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CAPTIAL PROJECTS ADVISORY REVIEW BOARD
FOR THE STATE OF WASHINGTON

COLUMBIA RIVER BIOREGIONAL)
EDUCATION PROJECT,) No.
)
Petitioner,) PETITIONER COLUMBIANA’S
) OPENING BRIEF
)
v.)
)
STATE OF WASHINGTON CAPITAL)
PROJECTS ADVISORY REVIEW)
BOARD; PROJECT REVIEW)
COMMITTEE; and OKANOGAN)
PUBLIC UTILITY DISTRICT)
)
Respondents.)

I. INTRODUCTION

The Washington State Capital Projects Advisory Review Board (“CPARB”) should find that the Project Review Committee (“PRC”) erred in approving the Okanogan Public Utility District’s (“OPUD”) design-build application for the Enloe Hydroelectric Project (“Project”). While the Columbia River Bioregional Education Project (“Columbiana”) asserts that the Project itself is ill-fated, environmentally unsound, a waste of ratepayer funds, Columbiana is fully aware and understanding of the narrow scope of the issue for the PRC: whether design-build is appropriate in this case. The issues as they come before CPARB are two-fold. First, CPARB is tasked with determining whether or not the PRC erred in approving OPUD’s application to use the design-build process on the Project. The answer to that question should be, “No.” The second

1 major set of issues before CPARB encompass whether the PRC denied Columbiana and other
2 members of the public their due process rights in making its determination. The answer to that
3 question should be, “Yes.”

4 In its Prehearing Order, CPARB enumerated the following issues to be addressed in this
5 brief:

6
7 “1. Is an adjudicatory proceeding under the Washington Administrative Procedures
8 Act, Chapter 34.05 RCW, *required* for approval of the use of an alternative public works
9 contracting method (design-build) on a project under RCW 39.10.280?

10
11 2. Does CPARB have authority or discretion to direct an adjudicatory proceeding for
12 approval of an alternative public works contracting method (design-build) on a project under
13 RCW 39.10.280(2)? Should it do so in this case?

14
15 3. Did the PRC properly determine that the use of the design-build contracting
16 method for the Okanogan Public Utility District Enloe Hydroelectric Project meet the statutory
17 criteria set out in RCW 39.10.280(2)?

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19 4. Does the State Environmental Procedures Act (SEPA), Chapter 43.21C, apply to
20 the approval of an alternative public works contracting method under RCW 39.10.280?

21
22 5. Is the PRC a proper party in an appeal to CPARB under RCW 39.10.290? What is
the PRC’s proper role in such an appeal?”

23 **II. STATEMENT OF THE CASE**

24 This is an appeal of the Public Body Project Approval Determination issued by the PRC
25 on April 27, 2017, granting approval for OPUD to utilize the Design-Build alternative
26 contracting procedure for the Project. Bates No. 0000827.

1 OPUD originally applied to utilize the Design-Build Process on Project on October 31,
2 2016. Bates Nos. 0000001-00000011. The PRC held a meeting on December 1, 2016 where it
3 considered OPUD's application. After the notice procedures were challenged in a separate
4 lawsuit, on March 15, 2017, the PRC withdrew its approval of this Project. *See* Columbiana's
5 Notice of Appeal, Exhibit B to (Letter withdrawing approval). A new hearing was set for April
6 27, 2017. *Id.* Columbiana and over 150 other organizations and members of the public provided
7 comments opposing the application. Bates Nos. 00000050-00000818. On April 25, 2017,
8 Columbiana moved to convert the proceeding before the PRC on April 27, 2017 to an
9 adjudicative hearing pursuant to RCW 34.05.070. *See* Columbiana's Motion to Convert
10 Proceedings. No decision was made on this motion to convert the proceedings prior to the
11 hearing taking place. No adjudicative hearing procedures were afforded to Columbiana or other
12 members of the public at the April 27, 2017 meeting. A hearing on the application was held on
13 April 27, 2017 where the PRC again voted to approve the Project. Bates No. 0000827.
14 Columbiana is appealing that approval.

18 III. ARGUMENT

19 1. **The PRC meeting should have been an adjudicative hearing and the Board 20 has the authority and discretion to direct such a proceeding.**

21 The PRC's April 27, 2017 hearing should have been conducted as an adjudicative
22 hearing. The question as presented by CPARB in its Prehearing Order is whether an adjudicatory
23 proceeding under the Washington Administrative Procedures Act ("APA"), Chapter 34.05 RCW,
24 is required for approval of use of design-build on a project under RCW 39.10.280. Petitioner
25 does not argue that *every* meeting of the PRC in which it is considering a design-build
26 application should be conducted as an adjudicative proceeding, or even that one was *required* in
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1 this case. Rather, Petitioner is arguing that in this case, conversion to an adjudicative proceeding
2 was both necessary, in the public interest, and more appropriate. *See* Columbiana’s Motion to
3 Convert Proceedings, attached hereto as Attachment 1. This conversion is explicitly permitted by
4 the APA at RCW 34.05.070(1), and as such, CPARB has the authority and discretion to direct
5 that this meeting should have been an adjudicative proceeding. CPARB also should have done so
6 in this case. Petitioner will not belabor its reasoning for this assertion, as all of Petitioner’s
7 arguments on this matter are contained in its Motion to Convert Proceedings.
8

9 OPUD argues that an adjudicative proceeding was not required and is not contemplated
10 by the statutes governing these procedures. *See* OPUD Response to Petitioner’s Motion to
11 Convert Proceedings at 3. Again, this is not what Columbiana is arguing. In fact, Columbiana
12 acknowledges that the PRC’s contemplated procedures are not adjudicative, which is why
13 CPARB needed to *convert* these procedures in this case for the reasons described in Petitioner’s
14 Motion to Convert Proceedings.
15

16 OPUD has also argued that Columbiana’s filing of the motion to convert was untimely,
17 but has not provided any authority for that assertion. *See* OPUD Response to Petitioner’s Motion
18 to Convert Proceedings at 5. The APA provides no time frame in which to move to convert a
19 proceeding. And in fact, the APA provides that an agency, in this case CPARB, has the authority
20 to “commence an adjudicative proceeding at any time” RCW 34.05.413(1). OPUD
21 incorrectly argues this statute does not apply because this proceeding was already in process. *See*
22 OPUD Response to Petitioner’s Motion to Convert Proceedings at 4. However, the PRC meeting
23 itself, which is the “proceeding” at issue, had not been “commenced” at the time of the filing of
24 Petitioner’s motion. CPARB therefore had the authority to commence the meeting as an
25 adjudicative hearing.
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1 OPUD has also incorrectly argued that Petitioner’s request to convert the proceeding to
2 an adjudicative hearing is moot because the meeting has already taken place. *See* OPUD
3 Response to Petitioner’s Motion to Convert Proceedings at 5. Petitioner’s request is not moot
4 because relief can still be granted which would remedy Petitioner’s injury. *State v. Turner*, 98
5 Wn.2d 731, 733 (1983). CPARB can remand this matter back to the PRC to have the PRC
6 conduct this process as an adjudicative hearing.
7

8 And finally, OPUD points to the fact that no Washington case law exists on the use of
9 RCW 34.05.070. *See* OPUD Response to Petitioner’s Motion to Convert Proceedings at 4.
10 However, the fact that no case exists which interprets this statute is not itself authority that would
11 defeat the ability of Columbiana to utilize this statute, which is still good law. Moreover, given
12 the lack of precedence, CPARB must use the tools of statutory construction, which provide that
13 “courts are obliged to interpret a statute, if possible, so that no portion of it is superfluous, void,
14 or insignificant.” *Snow's Mobile Homes, Inc. v. Morgan*, 80 Wn.2d 283, 288 (1972) (internal
15 citation omitted). In this case, RCW 34.05.070(1) states that “on the motion of any party,” if
16 “another form of proceeding under this chapter is **necessary, is in the public interest, or is**
17 **more appropriate to resolve issues affecting the participants . . .** the presiding officer or other
18 official responsible for the original proceeding **shall . . . commence the new proceeding.**”
19 (emphases added). CPARB should find that under the plain meaning of this statute, Columbiana
20 had the ability to move to convert these proceedings, and that CPARB should in fact have
21 converted them.
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1 **2. The PRC did not properly determine that the use of design-build for this**
2 **Project met the statutory criteria.**

3 The PRC erred in approving the use of design-build on this Project. First, OPUD did not
4 demonstrate that it has the requisite experience. RCW 39.10.280(2)(c); (d). And second, OPUD
5 did not demonstrate that the use of design-build would provide a “substantial fiscal benefit.”
6 RCW 39.10.280(2)(a). Columbiana has been denied its due process rights both before the PRC
7 and in the process of this appeal which greatly hinders Columbiana’s ability to fully and
8 effectively present these arguments to CPARB. Having been constrained to the record below,
9 Columbiana presents the following arguments.
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11 **i. OPUD has not shown that it has the requisite design-build experience.**

12 RCW 39.10.280(2)(c) and (d) require the PRC to determine that the public body has the
13 necessary experience or qualified team to carry out the alternative contracting procedure and that
14 the public body personnel or consultants are knowledgeable in the design-build process and are
15 able to oversee and administer the contract. OPUD’s application identifies Mr. John Christensen,
16 Mr. Thomas McCreedy, and Ms. Robynne Parkinson as consultants with design-build
17 experience. *See* Bates No. 00000014. None of the other persons identified in the application have
18 design-build experience, as is admitted by OPUD. *See* Bates Nos. 00000022-00000023.
19 Importantly, Ms. Parkinson will only be devoting 10% of her time to this Project, Mr.
20 Christensen will be devoting 50% of his time, and Mr. McCreedy is listed as “on-call.” *See* Bates
21 No. 00000031. Additionally, neither Mr. Christensen nor Mr. McCreedy have been involved
22 with a design-build project in the past five years. *See* Bates No. 00000014.
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26 At the April 27, 2017 meeting, PRC member Rob Warnaca expressed concerns about
27 what would happen if Mr. Christensen is not available 50% of this time and also that no person is
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1 listed that has design-build expertise to carry the Project through the construction phase. Bates
2 No. 00000837. Mr. Christensen responded that the person who will be onsite during construction
3 “has yet to be identified.” *Id.* The fact that OPUD has not even identified the person who will be
4 available during the construction phase clearly shows that OPUD has not demonstrated that
5 either itself or its consultants have the necessary experience.
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7 As such, OPUD lacks experienced personnel to properly manage the design-build
8 process, as is required by the statute. On this basis, the PRC should not have approved OPUD’s
9 application.
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11 **ii. OPUD has not demonstrated that design-build will provide a
12 substantial fiscal benefit.**

13 RCW 39.10.280(2)(a) requires the PRC to determine that “[t]he alternative contracting
14 procedure will provide a substantial fiscal benefit or the use of the traditional method of
15 awarding contracts in lump sum to the low responsive bidder is not practical for meeting desired
16 quality standard or delivery schedules.”

17 Here, OPUD has not shown that the use of the design-build procedure here will provide a
18 “substantial fiscal benefit” or that the use of the traditional method is “not practical.” The PRC
19 asked OPUD to “provide examples for the five benefits listed . . . and how you believe they
20 would not be readily achievable in Design Bid Build.” See Bates Nos. 00000027-00000029.
21 OPUD argues in its answers to the PRC’s question that “[t]he question as posed is not consistent
22 with RCW 39.10.280, as there is no requirement in the statute for the public agency to compare
23 the benefits to the design-bid-build delivery method and show that design-build is superior to
24 design-bid-build.” *Id.* at 8. This is incorrect, as this requirement is clearly outlined in RCW
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1 39.10.280(2)(a). OPUD did not demonstrate that it met this requirement, and on that basis, the
2 approval should be overturned.

3 Moreover, OPUD cannot demonstrate the “substantial fiscal benefit” of using design-
4 build on a project that is fundamentally economically flawed. As stated by OPUD in its answers
5 to the PRC’s questions, “In a progressive design-build project, the owner selects the design-
6 builder prior to the establishment of a final price. Therefore, there is a cost risk on the owner that
7 the parties will not be able to reach agreement on a final maximum cost for the project.” *See*
8 Bates No. 0000029. Stated differently, a traditional design-bid-build process allows for the
9 establishment of a final price prior to the selection of the builder, which allows for increased cost
10 certainty. This is important in the context of this Project, which a study conducted by Rocky
11 Mountain Econometrics found is not economically feasible. *See* Bates Nos. 00000150 et. seq.
12 Ultimately, the study concludes that if the Project is built, it will lose at least \$26 on every
13 megawatt hour (MWh) that it generates. *Id.* at 00000152. This Project arguably has thereby been
14 shown to be fiscally irresponsible and at best has been shown to be fiscally risky. As such,
15 having a final price prior to the commencement of construction would allow the public and the
16 decision makers to fully realize the potential negative economic impact this Project will have on
17 the ratepayers of Okanogan County.

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21 **3. SEPA applies to the PRC’s approval of the design-build process.**

22 SEPA applies to the PRC’s decision. Challenges to SEPA determinations are made in
23 conjunction with challenges to an “underlying governmental action.” RCW 43.21C.075(2)(a).
24 These appeals are to be “commenced within the time required to appeal the governmental action
25 which is subject to environmental review.” *Id.* at (2)(b). WAC 197-11-799 defines “underlying
26 governmental action” as “the governmental action, such as zoning or permit approvals, that is the
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1 subject of SEPA compliance.” Under WAC 197-11-704, the “action” is defined as including
2 “agency decisions to . . . [l]icense, fund, or undertake any activity that will directly modify the
3 environment, whether the activity will be conducted by the agency, an applicant, or under
4 contract.” Clearly, the PRC’s decision to allow OPUD to utilize the design build process on this
5 Project, which has obvious environmental modification plans, is the “underlying governmental
6 action” triggering a SEPA review in this case.¹ The PRC’s approval allows OPUD to select a
7 contractor and begin construction on a project with potentially massive environmental
8 consequences. See Bates Nos. 0000095 – 00000134. Furthermore, Columbiana timely filed its
9 appeal of this underlying governmental action (Columbiana’s Notice of Appeal of the April 27,
10 2017 decision was filed on May 3, 2017, well within the seven day appeals period prescribed by
11 RCW 39.10.290).

14 Additionally, Columbiana was denied its due process rights before the PRC, so
15 Columbiana’s ability to gather evidence to present to CPARB regarding Columbiana’s
16 substantive SEPA arguments is limited. Given these constraints, Columbiana reasserts the
17 arguments made in its Notice of Appeal, which are as follows.

19 First, OPUD’s adoption of the Federal Energy Regulatory Commission’s (“FERC”)
20 Environmental Assessment (“EA”), and OPUD’s subsequent SEPA determination of
21 nonsignificance (“DNS”) are inadequate because the EA was inadequate in its evaluation of
22 environmental impacts and alternatives. See Columbiana’s Notice of Appeal, Exhibits E and F.
23 OPUD needed to supplement the EA where it was inadequate. See WAC 197-11-600(4)(d).
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27 ¹ Petitioners could not have raised this issue before the PRC because it is the PRC’s decision which makes the SEPA
28 challenge ripe. RCW 43.21C.075(6)(c); See also *Fremont Neighborhood Council v. City of Seattle*, No. 64098-4-I,
2011 Wash. App. LEXIS 564, *5 (Ct. App. Mar. 7, 2011).

1 Second, OPUD erred in adopting the EA and issuing a DNS rather than making a
2 Determination of Significance (“DS”). A DS should be issued where the responsible official
3 determines that a proposal may have a probable significant adverse environmental impact. WAC
4 197-11-360(1). This Project very obviously poses a probable significant adverse environmental
5 impact. The Project requires construction of a powerhouse in a riparian area and diversion up to
6 1600 CFS from the Similkameen River by creating a 370-foot-long bypass reach. *See*
7 Columbiana’s Notice of Appeal, Exhibit G, pg 20 (OPUD’s Request for Qualifications). The EA
8 itself recognizes that the impacts and change in flows in the bypass reach is severe and would
9 impact the aesthetics of the Project area. *Id.*, Exhibit E at 159-175. Significant impacts include
10 impacts to fish, aesthetics, recreation, de-watering a segment of the river, archeological impacts,
11 and economic impacts. The PRC’s approval of OPUD’s application despite OPUD’s improper
12 DNS is in error and its approval should be overturned.

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15 Third, the EA recognized the need for mitigation. *Id.* at 252 (finding that the issuance of
16 license *with FERC’s recommended measures in place* would not significantly affect the
17 environment). Despite this, OPUD issued a DNS, indicating that mitigation was not necessary.
18 In the event that an EIS was not required, OPUD was still required to issue a Mitigated
19 Determination of Nonsignificance (“MDNS”) and adopt enforceable mitigation measures. See
20 WAC 197-11-350.

21
22
23 **4. The PRC is a proper party to a CPARB appeal and its role should be that of**
24 **any other party to an appeal.**

25 The PRC is a proper party to this and any other CPARB appeal. The statute governing
26 appeals of PRC decisions, RCW 39.10.290 states, “A written notice of an appeal must be
27 provided to the committee and, as applicable, to the public body.” As such, the plain language of
28

1 the statute directs that the PRC is always a party to the appeal, and that the public body is a party
2 where applicable. The proper role of the PRC in this appeal is the same as any respondent party
3 to an appeal.
4

5 Dated this 30th day of May, 2017.
6

7 SMITH & LOWNEY, PLLC
8

9 By: s/Alyssa Englebrecht
10 Knoll Lowney, WSBA #23457
11 Alyssa Englebrecht, WSBA #46773
12 Attorneys for Petitioner
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CERTIFICATE OF SERVICE

I, Alyssa Englebrecht, declare under penalty of perjury of the laws of the State of Washington, that I am a citizen of the United States and a resident of the State of Washington, that I am over the age of eighteen, that I am not a party to this lawsuit, and that on May 30, 2017, I caused the foregoing Opening Brief and Attachments to be served on the following in the manner indicated:

Capital Projects Advisory Review Board CPARB@des.wa.gov Talia.baker@des.wa.gov MarkL1@atg.wa.gov Tpcef@atg.wa.gov RobertH3@atg.wa.gov DanielleO@atg.wa.gov SarahS7@atg.wa.gov	<input type="checkbox"/> Messenger <input type="checkbox"/> U.S. Mail (postage prepaid) <input checked="" type="checkbox"/> E-mail
Project Review Committee DawnC@atg.wa.gov Nancy.Deakins@des.wa.gov Tpcef@atg.wa.gov BaileeR@atg.wa.gov angelaB@atg.wa.gov	<input type="checkbox"/> Messenger <input type="checkbox"/> U.S. Mail (postage prepaid) <input checked="" type="checkbox"/> E-mail
Okanogan Public Utility District Steve.dijulio@foster.com Colm.nelson@foster.com Chris.emch@foster.com	<input type="checkbox"/> Messenger <input type="checkbox"/> U.S. Mail (postage prepaid) <input checked="" type="checkbox"/> E-mail

DATED this 30th day of May 2017, in Seattle, Washington.

s/Alyssa Englebrecht
Alyssa Englebrecht

Attachment 1

II. STATEMENT OF FACTS

1
2 The Project at issue is a proposal by the Okanogan Public Utility District (“OPUD”) to
3 restore power generation at the Enloe Dam, which is located on the Similkameen River near
4 Oroville, Washington. OPUD’s application to the PRC to utilize the design-build process was
5 originally submitted to the PRC on October 31, 2016. That application is attached hereto as Exhibit
6 1. The PRC held a meeting on December 1, 2016 where it approved OPUD’s application. On
7 February 23, 2017, several members of the public filed a notice of appeal to CPARB alleging that
8 notice of the December 1, 2016 meeting was defective. On March 2, 2016, these same members of
9 the public filed a suit in Thurston County Superior Court against CPARB, the PRC, and the OPUD
10 alleging defective notice of the December 1, 2016 meeting. On March 15, 2017, the PRC withdrew
11 its approval of the Project and set a new hearing date for April 27, 2017. Notice of the new hearing
12 was published in the Seattle Daily Journal of Commerce, Omak Okanogan County Chronicle, and the
13 Oroville Gazette-Tribune. The PRC has since received at least 164 comments which it has published
14 to its website, all of which are in opposition to the approval of this Project by the PRC. Some of
15 these comments address contested issues of fact that are material to the PRC’s decision. *See, e.g.,*
16 Exhibit 2.

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18 Columbiana is a 501(c)(3) non-profit organization dedicated to protection of the upper
19 Columbia River Bioregion including the Similkameen River as well as education about this area.

III. LEGAL BACKGROUND

A. The Washington Administrative Procedures Act

22 The PRC is governed in part by the Washington Administrative Procedure Act (“APA”). *See*
23 RCW § 34.05.010(2) (defining “agency” as “any state board, commission, department, institution of
24 higher education, or officer, authorized by law to make rules or to conduct adjudicative proceedings.
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1 . . .”) The APA includes a provision which allows for the conversion of a proceeding to an
2 adjudicative proceeding when such conversion “is necessary, is in the public interest, or is more
3 appropriate to resolve issues affecting the participants.” RCW § 34.05.070(1). Conversion can be
4 granted by the presiding officer or other official responsible for the original proceeding “on his or her
5 own motion or on the motion of any party.” In addition, the APA also provides that “[w]ithin the
6 scope of its authority, an agency may commence an adjudicative proceeding at any time with respect
7 to a matter within the agency’s jurisdiction.” RCW § 34.05.413(1).

8 The PRC’s upcoming April 27, 2017 meeting is not being commenced as an adjudicative
9 proceeding. Adjudicative proceedings give “all parties full opportunity to submit and respond to
10 pleadings, motions, objections, and offers of settlement.” RCW § 34.05.437(1). In addition, “the
11 presiding officer may give all parties full opportunity to file briefs, proposed finding of fact and
12 conclusions of law, and proposed initial or final orders.” *Id.* (2). The presiding officer can grant
13 interventions “by any petitioner who qualifies as an intervenor under any provision of law.”
14 RCW § 34.05.443(1). The agency is authorized to subpoena witnesses and determine whether
15 discovery is to be available. RCW § 34.05.446(1), (2). The testimony of the parties and witnesses
16 must be under oath. RCW § 34.05.452(3). And finally, the parties are given the opportunity to
17 present evidence and argument, conduct cross-examination, and submit rebuttal evidence.
18 RCW § 34.05.449(2).

19
20 **B. RCW § 39.10.280 requirements**

21 RCW § 39.10.280 provides the process by which the PRC reviews a project for approval.
22 First, the application submitted must include a description of the public body’s qualifications. *Id.* at
23 (1). The requirement that the public body have the requisite management experience is also
24 incorporated into RCW § 39.10.280(2)(c)(i), (ii), and (v), as well as (2)(d). The next relevant
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1 statutory requirement to this motion is that the PRC must determine that “[t]he alternative contracting
2 procedure will provide a substantial fiscal benefit of the use of the traditional method of awarding
3 contracts in lump sum to the low responsive bidder is not practical for meeting desired quality
4 standard or delivery schedules . . .” RCW § 39.10.280(2)(a). Third, RCW § 39.10.280(2)(c)(iv)
5 requires that the public body have “the necessary and appropriate funding and time to properly
6 manage the job and complete the project.” Similarly, RCW § 39.10.280(2)(c)(vi) requires that the
7 public body have the “necessary and appropriate construction budget.”

8 Finally, RCW § 39.10.200 defines the purpose of RCW Chapter 39.10, which outlines the
9 requirements for the design-build process, stating in part that the purpose is “to prescribe appropriate
10 requirements to ensure that such contracting procedures **serve the public interest.**” (emphasis
11 added).

12 IV. ARGUMENT

13 Conversion of the April 27, 2017 meeting to an adjudicative hearing is necessary, in the
14 public interest, and is more appropriate to resolve the issues related to this Project. If the PRC were
15 to convert these proceedings, Columbiana would intervene in this matter. Under the current
16 procedures, interested parties are being denied of critical procedures to which they should be entitled
17 under the APA and, equally important, the PRC is without the means to obtain the material
18 information necessary to decide the matter before it.

19 A. Conversion is necessary.

20 First, conversion of these proceedings is necessary. Without the ability to utilize the
21 procedures that accompany an adjudicative hearing discussed above (presentation of briefing,
22 presentation of evidence, ability to cross-examine, etc.), the PRC will not be presented with the full
23 factual picture regarding the OPUD’s application. The PRC cannot make an informed decision
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1 without all the necessary facts. If the meeting were an adjudicative hearing, Columbiana would
2 conduct discovery on relevant facts, present briefing on those facts, and appear at the hearing to
3 present those facts to the PRC.

4 There are several issues upon which the PRC is not receiving the complete and accurate
5 picture of the facts regarding the OPUD's application. First, the OPUD's application is missing
6 critical facts related to its management team, required by RCW § 39.10.280(1). Section 7.7 of the
7 application does not identify any relevant experience for Mr. Tim DeVries. Furthermore, Mr. Dan
8 Boettger is listed as having "led many large scale energy project, including two FERC hydropower
9 projects." The names of these projects are not listed in the application. These facts should be
10 presented to the PRC. If given the opportunity, Columbiana would conduct discovery regarding this
11 experience, cross-examine Mr. DeVries and Mr. Boettger on their relevant experience, and present
12 evidence regarding the lack of relevant experience of these personnel.

13
14 Second, the PRC does not have the necessary information regarding the qualifications of the
15 public body itself, which is also required by RCW § 39.10.280(1). The projects listed at Attachment
16 D to the OPUD's application are not relevant. None of the projects have a budget greater than one-
17 third of the proposed budget of this Project, nor are they hydropower projects. If given the
18 opportunity, Columbiana would conduct discovery on the experience of the OPUD on relevant
19 projects, cross-examine the management team regarding the OPUD's relevant experience, and
20 present evidence regarding the lack of such experience.

21 Third, the PRC does not have sufficient information that would show that the design-build
22 process would provide a substantial fiscal benefit, as required by RCW § 39.10.280(2)(a). The only
23 support for the OPUD's assertion that a substantial fiscal benefit will result is in Section 6, pages 3-4
24 of its application. The application states that the design-build project delivery "will enable the
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1 District to make better risk-informed decisions in finalizing the engineering design and
2 implementation plan for the project with early contractor input regarding project design
3 configuration, equipment procurement, cost, schedule, and construction planning.” No support is
4 provided for this statement. If given the opportunity, Columbiana would conduct discovery on this
5 issue, cross-examine the management team on this issue, and present evidence that a substantial
6 fiscal benefit will not result from the utilization of the design-build process.

7 Fourth, the PRC has not been presented with sufficient information regarding whether the
8 OPUD has the necessary and appropriate funding or an appropriate budget for this Project as
9 required by RCW §§ 39.10.280(2)(c)(iv) and (vi). The OPUD application states at Section 3.B that it
10 will fund the design and construction of this Project on short-term credit from commercial banks, and
11 then once the Project is complete, the cost of the Project will be secured by “power generation
12 revenue.” If given the opportunity, Columbiana would conduct discovery regarding the funding and
13 budget of this Project and present evidence which would show that in fact, the OPUD does not have
14 the necessary and appropriate construction budget for this Project.
15

16 This presentation of evidence would include the presentation of a study conducted by Rocky
17 Mountain Econometrics, which can be found at Exhibit 2, Attachment 2 to this Motion, which finds
18 that this Project is not economically feasible. Ultimately, the study concludes that if the Project is
19 built, it will lose at least \$26 on every megawatt hour (MWh) that it generates.

20 Overall, an adjudicative proceeding is necessary for this Project given the amount of relevant
21 evidence that has not yet been presented to the PRC. It is against the OPUD’s interest to present any
22 evidence to the PRC that might harm its ability to get this Project approved. As such, interested
23 parties such as Columbiana should be given the opportunity to present that evidence in an
24 adjudicative manner.
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B. Conversion is in the public interest

This hearing should be an adjudicative proceeding because such a proceeding is in the public interest. Given the amount of public opposition to the PRC’s approval of the utilization of the design-build process for this Project, certainly the public has interest in seeing the adjudicative procedures discussed above put in place for this meeting. The procedures available in adjudicative proceedings would provide the PRC, and thereby the public, with the ability to fully realize any concerns about this Project and the OPUD’s application. It is clear from the comments submitted that the public is invested in having full transparency about this Project and in the PRC’s decision on this issue.

C. An adjudicative proceeding is more appropriate in this case.

Given the observations made above in Section IV.A. and B of this Motion, an adjudicative hearing is the more appropriate method of resolving the issues affecting the OPUD and the citizens of Okanogan County. The hearing as it currently stands would confine the PRC to the facts as presented by the OPUD. While interested parties were given the opportunity submit comments for the upcoming hearing, they are not being given the same opportunities as in an adjudicative proceeding. As it currently stands, Columbiana would not have the ability to confront the OPUD’s management team via cross-examination, would not be able to conduct discovery as to the accuracy of the facts asserted in the OPUD’s application, and would not be able to respond to any assertions made by the OPUD. Given the public opposition and apparent deficiencies in the OPUD’s application, and adjudicative proceeding is more appropriate here.

If the PRC contends that this April 27, 2017 hearing is already an adjudicative hearing, interested parties should be given the rights that accompany adjudicative hearings.

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V. CONCLUSION

For the foregoing reasons, Petitioners respectfully request that CPARB convert the April 27, 2017 hearing to an adjudicative proceeding.

RESPECTFULLY SUBMITTED this 25th day of April, 2017.

SMITH & LOWNEY, PLLC

By: _____

Alyssa Englebrecht, WSBA # 46773
Knoll Lowney, WSBA #23457
Attorneys for Petitioners
2317 E. John St., Seattle WA 98122
Tel: (206) 860-2883 Fax: (206) 860-4187
alyssae@igc.org, knoll@igc.org

CERTIFICATE OF SERVICE

I, Kai McDavid, declare under penalty of perjury of the laws of the State of Washington, that I am a citizen of the United States and a resident of the State of Washington, that I am over the age of eighteen, that I am not a party to this lawsuit, and that on April 25, 2017 I caused the foregoing Motion for Conversion of Proceedings and attached Exhibits to be served on the following in the manner indicated:

Capital Projects Advisory Review Board Washington State Department of Enterprise Services 1500 Jefferson Street SE Olympia, WA 98504-1401	<input checked="" type="checkbox"/> Messenger <input type="checkbox"/> U.S. Mail (postage prepaid) <input type="checkbox"/> E-mail
Office of the Attorney General 1125 Washington St SE Olympia, WA 98504-0100	<input checked="" type="checkbox"/> Messenger <input type="checkbox"/> U.S. Mail (postage prepaid) <input type="checkbox"/> E-mail
	<input type="checkbox"/> Messenger <input type="checkbox"/> U.S. Mail (postage prepaid) <input type="checkbox"/> E-mail

DATED this 25th day of April, 2017 in Seattle, Washington.

s/Kai McDavid
Kai McDavid

State of Washington
Capital Projects Advisory Review Board (CPARB)
Project Review Committee (PRC)

APPLICATION FOR PROJECT APPROVAL
TO USE THE
DESIGN-BUILD (D-B) ALTERNATIVE
CONTRACTING PROCEDURE

The CPARB PRC will only consider complete applications: Incomplete applications may result in delay of action on your application. Responses to Questions 1-8 and 10 should not exceed 20 pages (font size 11 or larger). Provide no more than six sketches, diagrams or drawings under Question 9. A Public Body that is certified to use the DB procedure and is seeking approval to use this procedure on a DB project with a total project cost of less than \$10 million is not required to submit information for Questions 7 or 8.

1. Identification of Applicant

- (a) *Legal name of Public Body (your organization):* Public Utility District No. 1 of Okanogan County (Hereinafter abbreviated to "District")
(b) *Address:* 1331 2nd Avenue N. (PO Box 912), Okanogan, WA 98840
(c) *Contact Person Name:* John Grubich *Title:* General Manager
(d) *Phone Number:* 509 422 3310 *Fax:* N/A *E-mail:* john@okpud.org

2. Brief Description of Proposed Project

*Please describe the project in no more than two short paragraphs.
(See Attachment A for an example.)*

The purpose of the Enloe Hydroelectric Project is to restore power generation at Enloe Dam, which is located on the Similkameen River near Oroville. Enloe Dam and its 3.6-MW hydroelectric power plant were constructed in the early 1920s and supplied power until 1958, when the power plant was shut down due to the availability of lower cost electric power from the Bonneville system. In 2013, the District received a license from the Federal Energy Regulatory Commission (FERC) to construct a new power plant at the Dam. Electric energy generated by the new facility will be delivered to the District's customers via its existing electric distribution system

New facilities to be constructed include the following: a river intake upstream of the existing dam, intake channel, penstock intake structure and steel penstocks that will divert water available for power generation to the new power plant; a new 9-MW hydroelectric power plant, a tailrace channel that will return flow to the river downstream of the dam; a new electric substation and a short transmission interconnection to the District's existing 13.2-kV electric power distribution system. Improvements to public recreation facilities and development of new fish rearing facilities are also part of the project. Estimated average annual generation of the licensed project is 45 GWh/year which is equivalent to the typical annual electric energy consumption of about 3600 homes.

3. Projected Total Cost for the Project:

A. Project Budget

Item	Cost (\$)
Costs of Professional Services (A/E, CM, Environmental, Regulatory Compliance, Legal, Admin etc.)	\$5,807,000
Estimated Design and Construction Costs	\$15,050,000
Equipment and Furnishing Costs	\$9,879,000
Contingencies (Prof services, construction, equipment, Owner)	\$4,415,000
Other Related Project Costs (Environmental protection and enhancement measures, Interest during construction)	\$5,653,000
Use Tax (7.7% - Excluding professional services)	\$2,696,000
TOTAL	\$42,500,000

Note: This budget estimate in year 2016 dollars is based on the project configuration approved in the FERC license issued on July 9, 2013.

B. Funding Status

Please describe the funding status for the whole project.

Note: *If funding is not available, please explain how and when funding is anticipated.*

Planning and permitting costs of the project have been funded from the District's operating budget. Funds required for design and construction of the project will be financed with short term credit from commercial banks. When the project is complete, short term credit financing will be replaced by long term financing in the form of municipal revenue bonds that are secured by the power generation revenue.

4. Anticipated Project Design and Construction Schedule

The proposed D-B procurement, project design and construction schedule is summarized on the following table and shown as a Gantt Chart on Attachment A.

Activity	Scheduled Dates
D-B Project management consultant	Completed
PRC Approval	12/01/2016
Issue D-B RFQ	12/02/2016
D-B SOQ due	12/22/2016
Short List Firms/Issue D-B RFP	01/11/2017
Proposals due	02/22/2017
Award D-B Contract	03/08/2017
Permitting	03/22/2017 thru 03/22/2019
Engineering and Design	03/09/2017 thru 10/27/2020
Equipment Procurement	02/28/2019 thru 08/20/2020
Construction and commissioning	06/03/2019 thru 10/27/2020

Note: This preliminary schedule information excludes possible delays due to institutional, permitting, legal or other causes beyond control of the District.

