

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
OVERVIEW**

HIGHLIGHTS

- Operating budget only, no capital outlay.
- Revenues cover debt service and operating expenses by \$3.5 million.
- Retail Electric Sales increased \$161,000 to \$46.1 million.
- Wholesale Electric Sales decreased \$436,000 - The decrease in sales is due to a lower estimated market pricing than was used when estimating 2016 Wholesale Sales.
- Purchased Power - The largest operating expenditure in the budget increased \$76,000 to \$24.2 million.
- Debt Service Coverage Ratio is estimated at 2.41 times annual debt service payments; bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at 2.34; District's target is 1.5 times.

REVENUES of \$54.6 million - Assumptions Used

- **Retail Electric Sales:** Predicting a 1% load growth, 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 .49%(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 two years' average.
- **Grant Proceeds:** Anticipated reimbursements of \$488,000 from BPA, \$483,000 for the Carlton Fire recovery and \$652,000 for Okanogan Fire recovery.

EXPENDITURES \$47.3 million - Assumptions Used

- **Wages:** Four more employees than in the 2016 adopted budget. The wages reflect a general wage increase of 2%.
- **Benefits:** Based on August 2015 thru July 2016 actual percentage of wages. Range of 34.5% through 48.4% (ave. 40.6%).
- **Purchased Power:** Wells Project costs effective September 2016 and BPA rates effective October 2016.
- **Other Expenditures:** Other expenses are based on known 2017 costs. If costs are not specifically known, a 2% increase was estimated.

DEBT SERVICE \$3.7 million

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

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
BUDGET SUMMARY**

<u>Description</u>	<u>Electric</u>	<u>Broadband</u>	<u>Total</u>
<u>REVENUE</u>			
Sales - Retail	46,069,900		46,069,900
Sales - Electric Wholesale	1,503,700		1,503,700
Sales - Broadband Wholesale		2,700,000	2,700,000
Interest	70,600		70,600
Miscellaneous	1,229,000		1,229,000
Rental Income	110,000		110,000
Construction Contribution	1,250,000		1,250,000
Grant Proceeds	1,622,800	0	1,622,800
Total Revenue	51,856,000	2,700,000	54,556,000
<u>EXPENDITURES</u>			
Wages	8,396,309	329,500	8,725,809
Benefits	3,390,600	146,600	3,537,200
Travel	137,800	10,500	148,300
Training, Tuition and Meeting Fees	99,500	22,800	122,300
Transportation	839,800	23,200	863,000
Insurance	347,600		347,600
Utilities	96,800		96,800
Postage, Printing and Stationery	160,700	300	161,000
Advertising	37,000		37,000
Conservation Expenditures	488,100		488,100
Misc. Contractual Services	2,948,000	136,700	3,084,700
Legal Services	278,900	10,000	288,900
Maintenance Contracts	200,200	110,700	310,900
Software Licenses and Support	605,300	87,100	692,400
Permits and Fees	14,900	29,000	43,900
Rents and Leases	88,700	73,200	161,900
Materials and Supplies	722,300	116,200	838,500
Small Tools (under \$1,000)	47,000	1,000	48,000
Miscellaneous	91,800		91,800
Unforeseen Operating Contingency	250,000		250,000
Purchased Power	24,146,900		24,146,900
Taxes	2,771,000	14,000	2,785,000
Total Expenditures	46,159,209	1,110,800	47,270,009
<u>DEBT SERVICE</u>			
Debt Service - Principal	1,601,000	365,100	1,966,100
Debt Service - Interest	1,538,400	202,000	1,740,400
Total Debt Service	3,139,400	567,100	3,706,500
AVAILABLE FOR CAPITAL OUTLAY	2,557,391	1,022,100	3,579,491

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED BUDGET - OCTOBER 10, 2016
2016 ADOPTED OPERATING BUDGET COMPARED TO 2017 PROPOSED BUDGET

