Arkansas River Power Authority
2027 Proposed Budget
October 29, 2026

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:
Jay Brooke
Houssin Hourieh

Las Animas:
Rick Stwalley
Lynn Wright

Springfield:
Aaron Close
Heath Piper

Trinidad:
Frank Shew
Linda Vigil

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 2027

	2025 Actual	2026 Budget	2026 Projected YE	2027 Budget
	($)	($)	($)	($)
Total Revenues	28,990,583	28,554,462	28,978,221	28,743,282
Operating Expenses				
Power Supply	11,720,820	11,926,306	11,909,483	11,848,405
Transmission	3,946,742	4,441,230	4,454,037	4,928,230
Administrative & General	1,149,240	1,408,514	1,227,624	1,157,196
Total Operating Expenses	16,816,802	17,776,049	17,591,144	17,933,831
Net Operating Income	12,173,781	10,778,413	11,387,077	10,809,451
Interest Expenses	5,022,756	4,877,529	4,877,529	4,720,968
Depreciation/Amortization	297,673	272,592	272,592	272,592
Total	5,320,429	5,150,121	5,150,121	4,993,560
Net Income	6,853,352	5,628,292	6,236,956	5,815,891
Non Operating Expenses				
Return of Reserves	(2,063,796)	(2,063,756)	(2,063,786)	(2,063,679)
Depreciation/Amortization	297,673	272,592	272,592	272,592
Amortization Income	(428,976)	(428,976)	(428,976)	(428,976)
City of Lamar Settlement	(160,525)	(167,482)	(167,482)	(174,740)
Principal Payments	(3,231,249)	(3,377,496)	(3,377,496)	(3,533,748)
Gain/Loss on Assets	(16,854)	-	-	-
Capital Purchases/ Contingency	-	(100,000)	-	(100,000)
Total Non Operating Expenses	(5,603,727)	(5,865,118)	(5,765,148)	(6,028,551)
Net Cash	1,249,625	(236,826)	471,809	(212,660)

Arkansas River Power Authority

Expenses for 2027 Budget

	2025 Actual	2026 Budget	2026 Projected YE	2027 Budget	Difference From Projected	% of Difference
	($)	($)	($)	($)	($)	(%)
Power Supply Costs						
O & M Expenses	28,584	13,500	7,280	13,500	6,220	85.4%
Fuel (Non-LRP)	1,310	14,400	9,093	14,400	5,307	58.4%
WAPA LAP	3,026,892	3,292,139	3,311,405	3,292,139	(19,266)	-0.6%
WAPA CRSP	211,450	205,685	199,765	205,685	5,919	3.0%
ARPA Wind	263,787	243,378	257,749	243,605	(14,144)	-5.5%
Lamar Wind	382,187	402,610	401,263	403,176	1,913	0.5%
Purchased Power	7,806,609	7,754,594	7,722,928	7,675,901	(47,027)	-0.6%
Total Power Supply Costs	11,720,820	11,926,306	11,909,483	11,848,405	(61,078)	-0.5%
Transmission Costs						
Tri-State G & T	2,964,475	3,291,853	3,234,111	3,703,268	469,158	14.5%
SECPA	27,259	36,004	29,852	36,461	6,609	22.1%
San Isabel	193,606	211,248	198,344	214,547	16,203	8.2%
Lamar Light & Power	38,809	37,870	40,228	38,203	(2,025)	-5.0%
Black Hills	416,087	455,853	631,361	569,999	(61,362)	-9.7%
OATT Transmission	4,970	82,650	20,663	40,000	19,338	93.6%
Ancillary Services- Xcel	301,538	325,752	299,479	325,752	26,272	8.8%
Total Transmission Costs	3,946,742	4,441,230	4,454,037	4,928,230	474,194	10.6%
Administrative & General Expenses						
Dues & Subscription	28,632	30,341	34,236	30,341	(3,895)	-11.4%
Employee Expenses	461,310	449,246	460,433	485,752	25,319	5.5%
Insurance Expenses	60,030	71,677	65,021	73,563	8,542	13.1%
City of Lamar Settlement	189,475	182,518	182,518	175,260	(7,258)	-4.0%
Lease Exp - LRP City Land	-	-	-		-	0.0%
Lease Exp - Willow Creek	4,774	4,917	4,917	5,065	148	3.0%
Members Services	25,115	48,488	92,685	48,488	(44,197)	-47.7%
Office Expenses	28,705	28,287	21,418	28,287	6,869	32.1%
Professional & Outside Svcs	310,357	552,800	331,930	270,200	(61,730)	-18.6%
Safety Program	20,076	15,240	15,240	15,240	(0)	0.0%
Travel, Meals & lodging	20,765	25,000	19,224	25,000	5,776	30.0%
Total A & G Expenses	1,149,240	1,408,514	1,227,624	1,157,196	(70,428)	-5.7%
Total Operating Expenses	16,816,802	17,776,049	17,591,144	17,933,831	342,687	1.9%
Interest Expenses	5,022,756	4,877,529	4,877,529	4,720,968	(156,561)	-3.2%
Depreciation/Amortization	297,673	272,592	272,590	272,592	2	0.0%
Total Expenses	**22,137,231**	**22,926,170**	**22,741,263**	**22,927,391**	186,129	0.8%
Capital Outlays						
Wind Turbine Upgrades	-		-		-	0.0%
Wind Turbine T-4 Gearbox Replacement	-	-	-	-		
Contingency	-	100,000	-	100,000	100,000	100.0%
Total Capital/ Contingency	**-**	**100,000**	**-**	**100,000**	**100,000**	**100.0%**
Total Expenses (Incl. Capital)	**22,137,231**	**23,026,170**	**22,741,263**	**23,027,391**	**286,129**	**1.3%**