5. Why the D-B Contracting Procedure is Appropriate for this Project

Please provide a detailed explanation of why use of the contracting procedure is appropriate for the proposed project. Please address the following, as appropriate:

- *If the construction activities are highly specialized and a D-B approach is critical in developing the construction methodology (1) What are these highly specialized activities, and (2) Why is D-B critical in the development of them.?*
- *If the project provides opportunity for greater innovation and efficiencies between designer and builder, describe these opportunities for innovation and efficiencies.*
- *If significant savings in project delivery time would be realized, explain how D-B can achieve time savings on this project.*

Design -build project delivery is most appropriate for the Enloe Hydroelectric Project for the following reasons:

1. Hydropower project development is a highly specialized field which requires early contractor involvement to address constructability issues, develop practical construction plans and to address environmental plans and protection measures.
2. Integration of design, procurement and construction of power facilities is beneficial since the final design of the powerhouse cannot be completed until the hydraulic configuration of the turbine and generator of the most favorable generating equipment bid are determined.
3. D-B offers greater innovation and efficiencies through value engineering executed by the design engineer, generating equipment supplier and construction contractor working as a team.
4. D-B has risk management benefits for the owner in allocating project design, project coordination and project performance risk to the D-B constructor.
5. The District has limited resources and experience to assume the role of project integrator for conventional design/bid/build project development.

6. Public Benefit

In addition to the above information, please provide information on how use of the D-B contracting procedure will serve the public interest. For example, your description must address, but is not limited to:

- *How this contracting method provides a substantial fiscal benefit; or*
- *How the use of the traditional method of awarding contracts in a lump sum (the "design-bid-build method") is not practical for meeting desired quality standards or delivery schedules.*

Design -build project delivery will support the public interest as follows:

1. D-B project delivery will enable the District to make better risk-informed decisions in finalizing the engineering design and implementation plan for the

- project with early contractor input regarding project design configuration, equipment procurement, cost, schedule and construction planning.
2. The District plans to benefit its customers by gaining valuable engineering input from the Contractor to reduce construction costs and address construction issues.
 3. To manage cost risk, the District will implement a contract that requires robust reporting and cost controls. In addition, the District will develop the budget and scope collaboratively with the design-build team and the District's experts. Studies have shown that early collaboration between the owner and the design-build team results in greater cost and schedule certainty.
 4. The District plans to realize the success of other design build hydro projects by selecting a Design-Build team with an established record in successful construction of similar hydroelectric projects.

7. Public Body Qualifications

Please provide:

7.1 *A description of your organization's qualifications to use the D-B contracting procedure.*

The District has done a thorough job of gathering a team of consultants with significant design-build experience to assist it with the procurement and management of this project. Christensen Associates, Inc., team of specialist hydropower engineering and construction management consultants, will provide project management, technical oversight, quality assurance, construction management and contract administration support for the Enloe Project. The District has also hired Robynne Parkinson and Thaxton Parkinson PLLC to assist in the development of the procurement documents and the contract, and to provide consultation throughout the project. The experience of the individuals with these entities is outlined in detail below.

7.2 *A project organizational chart, showing all existing or planned staff and consultant roles.*

Note: The organizational chart must show the level of involvement and main responsibilities anticipated for each position throughout the project (for example, full-time project manager). If acronyms are used, a key should be provided. (See Attachment C for an example.)

Please refer to Attachment B for the Organizational Chart.

7.3 *Staff and consultant short biographies that demonstrate experience with D-B contracting and projects (not complete résumés).*

John P. Christensen P.E. DBIA – Hydropower Project Manager, Christensen Associates Inc. - Mr. Christensen will assist the District with project management, technical oversight and contract administration of the Enloe Project. He is a Civil Engineer with over 40 years of experience in managing development of hydroelectric and water resources projects. His recent experience includes D-B project delivery of hydropower projects that are similar to the Enloe Project.

Mr. Christensen was project manager for restoration of generation at Hawaii Electric Light Company's 3-MW Puueo hydro facility in Hilo, Hawaii. This work involved bridging designs, generation equipment procurement, contract negotiation and D-B engineering and construction for this \$6-million project. This remote and logistically complex project was successfully completed on time and on budget with no contractor claims or disputes.

Mr. Christensen served as project manager for the \$16-million Narrows 2 Bypass Project which involved bridging design, and D-B construction of flow bypass tunnels, penstocks, valves and equipment at a 55-MW hydro plant on the Yuba River in California. This challenging project, constructed on anadromous fish habitat similar to that of the Similkameen River, received the National Hydropower Association's award for outstanding environmental stewardship.

Thomas McCreedy – Construction Management Consultant - Mr. McCreedy will assist the District in the role of construction management expert with review of the design/build contract and oversight of the D-B contractor. He is a construction management expert with over 40 years of experience in construction planning, bidding, contract administration and construction management of hydropower and major infrastructure projects.

His wealth of project delivery experience includes design-bid-build projects, design-build projects, owner-contractor partnering projects from the perspective of both working for the owner and working in senior management for a major contractor, negotiation of contracts, contract administration, management of construction personnel, construction claims and dispute resolution.

Paul Carson, P.E. - Hydropower Engineering Consultant - Mr. Carson will assist the District with development of technical requirements, procurement of D-B services, quality assurance and administration of D-B contracts. He is a Mechanical Engineer with 39 years of experience in design and construction management of hydroelectric and water resource projects in the Northwest. Based in Seattle, he is familiar with design-build and GC/CM project delivery in the State of Washington. He has worked with Owners in planning and implementing design/build project delivery. He also has valuable experience through working with Constructors as part of the design-build team.

Mr. Carson's experience includes successful design and construction or rehabilitation of 35 hydroelectric and fish passage projects. His responsibilities included; development of design criteria, plans, specifications, construction cost estimates, shop drawing review, contract administration, field testing, performance testing, and operation-maintenance manual preparation. More than 15 of these projects included rehabilitation or expansion of small hydro developments at existing dams primarily located in the Northwest.

Daniel Hertel P.E. - Construction and Cost Engineering Consultant - Mr. Hertel will support the District with cost engineering and controls, value engineering, constructability review and construction management services. He is a Construction

Engineer with over 34 years of experience in hydropower and water resource projects. His experience includes working with owners in planning dam and power plant construction, cost estimating, value engineering and construction management. His previous role as Operations Manager and Chief Estimator for Barnard Construction, a major northwest-based construction firm specializing in water resources construction work, provides the District with unique expertise and practical experience in bidding construction work, risk management and project delivery from the D-B Constructor's perspective.

Robynne Parkinson, JD, DBIA: D-B Legal Counsel, Thaxton Parkinson PLLC - Ms. Parkinson is a nationally recognized expert in design-build delivery and procurement and has significant experience with the Washington state design-build statutes. She has over 27 years as an attorney with over 25 years in construction law and over 20 years of design-build construction experience. Recent projects in Washington include the Port of Seattle International Arrivals Facility, the City of Richland City Hall project, the Grant County Public Utilities District Substation Reliability Project, the Port of Seattle's Alternative Utility Facility project, the City of Spokane's Nelson Service Center, the City of Tacoma's Cheney Stadium Renovation, the Spokane Public Facilities District Convention Center Renovation and the Arena renovation. Ms. Parkinson has been on the Design-Build Institute of America's National Board for the last seven years. She has chaired its National Legal and Legislation Committee and is currently the Vice-Chair of its Educational Resources Committee. She is also one of the primary drafters of the DBIA National Contract Forms, including the recently approved Form Request for Qualifications and Request for Proposals. Ms. Parkinson will be assisting the District with the development of the procurement documents and the contract with the design-builder.

7.4 Provide the **experience and role on previous D-B projects** delivered under RCW 39.10 or equivalent experience for each staff member or consultant in key positions on the proposed project.

Please refer to Attachment C.

7.5 The qualifications of the existing or planned project manager and consultants.

Please refer to Section 7.3 and Attachment C.

7.6 If the project manager is interim until your organization has employed staff or hired a consultant as the project manager indicate whether sufficient funds are available for this purpose and how long it is anticipated the interim project manager will serve.

Not Applicable.

7.7 A brief summary of the construction experience of your organization's project management team that is relevant to the project.

Tim DeVries, P.E. - Director of Engineering and Operations, Okanogan PUD
Tim DeVries is an Electrical Engineer and has 36 years of Electric Utility T,D&G design, construction and project management experience. He has had direct design and project management responsibility for hundreds of projects with multiple simultaneously ongoing projects exceeding \$3 million in value. Project experience includes transmission lines, transmission substations, distribution substations, switching substations, Static VAR compensators (SVC), battery energy storage system (BESS), generation integration, vehicle shop, data centers, communication systems, SCADA implementation (master and subs), electrical system modeling, system improvements, long range planning, construction work plan creation, system asset inventory, asset life evaluation and GIS implementation with document integration.

Dan Boettger - Director of Regulatory and Environmental Affairs, Okanogan PUD
Dan Boettger joined the District in 1986 and currently manages both the Generation and Environmental departments. Boettger has led many large scale energy projects including two FERC hydropower projects, multiple non hydro generation plants and transmission line projects. In addition, he manages departmental staff involved with Environmental permitting and compliance. Prior to joining Okanogan PUD, Boettger was instrumental in permitting and siting sewer and water projects and a large regional landfill.

7.8 A description of the controls your organization will have in place to ensure that the project is adequately managed.

Project Management and Decision Making. Tim DeVries with assistance from Dan Boettger will oversee the management of the Project with the assistance of its team of consultants. Mr. DeVries will have day to day authority and decision making authority, reporting to John Grubich, General Manager and ultimately the District's Commission.

Procurement. The District will select and train the procurement evaluation committee and Robynne Parkinson will facilitate the development and evaluation of the proposers and finalists submitting statements of qualifications ("SOQs") and proposals. Christensen Associates' staff will provide technical expertise in evaluating the SOQs and proposals.

They will also assist in developing the project controls as well as evaluating the cost proposals from the design-build team during the procurement and the development of the project budget.

The construction contract requires robust communication and open book development of the project budget and scope. It also implements a system of design management that includes design and trend logs to track the development of the design from the basis of design documents through the approval and implementation of the construction documents. Christensen Associates will be responsible for reviewing the design submissions and to monitor the quality assurance and commissioning of the project.

7.9 *A brief description of your planned D-B procurement process.*

The District will select the design-build team using a “progressive design-build” approach fully consistent with RCW 39.10. The District will first issue a Request for Qualifications to solicit design-build teams with the appropriate experience to perform the work. The District will then evaluate the responsible proposers submitting responsive SOQs and create a short list of no more than five finalists. The District intends to conduct one or more confidential meetings with the finalists prior to the submission of the proposal to allow finalists to ask questions, submit alternative technical ideas, and provide feedback on the draft contract. The finalists will submit proposals in response to the RFP, and the District will reserve the right to conduct interviews to allow finalists to explain their proposals and the evaluation team to ask questions regarding the proposals. The District will then evaluate the finalists strictly in accordance with the criteria established in the procurement documents. The District will then select the finalist with the highest score.

The District will base its evaluative criteria primarily on the qualifications of the individuals and companies on the design-build team, including their successful completion of projects that are of similar scope and complexity as the Enloe Project. The District will pay particular attention to the finalists’ management plans, project controls plans, design management and construction scheduling plans and experience. The District is in the process of determining the appropriate “cost or price-related factor” for this project; however, the District has decided that it does not intend to request a full project price during the procurement. Based on the complexity of the project, the District has determined that the Design-Builder will work collaboratively with the District to develop a Guaranteed Maximum Price after the award of the Project.

7.10 *Verification that your organization has already developed (or provide your plan to develop) specific D-B contract terms.*

Robynne Parkinson will work with the District to develop the design-build contract and general conditions and will use as a basis contracts that she has used with many past clients as well as national form contracts. The District has not decided whether to start with the DBIA or the EJCDC form documents; however, either form provides a solid basis of best practices on which Ms. Parkinson will assist the District in creating a fair contract consistent with design-build best practices. The contract will provide the District will flexibility to establish commercially fair contract terms. Ms. Parkinson has decades of experience drafting design-build contracts across the country.

8. Public Body (your organization) Construction History:

Provide a matrix summary of your organization’s construction activity for the past six years outlining project data in content and format per the attached sample provided: (See Attachment E. The applicant shall use the abbreviations as identified in the example in the attachment.)

- *Project Number, Name, and Description*

- *Contracting method used*
- *Planned start and finish dates*
- *Actual start and finish dates*
- *Planned and actual budget amounts*
- *Reasons for budget or schedule overruns*

Please refer to Attachment D.

9. Preliminary Concepts, sketches or plans depicting the project

To assist the PRC with understanding your proposed project, please provide a combination of up to six concepts, drawings, sketches, diagrams, or plan/section documents which best depict your project. In electronic submissions these documents must be provided in a PDF or JPEG format for easy distribution. Some examples are included in attachments E1 thru E6. At a minimum, please try to include the following:

- *An overview site plan (indicating existing structure and new structures)*
- *Plan or section views which show existing vs. renovation plans particularly for areas that will remain occupied during construction.*

Please refer to Attachment E.

10. Resolution of Audit Findings On Previous Public Works Projects

If your organization had audit findings on any project identified in your response to Question 8, please specify the project, briefly state those findings, and describe how your organization resolved them.

Okanogan County PUD has received no audit findings on any of the public works projects listed in response to Question 8 from the State Auditor; however, the District's independent auditor noted that the District did not meet a requirement for the FEMA projects. The District has developed procedures to ensure, prior to entering into a contract with a vendor, that a review will be performed to determine that the vendor is not suspended or debarred.

Caution to Applicants

The definition of the project is at the applicant's discretion. The entire project, including all components, must meet the criteria to be approved.

Signature of Authorized Representative

In submitting this application, you, as the authorized representative of your organization, understand that: (1) the PRC may request additional information about your organization, its construction history, and the proposed project; and (2) your organization is required to submit the information requested by the PRC. You agree to submit this information in a timely manner and understand that failure to do so shall render your application incomplete.

Should the PRC approve your request to use the D-B contracting procedure, you also understand that: (1) your organization is required to participate in brief, state-sponsored surveys at the beginning and the end of your approved project; and (2) the data collected in these surveys will be used in a study by the state to evaluate the effectiveness of the D-B process. You also agree that your organization will complete these surveys within the time required by CPARB.

I have carefully reviewed the information provided and attest that this is a complete, correct and true application.

Signature: _____

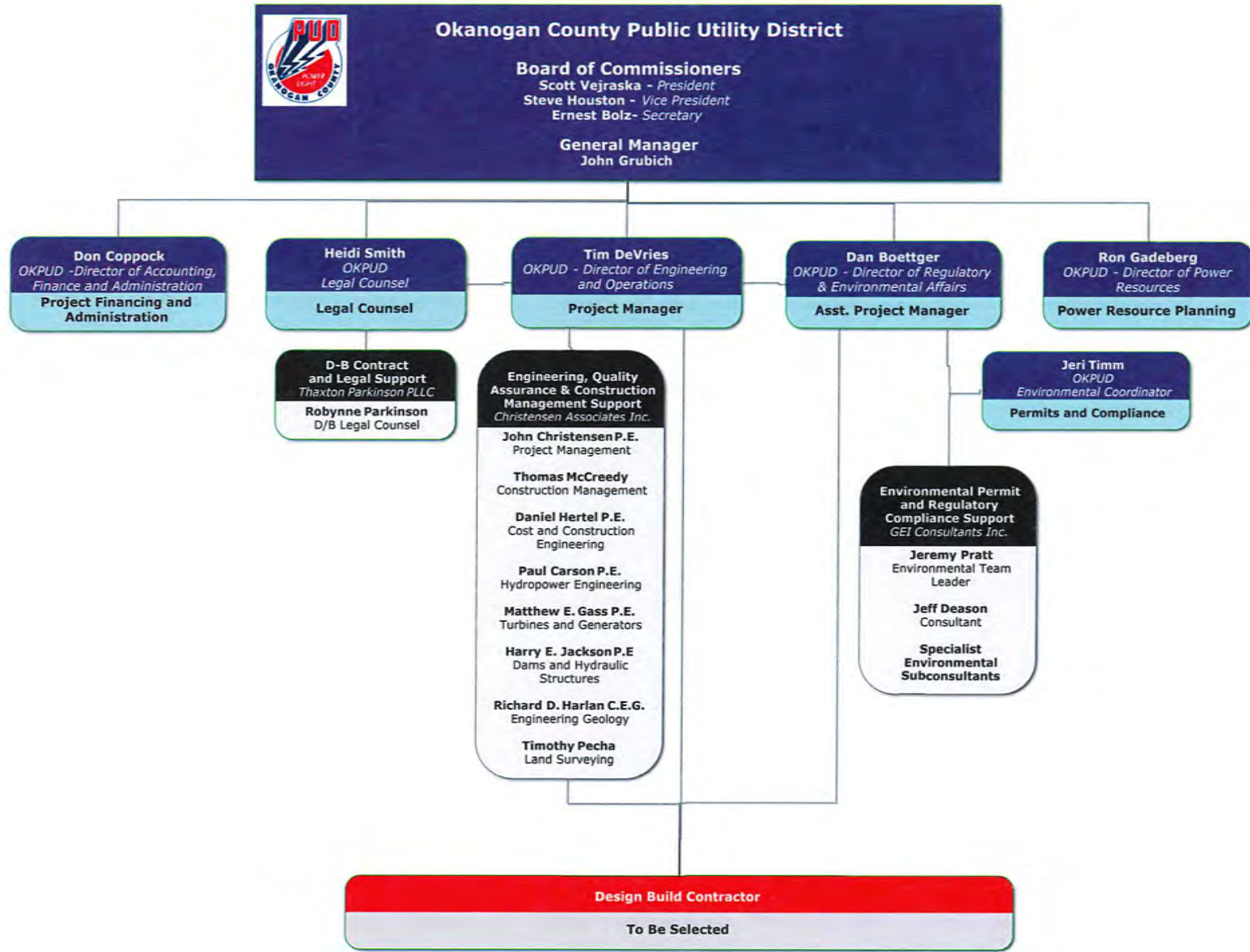


Name: John R. Grubich

Title: General Manager

Date: October 31, 2016

Okanogan County Public Utility District D-B Project Application
Attachment B
Project Organization Chart



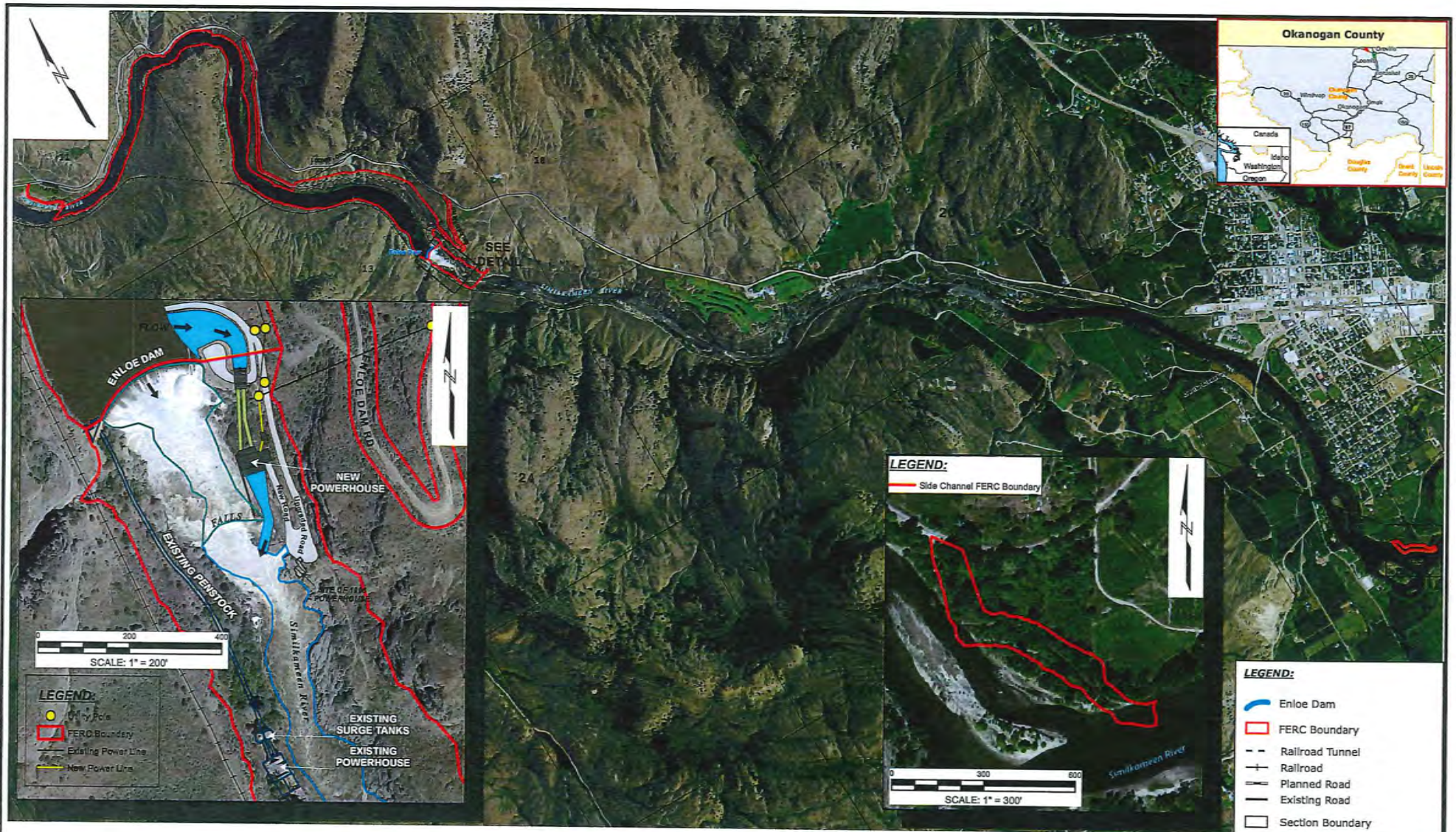
**Okanogan County Public Utility District
Design-Build Project Approval Application
Attachment C**

OKANOGAN COUNTY PUBLIC UTILITY DISTRICT - ENLOE HYDROELECTRIC PROJECT - MANAGEMENT TEAM ALTERNATIVE CONTRACT EXPERIENCE									
Name	Qualifications Summary	Project Name	Project Cost	Project Type	Role During Project Phases				
					Planning	Design	Construction	Role Start	Role Finish
Robynne Parkinson J.D. DBIA Attorney Thaxton Parkinson PLLC.	Over 20 years of experience drafting design-build procurement and contract documents and conducting classes in design-build contracts and risk management	Seattle Tacoma Airport - Int. Arrivals Facility	\$650M	D/B	Legal Counsel	Legal Counsel	Legal Counsel	Jun-15	Mar-16
		Grant County PUD -Substation	\$13M	D/B	Legal Counsel	Legal Counsel	Legal Counsel	Jul-15	on-going
		Port of Seattle, Alternative Utility Facility	\$30M	D/B	Legal Counsel	Legal Counsel	Legal Counsel	Dec-15	on-going
		City of Spokane-Nelson Service Center	\$13M	D/B	Legal Counsel			Feb-15	May-15
John Christensen P.E. DBIA Project Manager Christensen Associates Inc.	40 years experience in hydropower project management, engineering and construction management.	Spokane Public Facilities District Arena Renovations	\$55M	D/B	Legal Counsel			Oct-12	Feb-13
		Puueo Hydropower Project	\$6M	D/B	PM	PM	PM	Oct-02	Dec-05
		Narrows 2 Power Plant Flow Bypass Facility	\$16M	D/B	PM	PM	PM	Oct-01	Mar-07
Thomas McCreedy Construction Management Expert Christensen Associates Inc.	Over 40 years experience in construction management of hydropower project development and rehabilitation.	Colgate Power Plant Penstock Shutoff Valve	\$5M	D/B	PM	PM	PM	Mar-04	Nov-12
		Arrowrock Hydropower Project	\$41M	D/B	PM	PM	PM	Jan-08	Apr-10
		Tieton Hydropower Project	\$50M	D/B/B	CM	PM	PM	Jan-05	Jan-07
Paul Carson P.E. Hydropower Engineer Christensen Associates Inc.	39 years experience in hydropower project development and rehabilitation.	Tennessee Valley Authority Hydropower Upgrades	\$100M	D/B	PM	PM	PM	Jan-94	Jan-96
		Navajo Dam Hydro Rehab	\$28M	D/B/B	PM	PM	PM	Jan-87	May-91
		Blue Lake Hydro Expansion	\$140M	D/B/B	Asst PM	Asst PM	Asst PM	Sep-98	May-16
Dan Hertel, P.E. Cost/Construction Engineer Christensen Associates Inc.	34 years experience in construction management, cost estimating, dam, water resource, and hydropower projects	Carmen Smith Hydro Rehab	\$40M	CM/GC	Mech Engr	Mech Engr	Mech Engr	Aug-07	on-going
		Snoqualmie Falls Hydro Rehab	\$100M	CM/GC	Cost Est.	N/A	N/A	Jul-09	May-10
		Battle Creek Hydro	\$30M	DBB	Cost/const. Rev.	Cost/const. Rev.	Cost/const. Rev.	Aug-14	Present
		Dalles Dam Fish Facilities	\$25M	DBB	Cost/const. Rev.	Cost/const. Rev.	Cost/const. Rev.	Jul-16	Ongoing

ATTACHMENT D

No.	Project Name	Description	Contract Method	Proposed Start Date	Proposed Finish Date	Actual Start Date	Actual Finish Date	Budget	Actual	Reason for Budget Schedule Overrun
1	PUD Headquarters	Construction of New District office	DBB	Sep-09			Aug-11	\$5,948,262	\$6,643,925	Addition of parking lot area.
2	Pine Creek Substation	New 115kv/13.8kv Substation	GC/Internal	Jul-10	Jul-11	Jul-10	Sep-11	\$800,000	\$862,303	Added concrete apron at gate locations, drainage recontouring, changed wiring configuration for control building
3	AMI Substation, Server, Comms	Install AMI meters	Internal	Apr-09	Oct-10	Apr-09	Oct-10	\$1,150,487	\$1,156,477	Replacement of damaged meters
4	ARRA Broadband	Install 187 Wi-Fi sites and connected fiber	DBB	Jan-13	Dec-13	Jan-13	Jan-14	\$9,169,637	\$9,006,600	
5	Carlton Complex Fire Restoration	Replace 1,200 poles and 300+ services	Internal	Jul-14	Nov-16	Jul-14	Nov-16	\$14,106,308	\$11,322,743	
6	Okanogan Complex Fire Restoration	Replace 1,100 poles and 150+ services	Internal	Aug-15	Dec-17	Aug-15	TBD	\$4,206,918		In-progress, waiting for consumer construction. On schedule and budget
7	CCF Ophir-Brewster Transmission 115kV	Replace 3 miles damaged by CCF	DBB	Jul-15	Oct-15	Jul-15	Sep-15	\$186,435	\$258,080	Re-drill steel poles mfg'd incorrectly, water for fire watch and dust control, additional anchoring in rock
8	Power Transformer Rebuild	Rebuild 115kv/13.8kv Power Transformer	DBB	Dec-08	Oct-09	Dec-08	Dec-09	\$574,598	\$576,199	Shipping company damaged transformer and had to be re-stested
9	Pole Testing, Treatment and Inspection	2015 Transmission Pole Testing	GC	May-15	Dec-15	May-15	Aug-15	\$145,000	\$140,105	
10	2015 Tree Trimming	2015 Tree Trimming	GC	Feb-15	Dec-15	Feb-15	Dec-15	\$695,000	\$599,321	
11	PT 115kv Transmission Line	Construct 27 mile 115kv Transmssion Line	DBB	Apr-16	Dec-16	Apr-16	TBD	\$8,575,000		Project is in progress, about 63% complete. Delayed for environmental restrictions and material delays.

ATTACHMENT E



SOURCE:
 1. Image sources: 2013 USDA National Agriculture Imagery Program and May 2006 Okanogan County PUD.

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 SCALE: 1" = 2000'

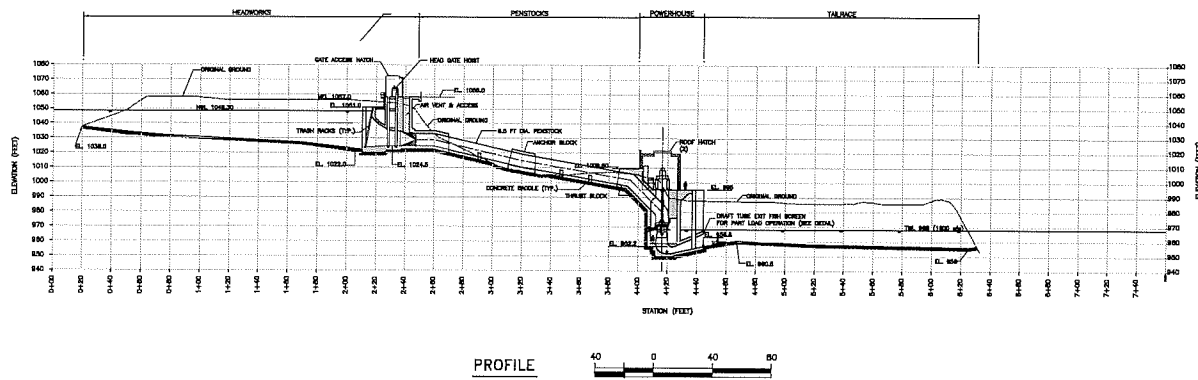
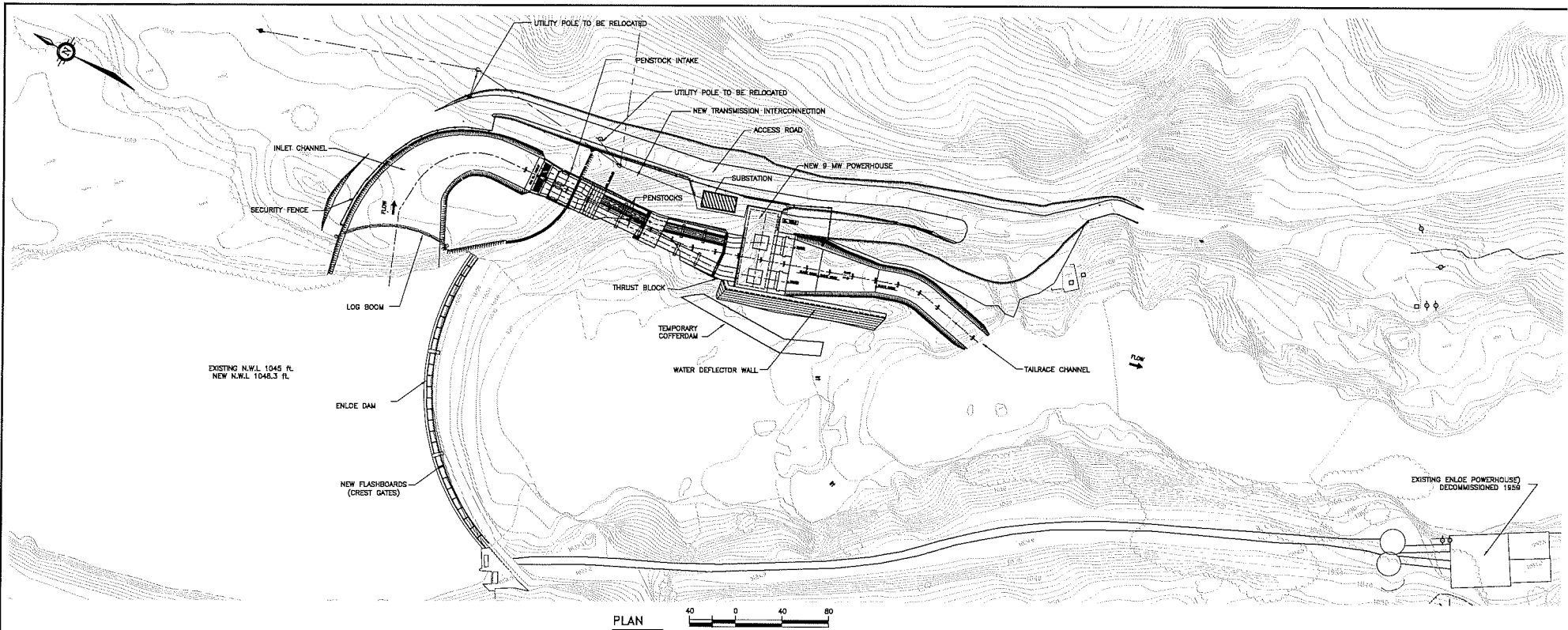
Enloe Dam Licensing Project
 Okanogan County
 Oroville, Washington

Enloe Hydroelectric Project



PROJECT BOUNDARY

FERC Project 12569-01 December 2015 Fig. 1



Enloe Hydroelectric Project - FERC Project No. 12569
 Figure No. F.1
 General Arrangement

NO.	DATE	DESCRIPTION	BY	CHK.	APPL.
REVISIONS					

CHRISTENSEN ASSOCIATES INC.

