

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2018 PROPOSED BUDGET - OCTOBER 9, 2017
OVERVIEW

HIGHLIGHTS

- \$5.1 million transfer from reserves, which is a \$4.3 million decrease over the 2017 adopted budget.
- Revenues cover debt service and operating expenses by \$3.7 million.
- Retail Electric Sales increased \$3.3 million \$47.8 million.
- Wholesale Electric Sales decreased \$668,800 - The decrease in sales is due to a less energy available to sell on the market then used when estimating 2017 Wholesale Sales.
- Purchased Power - The largest operating expenditure in the budget increased \$368,200 to \$24.3 million.
- Capital Outlays account for \$8.7 million - see a summary of Capital Projects below.
- Debt Service Coverage Ratio is estimated at 2.6 times annual debt service payments; bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at 2.94; District's target is 1.5 times.

REVENUES of \$55.3 million - Assumptions Used

- **Retail Electric Sales:** Predicting a 1% load growth, loss of veneer mill load, 0% weather adjustment and no rate increase.
- **Wholesale Electric:** Sales based on a 3/4 to median water year, ten year average wind and previous two years' average market pricing.
- **Wholesale Telecommunications:** Based on current revenue levels.
- **Interest:** Return on investments of between 1%(LGIP) and .40%(CDs).
- **Miscellaneous:** Previous twelve months revenue and Build America Bond reimbursement of \$406,000.
- **Rental Income:** Based on current revenue levels.
- **Construction Contributions:** Estimated using previous years' average.
- **Grant Proceeds:** Anticipated reimbursements of \$461,700 from BPA, \$629,000 for the Carlton Fire recovery and \$73,200 for Okanogan Fire recovery.

EXPENDITURES \$48.0 million - Assumptions Used

- **Wages:** Two new positions and one position removed in comparison to the 2017 adopted budget. The wages reflect a general wage increase of 2%.
- **Benefits:** Based on August 2016 thru July 2017 actual percentage of wages. Range of 35.7% through 50.1% (ave. 42.9%).
- **Purchased Power:** Wells Project costs effective September 2017 and BPA rates effective October 2017.
- **Other Expenditures:** Other expenses are based on known 2018 costs. If costs are not specifically known, a 2% increase was estimated.

DEBT SERVICE \$3.6 million

- **Principal and Interest:** Per debt service schedules and ARRA estimated debt service.

CAPITAL OUTLAY \$8.7 million - Summary Listing

- Enloe Dam \$1,220,000.
- Fire Restoration \$310,000.
- Ellisforde Sub Transformer Replacement \$357,500.
- Whitestone Sub Transformer Replacement \$357,500.
- Okanogan-Ophir Transmission Design \$300,000.
- Tonasket Substation Design \$300,000.
- Loup/Winthrop Transmission Re-Route \$263,000.
- Methow Transmission Line \$150,000.
- (2) Capital Renewals, Replacements and Extensions \$4,795,000.
- (3) Capital 2018 Additions \$288,300.
- (4) Capital 2-3 Year Timeline \$150,000.
- (5) Capital 3-5 Year Timeline \$250,000.

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2018 PROPOSED BUDGET - OCTOBER 9, 2017
BUDGET SUMMARY

<u>Description</u>	<u>Electric</u>	<u>Broadband</u>	<u>Total</u>
<u>REVENUE</u>			
Sales - Retail	47,849,000		47,849,000
Sales - Electric Wholesale	1,190,400		1,190,400
Sales - Broadband Wholesale		2,950,000	2,950,000
Interest	135,000		135,000
Miscellaneous	1,220,000		1,220,000
Rental Income	110,000		110,000
Construction Contribution	692,000		692,000
Grant Proceeds	1,163,900	0	1,163,900
Total Revenue	52,360,300	2,950,000	55,310,300
<u>EXPENDITURES</u>			
Wages	8,409,300	358,900	8,768,200
Benefits	3,573,400	155,800	3,729,200
Travel	155,000	18,000	173,000
Training, Tuition and Meeting Fees	118,100	24,000	142,100
Transportation	662,700	18,900	681,600
Insurance	342,500		342,500
Utilities	107,100		107,100
Postage, Printing and Stationery	155,200	800	156,000
Advertising	31,900	600	32,500
Conservation Expenditures	461,700		461,700
Misc. Contractual Services	3,554,800	104,200	3,659,000
Legal Services	232,100	5,000	237,100
Maintenance Contracts	227,500	113,500	341,000
Software Licenses and Support	617,100	145,300	762,400
Permits and Fees	11,300	41,000	52,300
Rents and Leases	89,900	68,100	158,000
Materials and Supplies	530,000	131,700	661,700
Small Tools (under \$1,000)	35,700	1,000	36,700
Miscellaneous	97,900		97,900
Unforeseen Operating Contingency	250,000		250,000
Purchased Power	24,269,000		24,269,000
Taxes	2,871,000	15,000	2,886,000
Total Expenditures	46,803,200	1,201,800	48,005,000
<u>DEBT SERVICE</u>			
Debt Service - Principal	1,667,000	392,300	2,059,300
Debt Service - Interest	1,450,100	124,400	1,574,500
Total Debt Service	3,117,100	516,700	3,633,800
AVAILABLE FOR CAPITAL OUTLAY	2,440,000	1,231,500	3,671,500
<u>CAPITAL OUTLAY</u>			
Capital - Contractual Services	3,095,000		3,095,000
Capital - Materials and Supplies	3,123,000	584,800	3,707,800
Capital - Meter Purchases	70,000		70,000
Capital - Transformer Purchases	400,000		400,000
Capital - Tools and Equipment	5,000		5,000
Capital - Buildings	529,800		529,800
Capital - Equipment (Over \$2,000)	321,500	52,000	373,500
Capital - Vehicles	278,000		278,000
Capital - Personal Computers	32,200		32,200
Unforeseen Capital Contingency	250,000		250,000
Total Capital Outlay	8,104,500	636,800	8,741,300
RESERVES/DEBT	(5,664,500)	594,700	(5,069,800)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2018 PROPOSED BUDGET - OCTOBER 9, 2017
2017 ADOPTED BUDGET COMPARED TO 2018 PROPOSED BUDGET