	Electric System				Broadband				Total			
REVENUE	Adopted 2016	Projected 2016	Proposed 2017	2016 Adopted/ 2017 Proposed	Adopted 2016	Projected 2016	Proposed 2017	2016 Adopted/ 2017 Proposed	Adopted 2016	Projected 2016	Proposed 2017	2016 Adopted/ 2017 Proposed
Sales - Retail	45,909,000	45,059,000	46,069,900	160,900	0	0	0	0	45,909,000	45,059,000	46,069,900	160,900
Sales - Electric Wholesale	1,939,800	1,806,000	1,503,700	(436,100)	0	0	0	0	1,939,800	1,806,000	1,503,700	(436,100)
Sales - Broadband Wholesale	0	0	0	0	2,640,000	2,640,000	2,700,000	60,000	2,640,000	2,640,000	2,700,000	60,000
Interest	41,000	56,200	70,600	29,600	0	0	0	0	41,000	56,200	70,600	29,600
Miscellaneous	1,208,000	1,208,000	1,229,000	21,000	0	0	0	0	1,208,000	1,208,000	1,229,000	21,000
Rental Income	110,000	110,000	110,000	0	0	0	0	0	110,000	110,000	110,000	0
Construction Contribution	1,345,600	852,000	1,250,000	(95,600)	0	10,000	0	0	1,345,600	862,000	1,250,000	(95,600)
Grant Proceeds	4,675,700	4,675,700	1,622,800	(3,052,900)	0	0	0	0	4,675,700	4,675,700	1,622,800	(3,052,900)
Total Revenue	55,229,100	53,766,900	51,856,000	(3,373,100)	2,640,000	2,650,000	2,700,000	60,000	57,869,100	56,416,900	54,556,000	(3,313,100)
EXPENDITURES												
Wages	8,243,000	7,109,000	8,396,309	153,309	345,200	398,000	329,500	(15,700)	8,588,200	7,507,000	8,725,809	137,609
Benefits	3,339,100	2,961,000	3,390,600	51,500	156,700	185,000	146,600	(10,100)	3,495,800	3,146,000	3,537,200	41,400
Travel	134,800	88,000	137,800	3,000	15,000	5,000	10,500	(4,500)	149,800	93,000	148,300	(1,500)
Training, Tuition and Meeting Fees	98,800	36,000	99,500	700	15,000	6,000	22,800	7,800	113,800	42,000	122,300	8,500
Transportation	933,900	864,000	839,800	(94,100)	50,400	37,000	23,200	(27,200)	984,300	901,000	863,000	(121,300)
Insurance	337,600	252,000	347,600	10,000	0	0	0	0	337,600	252,000	347,600	10,000
Utilities	97,900	97,900	96,800	(1,100)	0	0	0	0	97,900	97,900	96,800	(1,100)
Postage, Printing and Stationery	152,700	152,700	160,700	8,000	300	300	300	0	153,000	153,000	161,000	8,000
Advertising	34,800	34,800	37,000	2,200	0	1,400	0	0	34,800	36,200	37,000	2,200
Conservation Expenditures	214,900	385,000	488,100	273,200	0	0	0	0	214,900	385,000	488,100	273,200
Misc. Contractual Services	3,966,400	2,518,000	2,948,000	(1,018,400)	104,200	70,000	136,700	32,500	4,070,600	2,588,000	3,084,700	(985,900)
Legal Services	283,800	252,000	278,900	(4,900)	10,000	10,000	10,000	0	293,800	262,000	288,900	(4,900)
Maintenance Contracts	193,000	98,000	200,200	7,200	112,700	103,000	110,700	(2,000)	305,700	201,000	310,900	5,200
Software Licenses and Support	557,900	450,000	605,300	47,400	72,300	72,300	87,100	14,800	630,200	522,300	692,400	62,200
Permits and Fees	14,900	4,000	14,900	0	80,600	52,000	29,000	(51,600)	95,500	56,000	43,900	(51,600)
Rents and Leases	91,100	84,000	88,700	(2,400)	73,200	91,000	73,200	0	164,300	175,000	161,900	(2,400)
Materials and Supplies	709,300	603,000	722,300	13,000	98,800	67,000	116,200	17,400	808,100	670,000	838,500	30,400
Small Tools (under \$1,000)	34,000	15,000	47,000	13,000	1,000	0	1,000	0	35,000	15,000	48,000	13,000
Miscellaneous	64,500	95,000	91,800	27,300	0	0	0	0	64,500	95,000	91,800	27,300
Unforeseen Operating Contingency	250,000	250,000	250,000	0	0	0	0	0	250,000	250,000	250,000	0
Purchased Power	24,070,500	24,953,000	24,146,900	76,400	0	0	0	0	24,070,500	24,953,000	24,146,900	76,400
Taxes	2,793,000	2,787,000	2,771,000	(22,000)	13,000	13,000	14,000	1,000	2,806,000	2,800,000	2,785,000	(21,000)
Total Expenditures	46,615,900	44,089,400	46,159,209	(456,691)	1,148,400	1,111,000	1,110,800	(37,600)	47,764,300	45,200,400	47,270,009	(494,291)
DEBT SERVICE												
Debt Service - Principal	1,536,900	1,536,900	1,601,000	64,100	360,400	359,000	365,100	4,700	1,897,300	1,895,900	1,966,100	68,800
Debt Service - Interest	1,563,900	1,642,000	1,538,400	(25,500)	235,500	224,000	202,000	(33,500)	1,799,400	1,866,000	1,740,400	(59,000)
Total Debt Service	3,100,800	3,178,900	3,139,400	38,600	595,900	583,000	567,100	(28,800)	3,696,700	3,761,900	3,706,500	9,800
AVAILABLE FOR CAPITAL OUTLAY	5,512,400	6,498,600	2,557,391	(2,955,009)	895,700	956,000	1,022,100	126,400	6,408,100	7,454,600	3,579,491	(2,828,609)

PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
BUDGET COMPARISON 2009 ACTUALS THRU 2017 PROPOSED

REVENUE	2009		2010		2011		2012		2013		2014		2015		2016		2017
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Projected	Proposed
Sales - Electric Retail	31,290,700	30,777,098	33,337,000	29,307,079	35,001,000	33,605,348	37,475,000	35,861,526	38,889,900	40,124,923	42,501,700	43,214,804	44,867,000	44,193,432	45,909,000	45,059,000	46,069,900
Sales - Electric Wholesale	7,489,500	4,198,884	4,937,000	5,801,903	5,490,000	6,741,526	2,742,000	3,531,677	2,360,300	5,132,272	2,835,200	4,680,275	2,975,000	3,189,997	1,939,800	1,806,000	1,503,700
Sales - Broadband Wholesale	1,168,200	1,767,217	1,900,000	1,944,345	2,000,000	1,995,657	2,500,000	2,117,105	2,200,000	2,251,626	2,200,000	2,534,575	2,550,000	2,630,022	2,640,000	2,640,000	2,700,000
Interest	1,246,000	964,500	262,000	214,509	207,000	113,944	80,000	74,313	68,000	58,696	50,000	42,574	41,000	45,240	41,000	56,200	70,600
Miscellaneous	746,700	1,056,550	531,000	916,913	749,000	1,841,914	1,504,000	1,342,999	1,052,000	1,203,732	1,104,000	1,380,474	1,094,000	1,380,796	1,208,000	1,208,000	1,229,000
Rental Income	118,000	116,995	118,000	117,098	118,000	117,098	118,000	117,098	118,000	107,875	108,000	109,207	110,000	109,280	110,000	110,000	110,000
Construction Contribution	1,600,000	884,844	542,000	996,025	820,000	974,691	1,059,000	991,816	1,104,000	990,163	917,000	1,294,510	997,000	1,397,164	1,345,600	862,000	1,250,000
Grant Proceeds							5,421,000	2,091,175	3,868,000	2,914,452	472,400	3,622,043	7,159,100	3,811,861	4,675,700	4,675,700	1,622,800
Total Revenue	43,659,100	39,766,088	41,627,000	39,297,872	44,385,000	45,390,178	50,899,000	46,127,709	49,660,200	52,783,739	50,188,300	56,878,462	59,793,100	56,757,792	57,869,100	56,416,900	54,556,000
EXPENDITURES																	
Wages	7,177,800	6,311,358	7,482,500	6,842,404	7,696,800	6,675,420	7,627,000	7,076,500	7,644,000	7,076,280	7,279,300	7,932,730	7,745,200	7,845,240	8,588,200	7,507,000	8,725,809
Benefits	2,368,600	2,532,708	2,618,900	2,373,456	2,544,600	2,394,707	2,716,400	2,633,239	2,938,000	2,895,392	3,045,800	2,994,218	3,101,600	3,070,058	3,495,800	3,146,000	3,537,200
Travel	267,600	124,077	244,700	124,532	185,900	122,664	170,800	116,854	154,000	84,407	125,900	74,294	156,500	75,050	149,800	93,000	148,300
Training, Tuition and Meeting Fees	179,300	74,206	196,000	86,633	135,900	61,871	128,800	91,420	110,700	48,022	81,900	45,272	110,500	60,732	113,800	42,000	122,300
Transportation	695,400	783,135	757,000	924,761	903,500	835,496	829,300	825,034	843,100	848,903	870,800	887,259	881,700	800,579	984,300	901,000	863,000
Insurance	219,300	313,815	320,500	279,268	310,000	308,777	308,000	307,665	312,400	285,789	319,600	409,387	336,500	303,915	337,600	252,000	347,600
Utilities	73,100	75,014	75,600	87,580	97,200	82,874	85,800	91,668	88,900	95,307	95,800	98,982	100,800	94,506	97,900	97,900	96,800
Postage, Printing and Stationary	122,700	104,646	117,200	106,436	198,400	142,313	193,000	141,003	151,100	139,314	149,700	139,527	152,400	150,847	153,000	153,000	161,000
