



Arkansas River Power Authority
2024 Proposed Budget
October 26, 2023

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:

Randy Holland

Blaine Ice

La Junta:

Gary Cranson

P. Lorenz Sutherland

Lamar:

Houssin Hourieh

Roger Stagner

Las Animas:

Ron Clodfelter

Rick Stwalley

Springfield:

Heath Piper

Jay Suhler

Trinidad:

Carlos Lopez

Frank Shew

ARPA Staff:

Rick Rigel, General Manager

Arvenia Morris, Office Manager

Aarin Ritter, Manager of Finance and Accounting

Arkansas River Power Authority				
Condensed Operating Budget For 2024				
	2022	2023	2023	2024
	<u>Actual</u>	<u>Budget</u>	<u>Projected YE</u>	<u>Budget</u>
	(\$)	(\$)	(\$)	(\$)
Total Revenues	32,215,469	30,666,659	30,157,558	30,797,603
Operating Expenses				
Power Supply	13,918,305	14,990,139	14,286,593	14,800,189
Transmission	3,095,155	3,584,364	3,207,186	3,562,435
Administrative & General	983,698	1,214,668	1,146,323	1,494,864
Total Operating Expenses	17,997,158	19,789,171	18,640,102	19,857,488
Net Operating Income	14,218,311	10,877,488	11,517,456	10,940,115
Interest Expenses	5,413,632	5,291,106	5,291,106	5,159,631
Depreciation/Amortization	257,986	267,576	267,576	267,576
Total	5,671,618	5,558,682	5,558,682	5,427,207
Net Income	8,546,693	5,318,806	5,958,773	5,512,908
Non Operating Expenses				
Return of Reserves	(2,066,495)	(2,065,277)	(2,069,479)	(2,063,345)
Depreciation/Amortization	257,986	267,576	267,576	267,576
Amortization Income	(428,976)	(428,976)	(428,976)	(428,976)
City of Lamar Settlement	(141,341)	(147,466)	(147,466)	(153,857)
Principal Payments	(2,835,000)	(2,970,000)	(2,970,000)	(3,093,750)
Cash from sale of assets	18,167	-	-	-
Capital Purchases/ Contingency	(156,999)	(140,000)	(140,000)	(150,000)
Total Non Operating Expenses	(5,352,658)	(5,484,143)	(5,488,345)	(5,622,352)
Net Cash	3,194,035	(165,337)	470,429	(109,444)

