



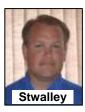






BUSINESS OPERATIONS - MAY 10, 2016







ARPA Holds its Annual Election of Officers: The Board held officer elections at its meeting on April 28, 2016. Board Members elected to serve as officers for April 2016 through 2017 include David Willhite (Holly), President; Rick Stwalley (Las Animas), Vice President; and Michelle Miles (Trinidad), Treasurer. David Willhite has been on the ARPA Board of Directors since 2001 and has served as President since September 2014. Rick Stwalley

was appointed to the ARPA Board by the City of Las Animas in January 2010 and has served as Vice President since April 2011. The City of Trinidad appointed Michelle Miles to the ARPA Board in November 2011 and she was elected to the office of Treasurer in April 2015. Arvenia Morris, ARPA Office Manager was also elected as Board Secretary.

ARPA-LUB Complete Settlement Actions: ARPA and the Lamar Utilities Board ("LUB") recently completed the action items that effectively settled the lawsuit between the two entities. The Settlement resulted in LUB dismissing its lawsuit against ARPA and disconnecting the Lamar Repowering Project ("LRP") from the LUB electric system. The responsibility for maintenance of the LRP was transferred to ARPA and LUB assumed all responsibility for costs associated with LUB assets. ARPA also agreed to reimburse LUB for staffing costs that had been withheld during the dispute. The Settlement allows ARPA to manage the maintenance of the plant and paves the way for a significant reduction in maintenance costs for the facility.



ARPA Operating Committee Discusses Member Staffing and Training Options: The ARPA Operating Committee is evaluating staffing and training options for its power plant operators and line-workers. One of the issues that is forefront for ARPA member's operations is the ability to recruit and retain staffing with the necessary expertise for electric system operations. In addition, affordable safety and training opportunities are a relevant factor for the issue. The Operating



Committee is researching training options and opportunities for funding to support the effort.

The Committee hopes to build on the recent bucket truck and pole top rescue training exercise it held. This safety training was led by La Junta and Las Animas head linemen and was attended by 40 personnel from member cities' electric departments, parks workers, and other personnel that operate bucket trucks.

ARPA Board Discusses Developing a Policy on Distributed Generation Resources: ARPA and its members are exploring the possibility of developing a uniform policy on Distributed Generation Resources ("DG") installations. DG's are electric generating resources that are constructed on-site/at a point of use, as opposed to a conventional utility owned power station. A DG is typically small in size and is fueled by using renewable resources such as solar or wind. There are a variety of ownership models for DG development ranging from a home owner putting solar panels on their roof to the development of a solar garden in which a variety of people can participate as investors/owners, to much larger utility grade developments. When utilities such as ARPA or its member electric systems consider DG development, several issues come into play including the impact on power supply contracts, rate structures, and reliability. ARPA will continue to explore the various approaches for DG development and the opportunities it may present.

Summary of March 2016 Financial and Operating Statements: During the month of March total revenues not including LRP Misc. Income were slightly better than budget. Total cost of goods sold were under budget 8.7%, and total A&G expenses not including LRP Misc. Income for the month were over budget by \$38,753. There were net revenues of \$207,461 for the month of March. YTD net revenues are \$21,150. Member sales were 1.7% better than budget for March and are 1.4% better than budget YTD.

Next ARPA Meeting: The next regularly scheduled meeting of the ARPA Board of Directors is Thursday, May 26, 2016, beginning at 10:00 a.m. at the Lamar Community Building, 610 South 6th Street, Lamar. ARPA Board meetings are open to the public.