

ARKANSAS RIVER POWER AUTHORITY
Board of Directors Meeting Minutes
October 27, 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, October 27, 2022. Following appropriate notice, President Sutherland called the meeting to order at 10:00 AM.

ARPA Board Members present:

HOLLY: Randy Holland

LA JUNTA: Gary Cranson¹
P. Lorenz Sutherland

LAMAR: Houssin Hourieh
Roger Stagner

LAS ANIMAS: Ron Clodfelter

SPRINGFIELD: Heath Piper
Jay Suhler

TRINIDAD: Carlos Lopez

ARPA Staff present:

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

ARPA Legal Counsel present:

Ryan Tharp, Fairfield and Woods, PC

Others (guests) present:

Lynn Wright, City of Las Animas
Ed Vela, City Council, La Junta
Paul Valasquez, City Council, La Junta
Bill Jackson, Utility Director, City of La Junta

¹ Arrived at 10:27 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 and included Paul Valasquez. Mr. Valasquez is a member of the La Junta City Council and the council representative on the Board of Utilities Commissioners. Board Members Stwalley, Ice and Williamson were absent. Board Member Suhler introduced Heath Piper as the newly appointed board representative from the Town of Springfield. As a self-introduction, Randy Holland is the newly appointed board representative from the Town of Holly and serves as the Town's Administrator.

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

APPROVAL OF AGENDA: The agenda was revised by adding, as 9b, *Update on Tri-State FERC Filing. Report on RFP for Power Supply Resources* will become 9c. *Miscellaneous* will become 9d. The agenda was approved as revised.

APPROVAL OF THE MINUTES: a. AUGUST 25, 2022 REGULAR MEETING. Board Member Hourieh moved to approve the minutes as presented, seconded by Board Member Lopez, approved unanimously.

PUBLIC COMMENT: None.

FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: a. September 2022 Financial Statement. Finance Manager Ritter presented the September 2022 financial statement. Board Member Suhler moved to accept the September financial statement and approve outstanding bills, seconded by Board Member Stagner. The motion was approved unanimously. **b. Update on Year End Financial Projections.** General Manager Rigel provided the end of year financial projections using the actual performance for January through September 2022 and the budgeted financial performance for October through December 2022.

SUBMISSION OF 2023 PROPOSED BUDGET TO BOARD OF DIRECTORS. a. Report by General Manager and Discussion. The General Manager presented a review of the 2023 Proposed Budget. The Board received a draft of the proposed budget by email on October 13 as required by the Colorado local government budget law. **b. Authorize Publication of Availability and Set Budget Hearing Date for December 1, 2022.** Board Member Lopez moved that in accordance with the Colorado Local Government Budget Law, the proposed 2023 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 1, 2022 as the date for the public hearing for adoption of the 2023 budget. Said hearing shall be held at the December 1, 2022 meeting of the Board of Directors in La Junta. The motion was seconded by Board Member Cranson and approved unanimously. **c. Wholesale Rate-Annual Review.** No rate increase is proposed for 2023; however, the Board discussed Section 6.5 in the tariff concerning the avoided cost rate. The avoided cost rate is for

reimbursement of renewable generation resources. Staff will provide a red-line copy of this section of the tariff with cost options as discussed.

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

OPERATING COMMITTEE REPORT: The General Manager presented a review of the items discussed at the Operating Committee meeting that was held on October 20. Houssin Hourieh was elected to serve as Chairman of the Operating Committee. Chairman Clodfelter will be retiring at the end of 2022. The Committee recommended ARPA provide funding for the Mesa Hotline School relocation in the amount of \$5,000.

GENERAL MANAGER REPORT: a. Report on Black Hills Transmission Rate Filing. Black Hills recently filed with the Federal Energy Regulatory Commission (FERC) requesting an increase in its OATT (Open Access Transmission Tariff). ARPA has filed a motion to Intervene and Protest the OATT. Filing this motion will allow ARPA to be included in the Settlement discussions in mid-January 2023. **b. Update on Tri-State FERC Filing.** Tri-State is currently reviewing all sub-station facilities on its network system. The review is based on a FERC filing requiring “direct assignment” of costs. ARPA has filed a dock less intervention at FERC and is a party to the proceedings. **c. Report on RFP for Power Supply Resources.** 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 recently re-connected with a wind and solar developer interested in repowering both Lamar and ARPA’s wind turbines and pairing it with a solar installation. **c. Miscellaneous. Federal and State Funding Opportunities.** Staff is continuing to evaluate the federal and state grants funding opportunities made available by recent legislation. Staff will work with the Operating Committee to determine locations where EV charging stations could be placed in each of the member municipalities. Trinidad Sub-Transmission Rate Reduced. ARPA was recently notified by San Isabel Electric that the sub-transmission rate for service to Trinidad has been reduced 6.5%. The rate reduction began in September (2022). Colorado Solar and Storage Association (COSSA). The General Manager recently attended a workshop presentation in Lamar. The workshop centered primarily around land use for solar and battery storage. This workshop was one of several held across the state by COSSA.