REVENUE	Electric System				Broadband				Total			
	Adopted 2017	Projected 2017	Proposed 2018	2017 Adopted/ Proposed 2018	Adopted 2017	Projected 2017	Proposed 2018	2017 Adopted/ Proposed 2018	Adopted 2017	Projected 2017	Proposed 2018	2017 Adopted/ Proposed 2018
Sales - Retail	44,598,000	45,098,000	47,849,000	3,251,000	0	0	0	0	44,598,000	45,098,000	47,849,000	3,251,000
Sales - Electric Wholesale	1,859,200	1,859,200	1,190,400	(668,800)	0	0	0	0	1,859,200	1,859,200	1,190,400	(668,800)
Sales - Broadband Wholesale	0	0	0	0	2,700,000	2,930,800	2,950,000	250,000	2,700,000	2,930,800	2,950,000	250,000
Interest	70,600	85,600	135,000	64,400	0	0	0	0	70,600	85,600	135,000	64,400
Miscellaneous	1,229,000	1,229,000	1,220,000	(9,000)	0	200	0	0	1,229,000	1,229,200	1,220,000	(9,000)
Rental Income	110,000	110,000	110,000	0	0	0	0	0	110,000	110,000	110,000	0
Construction Contribution	1,250,000	706,400	692,000	(558,000)	0	11,200	0	0	1,250,000	717,600	692,000	(558,000)
Grant Proceeds	1,622,800	646,000	1,163,900	(458,900)	0	0	0	0	1,622,800	646,000	1,163,900	(458,900)
Total Revenue	50,739,600	49,734,200	52,360,300	1,620,700	2,700,000	2,942,200	2,950,000	250,000	53,439,600	52,676,400	55,310,300	1,870,700
EXPENDITURES												
Wages	8,265,900	7,639,400	8,409,300	143,400	329,500	367,700	358,900	29,400	8,595,400	8,007,100	8,768,200	172,800
Benefits	3,331,300	3,165,100	3,573,400	242,100	146,600	160,800	155,800	9,200	3,477,900	3,325,900	3,729,200	251,300
Travel	139,800	123,200	155,000	15,200	10,500	6,300	18,000	7,500	150,300	129,500	173,000	22,700
Training, Tuition and Meeting Fees	101,500	74,800	118,100	16,600	22,800	8,400	24,000	1,200	124,300	83,200	142,100	17,800
Transportation	839,800	809,400	662,700	(177,100)	23,200	25,300	18,900	(4,300)	863,000	834,700	681,600	(181,400)
Insurance	347,600	309,700	342,500	(5,100)	0	0	0	0	347,600	309,700	342,500	(5,100)
Utilities	96,800	96,800	107,100	10,300	0	0	0	0	96,800	96,800	107,100	10,300
Postage, Printing and Stationery	160,700	160,700	155,200	(5,500)	300	1,200	800	500	161,000	161,900	156,000	(5,000)
Advertising	37,000	32,800	31,900	(5,100)	0	200	600	600	37,000	33,000	32,500	(4,500)
Conservation Expenditures	488,100	488,100	461,700	(26,400)	0	0	0	0	488,100	488,100	461,700	(26,400)
Misc. Contractual Services	2,743,000	2,463,000	3,554,800	811,800	136,700	33,100	104,200	(32,500)	2,879,700	2,496,100	3,659,000	779,300
Legal Services	278,900	278,900	232,100	(46,800)	10,000	1,900	5,000	(5,000)	288,900	280,800	237,100	(51,800)
Maintenance Contracts	200,200	150,200	227,500	27,300	110,700	108,600	113,500	2,800	310,900	258,800	341,000	30,100
Software Licenses and Support	605,300	605,300	617,100	11,800	87,100	87,100	145,300	58,200	692,400	692,400	762,400	70,000
Permits and Fees	14,900	14,900	11,300	(3,600)	29,000	24,600	41,000	12,000	43,900	39,500	52,300	8,400
