



Arkansas River Power Authority
2017 Budget
Adopted December 8, 2016
Resolution No. 07-16

P O Box 70
3409 South Main
Lamar, CO 81052

The governing body of the Arkansas River Power Authority (ARPA) is a Board of Directors in which all legislative power of the Authority is vested. Each Municipality appoints 2 representatives to the ARPA Board of Directors.

The ARPA Board of Directors is as follows:

Holly:

Johnnie Lyons
David Willhite

La Junta:

Allen Hill
P. Lorenz Sutherland

Lamar:

Houssin Hourieh
John Sutherland

Las Animas:

Ron Clodfelter
Rick Stwalley

Springfield:

Darwin Hansen
Vacant

Trinidad:

Robert Fabec
Michelle Miles

ARPA Staff:

Rick Rigel, General Manager
Arvenia Morris, Office Manager
Aarin Ritter, Manager of Finance and Accounting

2017 Budget

**Arkansas River Power Authority
Condensed Operating Budget For 2017**

	<u>2015 Actual</u>	<u>2016 Budget</u>	<u>2016 Projected YE</u>	<u>2017 Budget</u>
	(\$)	(\$)	(\$)	(\$)
Total Revenues	31,579,187	34,308,889	33,300,358	32,675,329
Operating Expenses				
Power Supply	14,056,827	13,651,788	14,060,505	13,257,526
Transmission	2,394,074	2,483,734	2,141,110	2,439,870
Administrative & General	2,133,659	3,196,691	2,537,847	3,153,945
Total Operating Expenses	18,584,561	19,332,213	18,739,463	18,851,341
Net Operating Income	12,994,626	14,976,676	14,560,896	13,823,988
Interest Expenses	8,149,107	8,046,390	8,046,390	7,930,440
Depreciation/Amortization	268,546	268,769	268,621	268,426
Total	8,417,653	8,315,159	8,315,011	8,198,866
Net Income	4,576,973	6,661,517	6,245,885	5,625,122
Non Operating Expenses				
Return of Reserves	(2,555,740)	(2,556,108)	(2,556,090)	(2,555,976)
Depreciation/Amortization	268,546	268,769	268,621	268,426
Amortization Income	(256,431)	(256,431)	(256,431)	(256,431)
Principal Payments	(2,040,000)	(2,177,502)	(2,177,502)	(2,292,495)
Capital Purchases	-	(454,500)	(250,000)	(415,000)
Total Non Operating Expenses	(4,583,625)	(5,175,772)	(4,971,402)	(5,251,476)
Net Cash from Operations	(6,652)	1,485,745	1,274,483	373,647