Arkansas River Power Authority

2027 Proposed Budget Recap

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	2027 Budget	2026 Projected	2026 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	7,280	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	9,093	14,400
WAPA LAP	245,587	220,080	228,806	293,068	299,498	320,626	361,043	320,626	277,453	238,204	238,204	248,944	3,292,139	3,311,405	3,292,139
WAPA CRSP	17,364	17,066	17,058	14,821	17,338	17,039	17,827	17,456	15,647	18,088	17,644	18,336	205,685	199,765	205,685
ARPA Wind	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	243,605	257,749	243,378
Lamar Wind	32,244	33,313	34,207	35,472	34,885	35,259	30,972	31,098	34,270	34,148	32,493	34,813	403,176	401,263	402,610
Purchased Power	706,229	614,987	592,383	470,548	532,082	673,421	806,076	870,366	677,185	550,401	563,328	618,895	7,675,901	7,722,928	7,754,594
Total Power Supply Costs	1,024,049	908,072	895,080	836,534	906,429	1,068,970	1,238,544	1,262,171	1,027,181	863,466	874,294	943,614	11,848,405	11,909,483	11,926,306
Transmission Costs															
Tri-State G & T	302,632	302,605	302,712	304,611	298,393	298,407	302,126	304,428	309,587	327,127	328,170	322,470	3,703,268	3,234,111	3,291,853
SECPA	3,230	2,674	2,559	2,331	2,560	3,338	4,362	4,245	3,104	2,491	2,637	2,930	36,461	29,852	36,004
San Isabel	20,284	17,456	17,502	15,292	15,171	16,873	20,218	20,248	16,916	16,396	17,923	20,271	214,547	198,344	211,248
Lamar Light & Power	2,565	2,293	2,491	2,614	3,084	4,281	4,765	4,741	3,900	2,813	2,219	2,437	38,203	40,228	37,870
Black Hills	41,996	38,017	34,193	35,801	47,473	62,918	67,084	67,558	56,542	43,558	36,505	38,353	569,999	631,361	455,853
OATT	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,337	40,000	20,663	82,650
Ancillary Services- Xcel	24,473	25,048	34,545	17,863	25,933	33,055	35,523	30,576	29,940	27,375	18,316	23,105	325,752	299,479	325,752
Total Transmission Costs	398,513	391,425	397,335	381,845	395,946	422,204	437,411	435,129	423,322	423,093	409,103	412,903	4,928,230	4,454,037	4,441,230
															8.1%
Administrative & General Expenses													**2027**	**2026**	**2026**
Dues & Subscription	9,394	2,364	307	2,979	1,749	458	3,652	288	288	8,186	288	388	30,341	34,236	30,341
Employee Expenses	38,593	38,593	38,593	38,593	38,593	38,593	42,366	42,366	42,366	42,366	42,366	42,366	485,752	460,433	449,246
Insurance Expenses	7,658	5,555	5,555	5,555	5,555	5,555	5,555	10,355	5,555	5,555	5,555	5,555	73,563	65,021	71,677
City of Lamar Settlement	14,886	14,836	14,785	14,734	14,683	14,632	14,580	14,529	14,477	14,425	14,373	14,320	175,260	182,518	182,518
Lease Exp - LRP City Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease Exp - Willow Creek	5,065	-	-	-	-	-	-	-	-	-	-	-	5,065	4,917	4,917
Members Services	1,800	1,800	400	400	400	38,488	400	400	1,800	1,800	400	400	48,488	92,685	48,488
Office Expenses	3,457	1,807	1,807	3,458	1,807	1,807	3,457	1,808	1,807	3,457	1,807	1,808	28,287	21,418	28,287
Professional & Outside Svcs	18,000	18,000	18,000	18,000	30,500	28,000	25,000	18,000	23,700	18,000	37,000	18,000	270,200	331,930	552,800
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	19,224	25,000
													63,728	107,926	63,728
Total A & G Expenses	100,936	85,038	81,531	85,802	95,370	129,617	97,093	89,828	92,077	111,112	103,871	84,921	1,157,196	1,227,624	1,408,514
Total Operating Expenses	1,523,498	1,384,535	1,373,946	1,304,182	1,397,745	1,620,791	1,773,048	1,787,129	1,542,579	1,397,670	1,387,269	1,441,438	17,933,831	17,591,144	17,776,049
Interest Expenses	397,028	397,028	397,028	397,028	397,028	397,028	397,028	397,028	397,028	382,572	382,572	382,572	4,720,968	4,877,529	4,877,529
Depreciation/Amortization	22,716	22,716	22,716	22,716	22,716	22,716	22,716	22,716	22,716	22,716	22,716	22,716	272,592	272,590	272,592
Total Expenses	1,943,242	1,804,279	1,793,690	1,723,926	1,817,489	2,040,535	2,192,792	2,206,873	1,962,323	1,802,958	1,792,557	1,846,726	22,927,391	22,741,263	22,926,170