Advertising	28,500	29,848	31,500	21,817	37,700	26,321	22,300	18,742	23,000	15,435	18,600	22,941	24,100	29,276	34,800	36,200	37,000
Conservation Expenditures	203,700	340,016	276,000	430,665	372,800	294,811	460,000	428,365	480,000	369,514	472,400	257,358	472,400	376,908	214,900	385,000	488,100
Misc. Contractual Services	2,350,200	2,067,841	2,994,400	1,908,893	2,508,600	1,441,439	2,213,800	1,993,088	2,063,800	1,514,903	1,925,000	1,774,746	2,557,000	2,153,691	4,070,600	2,588,000	3,084,700
Legal Services	374,800	296,977	364,100	240,533	314,100	323,826	319,100	257,876	329,500	266,784	310,000	212,634	291,100	317,011	293,800	262,000	288,900
Maintenance Contracts	127,100	90,704	157,400	102,674	177,600	126,661	185,900	208,019	338,000	282,513	311,800	270,763	390,800	254,686	305,700	201,000	310,900
Software Licenses and Support	187,700	183,255	264,500	241,644	317,400	223,978	445,200	263,155	678,900	468,830	743,900	486,590	637,800	510,277	630,200	522,300	692,400
Permits and Fees	116,400	103,281	104,400	104,237	368,300	162,253	160,500	137,887	90,500	61,760	88,000	52,086	86,400	65,740	95,500	56,000	43,900
Rents and Leases	154,400	151,378	148,300	161,484	285,100	166,823	280,000	220,978	272,300	281,988	219,800	256,269	158,200	169,048	164,300	175,000	161,900
Materials and Supplies	720,400	773,077	932,000	840,196	930,400	592,470	797,000	743,578	754,400	638,865	783,000	716,146	762,400	628,863	808,100	670,000	838,500
Small Tools (under \$1,000)	44,300	60,736	69,300	25,196	68,800	25,664	43,300	15,366	48,300	6,591	25,000	6,991	37,800	5,637	35,000	15,000	48,000
Miscellaneous	64,000	48,492	101,000	45,911	74,100	105,491	100,300	58,933	72,500	53,676	65,000	57,419	66,600	84,477	64,500	95,000	91,800
Unforeseen Operating Contingency					100,000	14,099	100,000	14,099	100,000	147,210	100,000	131,401	100,000	74,483	250,000	250,000	250,000
Purchased Power	21,213,700	21,822,349	24,158,000	23,895,600	25,373,000	24,060,574	23,220,100	22,284,244	23,376,800	22,835,780	23,227,300	24,062,379	23,285,000	24,388,887	24,070,500	24,953,000	24,146,900
Taxes	1,927,000	1,876,406	2,020,200	1,839,337	2,119,000	2,138,550	2,298,700	2,220,162	2,370,400	2,413,881	2,581,000	2,713,280	2,690,000	2,742,671	2,806,000	2,800,000	2,785,000
Total Expenditures	38,616,000	38,163,319	43,433,500	40,683,257	45,019,200	40,312,983	42,705,300	40,147,875	43,240,600	40,831,144	42,839,600	43,602,672	44,144,800	44,202,582	47,764,300	45,200,400	47,270,009
DEBT SERVICE																	
Debt Service - Principal	835,000	837,916	870,000	873,334	1,190,000	1,183,749	1,555,000	1,574,421	1,717,000	1,668,642	1,801,300	1,865,034	1,840,900	1,830,181	1,897,300	1,895,900	1,966,100
Debt Service - Interest	722,600	767,367	684,100	992,487	2,241,100	2,068,361	1,919,000	2,018,950	1,971,900	2,005,443	1,956,800	1,980,622	1,873,100	1,925,915	1,799,400	1,866,000	1,740,400
Total Debt Service	1,557,600	1,605,283	1,554,100	1,865,821	3,431,100	3,252,110	3,474,000	3,593,371	3,688,900	3,674,085	3,758,100	3,845,656	3,714,000	3,756,096	3,696,700	3,761,900	3,706,500
AVAILABLE FOR CAPITAL OUTLAY	3,485,500	(2,514)	(3,360,600)	(3,251,206)	(4,065,300)	1,825,085	4,719,700	2,386,463	2,730,700	8,278,510	3,590,600	9,430,134	11,934,300	8,799,114	6,408,100	7,454,600	3,579,491