Rents and Leases	88,700	88,700	89,900	1,200	73,200	89,500	68,100	(5,100)	161,900	178,200	158,000	(3,900)
Materials and Supplies	737,300	487,300	530,000	(207,300)	116,200	87,100	131,700	15,500	853,500	574,400	661,700	(191,800)
Small Tools (under \$1,000)	47,000	31,600	35,700	(11,300)	1,000	1,100	1,000	0	48,000	32,700	36,700	(11,300)
Miscellaneous	91,800	27,600	97,900	6,100	0	0	0	0	91,800	27,600	97,900	6,100
Unforeseen Operating Contingency	250,000	250,000	250,000	0	0	0	0	0	250,000	250,000	250,000	0
Purchased Power	23,900,800	24,200,200	24,269,000	368,200	0	0	0	0	23,900,800	24,200,200	24,269,000	368,200
Taxes	2,682,000	2,966,200	2,871,000	189,000	14,000	15,000	15,000	1,000	2,696,000	2,981,200	2,886,000	190,000
Total Expenditures	45,448,400	44,463,900	46,803,200	1,354,800	1,110,800	1,017,900	1,201,800	91,000	46,559,200	45,481,800	48,005,000	1,445,800
DEBT SERVICE												
Debt Service - Principal	1,637,500	1,646,900	1,667,000	29,500	365,100	376,800	392,300	27,200	2,002,600	2,023,700	2,059,300	56,700
Debt Service - Interest	1,445,400	1,556,400	1,450,100	4,700	202,000	158,300	124,400	(77,600)	1,647,400	1,714,700	1,574,500	(72,900)
Total Debt Service	3,082,900	3,203,300	3,117,100	34,200	567,100	535,100	516,700	(50,400)	3,650,000	3,738,400	3,633,800	(16,200)
AVAILABLE FOR CAPITAL OUTLAY	2,208,300	2,067,000	2,440,000	231,700	1,022,100	1,389,200	1,231,500	209,400	3,230,400	3,456,200	3,671,500	441,100
CAPITAL OUTLAY												
Capital - Contractual Services	7,165,000	5,045,000	3,095,000	(4,070,000)	0	0	0	0	7,165,000	5,045,000	3,095,000	(4,070,000)
Capital - Materials and Supplies	2,541,000	1,521,000	3,123,000	582,000	538,000	117,200	584,800	46,800	3,079,000	1,638,200	3,707,800	628,800
Capital - Meter Purchases	95,000	95,000	70,000	(25,000)	0	0	0	0	95,000	95,000	70,000	(25,000)
Capital - Transformer Purchases	400,000	400,000	400,000	0	0	0	0	0	400,000	400,000	400,000	0
Capital - Tools and Equipment	5,000	5,000	5,000	0	0	0	0	0	5,000	5,000	5,000	0
Capital - Buildings	620,000	0	529,800	(90,200)	0	0	0	0	620,000	0	529,800	(90,200)
Capital - Equipment (Over \$2,000)	221,200	101,200	321,500	100,300	39,000	11,200	52,000	13,000	260,200	112,400	373,500	113,300
Capital - Vehicles	628,000	628,000	278,000	(350,000)	0	0	0	0	628,000	628,000	278,000	(350,000)
Capital - Personal Computers	50,500	50,500	32,200	(18,300)	0	0	0	0	50,500	50,500	32,200	(18,300)
Unforeseen Capital Contingency	250,000	250,000	250,000	0	0	0	0	0	250,000	250,000	250,000	0
Total Capital Outlay	11,975,700	8,095,700	8,104,500	(3,871,200)	577,000	128,400	636,800	59,800	12,552,700	8,224,100	8,741,300	(3,811,400)
RESERVES/DEBT	(9,767,400)	(6,028,700)	(5,664,500)	4,102,900	445,100	1,260,800	594,700	149,600	(9,322,300)	(4,767,900)	(5,069,800)	4,252,500