NEW BUSINESS: a. Family and Medical Leave Insurance Program (FAMLI). Family and Medical Leave Insurance Program, approved by Colorado voters in 2020, was created to provide access for paid leave for family medical issues to all Colorado employers/employees. Following a short summary of the program, Board Member Cranson moved to adopt Resolution No. 03-22.

Resolution No. 03-22. Opt Out of FAMLI Program.

A Resolution Of The Board Of Directors Of The Arkansas River Power Authority Declaring The Arkansas River Power Authority's Decision To Opt Out Of The Colorado Paid Family And Medical Leave Insurance Program ("FAMLI")

The motion to adopt Resolution No. 03-22 was seconded by Board Member Suhler and it passed unanimously. A copy of **Resolution No. 03-22** is attached to these minutes.

b. Sale of Natural Gas Pipeline. ARPA and the Lamar Utilities Board (LUB) each own a natural gas transmission pipeline that was used to provide natural gas deliveries to the LUB Unit 6, a 25MW steam turbine generator (STG), and then later to the Lamar Repowering Project (LRP). There have been no gas deliveries to those units since late in 2011 when the LRP was taken off-line. Initial discussions have begun with a gas company to sell those gas line properties. Resolution No. 06-15 concerning the "Sale of Disposition of Surplus Property" states that for ARPA to sell any Real Property the property must first be offered to its members. It was determined that none of the ARPA member municipalities would be interested in purchasing the gas line property. Board Member Clodfelter moved to waive the policy as stated in Resolution No. 06-15, with respect to this transaction, and instruct the General Manager to proceed with negotiations to sell the property as described. The motion was seconded by Board Member Stagner and passed unanimously.

UNFINISHED BUSINESS: None.

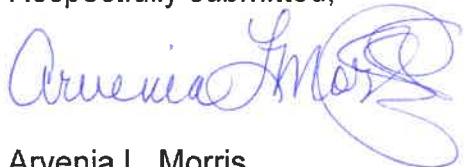
PLANNING AND COMMUNICATION: **a. Discussion on 2023 Meeting Schedule.** The Board members in attendance agreed the five-meeting schedule for 2022 worked well and the Board would be interested in keeping that same schedule for 2023. A resolution will be presented to the Board for approval at the meeting on December 1, 2022.

MEMBER CITIES' REPORTS: Board Member Lopez reported that there is a company (Source Energy) that is holding a presentation today in Las Animas County (Commissioners office) concerning solar and battery storage. Board Member Suhler said we need rain!

NEXT MEETING DATE: The next regularly scheduled meeting of the Board of Directors is December 1, 2022, in La Junta at the Otero Junior College Student Center.

ADJOURN: The October 27, 2022 meeting of the Board of Directors was adjourned at 12:46 PM.

Respectfully submitted,



Arvenia L. Morris
Secretary of the Board

RESOLUTION NO. 03 -22

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ARKANSAS RIVER POWER AUTHORITY
DECLARING THE ARKANSAS RIVER POWER AUTHORITY'S DECISION TO OPT OUT OF THE
COLORADO PAID FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM ("FAMLI")**

WHEREAS, in November 2020, Colorado voters approved Proposition 118 to create the Paid Family and Medical Leave Insurance ("FAMLI") Program; and

WHEREAS, the FAMLI Program allows local governments to decline to participate in the program; and

WHEREAS, the State's purpose for creating the program is to ensure all Colorado workers have access to paid leave in order to take care of themselves or their family during life circumstances that pull them away from their jobs, and

WHEREAS, the C.R.S. § 8-13.3-522 provides as a local government, the Arkansas River Power Authority ("ARPA" or "Authority") may decline to participate in FAMLI, by vote of the governing body, and

WHEREAS, if ARPA declines participation in the FAMLI Program employees of the Authority will still have the option to participate in the program and remit premiums directly to the State; and

WHEREAS, ARPA already provides paid time off to full-time regular employees in the form of vacation leave, sick leave, and unused vacation leave, and sick leave balances are carried forward to the following year subject to policy limits; and

WHEREAS, ARPA maintains long-term disability insurance that will compensate full-time regular employees who are unable to work because of sickness or injury; and

WHEREAS, ARPA employees were notified of their right to individually opt into the program under C.R.S. § 8-13-.3-514 and that more information for the FAMLI Program can be found at <https://famli.colorado.gov/>; and

WHEREAS, the General Manager of the Arkansas River Power Authority recommends to the Board of Directors that ARPA (i) decline all participation in the FAMLI Program, and (ii) decline to withhold and remit the employee share of premiums for ARPA employees who elect FAMLI coverage.

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

1. The ARPA Board of Directors hereby declines to participate in the Colorado Paid Family and Medical Leave Insurance Program.
2. The ARPA Board of Directors directs the Office Manager/Finance Director to notify the FAMLI Division of this decision.
3. This Resolution shall take effect immediately upon adoption.

PASSED, ADOPTED AND APPROVED this 27th day of October, 2022.



President
Board of Directors
Arkansas River Power Authority



Secretary of the Board

Voting:
Yes 9
No 0
Absent 3