2017 Budget

Arkansas River Power Authority						
Expenses for 2017 Budget						
	2015 Actual	2016 Budget	2016 Projected YE	2017 Budget	Difference From Projected	% of Difference
	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
Power Supply Costs						
LLP- LRP	1,328,945	876,000	961,931	484,560	(477,371)	-99%
Emission Allowances	-	-	-	-	-	0%
O & M Expenses	2,974	13,500	4,795	13,500	8,705	64%
Fuel (Non-LRP)	7,514	14,400	5,460	14,400	8,940	62%
WAPA LAP	3,179,830	3,194,418	3,181,008	2,818,726	(362,282)	-13%
WAPA CRSP	235,021	236,061	234,174	236,288	2,114	1%
ARPA Wind	83,799	83,523	83,876	83,523	(352)	0%
Lamar Wind	646,034	641,187	645,865	641,187	(4,678)	-1%
Purchased Power	8,562,667	8,592,699	8,943,396	8,965,342	21,946	0%
Scheduling Service	-	-	-	-	-	0%
Spinning Reserve	10,043	-	-	-	-	0%
Total Power Supply Costs	14,056,827	13,651,788	14,060,505	13,257,526	(802,979)	-6%
Transmission Costs						
Tri-State G & T	1,762,298	1,895,349	1,703,579	1,803,734	100,155	6%
SECPA	26,943	40,613	32,553	41,772	9,219	22%
San Isabel	179,757	180,724	181,586	232,358	50,772	22%
Lamar Light & Power	35,328	35,742	39,501	36,517	(2,984)	-8%
Black Hills	168,570	189,436	170,288	183,619	13,331	7%
OATT Transmission	-	82,650	13,775	82,650	68,875	83%
Ancillary Services- Xcel	221,178	59,220	(172)	59,220	59,392	100%
Total Transmission Costs	2,394,074	2,483,734	2,141,110	2,439,870	298,760	12%
Administrative & General Expenses						
Dues & Subscription	19,377	24,559	20,934	24,559	3,625	15%
Employee Expenses	334,663	350,439	335,115	368,222	33,107	9%
Insurance Expenses	46,625	46,993	38,000	38,068	68	0%
Lease Exp - LRP City Land	2,762	2,789	2,789	2,817	28	1%
Lease Exp - Willow Creek Line	2,214	2,280	2,280	2,349	68	3%
Members Services	13,119	8,800	8,719	8,800	81	1%
Office Expenses	32,855	28,700	33,386	28,700	(4,686)	-16%
Professional & Outside Svcs	1,447,459	942,600	1,689,472	1,142,900	(546,572)	-48%
LRP Engineer and Contractor	199,372	1,752,000	370,633	1,500,000	1,129,367	75%
Safety Program	12,530	12,530	12,295	12,530	235	2%
Travel, Meals & lodging	22,684	25,000	24,224	25,000	776	3%
Total A & G Expenses	2,133,659	3,196,691	2,537,847	3,153,945	616,097	20%
Total Operating Expenses	18,584,561	19,332,213	18,739,463	18,851,341	111,878	1%
Interest Expenses	8,154,536	8,046,390	8,046,389	7,930,440	(115,949)	-1%
Depreciation/Amortization	268,546	268,769	268,326	268,426	100	0%
Total Expenses	27,007,643	27,647,372	27,054,177	27,050,207	(3,970)	0%
Capital Outlays						
Willow Creek T-Line	-	-	-	-	-	0%
Misc. Capital Exp.	-	162,500	-	165,000	165,000	100%
LRP Contingency	-	292,000	250,000	250,000	-	0%
Total Capital Outlays	-	454,500	250,000	415,000	165,000	40%
Total Expenses (Incl. Capital)	27,007,643	28,101,872	27,304,177	27,465,207	161,030	1%

