



## BUSINESS OPERATIONS – June 3, 2015

**District Court Judge Dismisses Rate Payers from Lamar Lawsuit.** On May 21, 2015, the Prowers County District Court issued an order granting in part ARPA’s motion to dismiss the claims of the City of Lamar and its ratepayers. The Court found that the individual ratepayers lacked standing to sue ARPA, as ARPA’s contract is with its member cities and not individual ratepayers. The Court also dismissed several of the claims asserted by the City of Lamar, including claims seeking to invalidate ARPA’s 2010 series of bonds. The Court reserved judgement on the remaining claims asserted by the City, finding that a ruling would be premature at this time.

The ARPA Board of Directors view the ruling as an opportunity to restart settlement discussions with Lamar and the Lamar Utilities Board. Rick Rigel, General Manager of ARPA, said that ARPA will continue to vigorously defend itself against the remaining claims to protect its other member communities, but believes the time is ripe to resume settlement discussions that were first held last January.

Rigel said “now that the remaining parties to the litigation are ARPA and Lamar, and now that the claims have been significantly pared down, this is an opportune time to spend more time on settlement discussions rather than on expensive litigation for the rate payers of Lamar and ARPA’s other members.” Rigel said the two parties have never really sat down across the table, face to face from each other, and discussed their differences or possible settlement opportunities. “The limited discussions between the parties that have taken place, have been through our respective legal counsels, and have not been effective. We believe the time has come to reach common ground and resolve this instead of continuing to incur costly legal fees.”

**ARPA Board Hears Proposal from a Financial Advisor.** The PFM Group, a national firm that specializes in providing Financial Advisor services to Public entities including Public Power utilities, provided a proposal to the ARPA Board at its recent meeting. The services would include assisting ARPA in the management of its existing debt portfolio and debt structure, financial strategic planning and other financial analysis projects. The firm would act as ARPA’s Independent Registered Municipal Advisor (IRMA) providing independent financial advice and serving solely the interest of ARPA. The Board directed staff to move forward with drafting an agreement with PFM for the proposed services.

**Next ARPA Meeting:** The next regularly scheduled meeting of the ARPA board is Thursday, July 30, 2015, beginning at 10:00 a.m. in Las Animas (location to be determined). ARPA board meetings are open to the public.