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE SUMMARY BY DEPARTMENT**

<u>Description</u>	<u>Generation</u>	<u>Power Supply</u>	<u>Const. Design</u>	<u>Eng.</u>	<u>Operations</u>	<u>Enviro.</u>	<u>Customer Service</u>	<u>Cons.</u>	<u>General Admin.</u>	<u>I.S.</u>	<u>BOC</u>	<u>Broadband</u>	<u>Internal Comm.</u>	<u>Total</u>
EXPENDITURES														
010 Wages	203,400	142,400	921,500	254,409	3,977,000	66,400	771,000	87,200	1,286,300	417,600	115,800	329,500	153,300	8,725,809
011 Benefits	79,900	62,900	419,300	113,500	1,463,500	24,900	373,200	30,100	531,200	192,500	44,700	146,600	54,900	3,537,200
020 Travel	20,000	10,000	9,000	8,000	20,000	8,500	4,500	3,500	21,800	10,000	19,000	10,500	3,500	148,300
021 Training, Tuition and Meeting Fees	5,000	5,000	12,000	10,000	20,000	4,000	2,500	3,100	13,800	13,500	3,000	22,800	7,600	122,300
030 Transportation	1,500	300	60,000	8,000	700,000	200	28,600	1,700	2,600	700		23,200	36,200	863,000
040 Insurance									347,600					347,600
050 Utilities					200				96,600					96,800
060 Postage, Printing and Stationery			500	300	1,500		152,900	200	5,000			300	300	161,000
070 Advertising			3,000	5,000	2,000		1,000	23,000	3,000					37,000
071 Conservation Expenditures								488,100						488,100
080 Misc. Contractual Services	6,500	556,100	300,000	250,000	1,204,000	13,000	77,100	20,000	490,800	20,500		136,700	10,000	3,084,700
081 Legal Services									278,900			10,000		288,900
082 Maintenance Contracts					130,000					48,700		110,700	21,500	310,900
083 Software Licenses and Support		195,600								409,700		87,100		692,400
084 Permits and Fees	7,500		2,000	0	1,500	100	300		500			29,000	3,000	43,900
085 Rents and Leases	9,900				1,000		5,000		800	35,300		73,200	36,700	161,900
090 Materials and Supplies	2,500	1,000	12,000	2,000	555,000	1,500	24,700	10,000	37,500	10,000	1,100	116,200	65,000	838,500
091 Small Tools (under \$1,000)			4,500	2,000	10,000		0		0	28,500		1,000	2,000	48,000
092 Miscellaneous				0	10,000		54,800	200	25,800		1,000			91,800
099 Unforeseen Operating Contingency									250,000					250,000
120 Purchased Power		24,146,900												24,146,900
210 Taxes									2,771,000			14,000		2,785,000
Total Expenditures	336,200	25,120,200	1,743,800	653,209	8,095,700	118,600	1,495,600	667,100	6,163,200	1,187,000	184,600	1,110,800	394,000	47,270,009
DEBT SERVICE														
810 Debt Service - Principal									1,601,000			365,100		1,966,100
811 Debt Service - Interest									1,538,400			202,000		1,740,400
Total Debt Service	0	0	0	0	0	0	0	0	3,139,400	0	0	567,100	0	3,706,500
Total Use of Resources	336,200	25,120,200	1,743,800	653,209	8,095,700	118,600	1,495,600	667,100	9,302,600	1,187,000	184,600	1,677,900	394,000	50,976,509

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
REVENUE DETAIL**

<u>Div.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	Electric		51,856,000
	001	Sales - Retail	46,069,900
	002	Sales - Wholesale	1,503,700
	003	Interest	70,600
	004	Miscellaneous	1,229,000
	005	Rental Income	110,000
	006	Construction Contributions	1,250,000
	007	Grant Proceeds	1,622,800
2	Broadband		2,700,000
	002	Sales - Wholesale	2,700,000
	004	Miscellaneous	0
	006	Construction Contributions	0
	007	Grant Proceeds	0
		TOTAL REVENUE	54,556,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	10	Generation		336,200
		010	Wages	203,400
		011	Benefits	79,900
		020	Travel	20,000
		021	Training, Tuition and Meeting Fees	5,000
		030	Transportation	1,500
		080	Misc. Contractual Service	6,500
		084	Permits and Fees	7,500
		085	Rent and Leases	9,900
			Ophir Site Lease	9,900
		090	Materials and Supplies	2,500