Arkansas River Power Authority						
Expenses for 2024 Budget						
	2022	2023	2023	2024	Difference	% of
	Actual	Budget	Projected YE	Budget	From Projected	Difference
	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
Power Supply Costs						
O & M Expenses	26,055	13,500	15,427	13,500	(1,927)	-12.5%
Fuel (Non-LRP)	3,688	14,400	11,060	14,400	3,340	30.2%
WAPA LAP	2,408,156	2,824,004	2,816,117	2,818,168	2,051	0.1%
WAPA CRSP	206,623	212,132	219,756	211,494	(8,262)	-3.8%
ARPA Wind	120,040	128,400	159,067	242,940	83,873	52.7%
Lamar Wind	682,088	667,889	675,389	404,480	(270,909)	-40.1%
Purchased Power	10,471,655	11,129,814	10,389,777	11,095,207	705,430	6.8%
Total Power Supply Costs	13,918,305	14,990,139	14,286,593	14,800,189	513,596	3.6%
Transmission Costs						
Tri-State G & T	2,287,768	2,453,608	2,260,841	2,472,626	211,785	9.4%
SECPA	26,544	35,194	29,588	35,195	5,607	19.0%
San Isabel	200,736	214,881	196,696	195,706	(991)	-0.5%
Lamar Light & Power	37,672	41,014	34,566	40,144	5,578	16.1%
Black Hills	238,226	454,755	388,533	433,853	45,320	11.7%
OATT Transmission	59,426	82,650	65,147	82,650	17,504	26.9%
Ancillary Services- Xcel	244,784	302,261	231,816	302,261	70,446	30.4%
Total Transmission Costs	3,095,155	3,584,364	3,207,186	3,562,435	355,249	11.1%
Administrative & General Expenses						
Dues & Subscription	37,037	37,479	25,926	37,479	11,553	44.6%
Employee Expenses	410,098	431,795	426,082	445,776	19,695	4.6%
Insurance Expenses	57,175	66,429	53,897	66,429	12,532	23.3%
City of Lamar Settlement	208,659	202,534	202,534	196,143	(6,391)	-3.2%
Lease Exp - LRP City Land	-	-	-	-	-	0.0%
Lease Exp - Willow Creek	2,723	2,804	4,500	4,635	135	3.0%
Members Services	5,659	10,400	12,405	10,400	(2,005)	-16.2%
Office Expenses	20,219	21,687	21,071	21,687	616	2.9%
Professional & Outside Svcs	214,985	401,300	361,385	672,075	310,690	86.0%
Safety Program	10,109	15,240	15,240	15,240	-	0.0%
Travel, Meals & lodging	17,033	25,000	23,284	25,000	1,716	7.4%
Total A & G Expenses	983,698	1,214,668	1,146,323	1,494,864	348,541	30.4%
Total Operating Expenses	17,997,158	19,789,171	18,640,102	19,857,488	1,217,386	6.5%
Interest Expenses	5,413,632	5,291,106	5,291,106	5,159,631	(131,475)	-2.5%
Depreciation/Amortization	257,986	267,576	267,576	267,576	(0)	0.0%
Total Expenses	23,668,776	25,347,853	24,198,784	25,284,695	1,085,911	4.5%
Capital Outlays						
Wind Farm Metering	-	85,000	85,000	-	(85,000)	0.0%
Wind Turbine Upgrades	88,811	-	-	-	-	0.0%
Wind Turbine T-4 Gearbox Replacement	-	-	-	100,000	-	-
Trinidad Project	50,160	-	-	-	-	-
LRP Demolition Costs	-	-	-	-	-	-
Contingency	18,028	55,000	55,000	50,000	(5,000)	100.0%
Total Capital/ Contingency	156,999	140,000	140,000	150,000	10,000	7.1%
Total Expenses (Incl. Capital)	23,825,775	25,487,853	24,338,784	25,434,695	1,095,911	4.5%

