



BUSINESS OPERATIONS - September 2026

ARPA Board Reviews Preliminary 2027 Budget: A preliminary budget was presented to the Board of Directors at the August 27 meeting. The budget does not anticipate any adjustments to ARPA's wholesale rate and keeps in place the 8.6% rate decrease the Board approved in 2025. The proposed budget projects total revenues of \$28.7 million and total operating costs of \$17.87 million. The budget hearing and final approval of the 2027 budget is scheduled for December 3 at the Board of Directors meeting to be held in La Junta. The preliminary budget includes the following:

- Revenues \$28.7 million
- Power Supply Expense \$11.85 million
- Transmission Expense \$4.88 million
- A&G Expense \$1.14 million
- Non-Operating Expense \$6.03 million

ARPA Board Approves the Purchase of a Drone for Power Line Inspections: The ARPA Board of Directors acted on a recommendation from the ARPA Operating Committee and voted to approve the purchase of a drone for power line inspections. The funding for the drone will come via Community Funds provided by ARPA's Supplemental Power Supplier, Guzman Energy. The members will be required to provide certified flight pilots, in accordance with FAA regulations, to operate the device for their distribution system line inspections. The drone will be equipped with infrared camera technology and on-board software to capture the information necessary to evaluate the power line conditions.

July 2026 Financial and Operating Statements Summary: During the month of July, revenue from power sales was 10% better than budget and year to date, power sales are approximately 0.3% less than budget. Total cost of goods sold was over budget (13%). Transmission expense for the month was approximately 26% higher than budget; however, transmission expense is still within budget YTD. ARPA's hydro allocation from the Western Area Power Administration provided approximately 30% of the monthly resources, wind provided 5%, and supplemental power purchases rounded out the power purchases for July.

Lamar Wind Turbine Generator T-2 Back in Service: The Lamar Utilities Board (LUB) T-2 wind turbine generator suffered a major gear box failure several months ago. Due to the cost of replacing the gearbox, and the age of the turbine, it was decided that the unit would be placed into a moth-ball state for the foreseeable future. Then along came Linear Labs. Linear Labs contacted LUB and proposed replacing the failed gearbox in exchange for LUB allowing a new blade pitch system to be installed and tested on the turbine. LUB agreed, and after several months of work, testing, and commissioning, the turbine began generating at full capacity around August 1st. The new pitch blade system is designed to improve the efficiency of the turbine, requiring lower wind speeds to generate at full capacity. To date, the new system is performing as expected.

Next ARPA Meeting: The next regularly scheduled meeting of the ARPA Board of Directors is Thursday, October 29, 2026. The meeting will be held in La Junta at Otero College Student Center, 2001 San Juan. The meeting notice and agenda will be posted on ARPA's website (arpapower.org) under [Board Meetings](#) and will also be posted in a designated location in each of the member cities at least 24 hours in advance of the meeting.

ARPA Board Meetings Are Open to the Public