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2018 PROPOSED BUDGET - OCTOBER 9, 2017
EXPENDITURE SUMMARY BY DEPARTMENT

Description	Generation	Power	Const.	Customer				General			BOC	Broadband	Internal	Total
		Supply	Design	Eng.	Operations	Enviro.	Service	Cons.	Admin.	I.S.			Comm.	
EXPENDITURES														
010 Wages	231,400	171,100	883,400	240,200	4,065,600	76,700	749,800	66,100	1,229,700	421,700	111,300	358,900	162,300	8,768,200
011 Benefits	90,000	67,600	417,000	87,000	1,675,000	31,600	375,600	30,100	495,600	194,400	39,700	155,800	69,800	3,729,200
020 Travel	20,000	10,000	14,000	20,000	20,000	9,000	4,500	4,500	21,500	10,000	18,000	18,000	3,500	173,000
021 Training, Tuition and Meeting Fees	5,000	2,500	18,000	20,000	20,000	4,000	3,500	4,500	17,400	13,500	2,100	24,000	7,600	142,100
030 Transportation	1,000	1,200	41,800	7,000	557,900	100	30,700	3,600	7,500	1,200		18,900	10,700	681,600
040 Insurance									342,500					342,500
050 Utilities					200				106,900					107,100
060 Postage, Printing and Stationery		100	500	300	1,500		147,400	300	4,800			800	300	156,000
070 Advertising			2,000	3,000	2,000		1,200	23,000	700			600		32,500
071 Conservation Expenditures								461,700						461,700
080 Misc. Contractual Services	256,500	563,000	445,000	160,000	1,581,800	3,000	88,200	22,700	416,100	17,500		104,200	1,000	3,659,000
081 Legal Services									232,100			5,000		237,100
082 Maintenance Contracts					136,000					70,000		113,500	21,500	341,000
083 Software Licenses and Support		202,100								410,000		145,300	5,000	762,400
084 Permits and Fees	7,500		2,000	0	1,000	100	200		500			41,000	0	52,300
085 Rents and Leases	9,900				1,000		5,000		800	36,900		68,100	36,300	158,000
090 Materials and Supplies	2,500	1,000	10,000	1,000	375,000	1,500	20,400	10,000	37,500	10,000	1,100	131,700	60,000	661,700
091 Small Tools (under \$1,000)			4,500	2,000	10,000		0		0	17,200		1,000	2,000	36,700
092 Miscellaneous				0	10,000		53,000	200	33,400		1,300			97,900
099 Unforeseen Operating Contingency									250,000					250,000
120 Purchased Power		24,269,000												24,269,000
210 Taxes									2,871,000			15,000		2,886,000
Total Expenditures	623,800	25,287,600	1,838,200	540,500	8,457,000	126,000	1,479,500	626,700	6,068,000	1,202,400	173,500	1,201,800	380,000	48,005,000
DEBT SERVICE														
810 Debt Service - Principal									1,667,000			392,300		2,059,300
811 Debt Service - Interest									1,450,100			124,400		1,574,500
Total Debt Service	0	0	0	0	0	0	0	0	3,117,100	0	0	516,700	0	3,633,800
CAPITAL OUTLAY														
581 Capital - Contractual Services	1,185,000		1,245,000	115,000	550,000									3,095,000
591 Capital - Materials and Supplies	35,000		238,000	1,420,000	1,420,000							584,800	10,000	3,707,800
592 Capital - Meter Purchases					70,000									70,000
593 Capital - Transformer Purchases					400,000									400,000
710 Capital - Tools and Equipment					3,000				2,000					5,000
711 Capital - Buildings			0		529,800									529,800
712 Capital - Equipment (Over \$2,000)			7,000		5,000					299,500		52,000	10,000	373,500
713 Capital - Vehicles					500,000				(222,000)					278,000
714 Capital - Personal Computers										32,200				32,200
901 Unforeseen Capital Contingency									250,000					250,000
Total Capital Outlay	1,220,000	0	1,490,000	1,535,000	3,477,800	0	0	0	30,000	331,700	0	636,800	20,000	8,741,300
Total Use of Resources	1,843,800	25,287,600	3,328,200	2,075,500	11,934,800	126,000	1,479,500	626,700	9,215,100	1,534,100	173,500	2,355,300	400,000	60,380,100

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2018 PROPOSED BUDGET - OCTOBER 9, 2017
REVENUE DETAIL**

<u>Div.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	Electric		52,360,300
	001	Sales - Retail	47,849,000
	002	Sales - Wholesale	1,190,400
	003	Interest	135,000
	004	Miscellaneous	1,220,000
	005	Rental Income	110,000
	006	Construction Contributions	692,000
	007	Grant Proceeds	1,163,900
2	Broadband		2,950,000
	002	Sales - Wholesale	2,950,000
	004	Miscellaneous	0
	006	Construction Contributions	0
	007	Grant Proceeds	0
		TOTAL REVENUE	55,310,300

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2018 PROPOSED BUDGET - OCTOBER 9, 2017
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	10	Generation		1,843,800	
		010	Wages	231,400	
		011	Benefits	90,000	
		020	Travel	20,000	
		021	Training, Tuition and Meeting Fees	5,000	
		030	Transportation	1,000	
		080	Misc. Contractual Service	256,500	
			Misc.	6,500	
			Enloe Dam Dewatering - BLM Process	250,000	
		084	Permits and Fees	7,500	
		085	Rent and Leases	9,900	
			Ophir Site Lease	9,900	
		090	Materials and Supplies	2,500	
		581	Capital - Contractual Services	1,185,000	
			Engineering Support and Dam Safety	500,000	<u>1</u>
			Permitting	240,000	<u>1</u>
			Legal Service	170,000	<u>1</u>
			Misc. Contractual Services	275,000	<u>1</u>
		591	Capital - Materials and Supplies	35,000	<u>1</u>

