



BUSINESS OPERATIONS – NOVEMBER 2020

ARPA Board Adopts New Wholesale Rate Tariff- Energy Rate Reduced 3.57%: The ARPA Board of Directors adopted a new rate tariff that includes an energy rate reduction of 3.57% at its October meeting. The reduction in ARPA's energy rate is a result of ARPA's ability to retire its 2010 Bonds of \$14.8 million early next year. Retiring the bonds will reduce ARPA's annual debt service costs by \$1.25 million. The reduced rate will take effect January 1, 2021. This is the 2nd rate reduction the Authority has implemented within the last two years.

ARPA's 2021 Budget Available for Public Inspection: The ARPA Board of Directors reviewed its proposed 2021 budget at its October meeting. The proposed 2021 budget is currently available for inspection by the public in the city clerk's office in the cities and towns of Holly, La Junta, Lamar, Las Animas, Springfield and Trinidad. Any interested elector in an ARPA member community or electricity consumer of an ARPA member may file objections to the proposed budget at any time prior to its final adoption. Any public comment or questions concerning the proposed 2021 budget should be directed to Rick Rigel, General Manager, at 719-336-3496. ARPA's 2021 Budget Hearing is scheduled for December 3, in La Junta at the Otero Junior College Student Center and by GoToMeeting. Due to COVID-19 the location of the meeting could be changed. The Public Notice for the meeting will be posted on the ARPA website at least 24-hours prior to the meeting.

Future Power Supply Discussion: The ARPA Board received a preliminary draft Request for Proposal (RFP) requesting options for power supply to replace an existing power supply contract that expires on January 31, 2025. The RFP includes various options for power supply resources that will provide approximately 65% of the Authority's power supply needs. The new power supply will replace ARPA's existing power supply contract with Public Service Company of Colorado. The current schedule anticipates that the RFP will be issued to interested parties the week of November 2, with the Board of Directors initial review of responses at its January 28, 2021 meeting.

Update on the Sale/Dismantling of the LRP: ARPA's Board received an update on the demolition process for its Lamar Repowering Project. The demolition of the power plant is scheduled to begin in mid-November. The Engineering firm of Burns and McDonnell is managing the demolition for the Authority. During its October meeting, the Board was advised of a proposal from the City of Lamar of a party interested in repurposing and re-using the North Plant equipment and domes. Discussion on the proposal is ongoing; however, the completion date for the entire dismantling of the Plant remains on schedule for the summer of 2021.

Summary of September 2020 Financial and Operating Statements: During the month of September, revenue from power sales were better than budget by 2.3% and total cost of goods sold were under budget by 5.9%. Net revenue for the month was \$256,642. YTD Total Revenues are 4.7% better than budget and cost of goods sold were 0.7% under budget. Net revenues YTD are \$3,662,132. Member Energy sales for September were 12.6% less than 2019 and just better than budget. Member Sales YTD are about 6% better than budget.

Next ARPA Meeting: The next regularly scheduled meeting of the ARPA Board of Directors is Thursday, December 3, 2020. The meeting notice and agenda will be posted on the ARPA website www.arpapower.org at least 24-hours in advance of the meeting.