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	11	Power Supply		25,120,200
		010	Wages	142,400
		011	Benefits	62,900
		020	Travel	10,000
		021	Training, Tuition and Meeting Fees	5,000
		030	Transportation	300
		080	Misc. Contractual Services	556,100
			Douglas County PUD	419,900
			Professional Services - Comp. Studies	15,000
			Slice Implementation Group	5,000
			TOP Services - BPA	55,000
			WECC/NERC Assessments	30,000
			PEAK Assessments	30,000
			WREGIS Annual Fee - Green Tags	1,200
		083	Software Licenses and Support	195,600
			Slice Software Support Fee	195,600
		090	Materials and Supplies	1,000
		120	Purchased Power	24,146,900
			BPA - Slice	8,477,600
			BPA - Block	5,601,800
			BPA - Transmission	2,634,300
			Wells	4,302,300
			Nine Canyon	2,679,900
			Other - Market Purchases	451,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	19	Construction Design		1,743,800
		010	Wages	921,500
		011	Benefits	419,300
		020	Travel	9,000
		021	Training, Tuition and Meeting Fees	12,000
		030	Transportation	60,000
		060	Postage, Printing and Stationery	500
		070	Advertising	3,000
		080	Misc. Contractual Services	300,000
			Foster Crk 115KV Tower Inspection	45,000
			Joint Use Survey	300,000
		084	Permits and Fees	2,000
		090	Materials and Supplies	12,000
		091	Small Tools (under \$1,000)	4,500
			GPS - Truck Units	4,500

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	20	Engineering		653,209
		010	Wages	254,409
		011	Benefits	113,500
		020	Travel	8,000
		021	Training, Tuition and Meeting Fees	10,000
		030	Transportation	8,000
		060	Postage, Printing and Stationery	300
		070	Advertising	5,000
		080	Misc. Contractual Services	250,000
			Enloe Dam Dewatering - BLM SF299 Process	100,000
			Substation Equipment Testing	50,000
			System Studies	100,000
		090	Materials and Supplies	2,000
		091	Small Tools (under \$1,000)	2,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	21	Operations		8,095,700
		010	Wages	3,977,000
		011	Benefits	1,463,500
		020	Travel	20,000
		021	Training, Tuition and Meeting Fees	20,000
		030	Transportation	700,000
		050	Utilities	200
		060	Postage, Printing and Stationery	1,500
		070	Advertising	2,000
		080	Misc. Contractual Services	1,204,000
			CDL Testing Program	7,000
			Employee Dispatch	120,000
			Firealarm Testing and Monitoring	2,000
			Janitorial Services (All Offices)	66,000
			Non-PCB Waste Disposal	8,000
			Pole Testing	245,000
			Safety Training	40,000
			Tree Trimming	700,000
			Underground Locate Service	4,000
			Weed Control	12,000
		082	Maintenance Contracts	130,000
			Elevator Maintenance	5,000
			HQ General Maintenance	60,000
			HVAC Maintenance	40,000
			Landscape Maintenance	10,000
			Snowplowing and Sweeping	15,000
		084	Permits and Fees	1,500
			Miscellaneous	1,500
		085	Rents and Leases	1,000
			Pole Contacts	1,000
		090	Materials and Supplies	555,000
			General	500,000
			Fire Resistant Clothing	20,000
			3 Phase TWACS Pucks	35,000
		091	Small Tools (under \$1,000)	10,000
		092	Miscellaneous	10,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
 2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
 EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	22		Environmental	118,600
		010	Wages	66,400
		011	Benefits	24,900
		020	Travel	8,500
		021	Training, Tuition and Meeting Fees	4,000
		030	Transportation	200
		080	Misc. Contractual Services	13,000
		084	Permits and Fees	100
		090	Materials and Supplies	1,500

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	30	Customer Service		1,495,600
		010	Wages	771,000
		011	Benefits	373,200
		020	Travel	4,500
		021	Training, Tuition and Meeting Fees	2,500
		030	Transportation	28,600
		060	Postage, Printing and Stationery	152,900
			Postage and Printing - NISC	125,900
			Postage - PUD	25,200
			Printing - Misc.	1,800
		070	Advertising	1,000
		080	Misc. Contractual Services	77,100
			CIS Programming	700
			Collection Service - Credit Bureau	3,100
			Credit Reporting Agency	3,000
			Electronic Payments Fees	60,300
			iVue Connect Implementation	10,000
		084	Permits and Fees	300
			Miscellaneous Fees (Notaries, etc.)	300
		085	Rents and Leases	5,000
			Office Rent MVCC	5,000
		090	Materials and Supplies	24,700
			General	24,700
		092	Miscellaneous	54,800
			Miscellaneous Expenses	200
			Net Account Receivable Writeoffs	54,600