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2018 PROPOSED BUDGET - OCTOBER 9, 2017
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	11	Power Supply		25,287,600	
		010	Wages	171,100	
		011	Benefits	67,600	
		020	Travel	10,000	
		021	Training, Tuition and Meeting Fees	2,500	
		030	Transportation	1,200	
		060	Postage, Printing and Stationery	100	
		080	Misc. Contractual Services	563,000	
			Douglas County PUD	414,300	
			Slice Implementation Group	5,000	
			WECC/NERC Assessments	30,000	
			WECC - Unscheduled Flow Mitigation	2,500	
			PEAK Assessments	30,000	
			WREGIS Annual Fee - Green Tags	1,200	
			TOP Services - BPA	80,000	
		083	Software Licenses and Support	202,100	
			Slice Software Support Fee	202,100	
		090	Materials and Supplies	1,000	
		120	Purchased Power	24,269,000	
			BPA - Slice	8,643,800	
			BPA - Block	5,780,200	
			BPA - Transmission	2,586,100	
			Wells	4,450,200	
			Nine Canyon	2,679,900	
			Other - Market Purchases	128,800	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2018 PROPOSED BUDGET - OCTOBER 9, 2017
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	19	Construction Design		3,328,200	
		010	Wages	883,400	
		011	Benefits	417,000	
		020	Travel	14,000	
		021	Training, Tuition and Meeting Fees	18,000	
		030	Transportation	41,800	
		060	Postage, Printing and Stationery	500	
		070	Advertising	2,000	
		080	Misc. Contractual Services	445,000	
			Foster Crk 115KV Tower Inspection	45,000	
			WASDOT Clear Zone Analysis	400,000	
		084	Permits and Fees	2,000	
		090	Materials and Supplies	10,000	
		091	Small Tools (under \$1,000)	4,500	
		581	Capital - Contractual Services	1,245,000	
			PT Line DNR As-Builts	50,000	<u>1</u>
			PT Line Post Construction monitoring	100,000	<u>1</u>
			LiDAR - Transmission Analysis/Fixes	50,000	<u>2</u>
			Preliminary Studies	100,000	<u>3</u>
			Misc. Property Survey	10,000	<u>2</u>
			Okanogan Fire Restoration - Omak Mtn.	160,000	<u>1</u>
			Loup/Winthrop - Transmission Re-Route Design	50,000	<u>1</u>
			Loup/Winthrop - Transmission Re-Route Construction	125,000	<u>1</u>
			Okanogan-Ophir Transmission - Design	300,000	<u>1</u>
			Tonasket Substation - Design	300,000	<u>1</u>
		591	Capital - Materials and Supplies	238,000	
			Okanogan Fire Restoration - Omak Mtn.	150,000	<u>1</u>
			Loup/Winthrop - Transmission Re-Route Twisp Sub	88,000	<u>1</u>
		712	Capital - Equipment (Over \$2,000)	7,000	
			Handheld Staking GPS's	7,000	<u>2</u>

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2018 PROPOSED BUDGET - OCTOBER 9, 2017
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	20	Engineering		2,075,500	
		010	Wages	240,200	
		011	Benefits	87,000	
		020	Travel	20,000	
		021	Training, Tuition and Meeting Fees	20,000	
		030	Transportation	7,000	
		060	Postage, Printing and Stationery	300	
		070	Advertising	3,000	
		080	Misc. Contractual Services	160,000	
			Substation Equipment Testing	75,000	
			Engineering - System Projects	75,000	
			BPA Metering - Omak, Okanogan & East Omak Subs	10,000	
		090	Materials and Supplies	1,000	
		091	Small Tools (under \$1,000)	2,000	
		581	Capital - Contractual Services	115,000	
			Engineering - Large System Projects	100,000	<u>2</u>
			Ellisforde/Whitestone Power Transformers - Crane	15,000	<u>1</u>
		591	Capital - Materials and Supplies	1,420,000	
			Ellisforde Sub Transformer Replacement	350,000	<u>1</u>
			Whitestone Sub Transformer Replacement	350,000	<u>1</u>
			BPA - TOP RTU's, Switches and Fiber	15,000	<u>2</u>
			BPA - Twisp Sub: Loup, Winthrop Tap Double Circuit	100,000	<u>2</u>
			OCB, Regulators, Reclosers, etc.	380,000	<u>2</u>
			SCADA	50,000	<u>2</u>
			Brewster Sub - 115kV Bus Differential	25,000	<u>2</u>
			Sandflat Sub - Connect 2nd Transformer	150,000	<u>2</u>

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
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EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	21	Operations		11,934,800	
		010	Wages	4,065,600	
		011	Benefits	1,675,000	
		020	Travel	20,000	
		021	Training, Tuition and Meeting Fees	20,000	
		030	Transportation	557,900	
		050	Utilities	200	
		060	Postage, Printing and Stationery	1,500	
		070	Advertising	2,000	
		080	Misc. Contractual Services	1,581,800	
			CDL Testing Program	7,000	
			Employee Dispatch	120,000	
			Firealarm/Elevator Testing & Firealarm Monitoring	3,800	
			Janitorial Services (All Offices)	66,000	
			Non-PCB Waste Disposal	8,000	
			Okanogan HQ - Sealcoat/Repair/Stripe	20,000	
			Pole Testing	476,000	
			Safety Training	40,000	
			SPCC Requirements	25,000	
			Tree Trimming	800,000	
			Underground Locate Service	4,000	
			Weed Control	12,000	
		082	Maintenance Contracts	136,000	
			Elevator Maintenance	6,000	
			HQ General Maintenance	60,000	
			HVAC Maintenance	45,000	
			Landscape Maintenance	10,000	
			Snowplowing and Sweeping	15,000	
		084	Permits and Fees	1,000	
		085	Rents and Leases	1,000	
			Pole Contacts	1,000	
		090	Materials and Supplies	375,000	
			General	350,000	
			Fire Resistant Clothing	25,000	
		091	Small Tools (under \$1,000)	10,000	
		092	Miscellaneous	10,000	
		581	Capital - Contractual Services	550,000	
			Contract Labor	150,000	<u>2</u>
			Underground Replacements	400,000	<u>2</u>
		591	Capital - Materials and Supplies	1,420,000	
			Normal Replacements and Extensions	1,100,000	<u>2</u>
			Avian Protection	20,000	<u>2</u>
			Overhead Distribution Projects	100,000	<u>2</u>
			Underground Distribution Projects	200,000	<u>2</u>
		592	Capital - Meter Purchases	70,000	
			Metering Special Projects	40,000	<u>2</u>
			Meters w/ Internal Breakers	25,000	<u>2</u>
			New Meters	5,000	<u>2</u>
		593	Capital - Transformer Purchases	400,000	
			Normal Additions/Replacements	400,000	<u>2</u>
		710	Capital - Tools & Equipment (\$1,000 to \$2,000)	3,000	<u>2</u>
		711	Capital - Buildings	529,800	
			Brewster Warehouse - Enclose	30,000	<u>4</u>
			Headquarters - Warehouse Area Retaining Wall	250,000	<u>5</u>