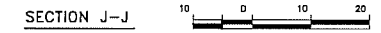
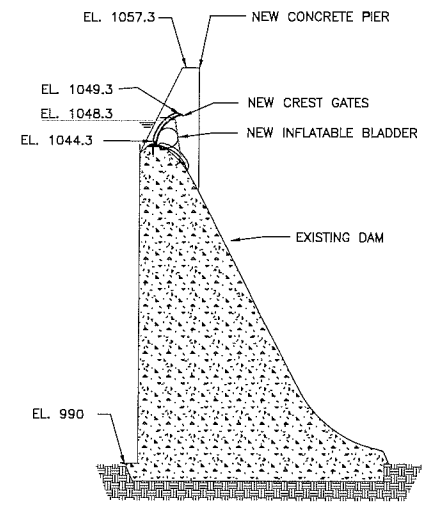
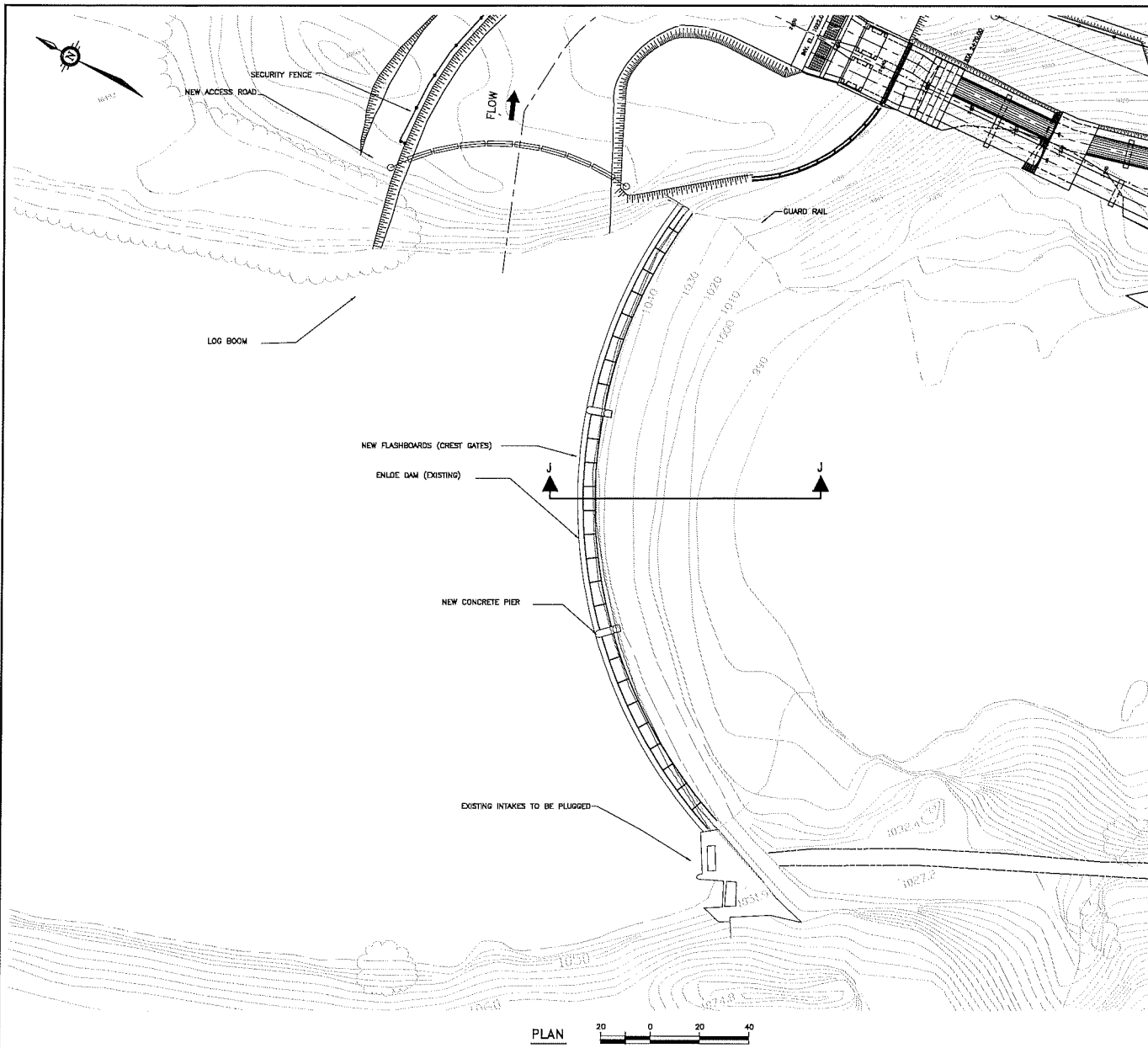
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PUBLIC UTILITY DISTRICT No. 1 of OKANOGAN COUNTY
 ENLOE HYDROELECTRIC PROJECT
 APPLICATION FOR LICENSE
 FERC Project No. 12569

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Enloe Hydroelectric Project - FERC Project No. 12569

Figure No. F.2

Dam and Headworks

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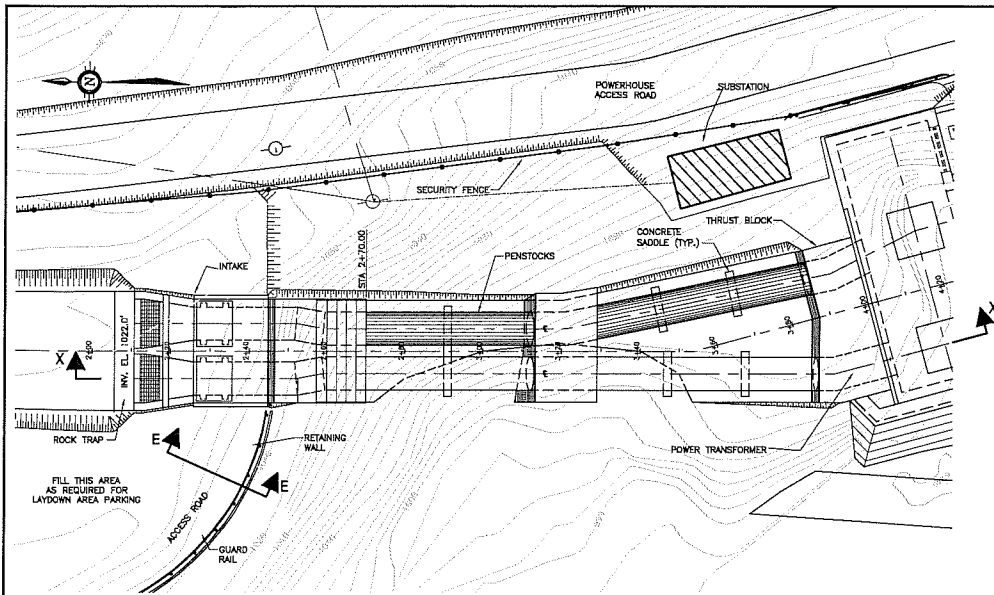
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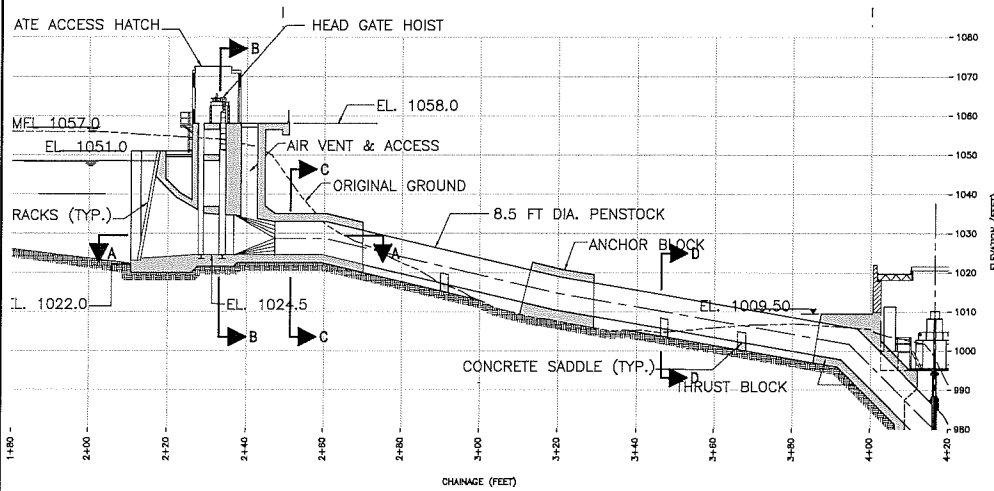


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 FERC Project No. 12569

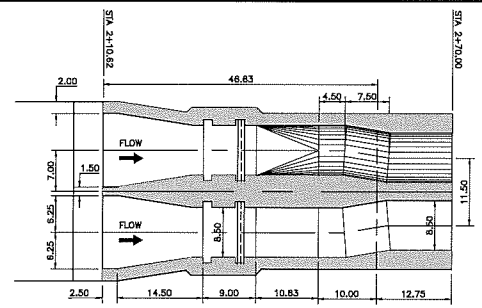
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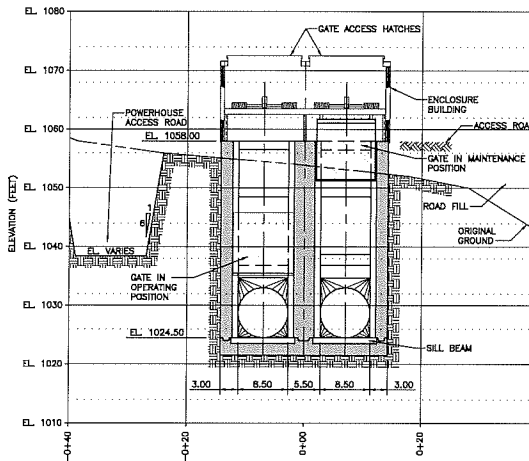
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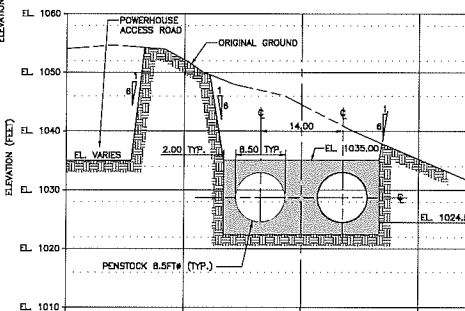
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SECTION A-A @ EL. 1028.75

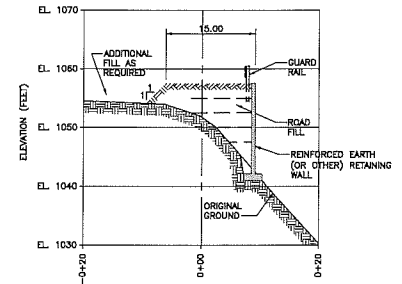


SECTION B-B

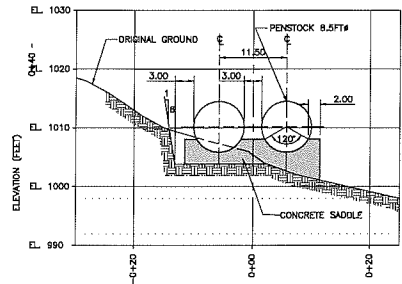


SECTION C-C

NOTES:
DIMENSIONS, CHANGES, AND ELEVATIONS ARE GIVEN IN FEET.



SECTION E-E



SECTION D-D

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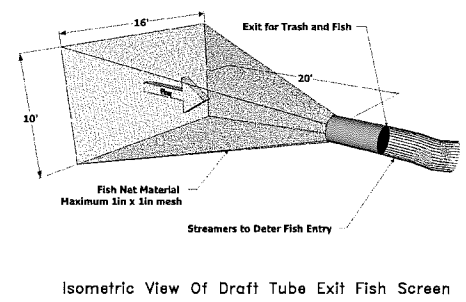
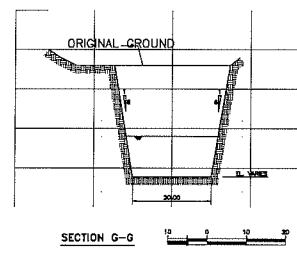
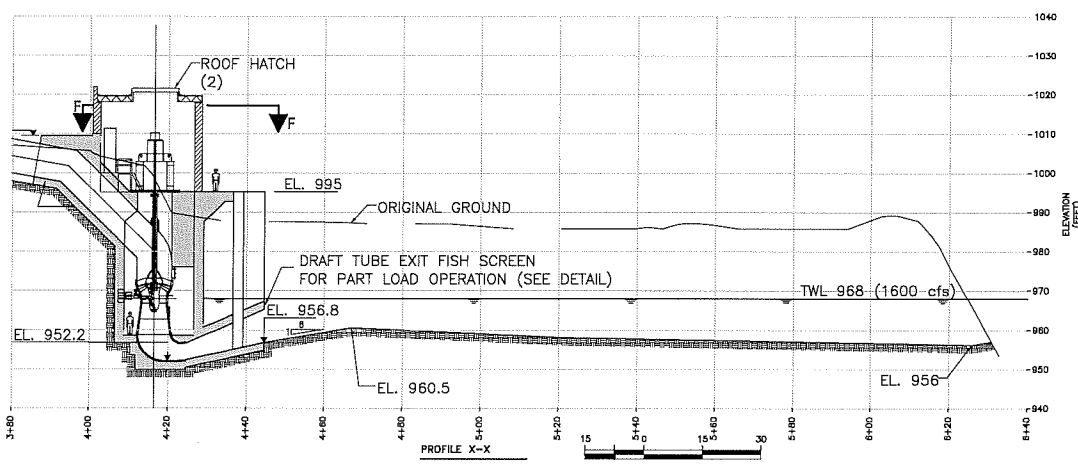
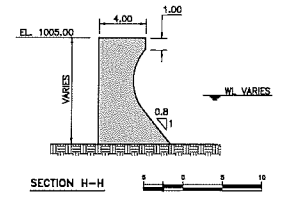
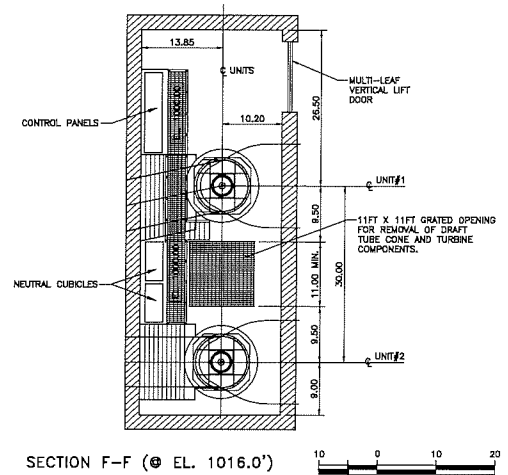
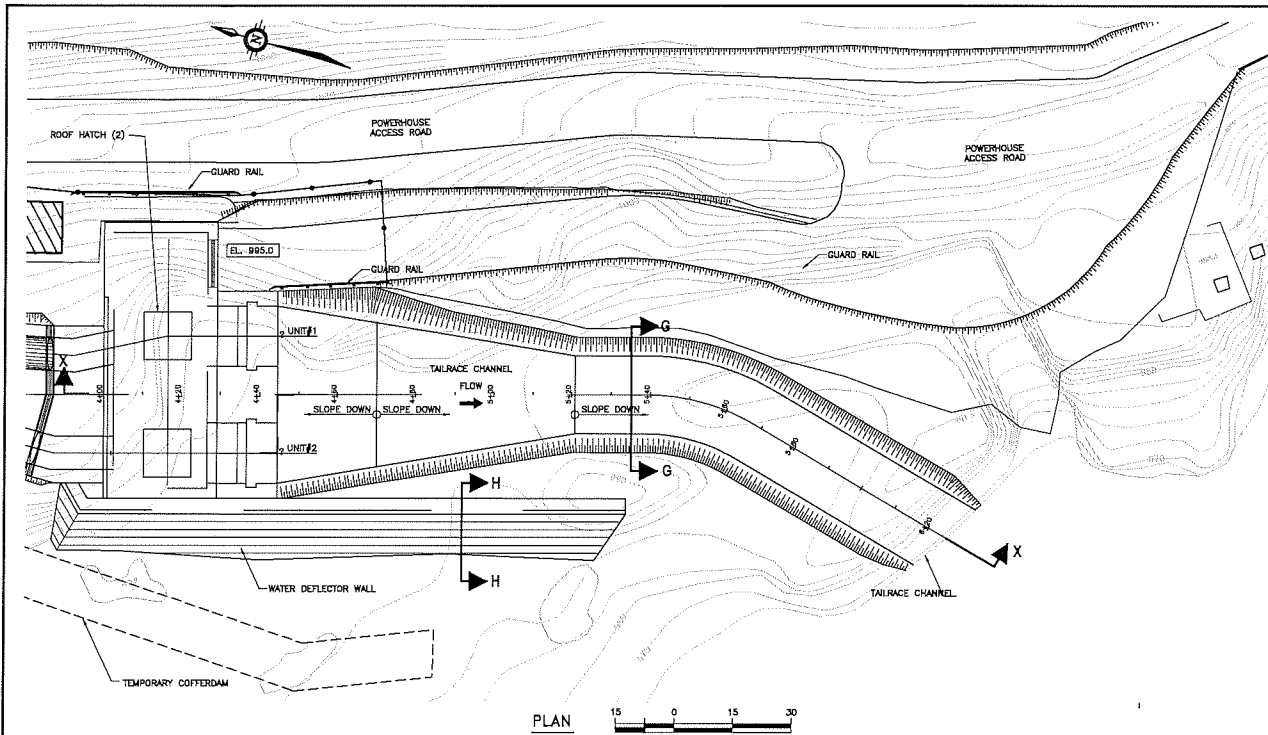


PUBLIC UTILITY DISTRICT No. 1 of OKANOGAN COUNTY
ENLOE HYDROELECTRIC PROJECT
APPLICATION FOR LICENSE
FERC Project No. 12569

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Enloe Hydroelectric Project - FERC Project No. 12569
Figure No. F.3
Intake and Penstock

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Enloe Hydroelectric Project - FERC Project No. 12569
Figure No. F.4
Powerhouse and Tailrace

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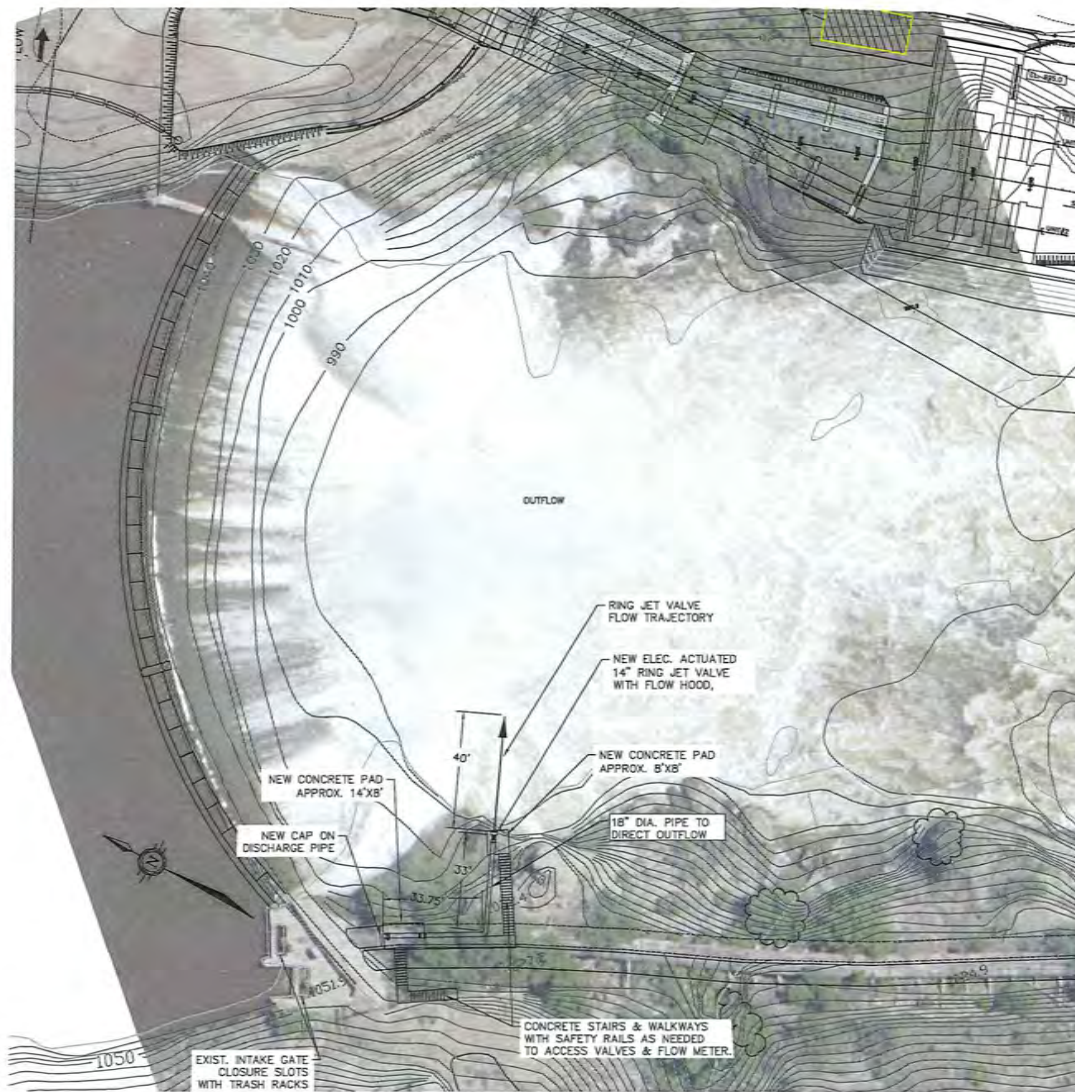
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PUBLIC UTILITY DISTRICT No.1 of OKANOGAN COUNTY
 ENLOE HYDROELECTRIC PROJECT
 APPLICATION FOR LICENSE
 FERC Project No. 12569

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SHEET NO.	
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SITE PLAN



IMAGE OF PROPOSED RING JET VALVE SITE

N.T.S.

Enloe Hydroelectric Project - FERC Project No. 12569

Enloe Dam
Proposed Instream Flow Outlet
Ring Jet Valve

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NO.	DATE	DESCRIPTION	BY	CHK.	APPR.
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PUBLIC UTILITY DISTRICT No.1 of OKANOGAN COUNTY
ENLOE HYDROELECTRIC PROJECT
APPLICATION FOR LICENSE
FERC Project No. 12569

DRAWING NO.	20110204
SHEET NO.	SHEET 1 OF 2 SHEETS
REVISION	

Baker, Talia (DES)

From: Stuart Rick Gillespie <rickg@columbiana.org>
Sent: Monday, April 17, 2017 9:00 AM
To: Baker, Talia (DES); Deakins, Nancy (DES)
Subject: Columbiana's Comments to PRC
Attachments: Columbiana Online Masthead 1 inch.tif; Stuart R Gillespie 1.5.tif; Attachment 1- Shankers Bend Dam.pdf; Attachment 2 -2016 Enloe Economic Report.pdf

April 17, 2017

Project Review Committee
c/o Ms. Talia Baker/Nancy Deakins
Department of Enterprise Services
Post Office Box 41476
Olympia, WA 98504-1476

Dear Ms. Baker and Deakins:

The Project Review Committee (“PRC”) should reject the Okanogan Public Utility District’s (“OPUD”) application for project approval to use the design-build alternative contracting procedure on the Enloe Hydroelectric Project (the “Project”). As the PRC is well aware, this is a highly controversial project in the Okanogan County community, and should be considered carefully as ratepayers and citizens of Okanogan County do not want this project to shackle them with unnecessary debt. Ultimately, the PRC should find that the OPUD has not met the statutory requirements necessary for the PRC to approve this application.

1. The OPUD is not qualified to manage this Project.

RCW 39.10.280 is the relevant statute here, providing the process by which the PRC must adhere when reviewing a project for approval. First, the application submitted must include a description of the public body’s qualifications. *Id.* at (1). The requirements that the public body have the requisite management experience is also incorporated into RCW 39.10.280(2)(c)(i), (ii), and (v), as well as (2)(d). In this case, the PRC should find that the OPUD is not properly qualified to oversee this project. At section 7.7 of the OPUD’s application (pg 6), it gives a brief summary of the construction experience of the organization’s project management team. The management team at OPUD includes Tim DeVries and Dan Boettger. Mr. DeVries is not listed as having **any** experience managing a hydroelectric project and is only listed as having managed projects costing around \$3 million, a small fraction of the cost of this \$42 million Project. Please require OPUD to identify Mr. DeVries’s relevant experience, if any.

Dan Boettger, on the other hand is listed as having “led many large scale energy projects, including two FERC hydropower projects ...” Notably, the names of these two projects are not listed, though the names of these projects would be highly relevant here. When will that information be provided to the public? Columbiana asserts that these two FERC hydropower projects referenced in the application are actually the Enloe Dam at issue here and the failed Shankers Bend Dam. Columbiana believes that these are the two projects referenced because these appear to be the only two projects that have been conducted by the OPUD since Mr. Boettger began working at the OPUD in 1986, 30 years ago. *See* OPUD Application at pg 7 (“Dan Boettger joined the District in 1986”). Of course, the Enloe Dam Project has not yet been constructed and thus it cannot be said that Mr. Boettger successfully managed something that has not yet been completed. The Shankers Bend Dam was

never constructed, after the OPUD voluntarily surrendered its preliminary permit to build the dam. *See Attachment 1.* Of course, having not been built, it cannot be said that Mr. Boettger has successfully managed the building of this hydroelectric project. At the very least, the PRC should inquire as to what two FERC projects Mr. Boettger has allegedly managed and provide that information to the public. Aside from these two questionable projects, Mr. Boettger is not listed as having any experience managing hydropower projects.

In all, Mr. DeVries and Mr. Boettger do not have the statutorily required experience necessary to manage this Project. While the OPUD has hired consultants with relevant experience (described at section 7.3 of the application) the public body itself lack such experience. As such, the PRC should reject the OPUD's application to utilize the design-build process.

Second, in addition to not having a qualified management team, the OPUD demonstrates in its application that the OPUD itself has not ever successfully managed a hydropower project. The OPUD has provided a chart at Attachment D to its application. Most importantly, none of the projects listed are hydropower projects. Second, the budgets of the projects listed were at most, one-third of the budget proposed for the Project here. The timelines for the projects listed are at most, 2 years and 4 months, with most of the projects listed having a timeline closer to one year. The proposed timeline for this Project is four years. And finally, the project called "PT 115v Transmission Line" was proposed as taking 8 months, to be completed in December 2016. According to Attachment D, that project is still ongoing and has been delayed for "environmental restrictions." This four month delay should be concerning to the PRC, as should the reason for the delay. Many local and regional environmental groups (including American Rivers, American Whitewater, Center for Environmental Law and Policy, North Cascades Conservation Council, Sierra Club, Wild Steelhead Coalition, Wild Washington Rivers, and Columbiana) are concerned about the Project at issue here, leaving the potential for a delay here due to "environmental restrictions." Given the result in the "PT 115v Transmission Line" project, and concerns with the instant Project, the undersigned request that the PRC conduct a transparent analysis as to whether "environmental restrictions" may cause a delay here, and the OPUD's ability to successfully manage such issues.

2. The OPUD has not shown that the design-build process will provide a substantial fiscal benefit.

The next statutory requirement for the PRC to approve a project application is that the PRC must determine that "[t]he alternative contracting procedure will provide a substantial fiscal benefit of the use of the traditional method of awarding contracts in lump sum to the low responsive bidder is not practical for meeting desired quality standard or delivery schedules ..." RCW 39.10.280(2)(a). The only support in the OPUD's application that this project will provide a substantial fiscal benefit is found at section 6, pages 3-4. The application states that the design-build project delivery "will enable the District to make better risk-informed decisions in finalizing the engineering design and implementation plan for the project with early contractor input regarding project design configuration, equipment procurement, cost, schedule, and construction planning." Does the PRC contend that this is enough to meet the statutory requirement of showing that the design-build process will provide a *substantial fiscal benefit*? Will the PRC require the OPUD to provide further justification regarding the fiscal benefit of the use of the design-build process on this Project?

3. The OPUD does not have the necessary and appropriate funding for this Project

Next, RCW 39.10.280 requires that the public body have the necessary experience or qualified team to carry out the alternative contracting procedure. *Id.* at (2)(c). The requirements of condition (2)(c)(i), (ii), and (v) were discussed above. Condition (2)(iv) requires that the public body have "the necessary and appropriate funding and time to properly manage the job and complete the project." Similarly, condition (2)(vi) requires that the public body have the "necessary and appropriate construction budget." Regarding the funding for this project, the OPUD application states that it will fund the design and construction of this Project on short-term credit from commercial banks, and then once the Project is complete, the cost of the Project will be secured by "power

generation revenue.” See section 3.B. Is Columbiana correct in understanding that this Project, including its commercial bank financing, will ultimately be paid for by the ratepayers of Okanogan County?

Importantly, the third study conducted by Rocky Mountain Econometrics in 2016, attached hereto as Attachment 2, found that this Project is not economically feasible. Ultimately, the study concludes that if the Project is built, it will lose at least \$26 on every Megawatt-hour (MWh) that it generates. The PRC should review this study in its consideration of whether the OPUD has the “necessary and appropriate construction budget” for this Project and should conclude that it does not. In light of this study, does the PRC agree that the Project is economically infeasible?

4. Approval of this Project is not in the public interest.

Finally, RCW 39.10.200 defines the purpose of RCW Chapter 39.10, which outlines the requirements for the design-build process, stating in part that the purpose is “to prescribe appropriate requirements to ensure that such contracting procedures **serve the public interest.**” (emphasis added). As such, in considering the OPUD’s application, the PRC should keep the public interest in mind. It is clear from the resistance the OPUD has seen to this Project that the public feels that this Project is not in its best interest. The Rocky Mountain Econometrics study (Attachment 2) confirms the public sentiment that this Project is not in its best interest. This Project will lose money, and the ratepayers of the County will be left paying the bill. As the PRC is aware, it is obligated to consider all public comments it receives on this Project. RCW 39.10.280(3).

Columbiana urges the PRC to consider this letter as well as all the other comments received on this Project. The PRC should ultimately conclude that the OPUD failed to meet the obligations required for project approval, and that approving this application to allow the OPUD to utilize the design-build process is not in the public interest. At the very least the PRC should require the OPUD to submit a more thorough application, which the PRC could then reconsider at a later date.

Sincerely,

Stuart R. Gillespie
Columbiana
2055 Chesaw Road
Oroville WA 98844
509.485.3844

ATTACHMENT 1



OKANOGAN PUD DECIDES NOT TO PURSUE BUILDING NEW DAM/RESERVOIR ON SIMILKAMEEN RIVER

Posted on Friday, September 30, 2011 (PST)

The Okanogan County Public Utility District in a letter dated Monday, Sept. 26 asked the Federal Energy Regulatory Commission to accept the district's offer to voluntarily surrender its preliminary permit to build the Shankers Bend Dam on the Similkameen River in north-central Washington.

The surrender petition can be found at:

<http://www.okanoganpud.org/shankers/Shankers%20Bend%20Voluntary%20Surrender%20Letter%2009-26-11.pdf>

The preliminary permit was issued by FERC on Dec. 18, 2008, and gave the PUD 36 months to conduct investigations and secure data necessary "to determine the feasibility of the proposed project and, if said project is found to be feasible, prepares an acceptable application for license."

"The district has diligently pursued its studies and analysis of the option of developing and licensing the project, as detailed in the progress reports filed under this preliminary permit. Due to a variety of district concerns that become evident in the district's studies of the potential project and also experience gained in the course of the ongoing licensing proceeding for Enloe Hydroelectric Project..., the district concludes that it would not be prudent to pursue the licensing of the project at this time," the Okanogan County PUD's letter says.

The proposed dam and associated facilities were to be located just upstream of the district's Enloe Dam at approximately river mile 7.3 in what is commonly referred to as Shanker's Bend. The Similkameen River is a tributary to the Okanogan River, which feeds into the Columbia.

The project was proposed for study in coordination with the state of Washington's Columbia River Water Management Program. The 2006 Washington Legislature approved legislation to develop new water supplies and improve water management. The legislation included a commitment of \$216 million.

In 2007, the Washington Department of Ecology provided \$300,000 through the water management program for the PUD to conduct an appraisal level review of the site. The appraisal level analysis concluded that constructing any of the three dam height alternatives being considered on the Similkameen River were potentially viable from an engineering standpoint.

The Shanker's Bend Project studied various alternatives including dam heights ranging from 90 to 260 feet. At 260 feet the dam will be approximately 1,200 feet long and impound an 18,000 acre reservoir with a storage capacity of 1.7 million acre-feet.

Environmental advocates criticized the proposal because of the prospect of flooding riparian habitat. They also protested the potential relicensing of Enloe without requiring fish passage,

"The Similkameen River is an international river and treasure," said John Osborn, a Spokane physician, board president of Center for Environmental Law and Policy and coordinator of Sierra Club's Columbia River Future project. "Not building the Shanker's Bend dam is the right decision for taxpayers and the river." He noted that Canadian interests had also lobbied, and testified, against the proposal because the new dam would have also inundated lands north of the border.

The 156-mile-long river drains the east slope of the Cascade Mountains. Most of the 3,600 square mile watershed -- 90 percent -- is in Canada. The Similkameen River flows into the U.S. section of the

Okanagan River south of Osoyoos Lake, which straddles the border. CELP and other groups have asked that passage for salmon and steelhead be required at Enloe Dam as part of any new FERC license, or that the long idle dam be removed.

"Enloe Dam is the remaining obstacle for salmon," said Osborn. "Earlier this month we watched dam removal begin on the Elwha River in western Washington. The Enloe Dam also needs to come down. Enloe Dam removal has long been proposed to help mitigate for salmon run extinctions and damage from massive dams on the mainstem Columbia River."

Enloe Dam was completed in 1920 by Eugene Enloe to serve the mining community of Nighthawk upstream from the project and the crossroads town of Oroville downstream, near the Canadian border. It was purchased by the PUD in 1945.

Due to obsolescence of the generating equipment and the availability of cheaper power from other sources, the PUD ceased operations in 1959. The facilities have since sunk into extreme disrepair.

Since the late 1970s the PUD has sought and received operating licenses that would have allow restoration of the facility, but those licenses were all subsequently rescinded by FERC over disagreements with respect to upstream fish passage at Enloe Dam.

The final application now under consideration, which was submitted in August 2008, focuses on providing downstream habitat improvements for fish rather than providing passage to the upper reaches of the river. That process is now in its final stages.





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Anthony Jones - Principal

**2016
3rd REVIEW OF THE ECONOMICS
OF RESTORING HYDROPOWER AT ENLOE DAM
ON THE SIMILKAMEEN RIVER**

**ANALYSIS OF THE PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN
COUNTY'S FINAL LICENSE APPLICATION FOR
FEDERAL ENERGY REGULATORY COMMISSION PROJECT NO. 12569**

Prepared for

Columbia River Bioregional Education Project
Columbiana

July 1, 2016

By

Anthony Jones
ROCKY MOUNTAIN ECONOMETRICS
www.rmecon.com

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
ENLOE DAM ENERGY PRODUCTION COST ESTIMATE.....	6
Table 1, Enloe Dam Production Cost Possibilities	7
LEAST COST ALTERNATIVE POWER - OPEN MARKET ENERGY	9
Pacific Northwest Power Resources.....	9
Table 2, Pacific Northwest Energy Supply Sources	9
Table 3, Pacific Northwest Energy Surplus Quantities	9
Chart 1, Pacific Northwest Energy Surplus	10
Open Market Price Expectations	10
Chart 2, Price History Comparison, FERC and Open Market.....	11
Table 4, Price History Comparison, FERC and Open Market.....	12
ENLOE DAM – PROFIT (LOSS) ESTIMATION.....	14
Table 5, Enloe Dam Production Cost Estimates	14
Chart 3, Enloe Dam Operating Cost vs. FERC Thermal and Open Market Energy	15
APPENDIXES	16
Appendix 1, Could OPUD run Enloe at a loss while the construction debt is being retired and then become profitable in later years?.....	16
Chart 4, Project Related Debt Accumulation	17
Table 6, OPUD Dept. Accumulation Example - Original Debt Payoff in 40 Years.....	19
Appendix 2, Could OPUD sell Enloe production as “green” power and receive premium prices? Alternately, could Enloe provide extra value, and receive higher prices as a backstop to wind or solar projects?	20
Table 7, Green Power Premiums	21
Appendix 3, Enloe Dam Detail in OPUD Budgets, 2010 - 2016	23
Appendix 4, Sunk Cost Discussion	25
ATTACHMENTS, OPUD BUDGETS 2010 - 2016.....	26

EXECUTIVE SUMMARY

Enloe Dam is located on the Similkameen River in north-central Washington, approximately four miles upriver from the town of Oroville. The dam was completed in the early 1920's, and produced hydropower until the project was decommissioned in 1958.¹ Since that time, the dam and its related power-generating facilities have sat dormant, although the owner of the dam, the Okanogan Public Utility District (OPUD), has attempted to re-energize Enloe four times over the years. OPUD began its most recent effort to update and repower the project in 2005 with a proposal to modify and upgrade the dam. OPUD submitted a Final License Application for re-energizing Enloe Dam on August 22, 2008, and the Federal Energy Regulatory Commission (FERC) issued a new license for the project on July 8, 2013. OPUD proposes to increase the annual generation at Enloe to 45,000 MWH, up from its original annual output of 22,500 MWH.

In its 2008 Final License Application, OPUD estimated that it would cost \$31 million to construct the project. In 2011 Rocky Mountain Econometrics (RME) reviewed OPUD's FERC application, and noted that OPUD had failed 1) to predict the sharp downturn and lower long-term open market energy prices, and 2) to recognize the aesthetic value of Similkameen Falls, which are located immediately downstream of the dam. OPUD's omission of these issues meant that the cost of power generated by the proposed project would be more expensive than anticipated. While OPUD initially estimated that power from Enloe would be \$9.79 / MWH cheaper than power on the open market, RME's 2011 review showed that the cost of power generated by the proposed project would actually be \$31.16 / MWH more than power purchased on the open market.