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	35		Conservation/Consumer Information	667,100
		010	Wages	87,200
		011	Benefits	30,100
		020	Travel	3,500
		021	Training, Tuition and Meeting Fees	3,100
		030	Transportation	1,700
		060	Postage, Printing and Stationery	200
			Miscellaneous	200
		070	Advertising	23,000
		071	Conservation Expenditures	488,100
			District Conservation Programs	488,100
		080	Misc. Contractual Services	20,000
			Electric Education Programs	20,000
		090	Materials and Supplies	10,000
		092	Miscellaneous	200

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	40	General Administration		9,302,600
	010	Wages		1,286,300
	011	Benefits		531,200
	020	Travel		21,800
		General	7,800	
		Accounting and Finance	6,200	
		Human Resource	4,300	
		Leadership	3,500	
	021	Training, Tuition and Meeting Fees		13,800
		General	1,700	
		Accounting and Finance	5,000	
		Human Resource	1,600	
		Educational Reimbursement	2,000	
		Leadership	3,500	
	030	Transportation		2,600
	040	Insurance (Property/Liability)		347,600
	050	Utilities		96,600
		Cell Phone Service	8,200	
		Electrical Service	10,000	
		Telephone Service	49,100	
		Water/Sewer/Garbage	29,300	
	060	Postage, Printing and Stationery		5,000
	070	Advertising		3,000
	080	Misc. Contractual Services		490,800
		APPA Dues	18,300	
		Audit Costs	82,800	
		Banking Fees	46,200	
		Benefits Administration	12,500	
		Bond Admin Fee	1,600	
		Chamber of Commerce Dues	300	
		CWPU/UIP Expenses	12,100	
		Economic Alliance	6,000	
		Financial Studies	100,000	
		Foundation for Water and Energy	2,000	
		Human Resources Consulting Services	14,900	
		Legislative Consultant	42,800	
		Misc. Services/Consulting	10,000	
		NW Public Power Assoc. Dues/NW Wage & Hour	27,200	
		PPC - Dues	22,000	
		PPC - NW River Partners	13,100	
		Standard and Pools	7,500	
		WA PUD Association Dues	71,500	
	081	Legal Services		278,900
		General Counsel	203,900	
		Misc. Attorney Fees	75,000	
	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	34,500	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			Human Resources	3,000	
	092	Miscellaneous			25,800
			Clothing for Identification	1,200	
			Deductibles/Damage Claims	4,000	
			Employee Day	5,400	
			Meeting Expenses	300	
			Misc. Expenses (Wellness, Interview and Moving Exp)	11,700	
			Service Awards and Costs	3,200	
	099	Unforeseen Operating Contingency			250,000
	810	Debt Service - Principal			1,601,000
	811	Debt Service - Interest			1,538,400

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	41	Information Systems		1,187,000
		010	Wages	417,600
		011	Benefits	192,500
		020	Travel	10,000
		021	Training, Tuition and Meeting Fees	13,500
		030	Transportation	700
		080	Misc. Contractual Services	20,500
			Consulting	15,000
			Key Card System	2,500
			Security System Monitoring	3,000
		082	Maintenance Contracts	48,700
			Branch Office Multi Function Printer	1,500
			Okanogan Office Multi Function Printer	12,000
			Datacenter Liebert Units	6,000
			Eaton Powerware - Omak Network UPS	11,000
			NetApp SAN Hardware/Software	17,000
			Tape Drive	1,200
		083	Software Licenses and Support	409,700
			Aclara - TWACS Support	16,000
			Certs SSL	1,000
			Genetec Maintenance	3,000
			Kayako Helpdesk Maintenance	500
			LANDesk Patch Management	1,400
			Microsoft Software	38,700
			NISC Custom Programming	5,000
			NISC Maintenance	130,000
			Network Domain Registrations	700
			Nagios	1,500
			ShoreTel Phone System	13,000
			SIEM	30,000
			Sonicclear	400
			SonicWALL	7,500
			Symantec Software and Support	9,800
			VMWare Software Support (IS)	5,000
			Eng/Ops - Symantec for SCADA Servers	800
			Eng/Ops - SmartNet for SCADA	1,200
			Eng/Ops - AutoCad	3,300
			Eng/Ops - ESRI	8,900
			Eng/Ops - Futura	37,500
			Eng/Ops - GeoNav	4,000
			Eng/Ops - Itron Staker Maintenance	27,000
			Eng/Ops - Itron 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	800
			Eng/Ops - Mitchell Diagnostic Software	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