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2018 PROPOSED BUDGET - OCTOBER 9, 2017
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Capital Category</u>
			Okanogan Sub - Covered Storage	160,000		<u>3</u>
			Oroville AC Upgrade	14,500		<u>2</u>
			Oroville Reroof	27,000		<u>2</u>
			Network Room - Wet/Dry Conversion	20,000		<u>2</u>
			Okanogan Transformer Shop AC	18,300		<u>3</u>
			Okanogan Warehouse - Racking	10,000		<u>3</u>
712		Capital - Equipment (Over \$2,000)			5,000	<u>2</u>
713		Capital - Vehicles			500,000	
		Fleet		500,000		<u>2</u>
		Fleet - 2019 Commitment: Line Truck \$350,000		0		<u>1</u>

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2018 PROPOSED BUDGET - OCTOBER 9, 2017
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	22	Environmental		126,000	
		010	Wages	76,700	
		011	Benefits	31,600	
		020	Travel	9,000	
		021	Training, Tuition and Meeting Fees	4,000	
		030	Transportation	100	
		080	Misc. Contractual Services	3,000	
		084	Permits and Fees	100	
		090	Materials and Supplies	1,500	

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EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	30	Customer Service		1,479,500	
		010	Wages	749,800	
		011	Benefits	375,600	
		020	Travel	4,500	
		021	Training, Tuition and Meeting Fees	3,500	
		030	Transportation	30,700	
		060	Postage, Printing and Stationery	147,400	
			Postage and Printing - NISC	118,900	
			Postage - PUD	25,200	
			Printing - Misc.	3,300	
		070	Advertising	1,200	
		080	Misc. Contractual Services	88,200	
			Collection Service - Credit Bureau	3,300	
			Credit Reporting Agency	3,200	
			Electronic Payments Fees	71,200	
			iVue Connect Implementation	10,500	
		084	Permits and Fees	200	
			Miscellaneous Fees (Notaries, etc.)	200	
		085	Rents and Leases	5,000	
			Office Rent MVCC	5,000	
		090	Materials and Supplies	20,400	
			General	20,400	
		092	Miscellaneous	53,000	
			Miscellaneous Expenses	200	
			Net Account Receivable Writeoffs	52,800	

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EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	35		Conservation/Consumer Information	626,700	
		010	Wages	66,100	
		011	Benefits	30,100	
		020	Travel	4,500	
		021	Training, Tuition and Meeting Fees	4,500	
		030	Transportation	3,600	
		060	Postage, Printing and Stationery	300	
		070	Advertising	23,000	
		071	Conservation Expenditures	461,700	
		080	Misc. Contractual Services	22,700	
		090	Materials and Supplies	10,000	
		092	Miscellaneous	200	

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<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	40	General Administration		9,215,100	
		010	Wages	1,229,700	
		011	Benefits	495,600	
		020	Travel	21,500	
			General	9,200	
			Accounting and Finance	4,500	
			Human Resource	4,300	
			Leadership	3,500	
		021	Training, Tuition and Meeting Fees	17,400	
			General	1,500	
			Accounting and Finance	3,900	
			Human Resource	1,600	
			Educational Reimbursement	6,900	
			Leadership	3,500	
		030	Transportation	7,500	
		040	Insurance (Property/Liability)	342,500	
		050	Utilities	106,900	
			Cell Phone Service	10,200	
			Electrical Service	10,100	
			Telephone Service	54,400	
			Water/Sewer/Garbage	32,200	
		060	Postage, Printing and Stationery	4,800	
		070	Advertising	700	
		080	Misc. Contractual Services	416,100	
			APPA Dues	20,100	
			Audit Costs	90,400	
			Banking Fees	42,200	
			Benefits Administration	10,200	
			Bond Admin Fee	1,600	
			Chamber of Commerce Dues	600	
			CWPU/UIP Expenses	3,300	
			Economic Alliance	6,000	
			Financial Studies	25,000	
			Foundation for Water and Energy	2,000	
			Human Resources Consulting Services	19,700	
			Legislative Consultant	42,800	
			Misc. Services/Consulting	10,000	
			NW Public Power Assoc. Dues/NW Wage & Hour	27,500	
			PPC - Dues	22,600	
			PPC - NW River Partners	12,800	
			Standard and Poors	7,500	
			WA PUD Association Dues	71,800	
		081	Legal Services	232,100	
			General Counsel	213,400	
			Misc. Attorney Fees	18,700	
		084	Permits and Fees	500	
			WA State L&I Right to Know	200	
			Misc.	300	
		085	Rents and Leases	800	
			P.O. Box Rent	800	
		090	Materials and Supplies	37,500	
			General Administration	38,200	
			Human Resources	2,300	
		092	Miscellaneous	33,400	

