

**ARKANSAS RIVER POWER AUTHORITY**  
**Board of Directors Meeting Minutes**  
February 23, 2023

The Board of Directors of the Arkansas River Power Authority (ARPA) met at the Otero College Student Center, 2001 San Juan, La Junta, CO., on Thursday, February 23, 2023. Following appropriate notice, President Sutherland called the meeting to order at 10:00 AM.

ARPA Board Members present:

HOLLY: Randy Holland  
Blaine Ice

LA JUNTA: Gary Cranson  
P. Lorenz Sutherland

LAMAR: Houssin Hourieh

LAS ANIMAS: Ron Clodfelter  
Rick Stwalley

SPRINGFIELD: Heath Piper  
Jay Suhler

TRINIDAD: Carlos Lopez<sup>1</sup>

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, Electric Superintendent, Las Animas Municipal Light and Power  
Bill Jackson, Utility Director, City of La Junta  
Ed Vela, City Council, City of La Junta  
John Krajewski, JK Energy Consulting, Smithfield, Nebraska

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<sup>1</sup> Left the meeting at 12:18 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 Williamson and Stagner were absent. President Sutherland introduced, and welcomed to the meeting, John Krajewski of JK Energy Consulting.

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

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

**APPROVAL OF THE MINUTES: a. DECEMBER 1, 2022 REGULAR MEETING.**

The minutes of the December 1 regular meeting were approved as printed.

**ELECTION OF OFFICERS: Resolution No. 01-23**

President Sutherland opened the floor for nominations. There were no nominations for any officer position. Board Member Lopez moved to adopt the following resolution:

**RESOLVED**, that the following are hereby elected officers of the Arkansas River Power Authority Board of Directors beginning February 2023 and shall hold office until the next succeeding annual meeting of the Board of Directors: Lorenz Sutherland, President; Ron Clodfelter, Vice President; Gary Cranson, Treasurer; Arvenia Morris, Secretary.

The motion was seconded by Board Member Hourieh and passed unanimously.

**PUBLIC COMMENT:** Ed Vela, City Council, City of La Junta, asked if ARPA was going to have any kind of rate increase. ARPA adopted its wholesale rate effective as of January 1, 2023, and it did not include a rate increase.

**UPDATE ON POWER SUPPLY RESOURCE OPTIONS:** John Krajewski presented a review of various options to self-supply renewable energy, beginning in February 2025. He provided a summary description of three different cases, an economic assessment of each case, and a discussion of non-economic factors that may affect ARPA's decision on its future power supply resource options. *Wind Turbine Risk Assessment*. Staff presented a review of the wind turbines, both current and future, to develop a wind turbine assessment that will assist ARPA in its determination of future operations of the turbines. Board members indicated they were interested in the options that kept the LUB/ARPA wind turbines online through their end of life.

**FINANCIAL REPORT AND APPROVAL OF OUTSTANDING BILLS: a. 2022 4<sup>th</sup> Quarter Financial Review.** Finance Manager Ritter presented the 2022 4<sup>th</sup> Quarter Financial Review. **B. January 2023 Financial Statement.** Finance Manager Ritter presented the January 2023 financial statement. Board Member Hourieh moved to accept the January financial statement and approve outstanding bills, seconded by Board Member Suhler. The motion was approved unanimously. **C. Financial Modeling 2023-2028.** General Manager presented the financial modeling through 2028. The financial modeling will be reviewed again in October 2023, and February and October 2024. **D. Bond Compliance Report.** Finance Manager Aarin Ritter presented a report reviewing the bond covenants as required in the official bond statements. ARPA is in compliance with all its financial bond covenants. The *Bond Compliance and Management Policy* is attached to and made a permanent part of these official minutes.

**OPERATING REPORT:** Aarin Ritter presented the Operating Report for January 2023. **A. Wind Report.** Arvenia Morris presented the Wind Report for year-end 2022 and January 2023.