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			Environmental - Misc.	1,500	
			Generation - Misc.	5,000	
	085	Rents and Leases			35,300
			Okanogan Mailing Equipment	10,000	
			Branch Office Mailing Equipment	3,000	
			Branch Office MFP	10,300	
			Okanogan Office MFP	12,000	
	090	Materials and Supplies			10,000
	091	Small Tools (under \$1,000)			28,500
			Misc.	10,000	
			Apple iPads	4,000	
			Eng/Ops - iPads	14,500	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
 2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
 EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	50		Commissioners	184,600
		010	Wages	115,800
		011	Benefits	44,700
		020	Travel	19,000
		021	Training, Tuition and Meeting Fees	3,000
		090	Materials and Supplies	1,100
		092	Miscellaneous	1,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
2	60	Broadband		1,677,900
		010	Wages	329,500
		011	Benefits	146,600
		020	Travel	10,500
		021	Training, Tuition and Meeting Fees	22,800
		030	Transportation	23,200
		060	Postage, Printing and Stationery	300
		080	Misc. Contractual Services	136,700
			Network Consulting	50,000
			NoaNet Calea Services	4,200
			NoaNet Generator TOHUT (50% cost share)	32,500
			Software Development	50,000
		081	Legal Services	10,000
		082	Maintenance Contracts	110,700
			ADVA Optical	35,000
			Cambium Networks	4,600
			Cisco	2,100
			Juniper support	11,800
			Motorola	4,700
			WWP Lightning Edge/Ciena Devices	52,500
		083	Software Licenses and Support	87,100
			Adobe eSign	1,200
			Ciena	30,000
			Certs SSL	400
			Kayako Helpdesk	300
			FiberBase	8,000
			Mapinfo	500
			Microsoft Software	8,800
			NetZoom	2,100
			Server License and Software Upgrades	7,500
			Solar Winds	15,700
			Symantec Software and Support	5,700
			Telerik	1,400
			VMWare	5,500
		084	Permits and Fees	29,000
			ARIN ASN & IP Address Allocation	5,000
			Upstream Internet Bandwidth	24,000
		085	Rents and Leases	73,200
			DCPUD Dark Fiber Leases	29,200
			DCPUD Co-location	5,600
			USEI Co-location	4,800
			Wireless Site Lease	33,600
		090	Materials and Supplies	116,200
			Backup Tapes	500
			Battery Plant - Maintenance and Replacement	16,300
			Equipment Calibration/Repair	2,300
			Fiber Plant Maintenance - Broadband	50,000
			HVAC Maintenance and Repair	30,000
			Switch/Network HW Upgrades	10,000
			UPS/Rectifier - Maintenance and Replacement	7,100
		091	Small Tools (under \$1,000)	1,000
		210	Taxes	14,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
	810	Debt Service - Principal		365,100
		Loan - Electric	229,000	
		Operating Line - Electric	0	
		Loan - ARRA	136,100	
	811	Debt Service - Interest		202,000
		Loan - Electric	49,400	
		Operating Line - Electric	51,600	
		Loan - ARRA	101,000	
	901	Unforeseen Capital Contingency		0

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	61	Internal Communications		394,000
		010	Wages	153,300
		011	Benefits	54,900
		020	Travel	3,500
		021	Training, Tuition and Meeting Fees	7,600
		030	Transportation	36,200
		060	Postage, Printing and Stationery	300
		080	Misc. Contractual Services	10,000
		082	Maintenance Contracts	21,500
			Fire Alarm System	1,500
			UHF Radio System	20,000
		084	Permits and Fees	3,000
			Right of Way - USFS, DOT, etc.	3,000
		085	Rents and Leases	36,700
			UHF Site Lease - Little Buck Mtn.	2,500
			UHF Site Lease - Aeneas Mtn.	2,500
			UHF Site Lease - Goat Mtn.	600
			UHF Site Lease - Omak Mtn.	2,500
			UHF Site Lease - McClure Mtn.	2,400
			UHF Site Lease - Tunk Mtn.	3,200
			Dark Fiber Lease - Brewster to Wells Dam	23,000
		090	Materials and Supplies	65,000
			Fiber Plant Maintenance - Internal and Backbone	50,000
			General Materials and Supplies	15,000
		091	Small Tools (under \$1,000)	2,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2017 PROPOSED OPERATING BUDGET - OCTOBER 10, 2016
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
			TOTAL EXPENDITURES AND DEBT SERVICE	50,976,509