



BUSINESS OPERATIONS –MARCH 2019

2018 a Successful Year Financially for ARPA. 2018 proved to be another successful year for the Authority as its Revenues from Sales finished the year approximately 7% better than budget and resulted in revenues of \$29.7 million. Purchased Power costs, on a kilo-watt hour basis, were less in 2018 compared to 2017 and ARPA's A&G expenses were down considerably from 2017 and well below budget for the year. A major factor for the reduced cost was the reduction in legal expenses due to the settlement of outstanding litigation in 2017. ARPA finished 2018 with \$5 million in net revenue and an increase in cash of a little over \$5.5 million.

During the past few years, ARPA has improved its financial position significantly without having had a rate increase since 2011. The improved financial condition has allowed the Board to reduce costs through refinancing the majority of its bond debt last summer. The Board's plans also include retiring its 2010 bond debt by the end of 2020. Retiring the 2010 bonds will reduce expenses by approximately \$1.2 million annually.

ARPA Welcomes Two New Directors. **Rebecca Clark (Springfield)** and **Calvin Melcher (Holly)** have been appointed by their respective Town Governing Boards to fill unexpired terms on the ARPA Board of Directors. The Town of Springfield Board of Trustees appointed Rebecca Clark, Town Manager/Clerk for the Town of Springfield. Rebecca has been actively involved in attending ARPA Board meetings for the last several months. Calvin Melcher has been appointed by the Holly Board of Trustees to fill the unexpired term of Johnnie Lyons. Calvin is a long-time resident of the Town of Holly. Welcome Rebecca and Calvin!

Farewell to Two Directors from the ARPA Board. **Darwin Hansen**, a long-standing board member representing the Town of Springfield, submitted his resignation in February. Darwin served as a Director beginning late in 2007. Darwin was a member of the Superintendent's Operating Committee from 1993-2015 and was the Superintendent for the Springfield Electric Department for 35 years. **Johnnie Lyons** (Holly) submitted his resignation from the ARPA Board effective January 1, 2019. Johnnie served as a Director from February 2016 thru December 31, 2018. Thank you, Gentlemen, for your service on the ARPA Board of Directors.

ARPA Members Lend Assistance for APPA's LineWorker's Rodeo at Garden of the Gods. The Garden of the Gods (Colorado Springs) will be the venue for the American Public Power Association's annual LineWorker's Rodeo which will be held on March 29-30. The Public Power Lineworkers Rodeo is the foremost showcase of public power lineworker skill and knowledge. Nine lineworkers from the ARPA member municipalities of Lamar (2), La Junta (3), Las Animas (2) and Trinidad (2) assisted Colorado Springs Utilities build and erect some 200 poles for the event.

Summary of January 2019 Financial and Operating Statements. During the month of January, power sales were just better than budget by \$17,569. Total cost of goods sold were over budget \$49,189. Total A & G Expenses were under budget \$32,902. There were net revenues of \$290,777 for the month. Member sales for January were just less than 2018 by 0.9% but better than budget by 2.7%.

Next ARPA Meeting. The next regularly scheduled meeting of the ARPA Board of Directors is Thursday, March 28, 2019. The meeting will be held at the Bent County Community Center (1214 Ambassador Thompson Boulevard) beginning at 10:00 AM. The meeting is open to the public.