In 2014, RME reviewed the Enloe project a second time, and reported that inflation would drive the cost of the project up to about \$38 million. And, contrary to OPUD predictions, the price of open market power at MID-C (OPUD's least cost alternative) had decreased by fifty percent or more. Not only had open market prices precipitously declined, they were showing no signs of a major upturn.

In 2014, RME also detailed the impact of the uncertainty surrounding Enloe's ultimate level of energy production. The Department of Ecology (DOE) has set initial flows at 10/30 cfs. The actual flows required for aesthetic purposes will be determined by the DOE after studying three years of power house operations.

¹ *Federal Energy Regulatory Commission, Notice of Availability of Final Environmental Assessment Environmental Assessment, Public Utility District No. 1 of Okanogan County, Washington, Project No. P-12569, p. viii, (August 31, 2011) (FERC eLibrary Accession No. 20110831-3040)*

Even if the aesthetic flows were only 10-30 cfs, construction cost increases would drive the cost electricity produced at Enloe to about \$47 / MWH more than energy purchased on the open market. If aesthetic flows in excess of the 10-30 cfs were required, Enloe production costs per MWH would be higher still. At an aesthetic flow of 300 cfs, the cost of power from Enloe would reach \$102 / MWH, which is more than double the cost of open market power.

RME's 2016 analysis shows the cost of constructing Enloe Dam has continued to increase since the 2014 review. OPUD submitted a revised estimate of construction costs in their November 17, 2014 Enloe Power Point presentation. OPUD estimated the cost of the proposed power house at between \$39 million and \$45 million.

In addition to this new and increased cost of construction, OPUD also revealed that it had invested \$13 million from general revenues towards the project between 2010 and 2015.

OPUD's budget for 2016 proposes an additional \$1.3 million of general funds be spent on Enloe, bringing total pre-construction spending on the project by the end of 2016 to \$14.4 million.² OPUD refers to these additional, pre-construction costs as "sunk costs." When taking these costs into account, total spending on Enloe would be at least \$53.4 million, and could easily reach \$59.4 million or more.

There are three possible future cost scenarios for the project. The least restrictive future for Enloe Dam assumes that the cost of construction is \$39 million ignores pre-construction "sunk cost" spending, and assumes that aesthetic flow requirements will be as lenient as possible. Under this scenario, power produced by Enloe Dam will cost about \$83 / MWH. This is more than double the price of power on the open market.

The next scenario assumes that the cost of construction remains \$39 million, includes a 10/30 cfs aesthetic flow and \$14.4 million in preconstruction "sunk cost" spending by the end of 2016. Under this scenario, the cost to produce power at Enloe Dam will be about \$110 / MWH. If this scenario proves accurate OPUD ratepayers will be paying close to three times the cost of open market power.

The worst-case scenario assumes that total cost will be \$59.9 million. This includes construction costs of \$45 million, \$14.4 million in preconstruction "sunk cost" spending, and assumes the highest possible aesthetic flow of 300 cfs. Under this scenario, the cost to produce power at Enloe Dam will be about \$149 / MWH. If this alternative comes to pass, OPUD ratepayers will be paying nearly four times as much for Enloe energy than power purchased on the open market.

² See Appendix 3.

The issues that RME outlined in our 2011 and 2014 reports remain today. These include:

- Inflation has driven up the cost of Enloe Dam construction.
- The cost of acquiring power on the open market has not inflated.
- There is still no determination regarding the amount of water that would be required for aesthetic flows, and it remains uncertain how much power Enloe would ultimately produce.
- The total costs for the project are ballooning to as much as \$59 million, which is about double the original cost estimate. The ratepayers will be responsible for paying these costs.

ENLOE DAM ENERGY PRODUCTION COST ESTIMATE

OPUD's application to FERC lists the cost of constructing Enloe as \$31 million.³ In 2014 RME estimated that inflation would increase the cost of the project to about \$38 million. In November of 2014 OPUD reviewed the project and concluded that inflation would drive the cost of the project even higher, to about \$39 million.⁴

2014 brought the awareness that the \$39 million estimate was only for a portion of the project. As much as one-third of the cost of the project was, and is, being funded via yearly cash flow distributions as high as \$3.1 million. The cost of Enloe, once thought to be \$31 million, now appears to be headed for nearly double that amount, perhaps more.

None of the FERC application documents mention that OPUD intended to finance a large portion of the project from annual cash flows. Consistent with the FERC application, RME assumed OPUD's annual spending on Enloe was a part of, rather than an addition to, the \$31 million FERC estimated cost. OPUD's 2014 PowerPoint presentation⁵ showed RME's assumption to be invalid.

The first mention that OPUD was spending significant amounts of money on Enloe above and beyond the \$31 million construction cost estimate was in a 2014 PowerPoint presentation to the OPUD Board of Commissioners. In that presentation total cost for Enloe is listed as \$50.2 million, with the cost to complete the project listed as \$39.1 million. Inflation can only account for the increase in cost from the original \$31 million to the \$39.1 million cost to complete. Sunk Costs are listed as \$11.1 million

It is normal and customary for utilities to spend a portion of their administrative costs investigating and maintaining plans for servicing future load growth. These activities are usually called something like Integrated Resource Plans (IRPs). And, it is not unusual for IRPs to delve superficially into the specifics of potential future resources.

In the event that a particular new generation project is identified as needed and the decision is made to pursue said project, it is appropriate to establish an account for the project and direct all costs associated with the project towards that account. This includes all consulting, planning and permitting costs as well as the ultimate brick and mortar construction costs. The planning and permitting costs are a component of the ultimate capital cost of a project the same way that the cost of an engineering drawing is an essential part of the fabrication of a generator or a turbine.

³ 144 FERC ¶ 62,018 ,UNITED STATES OF AMERICA, FEDERAL ENERGY REGULATORY COMMISSION Public Utility District No. 1 of Okanogan County, Washington, Project No. 12569-001, ORDER ISSUING NEW LICENSE, (July 9, 2013).

⁴ Board of Commissioners Meeting, Enloe Hydroelectric Project, Public Utility District No. 1 of Okanogan County, November 17, 2014

⁵ Ibid.

Table1, Enloe Dam Production Cost Possibilities

Scenarios		OPUD Scenarios ⁶			RME Scenarios ⁷			
		1	2	3	4	5	6	7
Notes	Title / Description	Enloe 2014 (Minus Sunk)	Enloe 2014 Adverse Cost (Minus Sunk)	Enloe 2014 Adverse Cost (w / Sunk)	RME 10-30 (w / Sunk Thru 2016)	RME 100 (w / Sunk Thru 2016)	RME 300 (w / Sunk Thru 2016)	RME 300 (w / Sunk Thru 2016)
	Date of Estimate	2014	2014	2014	2016	2016	2016	2016
	Capital Cost (\$1,000)	\$39,100	\$45,500	\$56,560	\$53,500	\$53,500	\$53,500	\$59,900
1	Levelized Ann. Operating Cost (\$1,000)	\$3,684	\$4,236	\$5,190	\$4,926	\$4,926	\$4,926	\$5,478
2	Est. Avgas Ann. MWH	44,963	44,963	44,963	44,963	42,246	36,705	36,705
3	Operating Cost (\$/MWH)	\$81.93	\$94.21	\$115.43	\$109.56	\$116.61	\$134.21	\$149.25

Table 1, above, presents 7 production cost scenarios for Enloe dam. Scenarios 1 – 3 are taken almost verbatim from OPUD’s 2014 PowerPoint presentation. They show the cost of construction ranging from \$39.1 million without sunk costs to as much as \$56.6 million with potential cost overruns and the inclusion of sunk costs. These construction costs will result, respectively, in annual operating costs ranging from a low of \$3.7 to \$5.2 million. Under the least restrictive esthetic flow requirement, the 10-30 alternative, the project will generate about 45,000 aMwh of energy. Dividing the annual operating costs by the annual generation results in the potential energy from Enloe costing somewhere between \$82 and \$115 per MWH. To reiterate, these three scenarios close reproductions of OPUD’s analysis.

Scenarios 4 – 7 are RME scenarios. These scenarios build on the cost estimates provided in OPUD’s 2014 PowerPoint presentation. They also incorporate the effect of reduced levels of generation as a result of pending determinations regarding required esthetic flow requirements.

Scenarios 4 – 6 each use total capital cost of \$53.5 million as a starting point. This is based on \$39.1 million construction cost plus \$14.4 sunk costs through the end of 2016. These construction costs will result in annual operating costs of \$4.9 million. Under the least restrictive esthetic flow requirement, the 10-30 alternative, the project will generate about 44,963 aMwh of energy. Under the most restrictive scenario, the requirement for 300 cfs esthetic flows will limit energy output to 36,705 aMwh. Dividing the annual operating costs by the annual generation results in the potential energy from Enloe costing somewhere between \$109 and \$134 per MWH.

Scenario 7 presents a worst-worst production cost scenario. In this case, OPUD’s adverse cost estimate of \$45.5 million is added to sunk costs of \$14.4 through 2016 for a total cost of \$59.9

⁶ Ibid.

⁷ Source, OPUD and RME.

million. This generates an annual operating cost of \$5.5 million. Under the most restrictive, 300 cfs, flow alternative there will be only 36,705 aMW to absorb annual costs resulting in Enloe energy costing \$149 / MWH.

To summarize, it appears that the \$31 million cost estimate in the FERC application only refers to the brick and mortar portion of Enloe dam. Inflation since 2007 has driven this cost up to about \$39 million and potentially more. Off budget spending on Enloe beginning in about 2010 now totals in excess of \$13 million. The budget for 2016 proposes an additional \$1.3 million to be spent on Enloe, bringing total cash flow spending on the project at the end of 2016 to about \$14.4.⁸ Adding the latter amount to the brick and mortar portion brings the total potential cost of the project to at least \$53 million. Under the least stringent esthetic flow scenario, the 10-30 cfs option, the cost to produce Enloe power will be about \$110 / MWH.

A worst-worst scenario that includes the cost over-runs documented in the 2014 PowerPoint by OPUD, the \$14.4 cash flow spending from budgets 2010 – 2016, and the 300 cfs esthetic flow restrictions, will result in power produced by Enloe Dam costing about \$149 / MWH.

⁸ See Appendix 1

LEAST COST ALTERNATIVE POWER - OPEN MARKET ENERGY

In this section RME will show that open market energy is a cheap and reliable source for the equivalent amount of energy that Enloe would produce.

Pacific Northwest Power Resources

Table 2, below, illustrates total annual average northwest energy portfolio of 28,900 aMW.

Table 2, Pacific Northwest Energy Supply Sources⁹

Resource	Pacific NW Regional Annual Energy Resources (aMwh)	Percent of Total
Hydro	11,862	41.0%
Large Thermal and Combustion Turbines	11,851	41.0%
Cogeneration and Renewables	4,418	15.3%
Imports, Small Thermal & Misc.	769	2.7%
Total PW Regional Resources	28,900	100.0%

Source White Book 2014 pp. 43

In 2016, the Pacific Northwest will use about 84 percent of its energy generating potential.

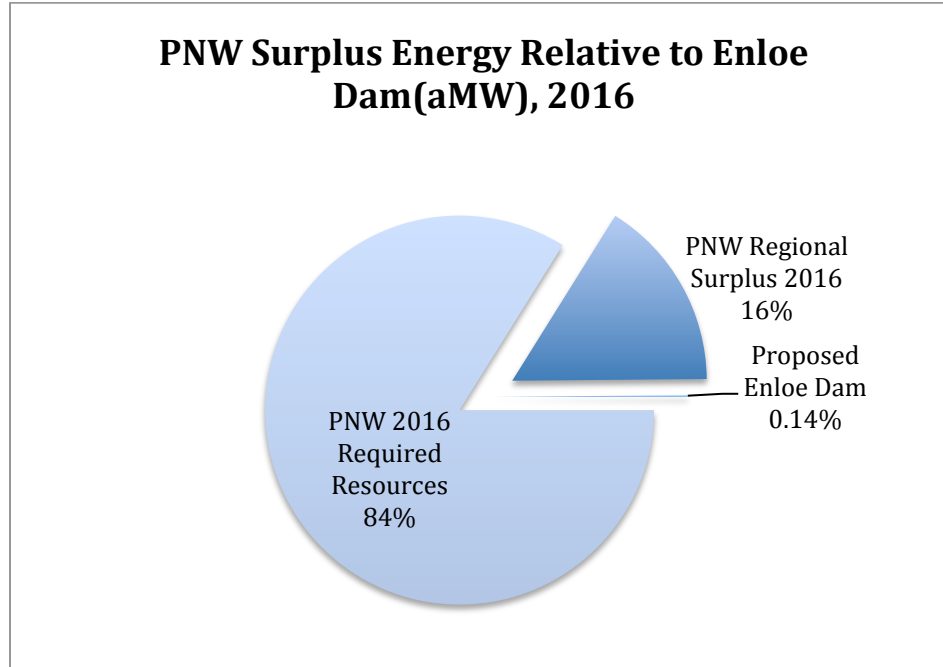
Table 3, Pacific Northwest Energy Surplus Quantities¹⁰

Enloe v Surplus Energy	2016	%
PW Regional Surplus 2016	4,616	15.97%
Proposed Enloe Dam	40	0.14%
PNW 2016 Required Resources	24,244	83.89%
Total PNW Regional Resources	28,900	

⁹ Source: Bonneville Power Administration, 2014 Pacific Northwest Loads and Resources Study, January 2015, Table 1-6, PNW Regional Resources, OY 2016, 1937-Critical Water Conditions, pp.12, and RME.

¹⁰ Source White Book 2014 pp. 43

Chart 1, Pacific Northwest Energy Surplus



At roughly 40 aMW of generation on a good year, Enloe dam would amount to less than two-tenths of one percent of total northwest capacity. If built, the dam would only amount to 0.87% of northwest surplus generation.

More simply, Enloe Dam relative to either the generating capacity of the rest of the northwest, or to the more limited surplus capacity in the northwest, is simply too small to have any measureable impact. In calculations relative to sourcing Enloe amounts of energy via the open market, Enloe is a non-factor.

Open Market Price Expectations

The six year span from 2002 to 2008 saw western open market prices slightly more than double from about \$30 / MWH to about \$70 / MWH in 2008, the year of the crash.

The rate at which open market energy prices inflated was extreme by historical standards but not as extreme as the rate at which they deflated during the recession.

While it took 6 years for open market energy prices to increase from \$30 to \$70, it only took one year for them to drop all the way back down. The recession undoubtedly deserves much of the credit for the price decline, but other factors came into play as well. In addition to static or even declining demand, significant new amounts of wind generation, solar generation and other resources in the NW also get credit. The addition of significant amounts of wind and solar is important in this context because they have very low, perhaps zero, marginal

generation cost. This is in addition to the pre-existing situation whereby the west in general and the northwest in particular are hydropower intensive. Similar to wind and solar, hydropower also has minimal marginal production cost.

The issue of zero, or near zero, marginal production cost is important. Energy markets such as MIDC or NP15 are open markets, similar to auctions. Prices in these markets are based on marginal costs and unlike regulated utilities the price of energy in these markets is not required to recover fixed costs.

In these markets willing sellers offer energy to willing buyers at whatever price the parties agree. If prices are too low for a seller to recoup their variable costs, things like fuel costs, they will usually not put their power for sale on the market. If prices are high enough that a seller can cover their variable costs, and at least some of their overhead, they will offer their power in this market. They obviously would prefer to sell at higher prices than at lower prices. However, selling at prices that cover all their variable costs and at least some of their overhead is better than not selling anything at all. Without the requirement of cover fixed costs energy in these markets routinely sells in the teens or low single digits.

On average, in the northwest, energy supply exceeds demand by about 16 percent. That number is higher most nights, and substantially higher in the spring when rivers are at peak runoff. During those times utilities flood the market with their surplus power at bargain basement prices. There is less surplus energy available during peak hours, particularly during late summer when river flows are lower. However, there is ample surplus energy to supply the minor amounts of energy we are talking about for OPUD. And on average, energy prices remain low.

Chart 2, Price History Comparison, FERC and Open Market



Sources: CAISO¹¹, FERC¹², and RME.

¹¹ <http://oasis.caiso.com/mrioasis/logon.do>

In 2008, NP15 prices were above 100 / MWH for the month of June, and averaged 70.43 / MWH for the entire year. By 2011 prices at NP15 had dropped to 30 / MWH and it appeared they would continue even lower.

Since RME’s review of this subject in 2014, prices have been as high as the mid \$40s, and as low as \$28 for full years. The price of energy at NP15 in 2015, at \$32.45 / MWH, was the fourth lowest in the past 14 years.

For a working number for this analysis RME looked at the average for the past 14 years, the trend for the past 14 years, and the trend for the post recession years, 2009-2015.

Open market NP15 day ahead energy prices were \$26.39 / MWH in 2002. Six years later prices had escalated to \$70.44 for 2008, before crashing back down to \$35.11 the following year. Since then, price variations have stayed in a much narrower range, between \$28.32 in 2012 and \$40.70 in 2014. The average for the full 14 year period is \$40.88 / MWH.

If we look at the trend line associated with NP15 prices since 2002 we see a downward sloping line with a value of \$39.19 / MWH in 2015. RME is an admitted proponent of open market energy for utilities with modest means. At the same time, RME is hesitant to hang its hat on long term downward sloping price curves.

Table 4, Price History Comparison, FERC and Open Market

Year	NP 15 Avg. Ann. Price	Trend 2009 - 2015	Trend 2002 - 2015	FERC Price Est.
2002	26.39		42.58	
2003	35.02		42.32	
2004	38.54		42.06	
2005	54.74		41.80	
2006	43.47		41.54	
2007	54.79		41.27	66.00
2008	70.44		41.01	67.00
2009	35.11	32.95	40.75	68.00
2010	35.78	33.82	40.49	69.00
2011	30.01	34.70	40.23	70.00
2012	28.32	35.57	39.97	71.00
2013	40.60	36.44	39.71	72.00
2014	46.70	37.31	39.45	73.00
2015	32.45	38.19	39.19	74.00

Average 40.883
Sources: CAISO,¹³ FERC¹⁴, RME.

¹² Op. Cit. 1.

¹³ Op. Cit. 20.

¹⁴ Op. Cit. 1.

In effort to separate post economic crash numbers from the longer price curve RME looked at the price trend beginning in 2009. For the seven-year period 2009 through 2015 the NP15 price curve is upward sloping and gains about 2.65 percent per year. In other words, open market energy prices have increased at about the same rate as inflation for the past 7 years.

RME finds it interesting that three separate statistical approaches arrive at a range of prices separated by only \$2.69 / MWH. With a high of \$40.88 and a low of \$38.19, for the purposes of this analysis, RME took a middle point of \$40.00 / MWH to use as the alternative energy cost to compare against the various Enloe Dam Scenarios.

To summarize, RME admits that open market prices are more volatile than the known price of a fixed investment such as Enloe. However, the most optimistic estimate for the cost of Enloe power is worse than the worst full year average of open market prices in the past 14 years.

ENLOE DAM – PROFIT (LOSS) ESTIMATION

Table 4 below reprises Table 1 on page 6 and adds additional rows at the bottom for the purpose of comparing estimated Enloe production costs to open market prices.

Looking at the three OPUD scenarios on the left, Enloe Dam production cost is estimated to range from a low of \$81.93 to a high of \$115.43. With open market alternative power costing only \$40 / MWH, Enloe, under these three scenarios, will lose between \$42 and \$75 on each MWH of energy it produces. On an annual basis under these three scenarios, if Enloe is built, OPUD will be spending between \$1.9 million and \$3.4 million more for energy than if they sourced the same amount of power on the open market.

Table 5, Enloe Dam Production Cost Estimates

Scenarios		OPUD Scenarios			RME Scenarios			
		1	2	3	4	5	6	7
Notes	Title / Description	Enloe 2014 (Minus Sunk)	Enloe 2014 Adverse Cost (Minus Sunk)	Enloe 2014 Adverse Cost (w / Sunk)	RME 10-30 (w / Sunk Thru 2016)	RME 100 (w / Sunk Thru 2016)	RME 300 (w / Sunk Thru 2016)	RME 300 (w / Sunk Thru 2016)
	Date of Estimate	2014	2014	2014	2016	2016	2016	2016
	Capital Cost (\$1,000)	\$39,100	\$45,500	\$56,560	\$53,500	\$53,500	\$53,500	\$59,900
	1 Levelized Ann. Operating Cost (\$1,000)	\$3,684	\$4,236	\$5,190	\$4,926	\$4,926	\$4,926	\$5,478
	2 Est. Avgas Ann. MWH	44,963	44,963	44,963	44,963	42,246	36,705	36,705
	3 Operating Cost (\$/MWH)	\$81.93	\$94.21	\$115.43	\$109.56	\$116.61	\$134.21	\$149.25
	4 Open Market Price for Power (\$/MWH)	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
	5 Value of Enloe Power Production (\$1,000)	\$1,799	\$1,799	\$1,799	\$1,799	\$1,690	\$1,468	\$1,468
	6 Profit (Loss) (Relative to Alternative Power) (\$1,000)	\$(1,885)	\$(2,437)	\$(3,391)	\$(3,128)	\$(3,236)	\$(3,458)	\$(4,010)
	7 Profit (Loss) (\$/MWH)	\$(42)	\$(54)	\$(75)	\$(70)	\$(77)	\$(94)	\$(109)

Looking at the four RME scenarios on the right, production cost is estimated to range from a low of \$109.56 to a high of \$149.25. With open market alternative power costing \$40 / MWH, Enloe will lose between \$70 and \$109 on each MWH of energy it produces. On an annual basis under these four scenarios, if Enloe is built, OPUD will be spending between \$3.1 million and \$4 million more for energy, every year for 40 years, than if they sourced the same amount of power on the open market.

Chart 3, Enloe Dam Operating Cost vs. FERC Thermal and Open Market Energy

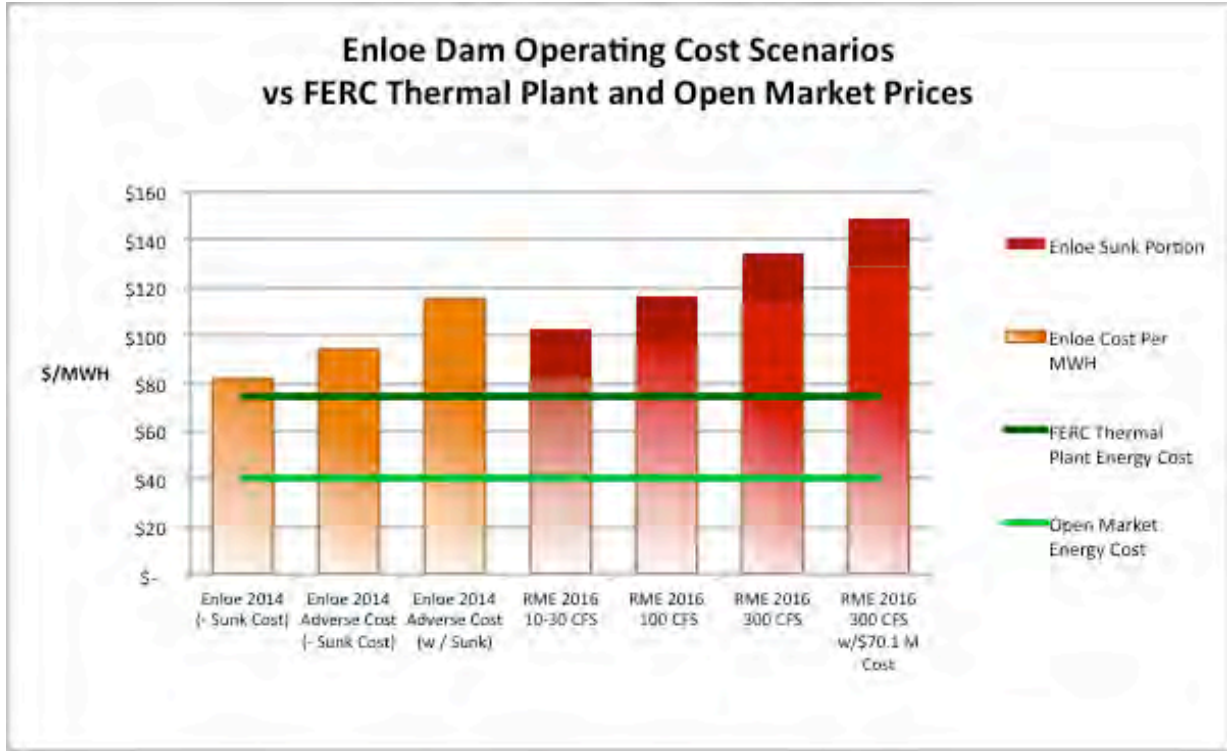


Chart 3 above graphically presents the finding in Table 5 on the previous page. Additionally this chart also shows both the open market and FERC price hurdles Enloe energy needs to stay under for Enloe to be deemed a desirable investment.

If we ignore sunk costs, and the possibility of a substantial requirement for esthetic flows over the falls, Enloe power will cost about \$83 / MWH. That is what Enloe power will cost, every year for the next 40 years. At that level, it is reasonably close to the FERC’s alternative cost of \$79 per MWH. However, at \$83 / MWH, best case Enloe will be more than double the average cost of open market power. It will even be higher, by \$13 / MWH, than the worst-case open market power in the last 14 years at \$70 / MWH.

At the right hand end of the list of scenarios, the worst-worst case shows Enloe energy costing \$149 / MWH. If built, that will mean Enloe power will come in at 270% higher than energy readily available on the open market.

APPENDIXES

Appendix 1, Could OPUD run Enloe at a loss while the construction debt is being retired and then become profitable in later years?

This is a common belief among energy developers, particularly hydroelectric developers.

The issue, in economic terms, is whether or not the developer can ever get “in front” of the interest on the original debt.

The general idea is that, if a developer can build a project, and can hang on until the construction debt is retired, decades into the future, the project will then be much cheaper to operate and will then become sufficiently profitable that it makes up for all the previous year’s losses.

The concept is technically possible but in practice the occurrence is rare. The reason is that the debt from each succeeding year gets stacked on top of the debt from all the preceding years, in addition to all the interest on all the debt from all the preceding years. As time marches on the pile of debt gets bigger and bigger to the point where the accumulated debt becomes bigger, much bigger than the original investment.

For a project to successfully follow this path the interest rate has to be low, the annual losses have to be minimal, the time period of initial losses has to be short (usually less than 5 years) and the post-debt-payoff profitability has to be high. Enloe fails on every factor except the interest rates.

Anyone who has looked at an annuity knows how this works. If you put a sum of money in a savings account each year for decades at a time, the accumulated total, plus interest will result in a surprisingly large amount after the passing of three or four decades. The same is true in reverse. If the losses are incurred each year, for decades at a time, the resulting pile of debt, plus interest, will be disturbingly large after the passing of several decades.

The example presented in Table 7 below illustrates the problem. This example assumes the project produces 44,409 MWH of energy. In the first year of operation the avoided cost price of power (NP 15 Open Market Power) is \$40 / MWH, and revenues are \$2.1 million per year. The Capital cost of the plant is \$39.1 million that, at 4.5% interest for 40 years, requires an annual payment of \$2.125 million. Insurance, taxes, M&O, etc. bring total year one operating costs to \$3.3 million. This results in a net loss in the first year of operation, relative to open market prices, of \$1.5 million. In following years all costs and all prices, with the exception of the fixed construction loan and the loan for environmental features, are inflated at 3% per year. The loans for construction and environmental features remain fixed for the life of the loans.

Another simplifying assumption, in Enloe’s favor, is that there will be no need for additional capital expenditures for such things as repair and replacement of control gates, turbines, substations, etc., ever.

The question becomes one of how to handle the annual losses. Strictly speaking, OPUD can raise rates and cover the cost. However, that does not alter the fact that their ratepayers would be paying more than would be the case if OPUD acquired the same amount of power at NP15. For the purpose of this example RME rolls each year's losses into the equivalent of a running line of credit with a 20-year amortization schedule at 5.5% interest.

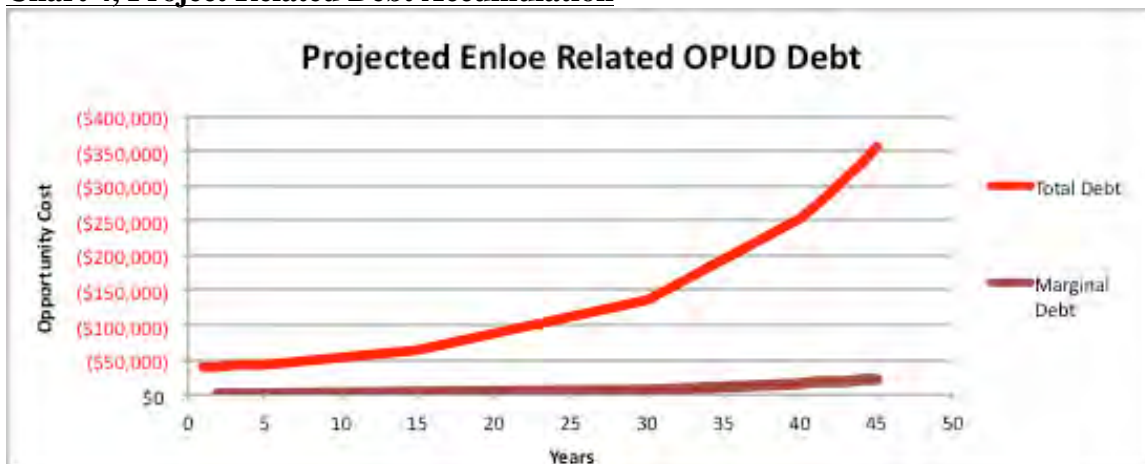
In the first few years of the project, the problem does not appear to be too severe. Losses in year one are \$1.5 million. In years two through five the annual losses continue to get a little bigger but they still seem manageable. Total debt in the line of credit in year 5 is has grown to \$6.4 million.

The problem starts to become more evident out around year 15. At that point, even though the annual losses are only up to the \$2.5 million range, the year after year accumulation, plus interest, is starting to pile up. In year 15 the line of credit is up to \$31.4 million, within 20 percent of the construction cost of the dam.

By year 30 it is clear things are have gotten out of hand for OPUD ratepayers. In year 30 the annual accumulation of debt, and interest on the debt, has driven debt in the line of credit account to \$118 million, more than triple the cost of the project. At that point the cost of servicing the original debt, plus the cost of servicing the line of credit, drives annual losses up to \$9.6 million, roughly 6 times the annual losses in year one.

Fast forward to year 42 of the project. The original loan for the project will be paid off at the end of year 40, or the beginning of year 41. That is the good news. That means the annual debt service associated with that debt, \$2.1 million per year would cease. The bad news is the debt in the line of credit account will have risen to \$273 million, which is more than 7 times the original construction cost. At that point the project will be losing about \$20 million per year and the amount will keep going up until the line of credit devours OPUD. The result is presented graphically in Chart 4 below.

Chart 4, Project Related Debt Accumulation



Again, these are not literal losses to OPUD, the company. They will not, strictly speaking drive OPUD bankrupt. However, they are literal losses to OPUD Ratepayers. These numbers represent real losses to ratepayers who have a reasonable expectation for OPUD to provide power in a least cost fashion.

Table 6, OPUD Dept. Accumulation Example - Original Debt Payoff in 40 Years

Year		1	2	5	15	30	40	41	42	43	44
Annual Generation (MWH)		45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Open Market Price		\$0.04	\$0.04	\$0.05	\$0.06	\$0.09	\$0.13	\$0.13	\$0.13	\$0.14	\$0.14
"Revenue"		\$1,800	\$1,854	\$2,026	\$2,723	\$4,242	\$5,701	\$5,872	\$6,048	\$6,229	\$6,416
Plant Investment											
Plant Investment Debt		\$39,100	\$38,735	\$37,537	\$32,184	\$18,122	\$2,033				
Annual Cost											
I. Construction Debt Service											
a. Interest on Capital	4.5%	\$1,760	\$1,743	\$1,689	\$1,448	\$816	\$91				
b. Capital recovery cost (40yr, 4.5%)	0.93%	\$365	\$382	\$436	\$677	\$1,309	\$2,033				
Total Plant Debt Service		\$2,125	\$2,125	\$2,125	\$2,125	\$2,125	\$2,125				
			\$747	\$1,999	\$7,593	\$22,287	\$39,100				
Line of Credit - Operating Debt											
Total Operating Debt			1,453	6,379	31,415	118,901	253,421	272,824	291,526	311,597	333,140
a. Interest on Capital	4.5%		65	287	1,414	5,351	11,404	12,277	13,119	14,022	14,991
b. Capital recovery cost (20yr, 5.5%)			46	203	1,001	3,790	8,078	8,697	9,293	9,933	10,619
Total Op. Debt Service			112	490	2,415	9,141	19,482	20,974	22,411	23,954	25,611
II. Insurance	0.2%	\$76	\$78	\$86	\$115	\$179	\$241	\$248	\$256	\$263	\$271
III. Taxes - Privilege Tax (% of first 4 mills/kWh)	5.4%	\$10	\$10	\$11	\$15	\$23	\$30	\$31	\$32	\$33	\$34
IV. Operation and Maintenance (1.9% of Invest Cost)		\$737	\$759	\$830	\$1,115	\$1,737	\$2,335	\$2,405	\$2,477	\$2,551	\$2,628
V. Environmental Measures (40yr, 4.5%)		\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35	\$35
VI. Administrative and General/Contingency	35.0%	\$270	\$278	\$304	\$409	\$637	\$856	\$881	\$908	\$935	\$963
Total Generation Cost											
		\$3,253	3,397	\$3,880	\$6,228	\$13,876	\$25,103	\$24,574	\$26,119	\$27,772	\$29,542
Profit (Loss)		\$(1,453)	\$(1,543)	\$(1,854)	\$(3,505)	\$(9,634)	\$(19,403)	\$(18,702)	\$(20,071)	\$(21,543)	\$(23,126)
CPI (Inflation Rate)		3%	3%	3%	3%	3%	3%	3%	3%	3%	3%

Appendix 2, Could OPUD sell Enloe production as “green” power and receive premium prices? Alternately, could Enloe provide extra value, and receive higher prices as a backstop to wind or solar projects?

A. It appears unlikely that OPUD could try to sell Enloe power as green power. Green-e, the green power certifying agency, remains skeptical of conventional hydro projects like Enloe. Green-e rules exclude projects that, “... increase water storage capacity or the head of an existing water reservoir,” which would exclude Enloe.¹⁵

B. In the unlikely event Enloe managed to qualify as green power the next question is whether or not the premium would be enough to cover Enloe’s losses. Referring back to Table 5, Enloe, as currently configured, would lose between \$70 and \$109 per MWH of production depending on the required level of esthetic flow. For green power premiums to move Enloe into the realm of profitability, green power premiums would have to be high enough to cover those losses. The highest green power premium on record is \$60 / MWH for a solar plant in California. The average premium in Washington and neighboring states is much lower, at \$16.45 / MWH. Given those numbers, it is very unlikely that a green power premium would be sufficient to make Enloe profitable.

Table 6, below, presents a sampling of green power premiums in western states.

¹⁵ http://www.green-e.org/docs/energy/Appendix%20D_Green-e%20Energy%20National%20Standard.pdf, pp. 2 – 3.