			kWh	Rate	Amount ($)										
Avg Composite Rate	$ 0.09382		269,806,952	0.0769	$20,748,155	Energy Rate									
			589,129	7.13	$4,200,492	Demand Rate									
			269,806,952	0.00000	$0	DSC Adder									
			363,372	1	$363,372	Reimb Transmission									
					$25,312,018										

Arkansas River Power Authority

Revenues for 2027 Proposed Budget

													2027		2026
	Jan	**Feb**	**Mar**	**Apr**	**May**	**June**	**July**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Total**		**Budget**
Members	22,991,721	19,899,731	20,258,683	19,033,448	20,769,924	24,883,824	29,339,852	29,104,773	22,750,780	19,660,017	19,645,623	21,468,578	269,806,952		269,028,444
	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)		($)
Sales to Members	2,157,083	1,866,993	1,900,670	1,785,718	1,948,634	2,334,600	2,752,665	2,730,610	2,134,478	1,844,503	1,843,152	2,014,182	25,313,288		25,197,204
Lamar CRSP	44,000	39,468	41,583	28,948	24,821	30,264	33,890	31,775	30,034	38,594	41,358	43,604	428,339		388,526
Debt Service Adder	171,965	171,965	171,965	171,965	171,965	171,965	171,965	171,965	171,965	171,997	171,997	171,997	2,063,679		2,063,756
Interest Income	40,000	40,000	32,000	36,000	32,000	30,000	50,000	50,000	36,000	91,000	36,000	36,000	509,000		476,000
Amortization	35,748	35,748	35,748	35,748	35,748	35,748	35,748	35,748	35,748	35,748	35,748	35,748	428,976		428,976
Capacity Sales	-	-	-	-	-	-	-	-	-	-	-	-	-		0
Total Revenues	2,448,796	2,154,174	2,181,966	2,058,379	2,213,169	2,602,578	3,044,268	3,020,098	2,408,226	2,181,842	2,128,256	2,301,531	28,743,282		28,554,462
	8.5%	7.5%	7.6%	7.2%	7.7%	9.1%	10.6%	10.5%	8.4%	7.6%	7.4%	8.0%	100.0%		100.0%
	75,748	75,748	67,748	71,748	67,748	65,748	85,748	85,748	71,748	126,748	71,748	71,748			

Debt Coverage Calculation		
For 2027 Budget Year		
Projected Revenues	$ 28,743,282	
Less: Amortization of Premium	$ (428,976)	
Projected Operating Expenses	$ (17,933,831)	
Net Operating Margin	$ 10,380,475	
Annual Debt Service	$ 8,254,716	
Coverage Ratio	1.26	

Arkansas River Power Authority
Fund Balance

	12/31/2026	12/31/2027	Change
Cash & Cash Equivalents, Unrestricted	$ 9,688,584	$ 9,475,924	$ (212,660)
Cash & Cash Equivalents, Restricted	13,099,902	13,608,902	509,000
Total Cash & Cash Equivalents	$ 22,788,486	$ 23,084,826	$ 296,340

Restricted Funds	Projected 12/31/2026	Projected Changes in 2027	Projected 12/31/2027
DS Reserve (Bonds)	$ 10,680,857	-	10,680,857
Surplus DS Reserve (Interest Earned)	-	509,000	509,000
Bond Payment Fund	2,419,045	-	2,419,045
Capacity Fund	-	-	-
Working Capital Fund	-	-	-
Reserve Fund (2003 Bonds)	-	-	-
2010 Project Fund	-	-	-
Transmission Maintenance	-	-	-
	$ 13,099,902	509,000	13,608,902