**OPERATING COMMITTEE REPORT:** The General Manager presented a review of the items discussed at the Operating Committee meeting that was held on February 21. The primary topic of discussion included distribution planning services (planning grant), and the potential for microgrid funding applications. The Committee members also reviewed the growing number of rooftop solar additions in their communities.

**GENERAL MANAGER REPORT: a. 2022 Year in Review and Industry Outlook.** The General Manager presented a review of YE 2022 both financially and operationally. He also previewed the challenges and potential opportunities that are developing throughout the industry in the next few years. **B. Update on Black Hills Transmission Rate Filing.** General Manager Rigel provided an update on Black Hill's recent filing with the Federal Energy Regulatory Commission (FERC) requesting an increase in its OATT (Open Access Transmission Tariff). A second settlement conference is scheduled for mid-March. This will impact ARPA's Network Integrated Transmission Service Agreement with Black Hills for service to Las Animas. **C. Update on Tri-State FERC Filing.** General Manager Rigel provided information regarding recent developments on Tri-State's review of its sub-station facilities on Tri-State's transmission network system. The review is based on a FERC filing requiring "direct assignment" of costs. ARPA is a party to the proceedings. **d. Update on State Legislation – CAMU Report.** *HB23-1039 Resource Adequacy Legislation*. The General Manager provided an update on legislation proposed by Xcel Energy that all Load Serving Entities be required to submit an annual report on resource adequacy to the Colorado Public Utilities Commission (CPUC). As proposed in the legislation, Joint Action Agencies (ARPA) will be able to provide the report to their governing boards on behalf of its members. Once approved, that report would be provided to the Colorado Energy Office to be included in the CPUC's statewide report. *SB23-016 Greenhouse Gas (GHG) Reduction Measures*. The General Manager reported the bill seeks to add additional GHG reduction timelines over the goals established in 2019. *Clean Energy Plan*. There is currently a requirement for some utilities (municipals exempted) to submit a Clean Energy Plan that requires them to be below 80% GHG emissions as compared to 2005; however, a bill was recently introduced that would require all utilities, (including ARPA), to submit a Clean Energy Plan. CAMU will monitor this newly introduced legislation. *Governor's Letter Regarding High Utility Costs*. The Board received a copy of the governor's letter addressed to the Colorado Public Utilities Commission and the utility sector, both gas and electric, for increased emphasis on electrification, energy efficiency, and rate relief for low-income customers. **e. Miscellaneous.** *ARPA Cybersecurity Practices*. There is an increasing focus on cybersecurity within the electric industry. The General Manager discussed the cyber security measures ARPA practices to aid in its data security. *WAPA*. The General Manager attended the WAPA annual customer meeting in February and provided a

report. Discussion included cybersecurity, ten-year pole replacement plan, and newly released Strategic Plan 2023-2030. WAPA will need to significantly increase funding for market purchases to replace lost generation because of the ongoing drought. WAPA's transmission system planning includes an infrastructure program for connecting off-shore wind to load centers and to connect renewables to load centers. S&P Annual Credit Rating. The Board received a copy of ARPA's most recent credit rating by S&P. S&P affirmed its 'BBB' long-term and underlying rating (SPUR) on ARPA's outstanding electric revenue bonds with a stable outlook.

**NEW BUSINESS:** None.

**UNFINISHED BUSINESS:** None.

**PLANNING AND COMMUNICATION:** a. **ARPA Scholarship Program.** The ARPA scholarship program for 2023 is underway. Scholarship recipients will be announced at the May meeting of the Board. b. **APPA National Conference – June 16-21, 2023.** The APPA National Conference will be held in Seattle June 16-21.

**MEMBER CITIES' REPORTS:** None.

**NEXT MEETING DATE:** The next regularly scheduled meeting of the Board of Directors is May 25, 2023, in La Junta at the Otero Junior College Student Center.