Table 7, Green Power Premiums¹⁶

State	Type	\$ / MWH	Statistical Measure	Green Power (Hydro) Premium (\$ / MWH)
CA	wind, solar	15.00	Avg.	16.45
CA	various renewables	20.00	Med	15.00
CA	wind, hydro and PV	30.00	Mode	15.00
CA	100% renewable	10.00	Max	60.00
CA	100% local solar	60.00	Min	0.90
CA	wind, PV	15.00		
ID	wind, solar and biomass	3.50		
ID	wind	19.50		
MT	wind, PV	20.00		
MT	various renewables	0.90		
MT	wind, hydro	12.50		
MT	wind	11.00		
OR	PV, wind	20.00		
OR	wind	15.00		
OR	wind and landfill gas	8		
OR	various renewables	12.5		
OR	wind	15.00		
OR	landfill gas	19.00		
OR	wind, landfill gas, low-impact hydro	8.00		
OR	wind	3.00		
OR	various	10.00		
WA	wind, solar and biomass	3.50		
WA	landfill gas	17.00		
WA	PV, wind	15.00		
WA	wind, PV	8.00		
WA	wind	20.00		
WA	wind, hydro	40.00		
WA	landfill gas	10.50		
WA	wind	15.00		
WA	wind, hydro, biogas, solar	12.50		
WA	geothermal, biomass, wind, hydro	15.00		

¹⁶ <http://apps3.eere.energy.gov/greenpower/markets/pricing.shtml>, Source: National Renewable Energy Laboratory, Golden, Colorado., Notes: Utility green pricing programs may only be available to customers located in the utility's service territory.

The current minimum premium for hydro green power is \$0.90 / MWH in Montana. The average premium, \$16.45 / MWH, the Median premium, \$15 / MWH, and the most common premium, \$15.00 / MWH, are all too low to move Enloe into profitable territory relative to open market prices of \$40 / MWH

C. What about the potential for Enloe to provide backup reserve capacity for wind or solar projects and thus get higher prices?

The concise answer is that this is not a good fit for Enloe. For hydro to be a good symbiotic fit with wind the project has to be able to increase production, often for days at a time to cover for wind turbines when winds are calm, and then throttle back production to recharge the reservoir when the wind is blowing. Similarly for solar, Enloe would have to be able to ramp up production at night and when it is cloudy, again for days at a time, and then throttle back production to refill the reservoir during sunny periods.

As a small project with a small reservoir the length of time Enloe can throttle the project up or down is extremely limited. And, at 9 MW, Enloe will be smaller than most state of the art wind farms, so Enloe cannot be of much help there.

According to OPUD, “The mean hydraulic residence time is estimated to be about 2.4 hours for the mean annual flow. It reduces to just 45 minutes at the mean annual peak flow of 16,100 cfs, and increases to 7.3 hours at the mean September flow of 596 cfs. Residence time would exceed 20 hours at flows less than 200 cfs.¹⁷

In other words, in all but the driest months, even if OPUD wanted to operate the project in a dispatchable fashion, they can usually only do so for, at most, a few hours at a time.

The bigger point is that Enloe, as currently proposed and licensed, is not dispatchable. In the application OPUD proposed to operate the project in a run-of-river fashion.¹⁸ In FERC’s license they require OPUD to provide detailed descriptions of how the licensee will document compliance with run-of-river operation.¹⁹

Since the project will not be dispatchable, it cannot provide backup for intermittent wind and solar projects and thus it cannot demand premium pricing in that context.

¹⁷ pp. A-13

¹⁸ pp. B-18

¹⁹ Project No. 12569-001, pp. 53

Appendix 3, Enloe Dam Detail in OPUD Budgets, 2010 – 2016²⁰

OPUD Treatment of Enloe Dam in Budgets 2010 - 2016

Budget Year	Detail	Amount	Total Year	Notes
2010			\$2,160,000	Enloe expenditures not mentioned in the summary. Total in the detail section is \$2,160,000.
	Misc. Contractual Services			
	PUD Enloe Emergency Action Plan	\$80,000		
	Enloe PM&Es (water rights, etc.)	\$200,000		
	Enloe Road Repair	\$200,000		
	Capital - Contractual Services			
	Enloe Dam - Entrix and Others	\$1,600,000		
	Capital - Materials and Supplies			
	Enloe Dam - EAP	\$50,000		
	Enloe Dam - EAP Equipment	\$30,000		
2011			\$2,010,000	Enloe listed at \$1.9 million. The detail comes in a little bigger at about \$2.01 million.
	Misc. Contractual Services			
	PUD Enloe Emergency Action Plan	\$30,000		
	Enloe Maintenance and Repair	\$200,000		
	Capital - Contractual Services			
	Enloe Dam - Engineering and Design	\$500,000		
	Enloe Dam - License/Compliance/Permitting/Legal	\$750,000		
	Enloe Dam - Construction	\$500,000		
	Capital - Materials and Supplies			
	Enloe Dam - EAP	\$30,000		

²⁰ Source, OPUD Budgets, 2010 – 2016.

Budget Year	Detail	Amount	Total Year	Notes
2012	Enloe Dam	\$1,300,000	\$1,300,000	Enloe appears in the summary, but not in the detail
2013	Enloe Dam	\$3,100,000	\$3,100,000	Enloe appears in the summary, but not in the detail
2014	Enloe Dam	\$2,750,000	\$2,750,000	Enloe appears in the summary, but not in the detail
2015	Enloe Dam \$1,764,000.	\$1,764,000	\$1,764,000	Enloe in summary. Only about \$30,000 shows up in detail.
2016			\$1,338,000	Amount listed in summary is \$1.056 million, roughly \$300,000 less than mentioned in detail.
	Misc. Contractual Services			
	Enloe Dam Dewatering	\$1,000,000		
	Enloe Dam Inspection	\$38,000		
	Capital - Contractual Services			
	Enloe Dam - On Call Engineering Support	\$300,000		
Total, 2010 - 2016			\$14,422,000	

Appendix 4, Sunk Cost Discussion

There is a tendency to ignore sunk costs on the grounds that, since they are not recoverable, it is just as well to ignore them.

1. This is inappropriate because when a company has spent, and is continuing to spend money on a project, even if the spending is not recoverable, it represents real money being spent on behalf of ratepayers. OPUD rates could be lower if the money were not being spent.
2. If the spending is being dedicated to a given project, in this case Enloe Dam, it is more transparent to book it as such. In that manner both management and ratepayers can more easily focus on the degree to which the project is or is not desirable. It is only fair for ratepayers to know how much is going to be spent in this fashion. It seems reasonable that ratepayers should have been informed of the magnitude of off-budget cash flows that were, and are, being dedicated to Enloe. It would have been prudent to inform ratepayers that management was committing the utility to a power source that might result power costing at least \$83 / MWH and perhaps as much \$149 / MWH energy.
3. There is a tendency, after some poorly defined point in time, to use sunk costs as justification for going forward with projects. In the case of Enloe Dam, at this moment in time, this would be poor reasoning. As an analogy, a rafter may float for years down a river headed towards a waterfall and certain death. Regardless of the amount of time invested upstream, it always makes sense to get out of the river before the falls, even if it is only inches before the falls. In the case of Enloe, something in excess of \$11 million has already been spent. Spending by the end of 2016 looks to be in excess of \$14 million. Spending another \$39 million, or more, on the physical structure would amount to throwing good money after bad. The debt service on just the \$39 million portion will result in Enloe power costing \$83.04 / MWH. That is more than double the price of readily available open market power.

ATTACHMENTS, OPUD BUDGETS 2010 - 2016

RESOLUTION NUMBER 1494

A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Okanogan County, Washington, Adopting the Final Budget for the Year 2010.

WHEREAS, in conformity with Section 54.16.080, Revised Code of Washington, this Commission prepared a proposed budget of the contemplated financial transactions of the District for the ensuing year 2010, and filed the same in the records of the Commission on October 6, 2009, and proof was made that notice of the hearing on said proposed budget was given publication in the OMAK CHRONICLE once a week for two consecutive weeks.

WHEREAS, the Commission of said District met this day in the office of the District in Okanogan, Washington, at 1:30 p.m. being the time and place designated for approval of the final budget for the year 2010;

WHEREAS, the Commission deems it to be in the best interest of the District that the budget for the year 2010 be finally determined and adopted;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Public Utility District No. 1 of Okanogan County hereby adopt the budget as finally determined, and fix the final amount of expenditures for the ensuing year as set forth in the budget summary as attached to this Resolution, and by this reference made a part of this Resolution as fully as though set out at length herein.

PASSED AND APPROVED this 15th day of December, 2009.



Trish Butler, President



David Womack, Vice President

ATTEST:



Ernest J. Bolz, Secretary

APPROVED:



Michael D. Howe

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 1, 2009
BUDGET SUMMARY

<u>Description</u>	<u>Electric</u>	<u>Wholesale Telecom</u>	<u>Total</u>
<u>REVENUE</u>			
Sales - Retail	33,337,000		33,337,000
Sales - Wholesale	4,937,000	1,900,000	6,837,000
Interest	262,000		262,000
Miscellaneous	531,000		531,000
Rental Income	118,000		118,000
Construction Contribution	542,000		542,000
Total Revenue	39,727,000	1,900,000	41,627,000
<u>EXPENDITURES</u>			
Wages	7,261,600	220,900	7,482,500
Benefits	2,541,600	77,300	2,618,900
Travel	232,200	12,500	244,700
Training, Tuition and Meeting Fees	183,500	12,500	196,000
Transportation	737,500	19,500	757,000
Insurance	320,500		320,500
Utilities	75,600		75,600
Postage, Printing and Stationary	117,200		117,200
Advertising	31,500		31,500
Conservation Expenditures	276,000		276,000
Misc. Contractual Services	2,915,200	79,200	2,994,400
Legal Services	359,100	5,000	364,100
Maintenance Contracts	130,600	26,800	157,400
Software Licenses and Support	244,500	20,000	264,500
Permits and Fees	18,400	86,000	104,400
Rents and Leases	54,600	93,700	148,300
Materials and Supplies	860,500	71,500	932,000
Small Tools (under \$1,000)	68,300	1,000	69,300
Miscellaneous	101,000		101,000
Purchased Power	24,158,000		24,158,000
Taxes	2,008,900	11,300	2,020,200
Total Expenditures	42,696,300	737,200	43,433,500
<u>CAPITAL OUTLAY</u>			
Capital - Contractual Services	11,208,000		11,208,000
Capital - Materials and Supplies	8,489,000	307,000	8,796,000
Capital - Meter Purchases	1,500,000		1,500,000
Capital - Transformer Purchases	500,000		500,000
Capital - Tools and Equipment	13,500		13,500
Capital - Buildings	3,094,000		3,094,000
Capital - Equipment (Over \$2,000)	1,447,800	10,000	1,457,800
Capital - Vehicles	(175,000)		(175,000)
Capital - Personal Computers	70,600		70,600
Unforeseen Contingencies	100,000		100,000
Total Capital Outlay	26,247,900	317,000	26,564,900
<u>DEBT SERVICE</u>			
Debt Service - Principal	715,000	155,000	870,000
Debt Service - Interest	421,300	262,800	684,100
Total Debt Service	1,136,300	417,800	1,554,100
Total Use of Resources	70,080,500	1,472,000	71,552,500
TRANSFER TO/(FROM) RESERVES	(30,353,500)	428,000	(29,925,500)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
 2009 ADOPTED BUDGET COMPARED TO 2010 ADOPTED BUDGET
 DECEMBER 15, 2009

	Electric System				Wholesale Telecommunications				Total			
REVENUE	Adopted 2009	Projected 2009	Adopted 2010	2009 Adopted/ 2010 Adopted	Adopted 2009	Projected 2009	Adopted 2010	2009 Adopted/ 2010 Adopted	Adopted 2009	Projected 2009	Adopted 2010	2009 Adopted/ 2010 Adopted
Sales - Retail	31,290,700	30,399,700	33,337,000	2,046,300				0	31,290,700	30,399,700	33,337,000	2,046,300
Sales - Wholesale	7,489,500	3,464,000	4,937,000	(2,552,500)	1,168,200	1,754,200	1,900,000	731,800	8,657,700	5,218,200	6,837,000	(1,820,700)
Interest	1,246,000	1,031,500	282,000	(984,000)				0	1,246,000	1,031,500	282,000	(984,000)
Miscellaneous	746,700	546,100	531,000	(215,700)				0	746,700	546,100	531,000	(215,700)
Rental Income	118,000	117,000	118,000	0				0	118,000	117,000	118,000	0
Construction Contribution	1,600,000	719,800	542,000	(1,058,000)				0	1,600,000	719,800	542,000	(1,058,000)
Total Revenue	42,490,900	36,278,100	39,727,000	(2,763,900)	1,168,200	1,754,200	1,900,000	731,800	43,659,100	38,032,300	41,627,000	(2,032,100)
EXPENDITURES												
Wages	6,979,900	5,929,600	7,261,600	281,700	197,900	253,400	220,900	23,000	7,177,800	6,183,000	7,482,500	304,700
Benefits	2,303,300	2,447,000	2,541,600	238,300	65,300	85,100	77,300	12,000	2,368,600	2,532,100	2,618,900	250,300
Travel	255,100	118,200	232,200	(22,900)	12,500	4,000	12,500	0	267,600	122,200	244,700	(22,900)
Training, Tuition and Meeting Fees	168,300	80,500	183,500	15,200	11,000	1,900	12,500	1,500	179,300	82,400	196,000	16,700
Transportation	681,300	737,100	737,500	56,200	14,100	16,800	19,500	5,400	695,400	753,900	757,000	61,600
Insurance	219,300	293,700	320,500	101,200				0	219,300	293,700	320,500	101,200
Utilities	73,100	74,400	75,600	2,500				0	73,100	74,400	75,600	2,500
Postage, Printing and Stationary	122,700	111,500	117,200	(5,500)		100		0	122,700	111,600	117,200	(5,500)
Advertising	28,500	27,600	31,500	3,000				0	28,500	27,600	31,500	3,000
Conservation Expenditures	203,700	247,000	276,000	72,300				0	203,700	247,000	276,000	72,300
Misc. Contractual Services	2,281,800	1,964,300	2,915,200	633,400	68,400	70,200	79,200	10,800	2,350,200	2,034,500	2,994,400	644,200
Legal Services	373,300	274,600	359,100	(14,200)	1,500	4,000	5,000	3,500	374,800	278,600	364,100	(10,700)
Maintenance Contracts	92,600	46,900	130,600	38,000	34,500	27,500	26,800	(7,700)	127,100	74,400	157,400	30,300
Software Licenses and Support	187,700	182,700	244,500	56,800		8,200	20,000	20,000	187,700	190,900	264,500	76,800
Permits and Fees	14,300	14,300	18,400	4,100	102,100	99,800	86,000	(16,100)	116,400	114,100	104,400	(12,000)
Rents and Leases	59,700	62,300	54,600	(5,100)	94,700	94,700	93,700	(1,000)	154,400	157,000	148,300	(6,100)
Materials and Supplies	682,100	672,700	880,500	178,400	38,300	104,000	71,500	33,200	720,400	776,700	932,000	211,600
Small Tools (under \$1,000)	43,300	63,000	68,300	25,000	1,000	1,000	1,000	0	44,300	64,000	69,300	25,000
Miscellaneous	64,000	56,900	101,000	37,000				0	64,000	56,900	101,000	37,000
Purchased Power	21,213,700	21,213,700	24,158,000	2,944,300				0	21,213,700	21,213,700	24,158,000	2,944,300
Taxes	1,920,900	1,849,000	2,008,900	88,000	6,100	12,100	11,300	5,200	1,927,000	1,861,100	2,020,200	93,200
Total Expenditures	37,968,600	36,467,000	42,696,300	4,727,700	647,400	782,800	737,200	89,800	38,616,000	37,249,800	43,433,500	4,817,500
CAPITAL OUTLAY												
Capital - Contractual Services	10,158,000	2,237,000	11,208,000	1,050,000				0	10,158,000	2,237,000	11,208,000	1,050,000
Capital - Materials and Supplies	9,064,000	5,827,100	8,489,000	(575,000)	262,100	417,100	307,000	44,900	9,326,100	6,244,200	8,796,000	(530,100)
Capital - Meter Purchases	595,000	259,000	1,500,000	905,000				0	595,000	259,000	1,500,000	905,000
Capital - Transformer Purchases	1,166,000	522,000	500,000	(666,000)				0	1,166,000	522,000	500,000	(666,000)
Capital - Tools and Equipment	10,200	10,200	13,500	3,300				0	10,200	10,200	13,500	3,300
Capital - Buildings	6,984,500	3,504,500	3,094,000	(3,890,500)				0	6,984,500	3,504,500	3,094,000	(3,890,500)
Capital - Equipment (Over \$2,000)	770,100	738,600	1,447,800	677,700	335,000	35,000	10,000	(325,000)	1,105,100	773,600	1,457,800	352,700
Capital - Vehicles	351,000	351,000	(175,000)	(526,000)				0	351,000	351,000	(175,000)	(526,000)
Capital - Personal Computers	58,600	51,600	70,600	12,000				0	58,600	51,600	70,600	12,000
Unforeseen Contingencies	100,000	42,000	100,000	0		8,000		0	100,000	50,000	100,000	0
Total Capital Outlay	29,257,400	13,543,000	26,247,900	(3,009,500)	597,100	460,100	317,000	(280,100)	29,854,500	14,003,100	26,584,900	(3,289,600)
DEBT SERVICE												
Debt Service - Principal	680,000	680,000	715,000	35,000	155,000	155,100	155,000	0	835,000	835,100	870,000	35,000
Debt Service - Interest	459,800	493,600	421,300	(38,500)	262,800	277,100	262,800	0	722,600	770,700	684,100	(38,500)
Total Debt Service	1,139,800	1,173,600	1,136,300	(3,500)	417,800	432,200	417,800	0	1,557,600	1,605,800	1,554,100	(3,500)
Total Use of Resources	68,365,800	51,183,600	70,080,500	1,714,700	1,662,300	1,675,100	1,472,000	(190,300)	70,028,100	52,858,700	71,552,500	1,524,400
TRANSFER TO/(FROM) RESERVES	(25,874,900)	(14,905,500)	(30,353,500)	(4,478,600)	(494,100)	79,100	428,000	922,100	(26,369,000)	(14,826,400)	(29,925,500)	(3,556,500)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE SUMMARY BY DEPARTMENT

Description	Generation	Power Supply	Engineering	Operations	Environmental	Customer Service	Conservation	General Administration	Information Systems	Commissioners	Wholesale Telecom	Internal Communications	Total
EXPENDITURES													
010 Wages	111,300	112,000	831,100	3,426,200	113,500	805,500	116,200	1,240,700	278,600	81,200	220,900	145,300	7,482,500
011 Benefits	39,000	39,200	290,900	1,199,200	39,700	281,900	40,700	434,200	97,500	28,400	77,300	50,900	2,618,900
020 Travel	18,500	25,000	26,600	30,000	13,300	10,200	15,000	42,300	10,300	31,000	12,500	10,000	244,700
021 Training, Tuition and Meeting Fees	9,600	7,500	19,200	42,000	8,000	6,800	4,000	34,400	33,000	2,800	12,500	16,200	196,000
030 Transportation	6,600	1,400	32,800	618,700	1,500	58,300	6,600	3,500	2,000		19,500	6,100	757,000
040 Insurance								320,500					320,500
050 Utilities								75,600					75,600
060 Postage, Printing and Stationary			1,600	1,700	200	100,100	7,800	5,500				300	117,200
070 Advertising	2,500		2,000	6,200	1,000	800	18,000	1,000					31,500
071 Conservation Expenditures							276,000						276,000
080 Misc. Contractual Services	564,500	828,000	10,400	973,200	5,400	65,600	18,500	435,800	13,800		79,200		2,994,400
081 Legal Services								359,100			5,000		364,100
082 Maintenance Contracts				53,000				11,700	27,900		26,800	38,000	157,400
083 Software Licenses and Support	2,500	3,000	67,600	44,100	2,000				117,100		20,000	8,200	264,500
084 Permits and Fees	2,000		1,000	11,100		200		1,100			86,000	3,000	104,400
085 Rents and Leases	7,200			900		4,800		19,800	13,800		93,700	8,100	148,300
090 Materials and Supplies	3,000	1,000	20,600	682,000	2,000	38,800	7,500	48,200	5,000	1,400	71,500	51,000	932,000
091 Small Tools (under \$1,000)			2,500	54,500		2,500		2,300	5,500		1,000	1,000	69,300
092 Miscellaneous				5,800		32,500	300	61,100		1,300			101,000
120 Purchased Power		24,158,000											24,158,000
210 Taxes								2,008,900			11,300		2,020,200
Total Expenditures	766,700	25,175,100	1,306,300	7,148,600	186,600	1,408,000	510,600	5,105,700	604,500	146,100	737,200	338,100	43,433,500
CAPITAL OUTLAY													
581 Capital - Contractual Services	3,600,000			7,525,000								83,000	11,208,000
591 Capital - Materials and Supplies	100,000			8,304,000							307,000	85,000	8,796,000
592 Capital - Meter Purchases				1,500,000									1,500,000
593 Capital - Transformer Purchases				500,000									500,000
710 Capital - Tools and Equipment				11,500				2,000					13,500
711 Capital - Buildings				94,000				3,000,000					3,094,000
712 Capital - Equipment (Over \$2,000)			71,000	147,500				625,000	155,300		10,000	449,000	1,457,800
713 Capital - Vehicles				(175,000)									(175,000)
714 Capital - Personal Computers									70,600				70,600
901 Unforeseen Contingencies								100,000					100,000
Total Capital Outlay	3,700,000	0	71,000	17,907,000	0	0	0	3,727,000	225,900	0	317,000	617,000	26,564,900
DEBT SERVICE													
810 Debt Service - Principal								715,000			155,000		870,000
811 Debt Service - Interest								421,300			262,800		684,100
Total Debt Service	0	0	0	0	0	0	0	1,136,300	0	0	417,800	0	1,554,100
Total Use of Resources	4,466,700	25,175,100	1,377,300	25,055,600	186,600	1,408,000	510,600	9,969,000	830,400	146,100	1,472,000	955,100	71,552,500

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
REVENUE DETAIL**

<u>Div.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	Electric		39,727,000
	001	Sales - Retail	33,337,000
	002	Sales - Wholesale	4,937,000
	003	Interest	262,000
	004	Miscellaneous	531,000
	005	Rental Income	118,000
	006	Construction Contributions	542,000
2	Wholesale Telecom		1,900,000
	002	Sales - Wholesale	1,900,000
	004	Miscellaneous	0
	006	Construction Contributions	0
		TOTAL REVENUE	41,627,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	10	Generation		4,466,700
	010	Wages		111,300
	011	Benefits		39,000
	020	Travel		18,500
	021	Training, Tuition and Meeting Fees		9,600
	030	Transportation		6,600
	070	Advertising		2,500
	080	Misc. Contractual Service		564,500
		BLM Fencing and Signs	30,000	
		PUD Enloe Emergency Action Plan	80,000	
		Enloe PM&Es (water rights, etc.)	200,000	
		Enloe Road Repair	200,000	
		NWHA (Hydro)	1,500	
		Van Rentals (tours)	3,000	
		Other Misc.	50,000	
	083	Software License and Support		2,500
		Stella Systems	2,500	
	084	Permits and Fees		2,000
		Dam Inspection Fees and ROW	2,000	
	085	Rent and Leases		7,200
		Ophir Site Lease	7,200	
	090	Materials and Supplies		3,000
	581	Capital - Contractual Services		3,600,000
		Enloe Dam - Entrix and Others	1,600,000	
		Shankers Feasibility Study	2,000,000	
	591	Capital - Materials and Supplies		100,000
		Enloe Dam - EAP	50,000	
		Enloe Dam - EAP Equipment	30,000	
		Unforeseen Materials and Supplies	20,000	

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	11		Power Supply	25,175,100
	010		Wages	112,000
	011		Benefits	39,200
	020		Travel	25,000
			Power Resources	22,800
			Leadership	2,200
	021		Training, Tuition and Meeting Fees	7,500
			Power Resources	5,700
			Leadership	1,800
	030		Transportation	1,400
	080		Misc. Contractual Services	828,000
			Douglas County PUD	344,500
			Slice Implementation Services	400,000
			PNGC (Slice Audit/Legal Fees)	3,500
			The Energy Authority	3,500
			Miscellaneous Professional Services	50,000
			Annual Dow Jones Subscription	1,500
			Central Washington Power Authority	25,000
	083		Software Licenses and Support	3,000
			Support Fee COP Monitor	3,000
	090		Materials and Supplies	1,000
	120		Purchased Power	24,158,000
			Other	0
			BPA - Slice	10,827,000
			BPA - Block	4,864,000
			BPA - Transmission	2,071,000
			Wells	3,765,000
			Nine Canyon	2,631,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	20	Engineering		1,377,300
	010	Wages		831,100
	011	Benefits		290,900
	020	Travel		26,600
			Engineering	21,600
			Leadership	5,000
	021	Training, Tuition and Meeting Fees		19,200
			Engineering	15,000
			Leadership	4,200
	030	Transportation		32,800
	060	Postage, Printing and Stationary		1,600
	070	Advertising		2,000
	080	Misc. Contractual Services		10,400
			Janitorial Services	10,400
	083	Software Licenses and Support		67,600
			AutoCad	2,000
			ESRI	5,000
			Futura	14,700
			GeoNav	3,000
			Sag10 ver 3.10	4,500
			Staker	29,400
			SynerGee	4,000
			TL-PRO Design Studio	5,000
	084	Permits and Fees		1,000
			City Franchises	900
			Miscellaneous	100
	090	Materials and Supplies		20,600
	091	Small Tools (under \$1,000)		2,500
			Misc.	2,500
	712	Capital - Equipment (Over \$2,000)		71,000
			Milsoft Engineering Analysis System	61,000
			Misc.	10,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	21	Operations		25,055,600
	010	Wages		3,426,200
	011	Benefits		1,199,200
	020	Travel		30,000
		Operations	22,500	
		Leadership	7,500	
	021	Training, Tuition and Meeting Fees		42,000
		Operations	35,700	
		Leadership	6,300	
	030	Transportation		618,700
	060	Postage, Printing and Stationary		1,700
	070	Advertising		6,200
	080	Misc. Contractual Services		973,200
		CDL Testing Program	4,500	
		Employee Dispatch	9,600	
		Oroville Office Paint and Window	7,500	
		Osrose Exacter System Review	15,000	
		Pole Testing	250,000	
		Safety Training	55,000	
		Tree Trimming	600,000	
		Underground Locate Service	1,500	
		Vehicle Tracking Activation	600	
		Vehicle Tracking Annual Fee	8,500	
		Weed Control	20,000	
		Miscellaneous	1,000	
	082	Maintenance Contracts		53,000
		Landscape Maintenance/Sweeping/Snowplowing	3,000	
		Regulator and Oil Circuit Breaker	50,000	
	083	Software Licenses and Support		44,100
		Mechanics Diagnostic Software Upgrade	1,300	
		OSI	14,000	
		TWACS Handheld Support	28,800	
	084	Permits and Fees		11,100
		Railroad Licenses	7,800	
		Right of Ways - USFS/Dept. of Int.	3,100	
		Miscellaneous	200	
	085	Rents and Leases		900
		Pole Contacts	900	
	090	Materials and Supplies		682,000
		General	600,000	
		Special Projects - Meter Bases	50,000	
		Fire Resistant Clothing	16,000	
		Wild Fire Clothing	16,000	
		PPE for Wild Fires		
	091	Small Tools (under \$1,000)		54,500
		Brewster	10,000	
		Okanogan	30,000	
		Oroville	10,000	
		Mechanics Specialty Tool Replacement	4,500	
	092	Miscellaneous		5,800
		Lineman Rodeo (Fees, Travel and Supplies)	5,500	
		Safety Meeting Refreshments	300	

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
	581	Capital - Contractual Services		7,525,000
			AMI Implementation Labor (trenching at subs)	100,000
			Brewster Substation Modifications (Carryover)	20,000
			Contract Labor - Large System Projects	500,000
			Engineering - Large System Projects	250,000
			Gold Creek Sub Construction	505,000
			MTP Line Construction	4,560,000
			MTP Mitigation/Roads	550,000
			MTP Permits, Tetra Tech, Training, etc.	140,000
			MTP ROW/Easements	400,000
			Pole Replacements	200,000
			Underground Replacements	250,000
			Okanogan 115 Dirtwork	50,000
	591	Capital - Materials and Supplies		8,304,000
			Normal Replacements and Extensions	2,500,000
			AMI Equipment	1,000,000
			Gold Creek Substation Materials	820,000
			MTP Transmission and Distribution Materials	2,270,000
			OCB, Regulators, Switches, etc.	220,000
			Sandfiat Substation Materials (steel for new bay)	150,000
			SCADA Equipment	140,000
			Loup Loup Substation	60,000
			Whitestone Substation	11,000
			Ellisforde Substation	48,000
			Pinecreek Substation	1,000,000
			Power Transformer Retrofill	70,000
			Omak Substation Fencing	15,000
	592	Capital - Meter Purchases		1,500,000
			TWACS Meter Replacements	1,500,000
	593	Capital - Transformer Purchases		500,000
			Normal Additions/Replacements	500,000
	710	Capital - Tools & Equipment (\$1,000 to \$2,000)		11,500
	711	Capital - Buildings		94,000
			Materials Storage Building (Carryover)	60,000
			Oroville Equipment Storage Completion	25,000
			Mechanics Storage Racks	1,000
			Lockers for Line Room	6,000
			Drying Rack for Boots and Gloves	2,000
	712	Capital - Equipment (Over \$2,000)		147,500
			Trailer - SF6 Gas Trailer (Carryover)	21,000
			Trailer - Replace Wire Pulling Trailer (Carryover)	70,000
			Warehouse Sweeper (Carryover)	30,000
			Dielectric Tester	9,000
			Grounds Tester	2,500
			Vehicle Tracking GPS/Cell	9,000
			Fair Trailer Completion	6,000
	713	Capital - Vehicles		-175,000
			Flatbed Truck - Replace (1)	40,000
			Meterman Truck - Replace (1)	40,000
			Bucket Truck Rebuild	33,000
			Less: Transportation System Depreciation	(288,000)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	22	Environmental		186,600
		010	Wages	113,500
		011	Benefits	39,700
		020	Travel	13,300
			Environmental	10,300
			Leadership	3,000
		021	Training, Tuition and Meeting Fees	8,000
			Environmental	5,500
			Leadership	2,500
		030	Transportation	1,500
		060	Postage, Printing and Stationary	200
		070	Advertising	1,000
		080	Misc. Contractual Services	5,400
			Miscellaneous	700
			Environmental Consulting	4,700
		083	Software Licenses and Support	2,000
		090	Materials and Supplies	2,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	30	Customer Service		1,408,000
	010	Wages		805,500
	011	Benefits		281,900
	020	Travel		10,200
		Customer Service	8,000	
		Leadership	2,200	
	021	Training, Tuition and Meeting Fees		6,800
		Customer Service	5,000	
		Leadership	1,800	
	030	Transportation		58,300
	060	Postage, Printing and Stationary		100,100
		Postage	80,100	
		Printing	10,000	
		Stationary	10,000	
	070	Advertising		800
	080	Misc. Contractual Services		65,600
		Collection Service Credit Bureau	3,500	
		Credit Reporting Agency	8,300	
		Electronic Payments Fees	20,000	
		NISC Bill Print Fees	33,800	
	084	Permits and Fees		200
		Miscellaneous Fees (Notaries, etc.)	200	
	085	Rents and Leases		4,800
		Office Rent MVCC	4,500	
		Miscellaneous (PO Boxes, etc.)	300	
	090	Materials and Supplies		38,800
		General	36,800	
		Fire Resistant Clothing	2,000	
	091	Small Tools (under \$1,000)		2,500
		Unforeseen	2,500	
	092	Miscellaneous		32,500
		Miscellaneous Expenses	600	
		Net Account Receivable Writeoffs	31,900	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	35		Conservation/Consumer Information	510,600
		010	Wages	116,200
		011	Benefits	40,700
		020	Travel	15,000
		021	Training, Tuition and Meeting Fees	4,000
		030	Transportation	6,600
		060	Postage, Printing and Stationary	7,800
		070	Advertising	18,000
		071	Conservation Expenditures	276,000
			CRC Program	271,000
			CRC Renewables	5,000
		080	Misc. Contractual Services	18,500
			Electric Education Programs	18,500
		090	Materials and Supplies	7,500
		092	Miscellaneous	300

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	40	General Administration		9,969,000
	010	Wages		1,240,700
	011	Benefits		434,200
	020	Travel		42,300
		General	24,500	
		Accounting and Finance	11,200	
		Human Resource	2,200	
		Leadership	4,400	
	021	Training, Tuition and Meeting Fees		34,400
		General	9,600	
		Accounting and Finance	6,600	
		Human Resource	4,600	
		Leadership	3,600	
		Education Reimbursement Program	10,000	
	030	Transportation		3,500
	040	Insurance (Property/Liability)		320,500
	050	Utilities		75,600
		Cell Phone Service	6,900	
		Electrical Service	3,900	
		Telephone Service	45,900	
		Water/Sewer/Garbage	18,900	
	060	Postage, Printing and Stationary		5,500
	070	Advertising		1,000
	080	Misc. Contractual Services		435,800
		APPA Dues	10,700	
		Audit Costs	70,000	
		Banking Fees	11,700	
		Benefits Administration	6,000	
		Bond Admin Fee	1,000	
		Bond Counsel and Insurance Costs	25,000	
		Chamber Dues	1,000	
		CWPU/UIP Expenses	33,000	
		Document Destruction	1,600	
		Economic Alliance	6,000	
		Employee Assistance Program	3,500	
		Equity Management Plan and Financial Studies	25,000	
		Cost of Service Update	25,000	
		Foundation for Water and Energy	2,000	
		Janitorial Services	28,000	
		Legislative Consultant	26,000	
		Misc. Services/Consulting	17,000	
		NW Public Power Assoc. Dues/NW Wage & Hour	28,200	
		Public Power Council Dues	25,100	
		PPC - NW River Partners	12,200	
		Standard and Poors	7,800	
		WA PUD Association Dues	65,000	
		WA PUD Miscellaneous Surveys/Studies	5,000	
	081	Legal Services		359,100
		General Counsel	234,100	
		Misc. Attorney Fees	125,000	
	082	Maintenance Contracts		11,700
		Copier Maintenance	6,400	