Arkansas River Power Authority															
2024 Proposed Budget Recap															
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	2024	2023	2023
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	Budget	Projected	Budget
													(\$)	(\$)	(\$)
Power Supply Costs															
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	15,427	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	11,060	14,400
WAPA LAP	210,628	188,754	196,237	251,427	256,944	275,070	309,747	275,070	238,029	202,379	202,379	211,504	2,818,168	2,816,117	2,824,004
WAPA CRSP	17,856	17,549	17,541	15,240	17,826	17,519	18,329	17,947	16,089	18,599	18,143	18,855	211,494	219,756	212,132
ARPA Wind	20,245	20,245	20,245	20,245	20,245	20,245	20,245	20,245	20,245	20,245	20,245	20,245	242,940	159,067	128,400
Lamar Wind	33,312	33,986	33,769	33,610	33,839	33,922	33,681	33,757	33,651	33,651	33,651	33,651	404,480	675,389	667,889
Purchased Power	953,303	940,609	877,637	700,108	766,569	999,606	1,209,675	1,260,801	1,024,991	760,812	755,568	845,528	11,095,207	10,389,777	11,129,814
Total Power Supply Costs	1,237,669	1,203,468	1,147,754	1,022,955	1,097,748	1,348,687	1,594,002	1,610,145	1,335,330	1,038,011	1,032,311	1,132,108	14,800,189	14,286,593	14,990,139
Transmission Costs															
Tri-State G & T	202,079	201,420	202,386	202,828	221,659	218,486	215,715	215,904	199,194	195,694	197,111	200,151	2,472,626	2,260,841	2,453,608
SECPA	2,695	2,738	2,516	2,215	2,480	3,274	4,291	4,107	3,131	2,430	2,465	2,853	35,195	29,588	35,194
San Isabel	18,216	16,720	16,505	14,487	14,346	15,448	17,740	17,635	15,484	15,130	15,976	18,020	195,706	196,696	214,881
Lamar Light & Power	2,318	2,516	2,515	2,862	3,232	4,790	5,309	5,358	4,147	2,516	2,095	2,486	40,144	34,566	41,014
Black Hills	29,284	29,558	27,114	26,906	37,688	48,117	51,921	50,745	45,566	29,666	26,941	30,348	433,853	388,533	454,755
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	65,147	82,650
Ancillary Services- Xcel	21,949	21,297	17,906	20,205	27,920	33,201	33,969	29,671	30,679	20,604	21,919	22,944	302,261	231,816	302,261
Total Transmission Costs	283,428	281,135	275,829	276,390	314,212	330,203	335,833	330,306	305,088	272,927	273,394	283,689	3,562,435	3,207,186	3,584,364
Administrative & General Expenses															
Dues & Subscription	9,371	341	284	13,956	831	435	3,629	265	1,765	1,963	4,274	365	37,479	25,926	37,479
Employee Expenses	37,148	37,148	37,148	37,148	37,148	37,148	37,148	37,148	37,148	37,148	37,148	37,148	445,776	426,082	431,795
Insurance Expenses	12,228	4,516	4,516	4,516	4,516	4,516	4,516	9,046	4,516	4,516	4,516	4,516	66,429	53,897	66,429
City of Lamar Settlement	16,593	16,549	16,504	16,459	16,414	16,369	16,324	16,278	16,232	16,187	16,141	16,094	196,143	202,534	202,534
Lease Exp - LRP City Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease Exp - Willow Creek	4,635	-	-	-	-	-	-	-	-	-	-	-	4,635	4,500	2,804
Members Services	1,800	1,800	400	400	400	400	400	400	1,800	1,800	400	400	10,400	12,405	10,400
Office Expenses	1,807	1,807	1,807	1,808	1,807	1,807	1,807	1,808	1,807	1,807	1,807	1,808	21,687	21,071	21,687
Professional & Outside Svcs	89,500	95,500	71,000	71,000	82,575	88,500	33,500	26,000	31,500	31,000	26,000	26,000	672,075	361,385	401,300
Safety Program	-	-	-	-	-	-	-	-	-	15,240	-	-	15,240	15,240	15,240
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	23,284	25,000
Total A & G Expenses	175,165	159,743	133,742	147,370	145,774	151,258	99,406	93,028	96,852	111,743	92,368	88,415	1,494,864	1,146,323	1,214,668
Total Operating Expenses	1,696,262	1,644,347	1,557,326	1,446,714	1,557,734	1,830,148	2,029,241	2,033,479	1,737,270	1,422,681	1,398,074	1,504,212	19,857,488	18,640,102	19,789,171
Interest Expenses	432,776	432,776	432,776	432,776	432,776	432,776	432,776	432,776	432,776	421,549	421,549	421,549	5,159,631	5,291,106	5,291,106
Depreciation/Amortization	22,298	22,298	22,298	22,298	22,298	22,298	22,298	22,298	22,298	22,298	22,298	22,298	267,576	267,576	267,576
Total Expenses	2,151,336	2,099,421	2,012,400	1,901,788	2,012,808	2,285,222	2,484,315	2,488,553	2,192,344	1,866,528	1,841,921	1,948,059	25,284,695	24,198,784	25,347,853

Debt Coverage Calculation		
For 2024 Budget Year		
Projected Revenues	\$	30,797,603
Less: Amortization of Premium	\$	(428,976)
Projected Operating Expenses	\$	(19,857,488)
Net Operating Margin	\$	10,511,139
Annual Debt Service	\$	8,253,381
Coverage Ratio		1.27