Arkansas River Power Authority 2017 Budget Recap															
	Jan (\$)	Feb (\$)	Mar (\$)	Apr (\$)	May (\$)	June (\$)	July (\$)	Aug (\$)	Sep (\$)	Oct (\$)	Nov (\$)	Dec (\$)	2017 Budget (\$)	2016 Projected (\$)	2016 Budget (\$)
Power Supply Costs															
LLP- LRP	40,380	40,380	40,380	40,380	40,380	40,380	40,380	40,380	40,380	40,380	40,380	40,380	484,560	961,931	876,000
Emission Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
O & M Expenses	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	13,500	4,795	13,500
Fuel (Non-LRP)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400	5,460	14,400
WAPA LAP	210,235	188,397	195,868	250,954	256,462	274,559	309,179	274,559	237,579	203,913	203,913	213,108	2,818,726	3,181,008	3,194,418
WAPA CRSP	21,927	20,772	21,236	16,716	17,104	18,152	19,360	18,701	17,383	21,107	21,488	22,342	236,288	234,174	236,061
ARPA Wind	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	83,523	83,876	83,523
Lamar Wind	54,044	54,138	52,316	54,029	53,449	56,181	52,239	53,314	52,066	52,532	53,401	53,478	641,187	645,865	641,187
Purchased Power	734,727	708,203	746,201	590,093	646,887	802,030	874,776	933,856	823,163	672,795	664,210	768,401	8,965,342	8,943,396	8,592,699
Scheduling Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spinning Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Power Supply Costs	1,070,598	1,021,175	1,065,286	961,457	1,023,567	1,200,587	1,305,219	1,330,095	1,179,856	1,000,012	992,677	1,106,994	13,257,526	14,060,505	13,651,788
Transmission Costs															
Tri-State G & T	129,559	129,467	130,826	130,987	130,864	168,832	168,832	168,832	168,832	158,901	158,901	158,901	1,803,734	1,703,579	1,895,349
SECPA	3,515	3,162	3,148	2,978	3,256	4,198	4,475	3,700	3,469	3,067	3,171	3,633	41,772	32,553	40,613
San Isabel	21,365	18,861	19,390	17,875	17,678	19,298	20,778	19,300	17,988	18,364	19,369	22,092	232,358	181,586	180,724
Lamar Light & Power	2,274	2,275	2,324	2,175	2,716	4,252	4,598	4,549	4,153	2,521	2,323	2,357	36,517	39,501	35,742
Black Hills	12,992	12,464	11,667	10,975	13,819	20,844	21,941	21,083	19,480	12,463	12,862	13,028	183,619	170,288	189,436
OATT	6,888	6,888	6,888	6,888	6,888	6,888	6,888	6,888	6,888	6,888	6,888	6,888	82,650	13,775	82,650
Ancillary Services- Xcel	4,935	4,935	4,935	4,935	4,935	4,935	4,935	4,935	4,935	4,935	4,935	4,935	59,220	(172)	59,220
Total Transmission Costs	181,528	178,052	179,177	176,812	180,156	229,247	232,446	229,287	225,745	207,138	208,449	211,834	2,439,870	2,141,110	2,483,734
Administrative & General Expenses															
Dues & Subscription	6,567	341	384	11,111	831	535	265	465	3,165	265	265	365	24,559	20,934	24,559
Employee Expenses	30,653	30,654	30,654	30,654	30,654	30,654	30,654	30,654	30,654	30,654	30,845	30,842	368,222	335,115	350,439
Insurance Expenses	3,172	3,172	3,172	3,172	3,172	3,172	3,172	3,172	3,172	3,172	3,172	3,172	38,068	38,000	46,993
Lease Exp - LRP City Land	2,817	-	-	-	-	-	-	-	-	-	-	-	2,817	2,789	2,789
Lease Exp - Willow Creek	2,349	-	-	-	-	-	-	-	-	-	-	-	2,349	2,280	2,280
Members Services	1,400	1,400	400	400	400	400	400	400	1,400	1,400	400	400	8,800	8,719	8,800
Office Expenses	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	6,975	1,975	1,975	28,700	33,386	28,700
Professional & Outside Svcs	134,500	275,500	451,000	29,000	37,400	36,500	29,000	29,000	34,000	29,000	29,000	29,000	1,142,900	1,689,472	942,600
LRP Engineer and Contractor	-	-	250,000	250,000	250,000	250,000	250,000	250,000	-	-	-	-	1,500,000	370,633	1,752,000
Safety Program	-	-	-	-	-	-	-	-	-	12,530	-	-	12,530	12,295	12,530
Travel, Meals & lodging	2,083	2,083	2,084	2,083	2,083	2,084	2,083	2,083	2,084	2,083	2,083	2,084	25,000	24,224	25,000
Total A & G Expenses	185,516	315,125	739,669	328,395	326,515	325,320	317,549	317,749	76,450	86,079	67,740	67,838	3,153,945	2,537,847	3,196,691
Total Operating Expenses	1,437,642	1,514,352	1,984,133	1,466,664	1,530,238	1,755,154	1,855,215	1,877,131	1,482,051	1,293,229	1,268,866	1,386,666	18,851,341	18,739,463	19,332,213
Interest Expenses	663,523	663,523	663,523	663,523	663,523	663,523	663,523	663,523	663,523	652,911	652,911	652,911	7,930,440	8,046,389	8,046,390
Depreciation/Amortization	22,369	22,369	22,369	22,369	22,369	22,369	22,369	22,369	22,369	22,369	22,369	22,367	268,426	268,326	268,769
Total Expenses	2,123,534	2,200,244	2,670,025	2,152,556	2,216,130	2,441,046	2,541,107	2,563,023	2,167,943	1,968,509	1,944,146	2,061,944	27,050,207	27,054,177	27,647,372

2017 Budget B
December 8, 2016

Avg Composite Rate	\$ 0.10632	<u>kWh</u>	<u>Rate</u>	<u>Amount (\$)</u>	
		258,472,780	0.0935	\$24,167,205	Energy Rate
		543,742	5.49	\$2,985,144	Demand Rate
		258,472,780	0.00000	\$0	DSC Adder
		328,302	1	\$328,302	Reimb Transmission
				\$27,480,651	