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget</u> <u>Amount</u>
			Landscape Maintenance/Sweeping/Snowplowing	5,300	
084		Permits and Fees			1,100
			WA State Purchasing Coop	600	
			WA State L&I Right to Know	300	
			Business Licenses	200	
085		Rents and Leases			19,800
			Copier Lease	5,100	
			Modular Building Rent	13,000	
			P.O. Box Rent	400	
			Storage	1,300	
090		Materials and Supplies			48,200
091		Small Tools (under \$1,000)			2,300
092		Miscellaneous			61,100
			Clothing for Identification	1,500	
			Deductibles/Damage Claims	13,300	
			Election Costs	6,200	
			Employee Day	2,400	
			Interview/New Employee Expenses	15,000	
			Meeting Expenses	6,200	
			Recycling/Disposal Office Materials	5,000	
			Service Awards and Costs	1,500	
			Wellness Program Expenses	10,000	
210		Taxes			2,008,900
710		Capital - Tools & Equipment (\$1,000 to \$2,000)			2,000
711		Capital - Buildings			3,000,000
			Headquarters Building - Completion	3,000,000	
712		Capital - Equipment (Over \$2,000)			625,000
			Headquarters Building - Furniture	625,000	
810		Debt Service - Principal			715,000
811		Debt Service - Interest			421,300
901		Unforeseen Contingencies			100,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	41	Information Systems		830,400
	010	Wages		278,600
	011	Benefits		97,500
	020	Travel		10,300
		Information Systems	9,500	
		Leadership	800	
	021	Training, Tuition and Meeting Fees		33,000
		Training	20,000	
		NISC ABS Upgrade Training	12,000	
		Leadership	1,000	
	030	Transportation		2,000
	080	Misc. Contractual Services		13,800
		Neopost Postal Rate Change	1,200	
		Network Consulting	10,000	
		RDS	500	
		Security System Monitoring	2,100	
	082	Maintenance Contracts		27,900
		BlackBerry Support	1,000	
		GWAVA	1,200	
		Itron	4,800	
		NetApp SAN Hardware/Software	8,500	
		SCADA Server Maintenance	3,000	
		SonicWall	1,700	
		Symantec	4,000	
		Veritas Backup Exec	500	
		VMWare Software	3,200	
	083	Software Licenses and Support		117,100
		M+RFM Bundle (Spam & Archive)	2,200	
		NISC	105,100	
		PC Software	9,800	
	085	Rents and Leases		13,800
		Axis Capital Lease	11,100	
		Neopost Lease	2,700	
	090	Materials and Supplies		5,000
	091	Small Tools (under \$1,000)		5,500
		Digi Servers	2,500	
		Small Printers	3,000	
	712	Capital - Equipment (Over \$2,000)		155,300
		Upgrade Network for High Availability	100,000	
		Servers, Software, Configuration & Data Backup	33,800	
		Firewall Hardware	10,000	
		Software Update - NISC ABS	7,500	
		Printer	4,000	
	714	Capital - Personal Computers		70,600

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	50		Commissioners	146,100
		010	Wages	81,200
		011	Benefits	28,400
		020	Travel	31,000
		021	Training, Tuition and Meeting Fees	2,800
		090	Materials and Supplies	1,400
		092	Miscellaneous	1,300

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
2	60		Wholesale Telecommunications	1,472,000
		010	Wages	220,900
		011	Benefits	77,300
		020	Travel	12,500
		021	Training, Tuition and Meeting Fees	12,500
		030	Transportation	19,500
		080	Misc. Contractual Services	79,200
			Consulting - Stimulus Fund Application	75,000
			NoaNet Calea Services	4,200
		081	Legal Services	5,000
		082	Maintenance Contracts	26,800
			Eaton Powerware UPS	1,800
			Cisco Smartnet	5,400
			WWP Lightning Edge Devices	15,000
			RADcare (Optimux and IPMux)	2,600
			Motorola Canopy Hardware/Software	2,000
		083	Software Licenses and Support	20,000
			Ciena Element Management Software	15,000
			Solar Winds IP Monitor Software Support	5,000
		084	Permits and Fees	86,000
			Internet Fees - NoaNet	81,000
			ARIN ASN & IP Address Allocation	5,000
		085	Rents and Leases	93,700
			DCPUD Lit Services Ethernet	3,000
			DCPUD Dark Fiber Lease	34,600
			NoaNet Dark Fiber Lease	32,100
			CenturyTel Dark Fiber Lease	0
			Wireless Site Lease	24,000
		090	Materials and Supplies	71,500
			Misc. Switch/Network HW Upgrades	10,000
			Fiber Plant Maintenance - Wholesale	50,000
			Battery Maintenance & Replacement	6,500
			UPS/Rectifier Replacement	5,000
		091	Small Tools (under \$1,000)	1,000
		210	Taxes	11,300
		591	Capital - Material and Supplies	307,000
			Rackmount Servers	10,000
			Replace Switches (End of Life)	75,000
			Fiber Distribution Builds	25,000
			New Ethernet Node	25,000
			Wireless Towers	75,000
			Wireless Subscriber Units	97,000
		712	Capital - Equipment (Over \$2,000)	10,000
			Test Equipment	5,000
			Tools	5,000
		810	Debt Service - Principal	155,000
		811	Debt Service - Interest	262,800

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	61	Internal Communications		955,100
	010	Wages		145,300
	011	Benefits		50,900
	020	Travel		10,000
		Communications	7,000	
		Leadership	3,000	
	021	Training, Tuition and Meeting Fees		16,200
		Communications	12,000	
		Leadership	4,200	
	030	Transportation		6,100
	060	Postage, Printing and Stationary		300
	082	Maintenance Contracts		38,000
		Fire Alarm System	2,000	
		Landscape Maintenance/Sweeping	6,000	
		UHF Radio System	19,000	
		Telephone System - Shortel	7,500	
		UPS Okanogan and Omak	3,500	
	083	Software Licenses and Support		8,200
		Cisco Smartnet	700	
		MapInfo Software	1,000	
		Fiber Mapping Software	4,500	
		Lenel OnGuard Software	2,000	
	084	Permits and Fees		3,000
		Right of Way - USFS, DOT, etc.	3,000	
	085	Rents and Leases		8,100
		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	
	090	Materials and Supplies		51,000
		General Materials and Supplies	50,000	
		Dell Powerconnect 3448P - Stock Spare (2)	1,000	
	091	Small Tools (under \$1,000)		1,000
	581	Capital - Contractual Service		83,000
		NoaNet Assessments	83,000	
	591	Capital - Material and Supplies		85,000
		Fiber Rework - Eastside Node	15,000	
		Fiber Rework - Armory Node	15,000	
		Fiber Rework - 3rd Street Node Okanogan	15,000	
		Fiber Rework - 1st and 2nd Avenue Okanogan	15,000	
		Fiber Build - New HQ Office Building	15,000	
		Miscellaneous	10,000	
	712	Capital - Equipment (Over \$2,000)		449,000
		UHF Radio System Overhaul	406,000	
		Shoretel Shoregear 120/24 - Stock Spare	4,500	
		Miscellaneous Contingencies	38,500	
TOTAL EXPENDITURES AND CAPITAL OUTLAY				71,552,500

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
LABOR AND PERSONNEL (WAGES ONLY)**

<u>Department</u>	<u>Title</u>	<u>12/31/2009</u>
Generation	Overtime	0
	Sub-Total	0
Power Supply	Power Resource Manager	87,360
	WECC Compliance Officer	62,000
	Sub-Total	149,360
Engineering	Chief Engineer	113,261
	Distribution Engineer	49,698
	Distribution Engineer	67,074
	Distribution Engineer	49,640
	Distribution Engineer	65,728
	Distribution Engineer	59,575
	Systems Engineer	83,088
	Systems Engineer	82,371
	Systems Engineer	66,076
	GIS Technician	59,630
	Engineering Aid	43,536
	Temporary Engineer	15,000
	On Call Compensation	31,200
	Sub-Total	785,877
Operations	Construction Superintendent	91,956
	Area Manager	86,412
	Area Manager	93,472
	Purchasing Agent/Facilities Manager	74,799
	Right of Way Superintendent	61,119
	Assistant Construction Superintendent	79,475
	Serviceman	72,696
	Serviceman	72,696
	Serviceman	72,696
	Serviceman	72,696
	Foreman	81,702
	Journeyman Lineman	72,696
	Journeyman Lineman	72,696
	Journeyman Lineman	72,696
	Foreman	81,702
	Journeyman Lineman	72,696
	Journeyman Lineman	72,696
	Apprentice Lineman	60,507
	Foreman	81,702
	Journeyman Lineman	72,696
	Apprentice Lineman	64,938
	Apprentice Trainee	46,550
	Foreman	81,702
	Journeyman Lineman	72,696
	Journeyman Lineman	72,696
	Apprentice Trainee	43,202
	Journeyman Lineman/Locator	72,696
Wireman Foreman	81,702	
Wireman	72,696	
Apprentice Wireman	64,938	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
LABOR AND PERSONNEL (WAGES ONLY)**

<u>Department</u>	<u>Title</u>	<u>12/31/2009</u>
	Journeyman Meterman	72,696
	Apprentice Meterman	61,776
	LA Meter Replacement Specialist	51,709
	HazMat Specialist	56,098
	Facilities Maintenance Worker	58,053
	Facilities Maintenance Worker	38,334
	Shop Foreman	65,312
	Mechanic	54,122
	Limited Assignment Mechanic	54,122
	Warehouseman	49,275
	Warehouseman	53,435
	Temporary Labor Lineman	30,000
	Temporary Labor Groundman	20,000
	Part-time Student Labor	27,000
	On Call Compensation	18,720
	Overtime	350,000
	Sub-Total	<u>3,254,274</u>
Environmental	Director of Regulatory and Environmental Affairs	96,487
	Environmental Coordinator	56,677
	Environmental Coordinator	58,787
	Sub-Total	<u>211,951</u>
Customer Service	Customer Service Supervisor	81,391
	Customer Records Coordinator	54,035
	Credit/Collections Specialist	43,715
	Account Clerk	41,122
	Account Clerk	41,122
	Account Clerk	41,122
	Account Clerk	25,896
	Account Clerk	41,122
	Account Clerk	36,275
	Account Clerk	41,122
	Account Clerk	41,122
	Meter Reader	44,970
	Meter Reader	44,970
	Meter Reader	44,970
	Fulltime Relief Account Clerk	41,122
	Fulltime Relief Account Clerk	36,275
	Fulltime Relief Account Clerk	33,696
	Overtime	23,000
	Sub-Total	<u>757,047</u>
Conservation	Energy Services Coordinator	54,811
	Energy Services Coordinator	54,811
	Sub-Total	<u>109,622</u>
General Administration	General Manager	165,000
	Operations Manager	131,800
	Director of Finance/Auditor	115,911
	Administrative/Executive Assistant	53,860
	Administrative Assistant	53,684

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2010 ADOPTED BUDGET - DECEMBER 15, 2009
LABOR AND PERSONNEL (WAGES ONLY)**

Department	Title	12/31/2009
	Human Resource Director	92,776
	Communications Director	99,467
	Chief Accountant/Deputy Treasurer	82,353
	Treasurer/Accountant	76,698
	Financial Analyst	59,658
	Accountant	55,630
	Accountant	61,338
	Payroll/Employee Records Coordinator	46,534
	Secretary/Bookkeeper	40,348
	Project Manager	36,400
	Overtime	1,300
	Sub-Total	<u>1,172,757</u>
Information Systems	Information Systems Supervisor	88,285
	Information Systems Technician	62,045
	Information Systems Technician	55,000
	Information Systems Technician	57,494
	Sub-Total	<u>262,824</u>
Commissioners	Commissioner	26,600
	Commissioner	26,600
	Commissioner	28,000
	Sub-Total	<u>81,200</u>
Telecommunications	Network Engineer	87,965
	Telecommunications Technicians	61,714
	Telecommunications Technicians	61,714
	Telecommunications Technicians	61,714
	Overtime	35,000
	Sub-Total	<u>308,107</u>
	Wage Increases (Step and Cost of Living)	<u>389,481</u>
	Total Labor Costs	7,482,500

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
OVERVIEW

HIGHLIGHTS

- 1) \$22.4 million transfer from reserves, which is an decrease of \$7.5 million over the 2010 adopted budget.
- 2) Revenues do not cover operating expenses by \$600,000, an improvement over the 2010 adopted budget's \$1.8 million.
- 3) Retail Electric Sales increase of \$1.7 million - predicting a 1% load growth, less mild weather and reflects the previously approved rate adjustments. Similar assumptions were used in the 2010 adopted budget.
- 4) Wholesale Electric Sales increase of \$553,000 - predicting 3/4 to median water and prices based on the last two market prices.
- 5) Miscellaneous Income increased by \$218,000 - revenues that previously were netted against expenses are now being categorized as revenue (green tag sales, Nine Canyon Wind transmission, operating reserves, etc.).
- 6) Construction Contributions increased \$278,000 - contributions continue to beat expectations.
- 7) Misc. Contractual Services decreased \$486,000 - primary driver behind the decrease is a reduction in tree trimming and pole testing budgets.
- 8) Permits and Fees increased \$264,000 - increases include: **Enloe ROW \$200,000**, railroad licenses \$28,000 and increase in wholesale telecommunications internet costs of \$34,000.
- 9) Purchased Power - the largest operating expenditure in the budget increased over \$1.2 million to \$25.4 million. The 2011 proposed budget reflects expected cost increases for Wells and BPA power purchases.
- 10) Capital Outlays account for \$18.3 million - see a summary of capital projects below.
- 11) Debt Service increased \$1.9 million - reflects the issuance of the 2010 Bonds.

REVENUES of \$44.4 million - Assumptions Used

- **Retail Electric Sales:** Estimated using 1% load growth, less mild weather conditions and previously approved rate adj.
- **Wholesale Electric:** Sales based on a 3/4 to median water year and previous two years average market pricing,
- **Wholesale Telecommunications:** Based on updated revenue forecasts, which reflect stable revenues.
- **Interest:** Return of .5% on investments expected to mature in 2011.
- **Miscellaneous:** Previous twelve months revenue adjusted for netted power transactions and no grant revenue.
- **Rental Income:** Same as previous year with no growth.
- **Construction Contributions:** Estimated using 2010 year to date with a proration for the remaining of the year.

EXPENDITURES \$45.0 million - Assumptions Used

- **Wages:** Four less fulltime employees than the 2010 adopted budget and overall average wage increase of 2.7%. The overall average wage increase includes current bargaining agreement step increases.
- **Benefits:** Based on July 2009 thru June 2010 actual percentage of wages. Methodology changed to allocate costs more appropriately by estimating costs by department with a percentage range of 30 to 46% (33.1% average).
- **Purchased Power:** Wells Project costs effective September 2010 and BPA's new contract effective October 2011.
- **Other Expenditures:** Other expenses are based on known 2011 costs, if costs are not specifically known a 3% increase was estimated, except transportation which a 5% estimate was used.

CAPITAL OUTLAY \$18.3 million - Summary Listing

- Methow transmission line and substation \$9.4 million.
- Operations normal replacements and line extensions of \$1.9 million.
- **Enloe Dam Permitting and EAP \$1.9 million.**
- AMI implementation \$870,000.
- Pinecreek Substation Construction \$250,000.
- Upgrade/Expand UHF radio system \$590,000.
- Wholesale Telecommunications capital of \$542,000.
- Regulator and switch purchases \$220,000.
- Bucket Truck Replacement \$210,000.
- SCADA implementation continuation \$137,000.
- Virtual environment hardware and software \$105,000.
- Large system project engineering \$100,000.
- Contract Labor \$100,000.
- Underground replacements \$100,000 (trenching costs).
- Cutout replacements \$100,000.
- Other capital Items \$476,000.

DEBT SERVICE \$3.4 million

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

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
BUDGET SUMMARY

<u>Description</u>	<u>Electric</u>	<u>Wholesale Telecom</u>	<u>Total</u>
REVENUE			
Sales - Retail	35,001,000		35,001,000
Sales - Wholesale	5,490,000	2,000,000	7,490,000
Interest	207,000		207,000
Miscellaneous	749,000		749,000
Rental Income	118,000		118,000
Construction Contribution	820,000		820,000
Total Revenue	42,385,000	2,000,000	44,385,000
EXPENDITURES			
Wages	7,474,800	222,000	7,696,800
Benefits	2,477,300	67,300	2,544,600
Travel	173,400	12,500	185,900
Training, Tuition and Meeting Fees	123,400	12,500	135,900
Transportation	887,500	16,000	903,500
Insurance	310,000		310,000
Utilities	97,200		97,200
Postage, Printing and Stationary	198,400		198,400
Advertising	37,700		37,700
Conservation Expenditures	372,800		372,800
Misc. Contractual Services	2,364,400	144,200	2,508,600
Legal Services	309,100	5,000	314,100
Maintenance Contracts	152,100	25,500	177,600
Software Licenses and Support	282,400	35,000	317,400
Permits and Fees	248,300	120,000	368,300
Rents and Leases	63,900	221,200	285,100
Materials and Supplies	828,900	101,500	930,400
Small Tools (under \$1,000)	67,800	1,000	68,800
Miscellaneous	74,100		74,100
Purchased Power	25,373,000		25,373,000
Taxes	2,108,300	10,700	2,119,000
Total Expenditures	44,024,800	994,400	45,019,200
CAPITAL OUTLAY			
Capital - Contractual Services	10,500,000		10,500,000
Capital - Materials and Supplies	5,104,700	532,000	5,636,700
Capital - Meter Purchases	440,000		440,000
Capital - Transformer Purchases	500,000		500,000
Capital - Tools and Equipment	13,200		13,200
Capital - Buildings	42,000		42,000
Capital - Equipment (Over \$2,000)	989,600	10,000	999,600
Capital - Vehicles	30,000		30,000
Capital - Personal Computers	57,300		57,300
Unforeseen Contingencies	100,000		100,000
Total Capital Outlay	17,776,800	542,000	18,318,800
DEBT SERVICE			
Debt Service - Principal	1,035,000	155,000	1,190,000
Debt Service - Interest	1,978,300	262,800	2,241,100
Total Debt Service	3,013,300	417,800	3,431,100
Total Use of Resources	64,814,900	1,954,200	66,769,100
TRANSFER TO/(FROM) RESERVES	(22,429,900)	45,800	(22,384,100)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE SUMMARY BY DEPARTMENT

Description	Generation	Power Supply	Engineering	Operations	Environmental	Customer Service	Conservation	General Administration	Information Systems	Commissioners	Wholesale Telecom	Internal Communications	Total
EXPENDITURES													
010 Wages	117,600	99,300	865,400	3,669,300	120,200	763,500	126,800	1,196,100	282,200	87,000	222,000	147,400	7,696,800
011 Benefits	41,200	30,900	283,900	1,130,100	41,800	330,600	45,900	387,500	91,700	39,900	67,300	53,800	2,544,600
020 Travel	12,000	25,000	13,500	17,500	7,000	5,100	15,000	31,500	12,500	24,300	12,500	10,000	185,900
021 Training, Tuition and Meeting Fees	5,000	7,500	9,500	22,500	4,500	3,400	4,000	28,000	20,000	2,800	12,500	16,200	135,900
030 Transportation	6,200	2,300	36,700	762,600	4,200	47,500	9,600	8,300	2,000		16,000	8,100	903,500
040 Insurance								310,000					310,000
050 Utilities								97,200					97,200
060 Postage, Printing and Stationary			1,600	1,700	200	177,200	10,000	7,400				300	198,400
070 Advertising			2,000	6,200	1,000	800		25,000	2,700				37,700
071 Conservation Expenditures							372,800						372,800
080 Misc. Contractual Services	331,500	843,000	8,500	500,600	5,000	33,300	19,400	508,700	14,400		144,200	100,000	2,508,600
081 Legal Services								309,100			5,000		314,100
082 Maintenance Contracts				54,800				18,500			25,500	50,500	177,600
083 Software Licenses and Support		3,000	64,300	33,400	2,000				171,000		35,000	8,700	317,400
084 Permits and Fees	202,000		1,000	39,000		600		2,700			120,000	3,000	368,300
085 Rents and Leases	7,900			900		5,000		8,200	16,100		221,200	25,800	285,100
090 Materials and Supplies	3,000	1,000	20,800	649,800	2,000	29,800	15,000	46,200	10,000	1,300	101,500	50,000	930,400
091 Small Tools (under \$1,000)			2,500	33,000		2,500		2,300	25,500		1,000	2,000	68,800
092 Miscellaneous				6,300		17,900	500	48,000		1,400			74,100
120 Purchased Power		25,373,000											25,373,000
210 Taxes								2,108,300			10,700		2,119,000
Total Expenditures	726,400	26,385,000	1,309,700	6,927,700	187,900	1,417,200	644,000	5,120,700	673,700	156,700	994,400	475,800	45,019,200
CAPITAL OUTLAY													
581 Capital - Contractual Services	1,850,000			8,650,000									10,500,000
591 Capital - Materials and Supplies	50,000			5,022,200							532,000	32,500	5,636,700
592 Capital - Meter Purchases				440,000									440,000
593 Capital - Transformer Purchases				500,000									500,000
710 Capital - Tools and Equipment				10,000				2,000	1,200				13,200
711 Capital - Buildings				20,000				22,000					42,000
712 Capital - Equipment (Over \$2,000)			105,000	94,600				0	140,000		10,000	650,000	999,600
713 Capital - Vehicles				30,000									30,000
714 Capital - Personal Computers									57,300				57,300
901 Unforeseen Contingencies								100,000					100,000
Total Capital Outlay	1,900,000	0	105,000	14,766,800	0	0	0	124,000	198,500	0	542,000	682,500	18,318,800
DEBT SERVICE													
810 Debt Service - Principal								1,035,000			155,000		1,190,000
811 Debt Service - Interest								1,978,300			262,800		2,241,100
Total Debt Service	0	0	0	0	0	0	0	3,013,300	0	0	417,800	0	3,431,100
Total Use of Resources	2,626,400	26,385,000	1,414,700	21,694,500	187,900	1,417,200	644,000	8,258,000	872,200	156,700	1,954,200	1,158,300	66,769,100

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
REVENUE DETAIL**

<u>Div.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	Electric		42,385,000
	001	Sales - Retail	35,001,000
	002	Sales - Wholesale	5,490,000
	003	Interest	207,000
	004	Miscellaneous	749,000
	005	Rental Income	118,000
	006	Construction Contributions	820,000
2	Wholesale Telecom		2,000,000
	002	Sales - Wholesale	2,000,000
	004	Miscellaneous	0
	006	Construction Contributions	0
		TOTAL REVENUE	44,385,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	10	Generation		2,626,400
		010	Wages	117,600
		011	Benefits	41,200
		020	Travel	12,000
		021	Training, Tuition and Meeting Fees	5,000
		030	Transportation	6,200
		080	Misc. Contractual Service	331,500
			PUD Enloe Emergency Action Plan	30,000
			Enloe Maintenance and Repair	200,000
			NWA (Hydro)	1,500
			Other Misc.	100,000
		084	Permits and Fees	202,000
			ROW and Agency Processing	200,000
			Dam Inspection Fees and ROW	2,000
		085	Rent and Leases	7,900
			Ophir Site Lease	7,900
		090	Materials and Supplies	3,000
		581	Capital - Contractual Services	1,850,000
			Enloe Dam - Engineering and Design	500,000
			Enloe Dam - License/Compliance/Permitting/Legal	750,000
			Enloe Dam - Construction	500,000
			Misc. and Unforeseen	100,000
		591	Capital - Materials and Supplies	50,000
			Enloe Dam - EAP	30,000
			Unforeseen Materials and Supplies	20,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	11	Power Supply		26,385,000
	010	Wages		99,300
	011	Benefits		30,900
	020	Travel		25,000
	021	Training, Tuition and Meeting Fees		7,500
	030	Transportation		2,300
	080	Misc. Contractual Services		843,000
		Douglas County PUD	351,500	
		PNGC (Slice Audit/Legal Fees)	3,500	
		The Energy Authority	3,500	
		Miscellaneous Professional Services	31,000	
		Annual Dow Jones Subscription	1,500	
		Central Washington Power Authority	5,000	
		Aces Power Marketing	297,000	
		Lands Energy - New Slice Implementation	150,000	
	083	Software Licenses and Support		3,000
		Support Fee COP Monitor	3,000	
	090	Materials and Supplies		1,000
	120	Purchased Power		25,373,000
		Other	0	
		BPA - Slice	10,657,000	
		BPA - Block	5,884,000	
		BPA - Transmission	2,071,000	
		Wells	3,975,000	
		Nine Canyon	2,786,000	

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	20	Engineering		1,414,700
	010	Wages		865,400
	011	Benefits		283,900
	020	Travel		13,500
		Engineering	11,000	
		Leadership	2,500	
	021	Training, Tuition and Meeting Fees		9,500
		Engineering	7,500	
		Leadership	2,000	
	030	Transportation		36,700
	060	Postage, Printing and Stationary		1,600
	070	Advertising		2,000
	080	Misc. Contractual Services		8,500
		Janitorial Services	8,500	
	083	Software Licenses and Support		64,300
		AutoCad	2,000	
		ESRI	5,000	
		Futura	14,800	
		GeoNav	3,000	
		Sag10 ver 3.10	4,500	
		Staker	30,000	
		TL-PRO Design Studio	5,000	
	084	Permits and Fees		1,000
		City Franchises	900	
		Miscellaneous	100	
	090	Materials and Supplies		20,800
	091	Small Tools (under \$1,000)		2,500
		Misc.	2,500	
	712	Capital - Equipment (Over \$2,000)		105,000
		Milsoft Engineering Analysis System	15,000	
		Futura/Itron Interface and Upgrade	25,000	
		SCADA - Server/Software Upgrade	55,000	
		Misc.	10,000	

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	21	Operations		21,694,500
	010	Wages		3,669,300
	011	Benefits		1,130,100
	020	Travel		17,500
		Operations	15,000	
		Leadership	2,500	
	021	Training, Tuition and Meeting Fees		22,500
		Operations	20,000	
		Leadership	2,500	
	030	Transportation		762,600
	060	Postage, Printing and Stationary		1,700
	070	Advertising		6,200
	080	Misc. Contractual Services		500,600
		CDL Testing Program	4,500	
		Employee Dispatch	9,600	
		Safety Training	55,000	
		Tree Trimming	400,000	
		Underground Locate Service	1,500	
		Vehicle Tracking Annual Fee	9,000	
		Weed Control	20,000	
		Miscellaneous	1,000	
	082	Maintenance Contracts		54,800
		Landscape Maintenance	1,800	
		Snowplowing and Sweeping	3,000	
		Regulator and Oil Circuit Breaker	50,000	
	083	Software Licenses and Support		33,400
		OSI	14,000	
		TWACS Handheld Support	5,000	
		ACLARA/TWACS/Enhanced Level of Support	13,000	
		Cummins Tool Software	1,400	
	084	Permits and Fees		39,000
		Railroad Licenses	36,000	
		Right of Ways - USFS/Dept. of Int.	2,800	
		Miscellaneous	200	
	085	Rents and Leases		900
		Pole Contacts	900	
	090	Materials and Supplies		649,800
		General	559,800	
		Special Projects - Meter Bases	70,000	
		Fire Resistant Clothing	20,000	
	091	Small Tools (under \$1,000)		33,000
		Brewster	5,000	
		Okanogan	20,000	
		Oroville	5,000	
		Mechanics Specialty Tool Replacement	3,000	
	092	Miscellaneous		6,300
		Lineman Rodeo (Fees, Travel and Supplies)	6,000	
		Safety Meeting Refreshments	300	
	581	Capital - Contractual Services		8,650,000
		AMI Implementation Labor (trenching at subs)	20,000	
		AMI/Fiber to Ellisforde and Whitestone Subs	500,000	
		Contract Labor	100,000	

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			Engineering - Large System Projects	100,000	
			Gold Creek Sub Construction	505,000	
			MTP Line Construction	6,000,000	
			MTP Mitigation/Roads	650,000	
			MTP Permits, Tetra Tech, Training, etc.	175,000	
			MTP ROW/Easements	500,000	
			Underground Replacements	100,000	
591		Capital - Materials and Supplies			5,022,200
			Normal Replacements and Extensions	2,500,000	
			AMI Equipment	150,000	
			Gold Creek Substation Materials	320,000	
			MTP Transmission and Distribution Materials	1,250,000	
			OCB, Regulators, Switches, etc.	220,000	
			Sandflat Substation Materials (steel for new bay)	25,000	
			SCADA Equipment	137,200	
			Pinecreek Substation/Includes AMI Equipment	250,000	
			Power Transformer Retrofill	70,000	
			Cutout Replacement	100,000	
592		Capital - Meter Purchases			440,000
			AMI Meters to Complete Project	200,000	
			Metering Special Projects	70,000	
			Normal Meter Replacements	170,000	
593		Capital - Transformer Purchases			500,000
			Normal Additions/Replacements	500,000	
710		Capital - Tools & Equipment (\$1,000 to \$2,000)			10,000
711		Capital - Buildings			20,000
			Vehicle Shop - Energy Efficient Lighting	12,500	
			Warehouse - Dock Ramp (Sweeper/Forklift)	7,500	
712		Capital - Equipment (Over \$2,000)			94,600
			Complete Safety Demo Trailer	5,000	
			Tools and Supplies Vending Machine	4,500	
			Gas Powered Jack Hammer	5,000	
			Meter Test Board	38,000	
			Travelers	4,800	
			Hot Arms	9,800	
			Hydraulic Torque Wrench	10,000	
			Parts Washer	13,000	
			Fresh Air Welding Helmets and Air Unit	4,500	
713		Capital - Vehicles			30,000
			Bucket Truck - Replacement	210,000	
			Service Truck - Replacement	45,000	
			Telecommunications Truck	70,000	
			Less: Transportation System Depreciation	(295,000)	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	22	Environmental		187,900
		010	Wages	120,200
		011	Benefits	41,800
		020	Travel	7,000
			Environmental	5,000
			Leadership	2,000
		021	Training, Tuition and Meeting Fees	4,500
			Environmental	3,000
			Leadership	1,500
		030	Transportation	4,200
		060	Postage, Printing and Stationary	200
		070	Advertising	1,000
		080	Misc. Contractual Services	5,000
			Miscellaneous	5,000
		083	Software Licenses and Support	2,000
		090	Materials and Supplies	2,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	30	Customer Service		1,417,200
	010	Wages		763,500
	011	Benefits		330,600
	020	Travel		5,100
		Customer Service	4,000	
		Leadership	1,100	
	021	Training, Tuition and Meeting Fees		3,400
		Customer Service	2,500	
		Leadership	900	
	030	Transportation		47,500
	060	Postage, Printing and Stationary		177,200
		Postage - NISC	78,000	
		Postage - PUD	30,700	
		Printing - Bill Print	48,800	
		Printing - Customer Packets	10,000	
		Printing - Misc.	9,700	
	070	Advertising		800
	080	Misc. Contractual Services		33,300
		Collection Service Credit Bureau	5,000	
		Credit Reporting Agency	8,300	
		Electronic Payments Fees	20,000	
	084	Permits and Fees		600
		Miscellaneous Fees (Notaries, etc.)	600	
	085	Rents and Leases		5,000
		Office Rent MVCC	4,800	
		Miscellaneous	200	
	090	Materials and Supplies		29,800
		General	28,800	
		Fire Resistant Clothing	1,000	
	091	Small Tools (under \$1,000)		2,500
		Unforeseen	2,500	
	092	Miscellaneous		17,900
		Miscellaneous Expenses	600	
		Net Account Receivable Writeoffs	17,300	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	35		Conservation/Consumer Information	644,000
		010	Wages	126,800
		011	Benefits	45,900
		020	Travel	15,000
		021	Training, Tuition and Meeting Fees	4,000
		030	Transportation	9,600
		060	Postage, Printing and Stationary	10,000
		070	Advertising	25,000
		071	Conservation Expenditures	372,800
			CRC Program	271,000
			Energy Conservation Agreement	100,000
			CRC Renewables	1,800
		080	Misc. Contractual Services	19,400
			Electric Education Programs	19,400
		090	Materials and Supplies	15,000
		092	Miscellaneous	500

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	40	General Administration		8,258,000
	010	Wages		1,196,100
	011	Benefits		387,500
	020	Travel		31,500
		General	20,300	
		Accounting and Finance	5,400	
		Human Resource	2,500	
		Leadership	3,300	
	021	Training, Tuition and Meeting Fees		28,000
		General	5,900	
		Accounting and Finance	2,900	
		Human Resource	6,500	
		Leadership	2,700	
		Education Reimbursement Program	10,000	
	030	Transportation		8,300
	040	Insurance (Property/Liability)		310,000
	050	Utilities		97,200
		Cell Phone Service	8,200	
		Electrical Service	7,800	
		Telephone Service	44,200	
		Water/Sewer/Garbage	37,000	
	060	Postage, Printing and Stationary		7,400
	070	Advertising		2,700
	080	Misc. Contractual Services		508,700
		APPA Dues	11,400	
		Audit Costs	85,000	
		Banking Fees	52,400	
		Benefits Administration	6,000	
		Bond Admin Fee	2,000	
		Chamber Dues	700	
		CWPU/UIP Expenses	24,000	
		Economic Alliance	6,000	
		Financial Studies	50,000	
		Fire Alarm Monitoring	400	
		Foundation for Water and Energy	2,000	
		Janitorial Services	53,500	
		Legislative Consultant	36,000	
		Misc. Services/Consulting	29,400	
		NW Public Power Assoc. Dues/NW Wage & Hour	28,800	
		PPC - Dues	25,100	
		PPC - NW River Partners	12,600	
		Standard and Poors	7,800	
		WA PUD Association Dues	71,000	
		WA PUD Miscellaneous Surveys/Studies	4,600	
	081	Legal Services		309,100
		General Counsel	234,100	
		Misc. Attorney Fees	75,000	
	082	Maintenance Contracts		18,500
		Copier Maintenance	5,800	
		Elevator Maintenance	3,300	
		Landscape Maintenance/Sweeping/Snowplowing	9,400	
	084	Permits and Fees		2,700

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			WA State Purchasing Coop	2,000	
			WA State L&I Right to Know	300	
			Misc.	400	
085		Rents and Leases			8,200
			Copier Lease	6,600	
			P.O. Box Rent	300	
			Storage	1,300	
090		Materials and Supplies			46,200
091		Small Tools (under \$1,000)			2,300
092		Miscellaneous			48,000
			Clothing for Identification	1,500	
			Deductibles/Damage Claims	2,600	
			Election Costs	0	
			Employee Day	2,000	
			Interview/New Employee Expenses	20,000	
			Meeting Expenses	4,800	
			Misc. Expenses	300	
			Recycling/Disposal/Destruction Office Materials	5,000	
			Service Awards and Costs	1,800	
			Wellness Program Expenses	10,000	
210		Taxes			2,108,300
710		Capital - Tools & Equipment (\$1,000 to \$2,000)			2,000
711		Capital - Buildings			22,000
			HQ Building - 2nd Avenue Signage	10,000	
			HQ Facilities - Gate Card Readers and Fencing	12,000	
712		Capital - Equipment (Over \$2,000)			0
810		Debt Service - Principal			1,035,000
811		Debt Service - Interest			1,978,300
901		Unforeseen Contingencies			100,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	41		Information Systems	872,200
		010	Wages	282,200
		011	Benefits	91,700
		020	Travel	12,500
		021	Training, Tuition and Meeting Fees	20,000
		030	Transportation	2,000
		080	Misc. Contractual Services	14,400
			Neopost Postal Rate Change	1,200
			Network Consulting	10,000
			RDS	500
			Security System Monitoring	2,700
		082	Maintenance Contracts	28,300
			Itron	3,600
			Key Card System	5,000
			M+RFM Bundle (Spam & Archive)	3,000
			NetApp SAN Hardware/Software	9,000
			SonicWall	2,500
			Symantec	1,200
			VMWare Software	4,000
		083	Software Licenses and Support	171,000
			NISC	109,400
			AV Licenses	800
			Backup Exec	1,200
			Exchange Server	2,100
			MS Server	1,000
			PC Software	8,500
			Remote Agents	3,000
			SharePoint	45,000
		085	Rents and Leases	16,100
			Mailing Equipment Lease	11,100
			Postage Machine Leases - Branch Offices	3,000
			Postage Meter Rental - Okanogan	2,000
		090	Materials and Supplies	10,000
		091	Small Tools (under \$1,000)	25,500
			Misc. Peripherals	20,000
			Small Tools	5,500
		710	Capital - Tools & Equipment (\$1,000 to \$2,000)	1,200
		712	Capital - Equipment (Over \$2,000)	140,000
			eBill Server	5,000
			Video Conferencing - Okanogan	7,000
			Video Surveillance - Branch Offices and Subs	18,000
			Virtual Environment	105,000
			VPN Appliance	5,000
		714	Capital - Personal Computers	57,300