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<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Capital Category</u>
			Clothing for Identification	1,200		
			Deductibles/Damage Claims	4,000		
			Employee Day	5,400		
			Meeting Expenses	400		
			Misc. Expenses (Wellness, Interview & Moving Exp)	19,200		
			Service Awards and Costs	3,200		
099			Unforeseen Operating Contingency		250,000	
210			Taxes		2,871,000	
710			Capital - Tools & Equipment (\$1,000 to \$2,000)		2,000	<u>2</u>
713			Capital - Transportation System Depreciation		-222,000	<u>2</u>
810			Debt Service - Principal		1,667,000	
811			Debt Service - Interest		1,450,100	
901			Unforeseen Capital Contingency		250,000	<u>2</u>

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<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	41	Information Systems		1,534,100	
		010	Wages	421,700	
		011	Benefits	194,400	
		020	Travel	10,000	
		021	Training, Tuition and Meeting Fees	13,500	
		030	Transportation	1,200	
		080	Misc. Contractual Services	17,500	
			Consulting	15,000	
			Key Card System	2,500	
		082	Maintenance Contracts	70,000	
			APS Security System Monitoring	3,000	
			Cannon Check Scanner	1,500	
			Branch Office Multi Function Printer	1,500	
			Okanogan Office Multi Function Printer	12,000	
			Datacenter Liebert Units	6,000	
			Eaton Powerware - Okanogan Datacenter UPS	37,500	
			NetApp SAN Hardware/Software	5,000	
			Server Hardware Maintenance	3,500	
		083	Software Licenses and Support	410,000	
			Aclara - TWACS Support	16,000	
			Aclara - Migration to iiDEAS	45,000	
			Cellgate	700	
			Certs SSL	1,700	
			Genetec Maintenance	3,000	
			Ivanti Patch Management	1,400	
			Ivanti for Servers	1,500	
			Microsoft Software	19,600	
			NISC Custom Programming	5,000	
			NISC Maintenance	130,000	
			Network Domain Registrations	700	
			ShoreTel Phone System	13,000	
			Soniclear Recording Software	500	
			SonicWALL	5,500	
			Symantec Software and Support	13,900	
			VMWare Software Support (IS)	5,000	
			Eng/Ops - Symantec BE for SCADA Servers	1,000	
			Eng/Ops - AutoCad	4,000	
			Eng/Ops - ESRI	9,200	
			Eng/Ops - Futura	38,500	
			Eng/Ops - GeoNav	4,000	
			Eng/Ops - GeoSpacial Innovations, DDS	27,000	
			Eng/Ops - DDS Staker Reporting	10,000	
			Eng/Ops - Mapsight	3,000	
			Eng/Ops - OSI	22,500	
			Eng/Ops - Trimble Field Inspector	1,600	
			Eng/Ops - Allison Transmission Diagnostic Software	1,100	
			Eng/Ops - ShopKey Techworks	3,000	
			Eng/Ops - MSDS On Line	2,700	
			Eng/Ops - Cummins Tool Software	700	
			Eng/Ops - Max Force	700	
			Eng/Ops - Zonar Vehicle Tracking	12,000	
			Envrnmental - Misc.	1,500	
			Generation - Misc.	5,000	
		085	Rents and Leases	36,900	

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<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Capital Category</u>
			Okanogan Mailing Equipment	10,000		
			Branch Office Mailing Equipment	4,600		
			Branch Office MFP	10,300		
			Okanogan Office MFP	12,000		
090		Materials and Supplies			10,000	
091		Small Tools (under \$1,000)			17,200	
		Misc.		10,000		
		iPads		3,000		
		Small Printer, Fax Machine, etc. Replacements		1,700		
		Phone Replacements		2,500		
712		Capital - Equipment (Over \$2,000)			299,500	
		Dell - Auto Loader		8,500		<u>2</u>
		Dell - Genetec		9,500		<u>2</u>
		Dell - ShoreTel		8,000		<u>2</u>
		Eaton Powerware - Okanogan Capacitor		13,500		<u>2</u>
		Genetec System - Cameras (Subs, yards & fences)		60,000		<u>4</u>
		Genetec System - Readers and Controllers		40,000		<u>4</u>
		Genetec System - Video Software		10,000		<u>4</u>
		Genetec System - Video Conferencing		10,000		<u>4</u>
		Printers		5,000		<u>2</u>
		Virtual Environment		135,000		<u>2</u>
714		Capital - Personal Computers			32,200	<u>2</u>

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<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	50	Commissioners		173,500	
		010	Wages	111,300	
		011	Benefits	39,700	
		020	Travel	18,000	
		021	Training, Tuition and Meeting Fees	2,100	
		090	Materials and Supplies	1,100	
		092	Miscellaneous	1,300	