Arkansas River Power Authority
Revenues for 2017 Budget

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	2017 Total	2016 Budget
Members	21,509,799	19,105,674	19,936,169	18,879,257	20,136,947	24,439,058	26,506,034	26,101,999	21,921,164	19,209,634	19,112,286	21,614,758	258,472,780	258,472,780
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Sales to Members	2,286,922	2,031,315	2,119,613	2,007,243	2,140,960	2,598,361	2,818,122	2,775,165	2,330,658	2,042,368	2,032,018	2,298,081	27,480,826	27,460,148
Lamar CRSP	27,603	25,727	26,480	20,556	21,186	22,888	24,850	23,779	21,639	26,271	26,890	28,277	296,146	295,778
Debt Service Adder	212,998	212,998	212,998	212,998	212,998	212,998	212,998	212,998	212,998	212,998	212,998	212,998	2,555,976	2,556,108
Off-system Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Interest Income	8,734	7,716	10,717	4,362	867	664	9,078	6,909	30,212	4,875	1,565	252	85,950	240,424
Amortization	21,369	21,369	21,369	21,369	21,369	21,369	21,369	21,369	21,369	21,369	21,369	21,369	256,431	256,431
LRP Miscellaneous Income	-	-	1,000,000	-	-	1,000,000	-	-	-	-	-	-	2,000,000	3,500,000
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Total Revenues	2,557,626	2,299,126	3,391,178	2,266,528	2,397,380	3,856,280	3,086,416	3,040,220	2,616,876	2,307,882	2,294,840	2,560,977	32,675,329	34,308,889
	7.8%	7.0%	10.4%	6.9%	7.3%	11.8%	9.4%	9.3%	8.0%	7.1%	7.0%	7.8%	100.0%	100.0%

Arkansas River Power Authority Fund Balance

	12/31/2016	12/31/2017	Change
Cash & Cash Equivalents, Unrestricted	\$ 4,165,430	\$ 4,539,076	\$ 373,647
Cash & Cash Equivalents, Restricted	14,787,905	14,873,856	85,950
Total Cash & Cash Equivalents	\$ 18,953,335	\$ 19,412,932	\$ 459,597

	Projected 12/31/2016	Projected Changes in 2017	Projected 12/31/2017
Restricted Funds			
DS Reserve (LRP Bonds)	\$ 11,778,859	-	11,778,859
Surplus DS Reserve (Interest Earned)	-	85,950	85,950
Bond Payment Fund	2,471,324	-	2,471,324
Capacity Fund	-	-	-
Working Capital Fund	-	-	-
Reserve Fund (2003 Bonds)	-	-	-
2010 Project Fund	537,722	-	537,722
Transmission Maintenance	-	-	-
	\$ 14,787,905	85,950	14,873,856

RESOLUTION No. 07-16

WHEREAS, the Arkansas River Power Authority (ARPA) was created and organized as a political subdivision of the State of Colorado; and

WHEREAS, it is necessary that the Board of Directors adopt a budget for the year 2017; and

WHEREAS, following advance published notice in accordance with Colorado law, a hearing was held on the proposed 2017 budget at a regular meeting of the Board of Directors on December 8, 2016, at which meeting a quorum of the Board was present; and

WHEREAS, the Board is now appropriately advised and desires to take action on the proposed budget dated December 8, 2016

BE IT RESOLVED By The Board of Directors of the Arkansas River Power Authority (ARPA) that:

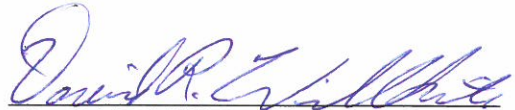
(1) Title

This Resolution shall govern the expenditure of funds by general purpose and amount for the calendar year 2017 commencing January 1 and ending December 31, and may be cited as "ARPA Budget and Appropriation Resolution of 2017".

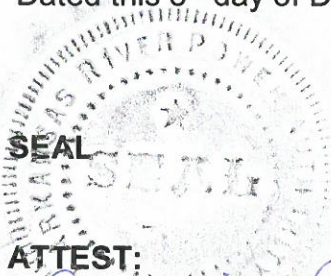
(2)

The 2017 Budget presented to the Board on December 8, 2016, is hereby approved and there is budgeted and appropriated from revenues, assessments and other funds available to ARPA, the sum of Twenty-seven million, fifty thousand, two hundred seven (\$27,050,207) dollars or so much thereof as the General Manager shall find necessary or desirable to expend to conduct the activities of ARPA, in accordance with the budget herein adopted and the ARPA Fiscal Resolution as it currently exists or as it may subsequently be amended.

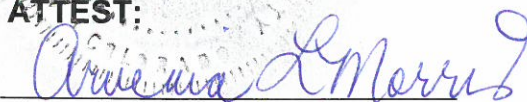
Dated this 8th day of December, 2016.



David R. Willhite
President
Board of Directors
Arkansas River Power Authority



ATTEST:



Arvenia L. Morris
Secretary