



BUSINESS OPERATIONS – MAY 10, 2015

ARPA Board Authorizes Contract for the Marketing and Sale of the Lamar Repowering Project: At its meeting on April 30, the ARPA Board of Directors passed a resolution authorizing the General Manager to execute a contract with International Process Plants (IPP) to assist it with the marketing and sale of the Lamar Repowering Project (LRP). The contract with IPP follows an extended study by ARPA concerning the most economic options for the LRP facility which has not operated since November 2011. In September 2014, the ARPA Board adopted a resolution concluding that it would be economically beneficial to decommission or dispose of the LRP assets. Since the B&W boiler at the LRP has been unable to operate in compliance with the air emissions limits, the Board, over the course of the last several months, has explored numerous alternatives for the non-performing Plant. ARPA hired HDR Engineering to research companies and options for selling the plant assets, including an evaluation of prospective asset recovery companies and equipment brokers. IPP will attempt to sell the Plant as a complete unit, including the boiler, 18 MW steam turbine, and associated coal handling and ancillary systems. This approach represents the most value that can be recouped from the failed Plant. IPP is a global asset recovery firm based in Princeton, New Jersey with offices and infrastructure in seventeen different countries.

Summary of March 2015 Financial and Operating Statements: Total revenues from power sales for March were 1% less than budget and the total Cost of Goods Sold, including purchased power, transmission, and wind turbine costs were slightly over budget. Sixty-seven percent of the energy supplied to ARPA members was from Twin Eagle Resource Management, twenty-six percent provided from ARPA's federal hydro-power allocation, and wind generation provided 7% of the power supply needs. The blended rate from all sources was about 5% higher than the blended rate in March 2014. The month of March showed a slight increase in member sales over 2014, and year to date net revenues of \$284,580, are better than budget.

ARPA Holds it's Annual Meeting on April 30 in La Junta: Officer Elections: The Board held officer elections at its annual meeting on April 30, 2015. Board Members elected to serve as officers include David Willhite (Holly), President; Rick Stwalley (Las Animas), Vice President; Michelle Miles (Trinidad), Treasurer; and ARPA staff member, Arvenia Morris, Secretary. David Willhite has been on the ARPA Board of Directors since 2001 and was elected President in September 2014. Rick Stwalley has represented Las Animas on the ARPA Board since January 2010 and has served as Vice President since April 2011. Michelle Miles has been on the ARPA Board since November 2011. **Work Session:** The Board engaged in a formal Strategic Planning Process following its business meeting. The Board identified and analyzed major topics affecting the operation and success of the Organization and set goals to address the topics. The next step is to develop a work plan to accomplish the goals.

Next ARPA Meeting: The next ARPA board meeting is scheduled for Thursday, May 28, 2015, beginning at 10:00 a.m. at the Lion's Den, 200 Main Street in Springfield. ARPA board meetings are open to the public.