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	50		Commissioners	156,700
		010	Wages	87,000
		011	Benefits	39,900
		020	Travel	24,300
		021	Training, Tuition and Meeting Fees	2,800
		090	Materials and Supplies	1,300
		092	Miscellaneous	1,400

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
2	60		Wholesale Telecommunications	1,954,200
	010		Wages	222,000
	011		Benefits	67,300
	020		Travel	12,500
	021		Training, Tuition and Meeting Fees	12,500
	030		Transportation	16,000
	080		Misc. Contractual Services	144,200
			NoaNet Calea Services	4,200
			Professional Services - Network Vulnerability	60,000
			Professional Services - WDM Implementation	80,000
	081		Legal Services	5,000
	082		Maintenance Contracts	25,500
			Eaton/Powerware UPS Towers	3,500
			Cisco Smartnet	5,400
			WWP Lightning Edge/Ciena Devices	12,000
			RADcare (Optimux and IPMux)	2,600
			Motorola Canopy Hardware/Software	2,000
	083		Software Licenses and Support	35,000
			Element Management Software	30,000
			Solar Winds IP Monitor Software Support	5,000
	084		Permits and Fees	120,000
			Internet Fees - NoaNet	115,000
			ARIN ASN & IP Address Allocation	5,000
	085		Rents and Leases	221,200
			DCPUD Lit Services Lease	3,000
			DCPUD Dark Fiber Lease	58,300
			DCPUD Colocation	1,800
			Protect Path Ring (Canada/Seattle/Wenatchee)	102,000
			NoaNet Dark Fiber Lease	32,100
			CenturyTel Dark Fiber Lease	0
			Wireless Site Lease	24,000
	090		Materials and Supplies	101,500
			Battery Maintenance & Replacement	6,500
			Fiber Plant Maintenance - Wholesale	50,000
			HVAC Maintenance and Repair	30,000
			Misc. Switch/Network HW Upgrades	10,000
			UPS/Rectifier Replacement	5,000
	091		Small Tools (under \$1,000)	1,000
	210		Taxes	10,700
	591		Capital - Material and Supplies	532,000
			Fiber Buildout	10,000
			Fiber Distribution Builds	50,000
			Network Hardware Replacements	75,000
			New Ethernet Node	25,000
			Rackmount Servers	20,000
			WDM Infrastructure	230,000
			Wireless Remote Subscriber Units	97,000
			Wireless Towers	25,000
	712		Capital - Equipment (Over \$2,000)	10,000
			Test Equipment	5,000
			Tools	5,000
	810		Debt Service - Principal	155,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
		811	Debt Service - Interest	262,800

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	61		Internal Communications	1,158,300
		010	Wages	147,400
		011	Benefits	53,800
		020	Travel	10,000
			Communications	7,000
			Leadership	3,000
		021	Training, Tuition and Meeting Fees	16,200
			Communications	12,000
			Leadership	4,200
		030	Transportation	8,100
		060	Postage, Printing and Stationary	300
		080	Misc. Contractual Services	100,000
			UHF System Re-Design	50,000
			NoaNet Assessments	50,000
		082	Maintenance Contracts	50,500
			Fire Alarm System	2,000
			Landscape Maintenance/Sweeping	6,000
			UHF Radio System	19,000
			Telephone System	10,000
			UPS Maintenance	13,500
		083	Software Licenses and Support	8,700
			Cisco Smartnet	200
			MapInfo Software	1,500
			Fiber Mapping Software	7,000
		084	Permits and Fees	3,000
			Right of Way - USFS, DOT, etc.	3,000
		085	Rents and Leases	25,800
			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
			Dark Fiber Lease - Brewster to Wells Dam	17,700
		090	Materials and Supplies	50,000
			General Materials and Supplies	50,000
		091	Small Tools (under \$1,000)	2,000
		591	Capital - Material and Supplies	32,500
			Fiber Rework - 1st and 2nd Avenue Okanogan	15,000
			Fiber Build - Okanogan County Fairgrounds	7,500
			Miscellaneous	10,000
		712	Capital - Equipment (Over \$2,000)	650,000
			UHF Radio System Overhaul	590,000
			Miscellaneous Contingencies	60,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
			TOTAL EXPENDITURES AND CAPITAL OUTLAY	66,769,100

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
LABOR AND PERSONNEL (WAGES ONLY)**

<u>Department</u>	<u>Title</u>	<u>12/31/2010</u>
Generation	Overtime	0
	Sub-Total	0
Power Supply	Power Resource Manager	96,096
	WECC Compliance/Power Analyst	46,300
	Sub-Total	142,396
Engineering	Chief Engineer	118,924
	Distribution Engineer	51,686
	Distribution Engineer	51,626
	Sr. Distribution Engineer	69,422
	Sr. Distribution Engineer	68,357
	Sr. Distribution Engineer	61,660
	Systems Engineer	86,412
	Systems Engineer	85,665
	Systems Engineer	72,155
	GIS Technician	59,629
	Engineering Aid	45,277
	Intern Engineer	20,000
	On Call Compensation	41,600
	Overtime	10,000
	Sub-Total	842,413
Operations	Construction Superintendent	96,554
	Area Manager	89,436
	Area Manager	98,145
	Purchasing Agent/Facilities Manager	77,790
	Right of Way Superintendent	63,563
	Assistant Construction Superintendent	82,653
	Serviceman	75,234
	Serviceman	75,234
	Serviceman	75,234
	Serviceman	75,234
	Foreman	84,552
	Journeyman Lineman	75,234
	Journeyman Lineman	75,234
	Journeyman Lineman	75,234
	Foreman	84,552
	Journeyman Lineman	75,234
	Journeyman Lineman	75,234
	Apprentice Lineman	67,205
	Foreman	84,552
	Journeyman Lineman	75,234
	Lineman	75,234
	Apprentice Lineman	60,507
	Foreman	84,552
	Journeyman Lineman	75,234
	Journeyman Lineman	75,234
Apprentice Lineman	63,939	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
LABOR AND PERSONNEL (WAGES ONLY)**

<u>Department</u>	<u>Title</u>	<u>12/31/2010</u>
	Journeyman Lineman/Locator	75,234
	Wireman Foreman	84,552
	Wireman	75,234
	Wireman	75,234
	Journeyman Meterman	75,234
	Journeyman Meterman	75,234
	LA Meter Replacement Specialist	53,518
	HazMat Specialist	58,053
	Facilities Maintenance Worker	60,091
	Facilities Maintenance Worker	39,686
	Shop Foreman	67,600
	Mechanic	57,990
	Mechanic	57,990
	Warehouseman	55,307
	Warehouseman	55,307
	Temporary Labor Lineman	30,000
	Temporary Labor Groundman	20,000
	Part-time Student Labor	27,000
	On Call Compensation	18,720
	Overtime - Cutout Changes	150,000
	Overtime	350,000
	Sub-Total	<u>3,578,026</u>
Environmental	Director of Regulatory & Environmental Affairs	101,311
	Environmental Coordinator	58,662
	Environmental Coordinator	61,140
	Overtime	10,000
	Sub-Total	<u>231,113</u>
Customer Service	Customer Service Supervisor	83,832
	Customer Records Coordinator	55,116
	Credit/Collections Specialist	45,901
	Account Clerk	42,557
	Account Clerk	42,557
	Account Clerk	42,557
	Account Clerk	32,157
	Account Clerk	42,557
	Account Clerk	42,557
	Account Clerk	42,557
	Meter Reader	46,550
	Meter Reader	46,550
	Meter Reader	46,550
	Relief Account Clerk	21,300
	Relief Account Clerk	21,300
	Relief Account Clerk	18,800
	Overtime	25,000
	Sub-Total	<u>740,955</u>

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2011 FINAL BUDGET - NOVEMBER 16, 2010
LABOR AND PERSONNEL (WAGES ONLY)**

<u>Department</u>	<u>Title</u>	<u>12/31/2010</u>
Conservation	Energy Services Coordinator	56,730
	Energy Services Coordinator	56,730
	Overtime	10,000
	Sub-Total	<u>123,460</u>
General Administration	General Manager	165,000
	Operations Manager	144,899
	Director of Finance/Auditor	121,705
	Administrative/Executive Assistant	55,744
	Administrative Assistant	55,563
	Human Resource Director	97,415
	Chief Accountant/Deputy Treasurer	84,824
	Treasurer/Accountant	78,998
	Financial Analyst	61,447
	Accountant	57,298
	Accountant	61,338
	Payroll/Employee Records Coordinator	47,929
	Accounts Payable Clerk	37,800
	LA Project Analyst	90,000
	Overtime	4,000
Sub-Total	<u>1,163,960</u>	
Information Systems	Information Systems Supervisor	90,933
	Information Systems Technician	64,526
	Information Systems Technician	59,218
	Information Systems Technician	59,218
Sub-Total	<u>273,895</u>	
Commissioners	Commissioner	29,000
	Commissioner	29,000
	Commissioner	29,000
Sub-Total	<u>87,000</u>	
Telecommunications	Network Engineer	91,485
	Telecommunications Technicians	63,877
	Telecommunications Technicians	63,877
	Telecommunications Technicians	63,877
	Overtime	28,000
Sub-Total	<u>311,116</u>	
	Wage Increases (Step and Cost of Living)	<u>202,498</u>
	Total Labor Costs	7,696,832

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
OVERVIEW

HIGHLIGHTS

- \$19.9 million transfer from reserves, which is a \$2.5 million decrease over the 2011 adopted budget.
- Revenues, not including Grant Proceeds, cover operating expenses by \$2.8 million.
- Retail Electric Sales increased \$2.5 million to \$37.5 million.
- Wholesale Electric Sales decreased \$2.7 million - Decrease in electricity available for sale, due to 5.8 mW_a less power available from BPA.
- Miscellaneous Income budget increased by \$755,000 - Build America Bond reimbursement of almost \$500,000.
- Construction Contributions increased \$239,000 - continues to outperform expectations.
- Grant Proceeds of \$5.4 million - A new category used to account for BPA Conservation & ARRA Project reimbursements.
- Unforeseen Operating Contingency \$100,000 - A new category to be used for improved budget tracking.
- Purchased Power - the largest operating expenditure in the budget decreased over \$2.2 million to \$23.2 million.
The 2012 proposed budget reflects expected cost decrease driven by less power available from BPA.
- Capital Outlays account for \$24.6 million - see a summary of capital projects below.
- Debt Service Coverage Ratio is estimated at 1.60 times annual debt service payments, bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at .86, District's target is 1.5 times.

REVENUES of \$50.9 million - Assumptions Used

- **Retail Electric Sales:** Predicting a 1% load growth, 1.5 mW step up for expansion of several large general service customers and previously approved rate adjustments.
- **Wholesale Electric:** Sales based on a 3/4 to median water year and previous two years average market pricing,
- **Wholesale Telecommunications:** Based on current revenue levels and a slight increase for broadband buildout.
- **Interest:** Return on investments of between .17%(LGIP) and .25%(CDs).
- **Miscellaneous:** Previous twelve months revenue and Build America Bond reimbursement of \$446,000.
- **Rental Income:** Same as previous year with no growth.
- **Construction Contributions:** Estimated using previous two years average.
- **Grant Proceeds:** Anticipated reimbursements of \$460,000 from BPA and \$5.0 million from RUS.

EXPENDITURES \$42.7 million - Assumptions Used

- **Wages:** One less employee than the 2011 adopted budget and overall average wage increase of 3.0%.
The overall average wage increase includes current bargaining agreement step increases.
- **Benefits:** Based on August 2010 thru July 2011 actual percentage of wages. Range of 32.9% through 48.6% (ave. 36%).
- **Purchased Power:** Wells Project costs effective September 2011 and BPA's new contract effective October 2011.
- **Other Expenditures:** Other expenses are based on known 2012 costs, if costs are not specifically known a 2% increase was estimated, except transportation .5%, taxes 3% and postage 4%.

CAPITAL OUTLAY \$24.6 million - Summary Listing

- Methow transmission line and substation \$9.4 million.
- ARRA Broadband Project \$8.3 million
- Operations normal replacements and extensions of \$2.0 million.
- **Enloe Dam \$1.3 million.**
- Wholesale Telecommunications capital of \$758,000, non-ARRA.
- Upgrade/Expand UHF radio system \$590,000.
- Information Systems \$274,000 (network, phone, access control and surveillance systems).
- Bucket Truck Replacement \$250,000.
- Warehouse Truck Replacement \$250,000.
- Tonasket to Oroville Fiber Build \$250,000.
- Regulator and switch purchases \$170,000.
- SCADA implementation continuation \$140,000.
- Underground replacements \$200,000.
- Other capital items \$718,000.

DEBT SERVICE \$3.5 million

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

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
BUDGET SUMMARY**

<u>Description</u>	<u>Electric</u>	<u>Wholesale Telecom</u>	<u>Total</u>
<u>REVENUE</u>			
Sales - Retail	37,475,000		37,475,000
Sales - Wholesale	2,742,000	2,500,000	5,242,000
Interest	80,000		80,000
Miscellaneous	1,504,000		1,504,000
Rental Income	118,000		118,000
Construction Contribution	1,059,000		1,059,000
Grant Proceeds	460,000	4,961,000	5,421,000
Total Revenue	43,438,000	7,461,000	50,899,000
<u>EXPENDITURES</u>			
Wages	7,364,100	262,900	7,627,000
Benefits	2,626,200	90,200	2,716,400
Travel	158,300	12,500	170,800
Training, Tuition and Meeting Fees	116,300	12,500	128,800
Transportation	806,500	22,800	829,300
Insurance	308,000		308,000
Utilities	85,800		85,800
Postage, Printing and Stationary	193,000		193,000
Advertising	22,300		22,300
Conservation Expenditures	460,000		460,000
Misc. Contractual Services	2,205,400	8,400	2,213,800
Legal Services	309,100	10,000	319,100
Maintenance Contracts	138,400	47,500	185,900
Software Licenses and Support	429,500	15,700	445,200
Permits and Fees	60,500	100,000	160,500
Rents and Leases	66,700	213,300	280,000
Materials and Supplies	700,500	96,500	797,000
Small Tools (under \$1,000)	42,300	1,000	43,300
Miscellaneous	100,300		100,300
Unforeseen Operating Contingency	100,000		100,000
Purchased Power	23,220,100		23,220,100
Taxes	2,286,800	11,900	2,298,700
Total Expenditures	41,800,100	905,200	42,705,300
<u>CAPITAL OUTLAY</u>			
Capital - Contractual Services	9,593,000	93,400	9,686,400
Capital - Materials and Supplies	4,024,000	9,027,400	13,051,400
Capital - Meter Purchases	90,000		90,000
Capital - Transformer Purchases	225,000		225,000
Capital - Tools and Equipment	12,000		12,000
Capital - Buildings	7,500		7,500
Capital - Equipment (Over \$2,000)	1,041,000	10,000	1,051,000
Capital - Vehicles	315,300		315,300
Capital - Personal Computers	48,100		48,100
Unforeseen Capital Contingency	100,000		100,000
Total Capital Outlay	15,455,900	9,130,800	24,586,700
<u>DEBT SERVICE</u>			
Debt Service - Principal	1,387,000	168,000	1,555,000
Debt Service - Interest	1,685,300	233,700	1,919,000
Total Debt Service	3,072,300	401,700	3,474,000
Total Use of Resources	60,328,300	10,437,700	70,766,000
TRANSFER TO/(FROM) RESERVES	(16,890,300)	(2,976,700)	(19,867,000)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE SUMMARY BY DEPARTMENT

<u>Description</u>	<u>Generation</u>	<u>Power Supply</u>	<u>Engineering</u>	<u>Operations</u>	<u>Environmental</u>	<u>Customer Service</u>	<u>Conservation</u>	<u>General Administration</u>	<u>Information Systems</u>	<u>Commissioners</u>	<u>Wholesale Telecom</u>	<u>Internal Communications</u>	<u>Total</u>
EXPENDITURES													
010 Wages	116,800	112,200	837,400	3,674,000	120,000	648,100	123,400	1,134,300	360,600	85,800	262,900	151,500	7,627,000
011 Benefits	43,300	41,400	288,900	1,241,800	42,400	287,800	46,900	420,800	118,600	41,700	90,200	52,600	2,716,400
020 Travel	10,000	12,500	12,500	17,500	8,000	5,000	8,000	40,500	15,000	24,300	12,500	5,000	170,800
021 Training, Tuition and Meeting Fees	5,000	7,500	7,500	30,000	4,500	2,500	5,800	25,700	20,000	2,800	12,500	5,000	128,800
030 Transportation	6,200	2,100	30,000	700,000	4,200	35,700	6,000	6,900	1,200		22,800	14,200	829,300
040 Insurance								308,000					308,000
050 Utilities								85,800					85,800
060 Postage, Printing and Stationary			1,000	1,400		174,000	8,000	7,800		500		300	193,000
070 Advertising			500	3,000		800	15,000	3,000					22,300
071 Conservation Expenditures							460,000						460,000
080 Misc. Contractual Services	50,000	893,500	8,500	583,100	1,000	20,000	23,300	598,000	28,000		8,400		2,213,800
081 Legal Services								309,100			10,000		319,100
082 Maintenance Contracts				10,000		400		20,000	81,000		47,500	27,000	185,900
083 Software Licenses and Support		50,000	60,000	27,300	4,500	12,300			266,000		15,700	9,400	445,200
084 Permits and Fees	50,000		500	4,000		300		2,700			100,000	3,000	160,500
085 Rents and Leases	8,200			1,000		5,200		11,000	15,500		213,300	25,800	280,000
090 Materials and Supplies	3,000	1,000	15,000	520,000	22,000	30,000	2,000	46,200	10,000	1,300	96,500	50,000	797,000
091 Small Tools (under \$1,000)			2,000	18,000		3,000		2,300	15,000		1,000	2,000	43,300
092 Miscellaneous				10,000		38,700	200	50,000		1,400			100,300
099 Unforeseen Operating Contingency								100,000					100,000
120 Purchased Power		23,220,100											23,220,100
210 Taxes								2,286,800			11,900		2,298,700
Total Expenditures	292,500	24,340,300	1,263,800	6,841,100	206,600	1,263,800	698,600	5,458,900	930,900	157,800	905,200	345,800	42,705,300
CAPITAL OUTLAY													
581 Capital - Contractual Services	1,240,000			8,353,000							93,400		9,686,400
591 Capital - Materials and Supplies	42,000			3,957,000							9,027,400	25,000	13,051,400
592 Capital - Meter Purchases				90,000									90,000
593 Capital - Transformer Purchases				225,000									225,000
710 Capital - Tools and Equipment				10,000				2,000					12,000
711 Capital - Buildings				7,500									7,500
712 Capital - Equipment (Over \$2,000)			73,000	39,000		5,000			274,000		10,000	650,000	1,051,000
713 Capital - Vehicles				315,300									315,300
714 Capital - Personal Computers									48,100				48,100
901 Unforeseen Capital Contingency								100,000					100,000
Total Capital Outlay	1,282,000	0	73,000	12,996,800	0	5,000	0	102,000	322,100	0	9,130,800	675,000	24,586,700
DEBT SERVICE													
810 Debt Service - Principal								1,387,000			168,000		1,555,000
811 Debt Service - Interest								1,685,300			233,700		1,919,000
Total Debt Service	0	0	0	0	0	0	0	3,072,300	0	0	401,700	0	3,474,000
Total Use of Resources	1,574,500	24,340,300	1,336,800	19,837,900	206,600	1,268,800	698,600	8,633,200	1,253,000	157,800	10,437,700	1,020,800	70,766,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
REVENUE DETAIL**

<u>Div.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	Electric		43,438,000
	001	Sales - Retail	37,475,000
	002	Sales - Wholesale	2,742,000
	003	Interest	80,000
	004	Miscellaneous	1,504,000
	005	Rental Income	118,000
	006	Construction Contributions	1,059,000
	007	Grant Proceeds	460,000
2	Wholesale Telecom		7,461,000
	002	Sales - Wholesale	2,500,000
	004	Miscellaneous	0
	006	Construction Contributions	0
	007	Grant Proceeds	4,961,000
		TOTAL REVENUE	50,899,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	10	Generation		1,574,500
		010	Wages	116,800
		011	Benefits	43,300
		020	Travel	10,000
		021	Training, Tuition and Meeting Fees	5,000
		030	Transportation	6,200
		080	Misc. Contractual Service	50,000
			Emergency Action Plan (EAP) Yearly Review	20,000
			Yearly Dam Inspection	15,000
			Yearly Monitoring Historical Structures	5,000
			Other Misc.	10,000
		084	Permits and Fees	50,000
			Other Misc.	50,000
		085	Rent and Leases	8,200
			Ophir Site Lease	8,200
		090	Materials and Supplies	3,000
		581	Capital - Contractual Services	1,240,000
			BLM Cost Recovery Agreement	50,000
			Cardno Entrix	400,000
			Christensen & Associates	400,000
			GKRSE - FERC/Federal Legal Council	75,000
			Longview Associates	35,000
			Other Cost Recovery Agreements	50,000
			PM&E Implementation	200,000
			WDOE Cost Recovery Agreement	30,000
		591	Capital - Materials and Supplies	42,000
			Enloe Dam - EAP	7,000
			Materials and Supplies	35,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	11	Power Supply		24,340,300
		010	Wages	112,200
		011	Benefits	41,400
		020	Travel	12,500
		021	Training, Tuition and Meeting Fees	7,500
		030	Transportation	2,100
		080	Misc. Contractual Services	893,500
			Douglas County PUD	346,000
			Miscellaneous Professional Services	31,000
			Annual Dow Jones Subscription	1,500
			Central Washington Power Authority	5,000
			Slice Scheduling Software	500,000
			Slice Implementation Group	10,000
		083	Software Licenses and Support	50,000
			Software Support Fee	50,000
		090	Materials and Supplies	1,000
		120	Purchased Power	23,220,100
			BPA - Slice	7,909,700
			BPA - Block	6,086,100
			BPA - Transmission	2,337,100
			Wells	4,073,800
			Nine Canyon	2,813,400

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	20	Engineering		1,336,800
		010	Wages	837,400
		011	Benefits	288,900
		020	Travel	12,500
			Engineering	12,500
		021	Training, Tuition and Meeting Fees	7,500
			Engineering	7,500
		030	Transportation	30,000
		060	Postage, Printing and Stationary	1,000
		070	Advertising	500
		080	Misc. Contractual Services	8,500
			Janitorial Services (BR, TO, and OR)	8,500
		083	Software Licenses and Support	60,000
			AutoCad	2,000
			ESRI	5,000
			Futura	15,000
			GeoNav	3,000
			Acent GIS (Aerials)	1,200
			Staker	28,800
			TL-PRO Design Studio	5,000
		084	Permits and Fees	500
			Miscellaneous	500
		090	Materials and Supplies	15,000
		091	Small Tools (under \$1,000)	2,000
			Misc.	4,000
		712	Capital - Equipment (Over \$2,000)	73,000
			Staker w/ Analysis	65,000
			CMMS	8,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	21	Operations		19,837,900
		010	Wages	3,674,000
		011	Benefits	1,241,800
		020	Travel	17,500
			Operations	17,500
		021	Training, Tuition and Meeting Fees	30,000
			Operations	30,000
		030	Transportation	700,000
		060	Postage, Printing and Stationary	1,400
		070	Advertising	3,000
		080	Misc. Contractual Services	583,100
			CDL Testing Program	4,000
			Employee Dispatch	9,600
			Facility Gates	10,500
			Pole Testing	250,000
			Safety Training	38,000
			Tree Trimming	250,000
			Underground Locate Service	2,000
			Weed Control	15,000
			Miscellaneous	4,000
		082	Maintenance Contracts	10,000
			Landscape Maintenance	8,000
			Snowplowing and Sweeping	2,000
		083	Software Licenses and Support	27,300
			Cummins Tool Software	700
			Fastenal Tool Inventory	1,200
			OSI	14,300
			Trimble Field Inspector	4,100
			Zonar Vehicle Tracking	7,000
		084	Permits and Fees	4,000
			Right of Ways - USFS/Dept. of Int.	3,000
			Miscellaneous	1,000
		085	Rents and Leases	1,000
			Pole Contacts	1,000
		090	Materials and Supplies	520,000
			General	500,000
			Fire Resistant Clothing	20,000
		091	Small Tools (under \$1,000)	18,000
			Brewster	3,200
			Okanogan	9,600
			Oroville	3,200
			Mechanics Specialty Tool Replacement	2,000
		092	Miscellaneous	10,000
			Lineman Rodeo (Fees, Travel and Supplies)	9,600
			Safety Meeting Refreshments	400
		581	Capital - Contractual Services	8,353,000
			Contract Labor	100,000
			Engineering - Large System Projects	100,000
			Tonasket to Oroville Fiber Construction	123,000
			Gold Creek Sub Construction	505,000
			MTP Line Construction	6,000,000
			MTP Mitigation/Roads	650,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			MTP Permits, Tetra Tech, Training, etc.	175,000	
			MTP ROW/Easements	500,000	
			Underground Replacements	200,000	
591		Capital - Materials and Supplies			3,957,000
			Normal Replacements and Extensions	1,800,000	
			AMI Equipment	50,000	
			Tonasket to Oroville Fiber Materials	127,000	
			Gold Creek Substation Materials	320,000	
			MTP Transmission and Distribution Materials	1,250,000	
			OCB, Regulators, Switches, etc.	170,000	
			SCADA Equipment	140,000	
			Cutout Replacement	100,000	
592		Capital - Meter Purchases			90,000
			Metering Special Projects	75,000	
			Normal Meter Replacements	15,000	
593		Capital - Transformer Purchases			225,000
			Normal Additions/Replacements	225,000	
710		Capital - Tools & Equipment (\$1,000 to \$2,000)			10,000
711		Capital - Buildings			7,500
			Warehouse - Emergency Generator	7,500	
712		Capital - Equipment (Over \$2,000)			39,000
			Hydraulic Oil Filter Machine	11,200	
			Ironworker	20,000	
			Trimble Field Inspector Handheld	7,800	
713		Capital - Vehicles			315,300
			Bucket Truck - Replacement	250,000	
			Warehouse Truck - Replacement	250,000	
			Dump Trailers	15,000	
			Used 4x4 Line Truck	80,000	
			Less: Transportation System Depreciation	(279,700)	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	22		Environmental	206,600
		010	Wages	120,000
		011	Benefits	42,400
		020	Travel	8,000
			Environmental	8,000
		021	Training, Tuition and Meeting Fees	4,500
			Environmental	4,500
		030	Transportation	4,200
		080	Misc. Contractual Services	1,000
			Miscellaneous	1,000
		083	Software Licenses and Support	4,500
		090	Materials and Supplies	22,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	30	Customer Service		1,268,800
		010	Wages	648,100
		011	Benefits	287,800
		020	Travel	5,000
		021	Training, Tuition and Meeting Fees	2,500
		030	Transportation	35,700
		060	Postage, Printing and Stationary	174,000
			Postage - NISC	76,400
			Postage - PUD	24,500
			Printing - Bill Print	51,800
			Printing - Customer Packets	10,000
			Printing - Misc.	11,300
		070	Advertising	800
		080	Misc. Contractual Services	20,000
			CIS Programming	5,000
			Collection Service - Credit Bureau	2,500
			Credit Reporting Agency	3,200
			Electronic Payments Fees	9,300
		082	Maintenance Contracts	400
		083	Software Licenses and Support	12,300
			RemitPlus Check Scanning and Recognition License	8,000
			RemitPlus Check Scanning and Recognition Support	4,300
		084	Permits and Fees	300
			Miscellaneous Fees (Notaries, etc.)	300
		085	Rents and Leases	5,200
			Office Rent MVCC	4,900
			Miscellaneous	300
		090	Materials and Supplies	30,000
			General	30,000
		091	Small Tools (under \$1,000)	3,000
			Mini Payment Kiosk - Okanogan	3,000
			Okanogan Counter 3rd Workstation	0
		092	Miscellaneous	38,700
			Miscellaneous Expenses	600
			Net Account Receivable Writeoffs	38,100
		712	Capital - Equipment (Over \$2,000)	5,000
			Check Scanning Hardware	5,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	35		Conservation/Consumer Information	698,600
		010	Wages	123,400
		011	Benefits	46,900
		020	Travel	8,000
		021	Training, Tuition and Meeting Fees	5,800
		030	Transportation	6,000
		060	Postage, Printing and Stationary	8,000
		070	Advertising	15,000
		071	Conservation Expenditures	460,000
			Conservation Programs	460,000
		080	Misc. Contractual Services	23,300
			Electric Education Programs	23,300
		090	Materials and Supplies	2,000
		092	Miscellaneous	200

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	40	General Administration		8,633,200
	010	Wages		1,134,300
	011	Benefits		420,800
	020	Travel		40,500
		General	22,500	
		Accounting and Finance	8,200	
		Human Resource	3,800	
		Leadership	6,000	
	021	Training, Tuition and Meeting Fees		25,700
		General	1,900	
		Accounting and Finance	2,300	
		Human Resource	1,500	
		Leadership	10,000	
		Education Reimbursement Program	10,000	
	030	Transportation		6,900
	040	Insurance (Property/Liability)		308,000
	050	Utilities		85,800
		Cell Phone Service	6,800	
		Electrical Service	6,400	
		Telephone Service	46,400	
		Water/Sewer/Garbage	26,200	
	060	Postage, Printing and Stationary		7,800
	070	Advertising		3,000
	080	Misc. Contractual Services		598,000
		APPA Dues	12,600	
		Audit Costs	74,200	
		Banking Fees	45,000	
		Benefits Administration	14,000	
		Bond Admin Fee	2,800	
		Chamber Dues	800	
		CWPU/UIP Expenses	30,000	
		Economic Alliance	6,000	
		Financial Studies	150,000	
		Fire Alarm Monitoring	400	
		Foundation for Water and Energy	2,000	
		Janitorial Services (OK and OM)	55,200	
		Legislative Consultant	39,700	
		Misc. Services/Consulting	20,000	
		NW Public Power Assoc. Dues/NW Wage & Hour	28,400	
		PPC - Dues	24,900	
		PPC - NW River Partners	12,400	
		Standard and Poors	7,700	
		WA PUD Association Dues	71,900	
	081	Legal Services		309,100
		General Counsel	234,100	
		Misc. Attorney Fees	75,000	
	082	Maintenance Contracts		20,000
		Copier Maintenance	11,700	
		Elevator Maintenance	700	
		Landscape Maintenance/Sweeping/Snowplowing	7,600	
	084	Permits and Fees		2,700
		WA State Purchasing Coop	2,000	

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget</u> <u>Amount</u>
			WA State L&I Right to Know	300	
			Misc.	400	
	085	Rents and Leases			11,000
			Copier Lease	8,100	
			P.O. Box Rent	300	
			Postage Machine Rent	2,600	
	090	Materials and Supplies			46,200
	091	Small Tools (under \$1,000)			2,300
	092	Miscellaneous			50,000
			Clothing for Identification	1,200	
			Deductibles/Damage Claims	10,000	
			Election Costs	4,700	
			Employee Day	3,400	
			Meeting Expenses	10,600	
			Misc. Expenses (Wellness, Interview and Moving Exp)	17,600	
			Service Awards and Costs	2,500	
	099	Unforeseen Operating Contingency			100,000
	210	Taxes			2,286,800
	710	Capital - Tools & Equipment (\$1,000 to \$2,000)			2,000
	810	Debt Service - Principal			1,387,000
	811	Debt Service - Interest			1,685,300
	901	Unforeseen Capital Contingency			100,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	41	Information Systems		1,253,000
	010	Wages		360,600
	011	Benefits		118,600
	020	Travel		15,000
	021	Training, Tuition and Meeting Fees		20,000
	030	Transportation		1,200
	080	Misc. Contractual Services		28,000
		Network Consulting	20,000	
		SharePoint and Webpage Consulting	5,000	
		Security System Monitoring	3,000	
	082	Maintenance Contracts		81,000
		Eaton Powerware - Datacenter UPS	38,000	
		Eaton Powerware - Omak Network UPS	10,000	
		Eaton Powerware - Remote Monitoring	5,000	
		Key Card System Maintenance	5,000	
		NetApp SAN Hardware/Software Maintenance	18,500	
		SonicWall	2,500	
		Server Hardware Maintenance	2,000	
	083	Software Licenses and Support		266,000
		Aclara - TWACS Support	18,000	
		Digi Cert for Exchange Server	500	
		eBill Certificate	600	
		Exchange 2010 User Cals	1,400	
		Exchange 2010 Server Standard	1,200	
		LocalTel Phone System Maintenance	12,000	
		MS Office 2010	8,800	
		MS Server 2008 User Cals	600	
		MS Server 2008 R2	5,000	
		M+RFM Bundle (Spam & Archive)	3,000	
		NISC Custom Programming	5,000	
		NISC Maintenance	120,000	
		NISC MDMS	15,000	
		NISC MDMS Annual Fee	13,600	
		OCR for RICOH Scanner	40,000	
		SharePoint 2010	2,300	
		Symantec Software and Support	8,200	
		Soniclear Recording Software	800	
		VMWare Software Support (IS)	5,000	
		VMWare Software Support (Telecom)	5,000	
	085	Rents and Leases		15,500
		Okanogan Mailing Equipment	12,500	
		Branch Office Mailing Equipment	3,000	
	090	Materials and Supplies		10,000
	091	Small Tools (under \$1,000)		15,000
	712	Capital - Equipment (Over \$2,000)		274,000
		Virtual Server Environment - Hardware	47,500	
		Virtual Server Environment - Software	20,000	
		SIEM - Log Management	15,000	
		Phone System - Phones and Switch	6,500	
		Keycard Systems - Backend Server Hardware	10,000	
		Keycard Systems - Readers and Controllers	50,000	
		Video Systems - Backend Server Hardware	30,000	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			Video Surveillance Software	15,000	
			Video System Cameras - Subs, Yards and Fence Line	60,000	
			Video System Cameras - Branch Offices	10,000	
			Video Conferencing	10,000	
714		Capital - Personal Computers			48,100

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	50		Commissioners	157,800
		010	Wages	85,800
		011	Benefits	41,700
		020	Travel	24,300
		021	Training, Tuition and Meeting Fees	2,800
		060	Postage, Printing and Stationary	500
		090	Materials and Supplies	1,300
		092	Miscellaneous	1,400

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
2	60		Wholesale Telecommunications	10,437,700
		010	Wages	262,900
		011	Benefits	90,200
		020	Travel	12,500
		021	Training, Tuition and Meeting Fees	12,500
		030	Transportation	22,800
		080	Misc. Contractual Services	8,400
			NoaNet Calea Services	8,400
		081	Legal Services	10,000
		082	Maintenance Contracts	47,500
			Cisco Smartnet	13,500
			WWP Lightning Edge/Ciena Devices	27,500
			RADcare (Optimux and IPMux)	4,500
			Motorola Canopy Hardware/Software	2,000
		083	Software Licenses and Support	15,700
			NetZoom	700
			Misc. Software Upgrades	15,000
		084	Permits and Fees	100,000
			Internet Fees	95,000
			ARIN ASN & IP Address Allocation	5,000
		085	Rents and Leases	213,300
			DCPUD Leases	79,200
			Protect Path Ring	78,000
			NoaNet Dark Fiber Lease	32,100
			Wireless Site Lease	24,000
		090	Materials and Supplies	96,500
			HVAC Maintenance and Repair	15,000
			Fiber Trailer Maintenance - HVAC/Floor/Generator	10,000
			Misc. Switch/Network HW Upgrades	10,000
			Fiber Plant Maintenance - Wholesale	50,000
			Battery Plant - Maintenance and Replacement	6,500
			UPS/Rectifier - Maintenance and Replacement	5,000
		091	Small Tools (under \$1,000)	1,000
		210	Taxes	11,900
		581	Capital - Contractual Services	93,400
			Fiber Engineering - OKPUD to Robinson Canyon	33,800
			Fiber Engineering - Johnson Cr. to Greenacres	29,600
			Site Engineering - Alternative Microwave Back Haul	30,000
		591	Capital - Material and Supplies	9,027,400
			PAMAL Node Rework	10,000
			BRHSP Node Rework	10,000
			TOUSB Node Rework	10,000
			Fiber Buildout - OKPUD HQ to 3rd Street Node	16,000
			Wifi Sites - Omak/Okanogan	120,000
			Fiber Buildout - OKPUD to Nichols and R. Canyon	147,800
			Fiber Buildout - Johnson Creek to Greenacres	129,400
			Alternative Microwave Back Haul	65,000
			Network Hardware Replacements - End of Life	75,000
			Fiber Distribution Builds	50,000
			Ethernet Node	25,000
			Wireless Towers	25,000
			Wireless Remote Subscriber Units	75,200

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			ARRA Broadband Project	8,269,000	
	712		Capital - Equipment (Over \$2,000)		10,000
			Test Equipment	5,000	
			Tools	5,000	
	810		Debt Service - Principal		168,000
	811		Debt Service - Interest		233,700

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	61	Internal Communications		1,020,800
		010	Wages	151,500
		011	Benefits	52,600
		020	Travel	5,000
		021	Training, Tuition and Meeting Fees	5,000
		030	Transportation	14,200
		060	Postage, Printing and Stationary	300
		080	Misc. Contractual Services	0
			NoaNet Assessments	0
		082	Maintenance Contracts	27,000
			Fire Alarm System	2,000
			Landscape Maintenance/Sweeping	6,000
			UHF Radio System	19,000
		083	Software Licenses and Support	9,400
			Cisco Smartnet	900
			MapInfo Software	1,500
			Fiber Mapping Software	7,000
		084	Permits and Fees	3,000
			Right of Way - USFS, DOT, etc.	3,000
		085	Rents and Leases	25,800
			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
			Dark Fiber Lease - Brewster to Wells Dam	17,700
		090	Materials and Supplies	50,000
			General Materials and Supplies	50,000
		091	Small Tools (under \$1,000)	2,000
		591	Capital - Material and Supplies	25,000
			Fiber Rework - 1st and 2nd Avenue Okanogan	15,000
			Miscellaneous	10,000
		712	Capital - Equipment (Over \$2,000)	650,000
			UHF Radio System Overhaul	590,000
			Miscellaneous Contingencies	60,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2012 FINAL BUDGET - DECEMBER 20, 2011
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
			TOTAL EXPENDITURES AND CAPITAL OUTLAY	70,766,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
OVERVIEW

HIGHLIGHTS

- \$14.7 million transfer from reserves, which is a \$5.2 million decrease over the 2012 adopted budget.
- Revenues, not including Grant Proceeds, cover operating expenses by \$2.6 million.
- Retail Electric Sales increased \$1.4 million to \$38.9 million.
- Wholesale Electric Sales decreased \$382,000 - The decrease in sales is due to lower estimated market pricing than was used when estimating 2012 wholesale sales.
- Miscellaneous Income budget decreased by \$452,000 - Accounting for BPA conservation reimbursement.
- Grant Proceeds decreased \$1.6 million to \$3.8 million - Decrease due to the ARRA project not being finished in 2012.
- Purchased Power - The largest operating expenditure in the budget increased \$157,000 to \$23.4 million.
- Capital Outlays account for \$17.4 million - see a summary of capital projects below.
- Rate Stabilization Fund - The funding for the budget includes a \$1.0 million transfer from the Rate Stabilization Fund.
- Debt Service Coverage Ratio is estimated at 1.85 times annual debt service payments; bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at 1.66, District's target is 1.5 times.

