynn Wright, City of Las Animas
Rick Klein, City Manager, City of La Junta¹
Chris Arguello, Electric Superintendent, City of La Junta
Ed Vela, City Council, La Junta

¹ Left the meeting at 12:06 PM

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 and Piper were absent. Board Member Lopez introduced Aaron Williamson, a Trinidad city councilman, as the newly appointed board member from Trinidad. Board Member Clodfelter introduced Lynn Wright. Lynn will be the electric superintendent for the City of Las Animas upon Clodfelter's retirement. Chris Arguello, the electric superintendent for the City of La Junta, was also in attendance. President Sutherland recognized and congratulated Las Animas Electric Superintendent, Ron Clodfelter, as the recipient of CAMU's 2022 Shepherd's Award.

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

APPROVAL OF AGENDA: The agenda was approved as received.

APPROVAL OF THE MINUTES: a. MAY 26, 2022 REGULAR MEETING. Secretary Morris noted a correction to the minutes of the May 26 meeting. Board Member Hourieh moved to approve the minutes as amended, seconded by Board Member Suhler, approved unanimously.

PUBLIC COMMENT: None.

ELECTION OF OFFICERS-DISCUSSION: Election of Officers is typically held in April at the annual meeting of the Board. Since no meeting was designated as an *annual meeting* in 2022, and there was no April meeting, election of officers was not held. The resolution designating dates and locations for meetings in 2023 will include the annual meeting date. Upon recommendation by President Sutherland, and by unanimous consent, the same slate of officers shall be kept until the election of officers at the next annual meeting.

FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: a. 2022 2nd Quarter Financial Review. Finance Manager Aarin Ritter presented the 2nd quarter financial statement. **b. July 2022 Financial Statement.** Finance Manager Ritter presented the July 2022 financial statement. Board Member Cranson moved to accept the July financial statement and approve outstanding bills, seconded by Board Member Lopez. The motion was approved unanimously. **c. Update on Year End Financial Projections.** General Manager Rigel provided the end of year financial projections using the actual performance for January through July 2022 and the budgeted financial performance for August through December 2022. **d. Review of Investment Strategy.** The General Manager updated the Board on ARPA's purchase of treasuries which are a permitted investment for ARPA's restricted bond funds. ARPA was recently notified by its Bond Trustee that the "market value" of the investments has decreased since the purchase date; therefore, the market value of the restricted fund balance has decreased. In order to maintain compliance with the bond documents, ARPA must transfer the shortfall amount into the restricted fund account. The total funding amount

will be recouped, plus the accrued interest, once the treasuries mature. **e. 2023 Preliminary Budget Review and Schedule.** The General Manager presented a review of the preliminary budget for 2023.

OPERATING REPORT: Aarin Ritter presented the Operating Report for July 2022. **a. Wind Report.** Arvenia Morris presented the Wind Report for July 2022.

OPERATING COMMITTEE REPORT: The General Manager presented a review of the items discussed at the Operating Committee meeting that was held on August 10.

GENERAL MANAGER REPORT: **a. Review of Power Supply Portfolio.** The power supply contract with Guzman Energy that begins on February 1, 2025, provides that ARPA can self-supply up to 20% of its load with renewable power generation. Staff will issue a request for proposal for the repowering of the 5 wind turbines and for a solar installation. **b. Billing Dispute with PSCo.** A proposed settlement has been reached on the billing dispute with Public Service Company of Colorado regarding Point-to-Point (PTP) transmission costs due to an outage on Tri-State's 230 kV network transmission system in November and December 2021. **c. Update on WAPA Activities.** Western Area Power Administration-Colorado River Storage Projects (WAPA-CRSP). CRSP is evaluating its two-year "Deliverable Sales Amount" program. This program reduced its customers allocations (LUB is a CRSP customer) by approximately 30% and increased rates by 11% due to ongoing drought conditions that restrict hydro generation from Glen Canyon dam. Western Area Power Administration-Loveland Area Projects (WAPA-LAP). WAPA-LAP has issued a Federal Register Notice for a rate increase of approximately 16%, scheduled to take effect on 01/01/2023. This increase is primarily due to implementing a drought adder for its rate. There is an ongoing discussion between WAPA and its firm electric customers regarding the scheduling of the Mt. Elbert Pump-Back facility. **d. Review of Annual Fitch Credit Rating.** ARPA had its annual credit rating review with Fitch. Fitch reaffirmed ARPA's investment grade credit rating of BBB- with a stable outlook. **e. Miscellaneous.** Federal and State Funding Opportunities. Staff recently met with a grant writer that may help ARPA and its members access the State and Federal funding that has/will become available. Transmission Projects. There are several transmission projects currently on the planning table that will impact utility operations in southeast Colorado. (1) Tri-state, a 230 kV line from Burlington to Lamar, (2) Xcel Energy (PSCo) Pathway to Power Project (3) Grid United, a 525 kV D.C. line in the early stage of development that would stretch from Guymon, OK to Pueblo, CO. Drought Impact. The Bureau of Reclamation took measures earlier this year intended to maintain lake levels above dead pool (generation level). The action appears to enable CRSP to meet its summer DSA deliveries (June-August) and potentially its fall deliveries (September-November).

NEW BUSINESS: **a. Discussion on Organic Contract Language for Board**

Member Requirements. Staff requested this agenda item be tabled for further review.

UNFINISHED BUSINESS: ARPA's outside general counsel, Peter Edwards, announced he is "winding down" his career and wanted to thank the ARPA Board for the friendships and having been able to be a part of the organization.

PLANNING AND COMMUNICATION: None.

MEMBER CITIES' REPORTS: Board Member Blaine Ice announced the Town of Holly is looking for a city manager. Board Member Lopez expressed his appreciation for being able to attend the APPA National Conference in June in Tennessee. Board Member Suhler announced the Town of Springfield has appointed Heath Piper to the ARPA Board of Directors.

NEXT MEETING DATE: The next regularly scheduled meeting of the Board of Directors is October 27, 2022 in La Junta at the Otero Junior College Student Center.

ADJOURN: The August 25, 2022 meeting of the Board of Directors was adjourned at 12:33 PM.

Respectfully submitted,



Arvenia L. Morris
Secretary of the Board