**ADJOURN:** The February 23, 2023 meeting of the Board of Directors was adjourned at 12:34 PM.

Respectfully submitted,



Arvenia L. Morris  
Secretary of the Board

**ANNUAL COMPLIANCE REPORT RE:  
BOND COMPLIANCE AND MANAGEMENT POLICY**

To: Board of Directors of the Authority

Pursuant to its responsibilities as set forth in the Authority's internal Bond Compliance Policy (the "*Policy*"), Management has conducted the annual review required by the Policy and has prepared this report to determine whether the Bonds (as defined in the Policy) comply with covenants and other ongoing requirements applicable to each issue of Bonds. The following sets forth a summary demonstrating the Authority's compliance with such covenants and requirements.

RECORDS

The Authority has all of the records required under the Policy.

TAX COMPLIANCE

(a) *Arbitrage Rebate Liability.* At this time, the Authority does not have any rebate liability to the U.S. Treasury.

(b) *Contract Review.* The Authority has reviewed copies of all contracts and agreements of the Authority, including any leases, with respect to the use of any property owned by the Authority and acquired, constructed or otherwise financed or refinanced with the proceeds of the Bonds and other records. At this time, each issue of the Bonds complies with the federal tax requirements applicable to such issue, including restrictions on private business use and private loans.

(c) *IRS Examinations or Inquiries.* The Internal Revenue Service (the "*IRS*") has not commenced an examination of any issue of the Bonds. The IRS has not requested a response to a compliance checklist, questionnaire or other inquiry.

CONTINUING DISCLOSURE

(a) Management has reviewed the agreements of the Authority with respect to each issue of Bonds to determine whether the Annual Financial Information and Audited Financial Statements were filed in a timely manner. All such information was filed within the times required by all Undertakings.

(b) Management has conducted a review of all Material Events and Reportable Events, and has determined that.

No Event Disclosure has been required.

#### OTHER COVENANTS AND REQUIREMENTS

All issues of Bonds are in compliance with all other covenants and other ongoing requirements applicable to each such issue under the related Bond documents.

Based upon the foregoing, Management believes that no further action is necessary at this time.

#### COMPLIANCE WITH POLICY

All issues of Bonds are in compliance with all requirements of the Policy applicable to each such issue.

Based upon the foregoing, Management believes that no further action is necessary at this time.

#### TRAINING

Management has reviewed the requirements of the Best Practices – Training section of the Policy, and has participated in such periodic training as it has deemed necessary or appropriate to promote its compliance with the requirements of the Policy.

#### DELIVERY OF THIS REPORT

This report will be entered into the records of the Authority.

Submitted this 23<sup>rd</sup> day of February, 2023.

GENERAL MANAGER

By Richard Regal

**ANNUAL CERTIFICATE  
ARKANSAS RIVER POWER AUTHORITY**

Dated: 2/23, 2023

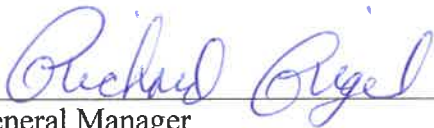
The undersigned General Manager of the Arkansas River Power Authority, a political subdivision of the State of Colorado (“ARPA”), acting for ARPA, in compliance with the provisions of Section 6.15(d) of the Trust Indenture, dated as of July 1, 2018 (the “Indenture”), between ARPA and UMB Bank, n.a., as trustee (the “Trustee”), does hereby certify as follows:

Responsive to Section 6.15(d) of the Indenture, ARPA has kept, observed, performed and fulfilled all of its covenants and obligations contained in the Indenture and there does not exist at the date hereof any default by ARPA under the Indenture or any Event of Default or other event which, with the giving of notice or the passage of time specified in Section 9.01 of the Indenture, would become an Event of Default.

Capitalized terms used in this certificate and not defined herein shall have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of the date first above written.

ARKANSAS RIVER POWER AUTHORITY

By   
General Manager