



**ARKANSAS RIVER POWER AUTHORITY | eNews**  
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## **Trinidad - ARPA Finalize Settlement of its Lawsuit**

The Arkansas River Power Authority (ARPA), the City of Trinidad, and ARPA's bond insurer, Syncora Guarantee, Inc. (Syncora), have resolved a lawsuit regarding the Lamar Repowering Project.

The Trinidad City Council and ARPA Board of Directors both approved the settlement this week. As part of the terms of settlement, Trinidad and Syncora have dismissed their respective lawsuits; Syncora will pay Trinidad \$600,000 as a partial reimbursement of their legal expenses. Furthermore, once at least five of the six ARPA members have reaffirmed their contract obligations to ARPA, Syncora has agreed to pay a pro rata share of \$2.035 million directly to the ARPA member communities who approve the reaffirmation. These funds may be used by the member cities to provide, among other things, rate relief for their retail electric customers.

A central issue in the litigation with Trinidad has been continued funding for the Lamar Repowering Project. ARPA had been in discussions with Babcock & Wilcox, the company that manufactured the boiler for the plant, in an attempt to resolve issues related to the boiler's inability to meet air emissions guarantees. Those discussions broke down earlier this year, and in February ARPA filed a lawsuit for damages against Babcock & Wilcox.

The Settlement requires that within 60 days of finalizing the studies regarding the future operations of the plant, the ARPA Board of Directors will determine what the best economical option for the plant is, and act accordingly.

## **City of Lamar Lawsuit**

ARPA is reviewing a lawsuit recently filed by the City of Lamar. ARPA General Manager Rick Rigel commented, "we negotiated the Trinidad settlement in such a manner that if Lamar and ARPA settle its dispute by the end of October, Lamar could receive \$640,078; its pro rata share of the settlement payment and the largest single payment amount of any of the members. This would have a much more positive impact on Lamar's rate payers than incurring costly litigation fees that will only drive up electric rates to all ARPA members, including Lamar".

ARPA provides wholesale electricity to its member communities of Holly, La Junta, Lamar, Las Animas, Springfield and Trinidad. ARPA owns the Lamar Repowering Project and contracts with Lamar Utilities Board/Lamar Light and Power to operate the plant.

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ARPA | eNews is an electronic newsletter designed to keep member communities and the public up to date on developments associated with the Arkansas River Power Authority. Please forward it to anyone you think would be interested. Contact Arvenia Morris at [amorris@arpapower.org](mailto:amorris@arpapower.org) to subscribe or unsubscribe.

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