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<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
2	60	Broadband		2,355,300	
		010	Wages	358,900	
		011	Benefits	155,800	
		020	Travel	18,000	
		021	Training, Tuition and Meeting Fees	24,000	
		030	Transportation	18,900	
		060	Postage, Printing and Stationery	800	
		070	Advertising	600	
		080	Misc. Contractual Services	104,200	
			Network Consulting	50,000	
			NoaNet Calea Services	4,200	
			Software Development	50,000	
		081	Legal Services	5,000	
		082	Maintenance Contracts	113,500	
			ADVA Optical	35,000	
			Cambium Networks	4,600	
			Ciena Devices	40,800	
			Cisco	2,100	
			Extreme Networks	1,500	
			Juniper Remote Mgt	18,000	
			Juniper Support	11,500	
		083	Software Licenses and Support	145,300	
			Adobe eSign	1,200	
			Ciena	75,000	
			FiberBase	8,000	
			Ivanti for Serviers	300	
			Kayako Helpdesk	3,000	
			Mapinfo	1,500	
			Microsoft Software	19,900	
			NetZoom	700	
			Server License and Software Upgrades	10,000	
			Solar Winds	15,700	
			Symantec Software and Support	600	
			Telerik	1,400	
			VEEAM	2,500	
			VMWare	5,500	
		084	Permits and Fees	41,000	
			ARIN ASN & IP Address Allocation	5,000	
			Upstream Internet Bandwidth	36,000	
		085	Rents and Leases	68,100	
			DCPUD Dark Fiber Leases and Co-Location	34,800	
			USEI Co-location	4,800	
			Wireless Site Lease	28,500	
		090	Materials and Supplies	131,700	
			Backup Tapes	500	
			Battery Plant - Maintenance and Replacement	19,300	
			Equipment Calibration/Repair	2,300	
			Fiber Plant Maintenance - Broadband	50,000	
			HVAC Maintenance and Repair	30,000	
			Out of Band Management	5,000	
			Switch/Network HW Upgrades	10,000	
			UPS/Rectifier - Maintenance and Replacement	14,600	
		091	Small Tools (under \$1,000)	1,000	
		210	Taxes	15,000	

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<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Capital Category</u>
	591	Capital - Materials and Supplies			584,800	
			Broadband Node Rework	30,000		<u>2</u>
			Cambium PMP450m Project	156,000		<u>2</u>
			Fiber Distribution Builds	100,000		<u>2</u>
			Network Hardware Replacement - EOL	79,600		<u>2</u>
			Optics	23,700		<u>2</u>
			Ubiquiti AirFiber AF-5X Backhaul Radios	3,000		<u>2</u>
			Wireless Subscriber Units	192,500		<u>2</u>
	712	Capital - Equipment (Over \$2,000)			52,000	
			Broadband Test Equipment	12,500		<u>2</u>
			Broadband Tools	5,000		<u>2</u>
			Office Partitions - Bullpen	14,500		<u>2</u>
			Server Replacement - Fiber Base	7,000		<u>2</u>
			Switch Replacement - Cisco 3750s	13,000		<u>2</u>
	810	Debt Service - Principal			392,300	
			Loan - Electric	240,500		
			Operating Line - Electric	0		
			Loan - ARRA	151,800		
	811	Debt Service - Interest			124,400	
			Loan - Electric	37,900		
			Operating Line - Electric	0		
			Loan - ARRA	86,500		

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<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
1	61	Internal Communications		400,000	
		010	Wages	162,300	
		011	Benefits	69,800	
		020	Travel	3,500	
		021	Training, Tuition and Meeting Fees	7,600	
		030	Transportation	10,700	
		060	Postage, Printing and Stationery	300	
		080	Misc. Contractual Services	1,000	
		082	Maintenance Contracts	21,500	
			Fire Alarm System	1,500	
			UHF Radio System	20,000	
		083	Software Licenses and Support	5,000	
		085	Rents and Leases	36,300	
			UHF Site Lease - Little Buck Mtn.	2,500	
			UHF Site Lease - Aeneas Mtn.	2,800	
			UHF Site Lease - Goat Mtn.	700	
			UHF Site Lease - Omak Mtn.	3,900	
			UHF Site Lease - McClure Mtn.	1,200	
			UHF Site Lease - Tunk Mtn.	1,200	
			Dark Fiber Lease - Brewster to Wells Dam	24,000	
		090	Materials and Supplies	60,000	
			Fiber Plant Maintenance - Internal and Backbone	50,000	
			General Materials and Supplies	10,000	
		091	Small Tools (under \$1,000)	2,000	
		591	Capital - Materials and Supplies	10,000	<u>2</u>
		712	Capital - Equipment (Over \$2,000)	10,000	<u>2</u>

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EXPENDITURE DETAIL**

<u>Div.</u> <u>Dept.</u> <u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Capital Category</u>
TOTAL EXPENDITURES, DEBT SERVICE AND CAPITAL OUTLAY		60,380,100	

Capital Outlay Categories:

Committed to Finish (1)	3,258,000
Renewals/Replacements (2)	4,795,000
2018 Additions (3)	288,300
2-3 Year Timeline (4)	150,000
3-5 Year Timeline (5)	250,000
Total Capital Outlay	8,741,300