REVENUES of \$49.7 million - Assumptions Used

- **Retail Electric Sales:** Predicting a 1% load growth, no expected new large general service or industrial customers and previously approved rate adjustments of 3%.
- **Wholesale Electric:** Sales based on a 3/4 to median water year and previous two years average market pricing,
- **Wholesale Telecommunications:** Based on current revenue levels.
- **Interest:** Return on investments of between .18%(LGIP) and .20%(CDs).
- **Miscellaneous:** Previous twelve months revenue and Build America Bond reimbursement of \$443,000.
- **Rental Income:** Same as previous year with no growth.
- **Construction Contributions:** Estimated using previous two years average.
- **Grant Proceeds:** Anticipated reimbursements of \$480,000 from BPA and \$3.4 million from RUS.

EXPENDITURES \$43.2 million - Assumptions Used

- **Wages:** One less employee than in the 2012 adopted budget and overall average wage increase of 3.0%.
The overall average wage increase includes current bargaining agreement step increases.
- **Benefits:** Based on August 2011 thru July 2012 actual percentage of wages. Range of 35.2% through 54.1% (ave. 38.8%).
- **Purchased Power:** Wells Project costs effective September 2012 and year two of BPA rates effective October 2011.
- **Other Expenditures:** Other expenses are based on known 2013 costs. If costs are not specifically known, a 2% increase was estimated, except transportation 5% and postage 3%.

CAPITAL OUTLAY \$17.4 million - Summary Listing

- Methow Transmission Line and Substation \$3.0 million.
- ARRA Broadband Project \$4.9 million.
- **Enloe Dam \$3.1 million.**
- Operations Normal Replacements and Line Extensions of \$1.4 million.
- Wholesale Telecommunications Capital of \$916,400, non-ARRA.
- Upgrade/Expand UHF radio system \$600,000.
- Tonasket to Oroville Fiber Build \$500,000.
- Information Systems \$445,000 (network, phone, access control and surveillance systems).
- Covered Storage Okanogan and Sandflat Substations \$400,000
- Regulator and Switch Purchases \$382,000.
- Bucket Truck Replacement \$275,000.
- Warehouse Truck Replacement \$275,000.
- HVAC Replacements \$226,000
- Underground Replacements \$200,000.
- Backyard Machine \$130,000
- Cutout Replacement Program \$120,000.
- Other capital Items \$554,300.

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
2013 FINAL BUDGET - DECEMBER 18, 2012
BUDGET SUMMARY**

<u>Description</u>	<u>Electric</u>	<u>Wholesale Telecom</u>	<u>Total</u>
<u>REVENUE</u>			
Sales - Retail	38,889,900		38,889,900
Sales - Wholesale	2,360,300	2,200,000	4,560,300
Interest	68,000		68,000
Miscellaneous	1,052,000		1,052,000
Rental Income	118,000		118,000
Construction Contribution	1,104,000		1,104,000
Grant Proceeds	480,000	3,388,000	3,868,000
Total Revenue	44,072,200	5,588,000	49,660,200
<u>EXPENDITURES</u>			
Wages	7,377,500	266,500	7,644,000
Benefits	2,831,700	106,300	2,938,000
Travel	141,500	12,500	154,000
Training, Tuition and Meeting Fees	90,700	20,000	110,700
Transportation	800,000	43,100	843,100
Insurance	312,400		312,400
Utilities	88,900		88,900
Postage, Printing and Stationery	150,800	300	151,100
Advertising	23,000		23,000
Conservation Expenditures	480,000		480,000
Misc. Contractual Services	1,974,400	89,400	2,063,800
Legal Services	319,500	10,000	329,500
Maintenance Contracts	239,100	98,900	338,000
Software Licenses and Support	624,400	54,500	678,900
Permits and Fees	13,500	77,000	90,500
Rents and Leases	86,900	185,400	272,300
Materials and Supplies	644,400	110,000	754,400
Small Tools (under \$1,000)	47,300	1,000	48,300
Miscellaneous	72,500		72,500
Unforeseen Operating Contingency	100,000		100,000
Purchased Power	23,376,800		23,376,800
Taxes	2,360,200	10,200	2,370,400
Total Expenditures	42,155,500	1,085,100	43,240,600
<u>CAPITAL OUTLAY</u>			
Capital - Contractual Services	6,442,500	30,000	6,472,500
Capital - Materials and Supplies	2,208,000	5,686,400	7,894,400
Capital - Meter Purchases	90,000		90,000
Capital - Transformer Purchases	225,000		225,000
Capital - Tools and Equipment	9,500		9,500
Capital - Buildings	685,000		685,000
Capital - Equipment (Over \$2,000)	1,171,100	88,000	1,259,100
Capital - Vehicles	634,000		634,000
Capital - Personal Computers	54,200		54,200
Unforeseen Capital Contingency	100,000		100,000
Total Capital Outlay	11,619,300	5,804,400	17,423,700
<u>DEBT SERVICE</u>			
Debt Service - Principal	1,411,600	305,400	1,717,000
Debt Service - Interest	1,624,200	347,700	1,971,900
Total Debt Service	3,035,800	653,100	3,688,900
Total Use of Resources	56,810,600	7,542,600	64,353,200
TRANSFER TO/(FROM) RESERVES	(12,738,400)	(1,954,600)	(14,693,000)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE SUMMARY BY DEPARTMENT

<u>Description</u>	<u>Generation</u>	<u>Power Supply</u>	<u>Engineering</u>	<u>Operations</u>	<u>Environmental</u>	<u>Customer Service</u>	<u>Conservation</u>	<u>General Administration</u>	<u>Information Systems</u>	<u>Commissioners</u>	<u>Wholesale Telecom</u>	<u>Internal Communications</u>	<u>Total</u>
EXPENDITURES													
010 Wages	175,100	113,300	858,900	3,688,300	62,600	664,300	124,400	1,166,200	301,600	85,800	266,500	137,000	7,644,000
011 Benefits	70,200	44,300	353,000	1,298,300	25,400	310,900	59,100	465,300	111,300	46,400	106,300	47,500	2,938,000
020 Travel	19,000	12,500	10,000	17,500	4,500	4,000	3,000	40,000	10,000	16,000	12,500	5,000	154,000
021 Training, Tuition and Meeting Fees	7,000	3,000	5,000	30,000	3,500	2,500	2,000	19,700	10,000	3,000	20,000	5,000	110,700
030 Transportation	6,000	2,700	30,000	700,000	2,000	35,700	7,000	7,100	2,400		43,100	7,100	843,100
040 Insurance								312,400					312,400
050 Utilities				200				88,700					88,900
060 Postage, Printing and Stationery			1,000	3,000		137,600	3,000	5,900			300	300	151,100
070 Advertising			500	2,500			17,000	3,000					23,000
071 Conservation Expenditures							480,000						480,000
080 Misc. Contractual Services	32,000	367,500	133,500	678,600	6,500	42,700	18,600	585,500	34,500		89,400	75,000	2,063,800
081 Legal Services								319,500			10,000		329,500
082 Maintenance Contracts				144,500		500		14,600	58,500		98,900	21,000	338,000
083 Software Licenses and Support		195,000		2,200	1,000	4,700			410,200		54,500	11,300	678,900
084 Permits and Fees	2,500		1,000	4,000		300		2,700			77,000	3,000	90,500
085 Rents and Leases	8,000			1,000		5,200		9,800	37,100		185,400	25,800	272,300
090 Materials and Supplies	5,500	500	20,000	500,000	1,500	28,400	1,500	61,000	15,000	1,000	110,000	10,000	754,400
091 Small Tools (under \$1,000)			5,000	15,000		3,000		2,300	20,000		1,000	2,000	48,300
092 Miscellaneous	500		500	10,000		34,500	200	26,500		300			72,500
099 Unforeseen Operating Contingency								100,000					100,000
120 Purchased Power		23,376,800											23,376,800
210 Taxes								2,360,200			10,200		2,370,400
Total Expenditures	325,800	24,115,600	1,418,400	7,095,100	107,000	1,274,300	715,800	5,590,400	1,010,600	152,500	1,085,100	350,000	43,240,600
CAPITAL OUTLAY													
581 Capital - Contractual Services	3,009,500			3,433,000							30,000		6,472,500
591 Capital - Materials and Supplies	40,000			2,143,000							5,686,400	25,000	7,894,400
592 Capital - Meter Purchases				90,000									90,000
593 Capital - Transformer Purchases				225,000									225,000
710 Capital - Tools and Equipment				7,500				2,000					9,500
711 Capital - Buildings				685,000									685,000
712 Capital - Equipment (Over \$2,000)				76,400					444,700		88,000	650,000	1,259,100
713 Capital - Vehicles				634,000									634,000
714 Capital - Personal Computers									54,200				54,200
901 Unforeseen Capital Contingency								100,000					100,000
Total Capital Outlay	3,049,500	0	0	7,293,900	0	0	0	102,000	498,900	0	5,804,400	675,000	17,423,700
DEBT SERVICE													
810 Debt Service - Principal								1,411,600			305,400		1,717,000
811 Debt Service - Interest								1,624,200			347,700		1,971,900
Total Debt Service	0	0	0	0	0	0	0	3,035,800	0	0	653,100	0	3,688,900
Total Use of Resources	3,375,300	24,115,600	1,418,400	14,389,000	107,000	1,274,300	715,800	8,728,200	1,509,500	152,500	7,542,600	1,025,000	64,353,200

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
REVENUE DETAIL**

<u>Div.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	Electric		44,072,200
	001	Sales - Retail	38,889,900
	002	Sales - Wholesale	2,360,300
	003	Interest	68,000
	004	Miscellaneous	1,052,000
	005	Rental Income	118,000
	006	Construction Contributions	1,104,000
	007	Grant Proceeds	480,000
2	Wholesale Telecom		5,588,000
	002	Sales - Wholesale	2,200,000
	004	Miscellaneous	0
	006	Construction Contributions	0
	007	Grant Proceeds	3,388,000
		TOTAL REVENUE	49,660,200

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	10	Generation		3,375,300
		010	Wages	175,100
		011	Benefits	70,200
		020	Travel	19,000
		021	Training, Tuition and Meeting Fees	7,000
		030	Transportation	6,000
		080	Misc. Contractual Service	32,000
		084	Permits and Fees	2,500
		085	Rent and Leases	8,000
			Ophir Site Lease	8,000
		090	Materials and Supplies	5,500
		092	Miscellaneous	500
		581	Capital - Contractual Services	3,009,500
		591	Capital - Materials and Supplies	40,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	11	Power Supply		24,115,600
		010	Wages	113,300
		011	Benefits	44,300
		020	Travel	12,500
		021	Training, Tuition and Meeting Fees	3,000
		030	Transportation	2,700
		080	Misc. Contractual Services	367,500
			Douglas County PUD	351,500
			Professional Services (compliance/scheduling)	5,000
			Central Washington Power Authority	1,000
			Slice Implementation Group	10,000
		083	Software Licenses and Support	195,000
			Slice Software Support Fee	195,000
		090	Materials and Supplies	500
		120	Purchased Power	23,376,800
			BPA - Slice	7,973,300
			BPA - Block	6,144,000
			BPA - Transmission	2,353,900
			Wells	4,142,800
			Nine Canyon	2,762,800

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	20	Engineering		1,418,400
		010	Wages	858,900
		011	Benefits	353,000
		020	Travel	10,000
		021	Training, Tuition and Meeting Fees	5,000
		030	Transportation	30,000
		060	Postage, Printing and Stationery	1,000
		070	Advertising	500
		080	Misc. Contractual Services	133,500
			Janitorial Services (BR, TO, and OR)	8,500
			WECC Requirement - Transmission Line Clearance	125,000
		084	Permits and Fees	1,000
			Miscellaneous	1,000
		090	Materials and Supplies	20,000
		091	Small Tools (under \$1,000)	5,000
		092	Miscellaneous	500

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	21	Operations		14,389,000
		010	Wages	3,688,300
		011	Benefits	1,298,300
		020	Travel	17,500
			Operations	17,500
		021	Training, Tuition and Meeting Fees	30,000
			Operations	30,000
		030	Transportation	700,000
		050	Utilities	200
		060	Postage, Printing and Stationery	3,000
		070	Advertising	2,500
		080	Misc. Contractual Services	678,600
			CDL Testing Program	4,000
			Employee Dispatch	9,600
			Pole Testing	100,000
			Safety Training	39,000
			Tree Trimming	510,000
			Underground Locate Service	2,000
			Weed Control	10,000
			Miscellaneous	4,000
		082	Maintenance Contracts	144,500
			HVAC Maintenance	30,000
			Landscape Maintenance	10,000
			Snowplowing and Sweeping	15,000
			Oroville Warehouse - Doors\Windows\Flashing	5,000
			Oroville Office and Warehouse - Exterior Paint	11,500
			Brewster Office - Exterior Repair and Paint	8,000
			Warehouse/Truck Shop and Omak - Asphalt Repair	45,000
			Battery Testing (NERC Compliance)	20,000
		083	Software Licenses and Support	2,200
			Electronic Material Safety Data Sheets	2,200
		084	Permits and Fees	4,000
			Right of Ways - USFS/Dept. of Int.	3,000
			Miscellaneous	1,000
		085	Rents and Leases	1,000
			Pole Contacts	1,000
		090	Materials and Supplies	500,000
			General	497,500
			Fire Resistant Clothing	2,500
		091	Small Tools (under \$1,000)	15,000
			Brewster	2,600
			Okanogan	8,000
			Oroville	2,600
			Mechanics Specialty Tool Replacement	1,800
		092	Miscellaneous	10,000
			Lineman Rodeo (Fees, Travel and Supplies)	9,600
			Safety Meeting Refreshments	400
		581	Capital - Contractual Services	3,433,000
			Contract Labor	100,000
			Engineering - Large System Projects	100,000
			Tonasket to Oroville Fiber Construction	500,000
			Underground Replacements	200,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			Gold Creek Sub Construction	505,000	
			PT Line Construction	703,000	
			PT Mitigation/Roads	650,000	
			PT Permits, Tetra Tech, Training, etc.	175,000	
			PT ROW/Easements	500,000	
591		Capital - Materials and Supplies			2,143,000
			Normal Replacements and Extensions	1,100,000	
			OVS Battery Replancement	15,000	
			OKS Bus Diff Relay	19,000	
			OCB, Regulators, Switches, Cap Banks, Reclosers	382,000	
			SCADA Equipment	40,000	
			Cutout Replacement	120,000	
			Gold Creek Substation Materials	320,000	
			PT Transmission and Distribution Materials	147,000	
592		Capital - Meter Purchases			90,000
			Metering Special Projects	40,000	
			PME Meter Replacements	50,000	
593		Capital - Transformer Purchases			225,000
			Normal Additions/Replacements	225,000	
710		Capital - Tools & Equipment (\$1,000 to \$2,000)			7,500
711		Capital - Buildings			685,000
			Headquarters - Emergency Generator Loadbank	8,000	
			Warehouse - HVAC Replacement	125,000	
			Vehicle Shop - HVAC Replacement	80,000	
			Omak - HVAC Replacement	21,000	
			Okanogan and Sandflat Subs - Cover Storage	400,000	
			Headquarters - Hardwater System	6,000	
			Warehouse - Lights	45,000	
712		Capital - Equipment (Over \$2,000)			76,400
			Hydraulic Oil Filter Machine	11,000	
			Ironworker	20,000	
			Trimble Field Inspector Handheld (2)	8,400	
			Electric Shop - Lockers	3,000	
			Electric Shop - Conduit Bender	9,000	
			Vehicle Shop - Air Compressor	15,000	
			Phase ID Equipment	10,000	
713		Capital - Vehicles			634,000
			Bucket Truck - Replacement	275,000	
			Warehouse Truck - Replacement	275,000	
			Backhoe Trailer - Replacement	30,000	
			Service Trucks (2) - Replacements	90,000	
			Backyard Machine	130,000	
			Foreman Truck - Replacement	90,000	
			Pickup Truck - Replacement	25,000	
			Less: Transportation System Depreciation	(281,000)	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	22		Environmental	107,000
		010	Wages	62,600
		011	Benefits	25,400
		020	Travel	4,500
		021	Training, Tuition and Meeting Fees	3,500
		030	Transportation	2,000
		080	Misc. Contractual Services	6,500
			Miscellaneous	6,500
		083	Software Licenses and Support	1,000
		090	Materials and Supplies	1,500

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	30	Customer Service		1,274,300
		010	Wages	664,300
		011	Benefits	310,900
		020	Travel	4,000
		021	Training, Tuition and Meeting Fees	2,500
		030	Transportation	35,700
		060	Postage, Printing and Stationery	137,600
			Postage and Printing - NISC	108,800
			Postage - PUD	19,200
			Printing - Misc.	9,600
		080	Misc. Contractual Services	42,700
			CIS Programming	5,000
			Collection Service - Credit Bureau	4,000
			Credit Reporting Agency	3,200
			Electronic Payments Fees	30,500
		082	Maintenance Contracts	500
		083	Software Licenses and Support	4,700
			RemitPlus Check Scanning and Recognition Support	4,700
		084	Permits and Fees	300
			Miscellaneous Fees (Notaries, etc.)	300
		085	Rents and Leases	5,200
			Office Rent MVCC	4,900
			Miscellaneous	300
		090	Materials and Supplies	28,400
			General	28,400
		091	Small Tools (under \$1,000)	3,000
		092	Miscellaneous	34,500
			Miscellaneous Expenses	600
			Net Account Receivable Writeoffs	33,900

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	35		Conservation/Consumer Information	715,800
		010	Wages	124,400
		011	Benefits	59,100
		020	Travel	3,000
		021	Training, Tuition and Meeting Fees	2,000
		030	Transportation	7,000
		060	Postage, Printing and Stationery	3,000
			Miscellaneous	3,000
		070	Advertising	17,000
		071	Conservation Expenditures	480,000
			District Conservation Programs	480,000
		080	Misc. Contractual Services	18,600
			Electric Education Programs	18,600
		090	Materials and Supplies	1,500
		092	Miscellaneous	200

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	40	General Administration		8,728,200
	010	Wages		1,166,200
	011	Benefits		465,300
	020	Travel		40,000
		General	25,400	
		Accounting and Finance	7,700	
		Human Resource	3,900	
		Leadership	3,000	
	021	Training, Tuition and Meeting Fees		19,700
		General	8,100	
		Accounting and Finance	5,000	
		Human Resource	1,600	
		Leadership	5,000	
	030	Transportation		7,100
	040	Insurance (Property/Liability)		312,400
	050	Utilities		88,700
		Cell Phone Service	8,000	
		Electrical Service	4,200	
		Telephone Service	47,600	
		Water/Sewer/Garbage	28,900	
	060	Postage, Printing and Stationery		5,900
	070	Advertising		3,000
	080	Misc. Contractual Services		585,500
		APPA Dues	13,900	
		Audit Costs	78,600	
		Banking Fees	53,900	
		Benefits Administration	4,200	
		Bond Admin Fee	1,900	
		Chamber Dues	700	
		CWPU/UIP Expenses	20,600	
		Economic Alliance	6,000	
		Financial Studies	150,000	
		Fire Alarm Monitoring	400	
		Foundation for Water and Energy	2,000	
		Janitorial Services (OK and OM)	56,500	
		Legislative Consultant	37,200	
		Misc. Services/Consulting	3,900	
		NW Public Power Assoc. Dues/NW Wage & Hour	26,100	
		PPC - Dues	25,900	
		PPC - NW River Partners	12,200	
		PPC - NW River Partners Additional	10,400	
		Standard and Poors	7,700	
		WA PUD Association Dues	73,400	
	081	Legal Services		319,500
		General Counsel	244,500	
		Misc. Attorney Fees	75,000	
	082	Maintenance Contracts		14,600
		Copier Maintenance	10,900	
		Elevator Maintenance	3,700	
	084	Permits and Fees		2,700
		WA State Purchasing Coop	2,000	
		WA State L&I Right to Know	300	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			Misc.	400	
	085	Rents and Leases			9,800
			Copier Lease	9,400	
			P.O. Box Rent	400	
	090	Materials and Supplies			61,000
	091	Small Tools (under \$1,000)			2,300
	092	Miscellaneous			26,500
			Clothing for Identification	1,200	
			Deductibles/Damage Claims	4,000	
			Election Costs	0	
			Employee Day	3,400	
			Meeting Expenses	1,900	
			Misc. Expenses (Wellness, Interview and Moving Exp)	12,600	
			Service Awards and Costs	3,400	
	099	Unforeseen Operating Contingency			100,000
	210	Taxes			2,360,200
	710	Capital - Tools & Equipment (\$1,000 to \$2,000)			2,000
	810	Debt Service - Principal			1,411,600
	811	Debt Service - Interest			1,624,200
	901	Unforeseen Capital Contingency			100,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	41	Information Systems		1,509,500
		010	Wages	301,600
		011	Benefits	111,300
		020	Travel	10,000
		021	Training, Tuition and Meeting Fees	10,000
		030	Transportation	2,400
		080	Misc. Contractual Services	34,500
			Network Consulting	20,000
			SharePoint Consulting	5,000
			Webpage Consulting	5,000
			Security System Monitoring	3,000
			Phone Server Migration	1,500
		082	Maintenance Contracts	58,500
			Eaton Powerware - Datacenter UPS & Monitoring	0
			Eaton Powerware - Omak Network UPS	8,000
			Key Card System Maintenance	5,000
			Liebert Units in Datacenter	13,000
			NetApp SAN Hardware/Software Maintenance	25,000
			SonicWall	2,500
			Server Hardware Maintenance	5,000
		083	Software Licenses and Support	410,200
			Aclara - TWACS Support	18,000
			Aclara - Migration to new servers	7,500
			Aclara - Upgrade to new platform	10,000
			Certs SSL	700
			LocalTel Phone System Maintenance	13,500
			Microsoft Software	29,900
			NISC Custom Programming	5,000
			NISC Maintenance	125,000
			NISC MDMS Implementation	30,000
			NISC MDMS Annual Fee	19,300
			OCR for RICOH Scanner	40,000
			Secure - Remote PC Management	3,000
			Spam Filter	3,000
			Symantec Software and Support	9,700
			VMWare Software Support (IS)	5,000
			AutoCad	2,000
			ESRI	5,000
			Futura	15,000
			GeoNav	3,000
			Acent GIS	1,200
			Staker	19,000
			Staker Reporting	10,000
			TL-PRO Design Studio	5,000
			Cummins Tool Software	700
			Fastenal Tool Inventory	1,200
			Max Force	3,000
			OSI	17,000
			Trimble Field Inspector	1,300
			Zonar Vehicle Tracking	7,200
		085	Rents and Leases	37,100
			Okanogan Mailing Equipment	12,500

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			Branch Office Mailing Equipment	3,000	
			Branch Office MFP	21,600	
090		Materials and Supplies			15,000
091		Small Tools (under \$1,000)			20,000
712		Capital - Equipment (Over \$2,000)			444,700
			Physical Server Environment - Hardware	32,500	
			Firewall	25,000	
			Mail Relay	5,000	
			Archive Solution	100,000	
			Network Switches	62,000	
			SIEM - Log Management	15,000	
			Printers	10,100	
			Phone System	10,100	
			Keycard Systems - Backend Server Hardware	10,000	
			Keycard Systems - Readers and Controllers	50,000	
			Video Systems - Backend Server Hardware	30,000	
			Video Surveillance Software	15,000	
			Video System Cameras - Subs, Yards and Fence Line	60,000	
			Video System Cameras - Branch Offices	10,000	
			Video Conferencing	10,000	
714		Capital - Personal Computers			54,200

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	50		Commissioners	152,500
		010	Wages	85,800
		011	Benefits	46,400
		020	Travel	16,000
		021	Training, Tuition and Meeting Fees	3,000
		090	Materials and Supplies	1,000
		092	Miscellaneous	300

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
2	60		Wholesale Telecommunications	7,542,600
		010	Wages	266,500
		011	Benefits	106,300
		020	Travel	12,500
		021	Training, Tuition and Meeting Fees	20,000
		030	Transportation	43,100
		060	Postage, Printing and Stationery	300
		080	Misc. Contractual Services	89,400
			NoaNet Calea Services	8,400
			Network Consulting	75,000
			Installation of ADVA WDM Tonasket Sub	6,000
		081	Legal Services	10,000
		082	Maintenance Contracts	98,900
			Cisco Smartnet	9,200
			WWP Lightning Edge/Ciena Devices	67,200
			ADVA Optical	16,000
			RADcare (Optimux + IPMux)	4,500
			Motorola Canopy Hardware/Software	2,000
		083	Software Licenses and Support	54,500
			NetZoom	1,400
			Microsoft Software	8,300
			Symantec Software and Support	14,000
			VMWare	12,000
			Solar Winds	8,300
			MapInfo Professional	3,000
			Server License and Software Upgrades	7,500
		084	Permits and Fees	77,000
			Upstream Internet Bandwidth	72,000
			ARIN ASN & IP Address Allocation	5,000
		085	Rents and Leases	185,400
			DCPUD Lit Services Leases	3,300
			DCPUD Dark Fiber Leases	30,000
			DCPUD Co-location	5,600
			Protect Path Ring	90,400
			NoaNet Dark Fiber Lease	32,100
			Wireless Site Lease	24,000
		090	Materials and Supplies	110,000
			HVAC Maintenance and Repair	15,000
			Switch/Network HW Upgrades	10,000
			Fiber Plant Maintenance - Wholesale	50,000
			Battery Plant - Maintenance and Replacement	15,000
			UPS/Rectifier - Maintenance and Replacement	15,000
			Server Memory Upgrade	2,500
			Equipment Calibration/Repair	2,500
		091	Small Tools (under \$1,000)	1,000
		092	Miscellaneous	0
		210	Taxes	10,200
		581	Capital - Contractual Services	30,000
			Site Engineering - Alternative Microwave Back Haul	30,000
		591	Capital - Material and Supplies	5,686,400
			Malott Sub Ethernet Node	10,000
			TOSUB Comm Hut Entrance	10,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>
			Fiber Buildout - OKPUD HQ to 3rd Street Node	16,000	
			Wifi Sites (8) - Omak/Okanogan	120,000	
			Fiber Buildout - OKPUD to Nichols and R. Canyon	169,000	
			Fiber Buildout - Johnson Creek to Greenacres	147,900	
			Alternative Microwave Back Haul	65,000	
			Network Hardware Replacements - End of Life	49,400	
			10G Optics	32,000	
			ADVA WDM for TOSUB	55,000	
			Fiber Distribution Builds	50,000	
			Ethernet Node	25,000	
			Wireless Tower Augmentation	33,600	
			Wireless Remote Subscriber Units	15,500	
			ARRA Broadband Project	4,888,000	
712		Capital - Equipment (Over \$2,000)			88,000
			Tools	5,000	
			Test Equipment	75,000	
			Server Hardware Upgrades/Replacements	8,000	
810		Debt Service - Principal			305,400
			Loan - Electric	188,400	
			Operating Line - Electric	0	
			Loan - ARRA	117,000	
811		Debt Service - Interest			347,700
			Loan - Electric	90,000	
			Operating Line - Electric	160,700	
			Loan - ARRA	97,000	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	61	Internal Communications		1,025,000
		010	Wages	137,000
		011	Benefits	47,500
		020	Travel	5,000
		021	Training, Tuition and Meeting Fees	5,000
		030	Transportation	7,100
		060	Postage, Printing and Stationery	300
		080	Misc. Contractual Services	75,000
			Radio System Coverage Analysis	75,000
		082	Maintenance Contracts	21,000
			Fire Alarm System	2,000
			UHF Radio System	19,000
		083	Software Licenses and Support	11,300
			Cisco Smartnet	300
			MapInfo Software Support	3,000
			Fiber Mapping Software Support	8,000
		084	Permits and Fees	3,000
			Right of Way - USFS, DOT, etc.	3,000
		085	Rents and Leases	25,800
			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
			Dark Fiber Lease - Brewster to Wells Dam	17,700
		090	Materials and Supplies	10,000
			General Materials and Supplies	10,000
		091	Small Tools (under \$1,000)	2,000
		591	Capital - Material and Supplies	25,000
			Fiber Rework - 1st and 2nd Avenue Okanogan	15,000
			Miscellaneous	10,000
		712	Capital - Equipment (Over \$2,000)	650,000
			UHF Radio System Overhaul	600,000
			Miscellaneous Contingencies	50,000

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2013 FINAL BUDGET - DECEMBER 18, 2012
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
			TOTAL EXPENDITURES AND CAPITAL OUTLAY	64,353,200

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
OVERVIEW

HIGHLIGHTS

- \$14.2 million transfer from reserves, which is a \$463,800 decrease over the 2013 adopted budget.
- Revenues, not including Grant Proceeds, cover debt service and operating expenses by \$3.6 million.
- Retail Electric Sales increased \$3.6 million to \$42.5 million.
- Wholesale Electric Sales increased \$474,900 - The increase in sales is due to a higher estimated market pricing than was used when estimating 2013 Wholesale Sales.
- Grant Proceeds decreased \$3.4 million to \$472,400 - Decrease due to the ARRA Project ending in 2013.
- Purchased Power - The largest operating expenditure in the budget decreased \$149,500 to \$23.2 million.
- Capital Outlays account for \$17.8 million - see a summary of Capital Projects below.
- Rate Stabilization Fund - The funding for the budget includes a \$1.1 million transfer from the Rate Stabilization Fund.
- Debt Service Coverage Ratio is estimated at 2.99 times annual debt service payments; bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at 5.91; District's target is 1.5 times.


REVENUES of \$50.2 million - Assumptions Used

- **Retail Electric Sales:** Predicting a 0% load growth, 1 Mwa for new industrial customer and no rate adjustments in 2014.
- **Wholesale Electric:** Sales based on a 3/4 to median water year, ten year average wind and previous three years' average market pricing.
- **Wholesale Telecommunications:** Based on current revenue levels.
- **Interest:** Return on investments of between .12%(LGIP) and .20%(CDs).
- **Miscellaneous:** Previous twelve months revenue and Build America Bond reimbursement of \$439,500.
- **Rental Income:** Based on current revenue levels.
- **Construction Contributions:** Estimated using previous two years' average.
- **Grant Proceeds:** Anticipated reimbursements of \$472,400 from BPA and no grant revenue from RUS relating to ARRA.

EXPENDITURES \$42.8 million - Assumptions Used

- **Wages:** Two less employees than in the 2013 adopted budget and overall average wage increase of 0.6%. The average wage increase only includes current bargaining agreement step increases and no general wage increase.
- **Benefits:** Based on August 2012 thru July 2013 actual percentage of wages. Range of 39% through 50.5% (ave. 42.1%). Includes a 2% increase in employer PERS contributions rates effective July 2013.
- **Purchased Power:** Wells Project costs effective September 2013 and BPA rates effective October 2013.
- **Other Expenditures:** Other expenses are based on known 2014 costs. If costs are not specifically known, a 2% increase was estimated.

DEBT SERVICE \$3.8 million

- **Principal and Interest:** Per debt service schedules and ARR timated debt service.

CAPITAL OUTLAY \$17.8 million - Summary Listing

- Methow Transmission Line and Substation \$9.4 million.
- **Enloe Dam \$2.75 million.**
- Operations Normal Replacements and Line Extensions of \$2.025 million.
- Line Truck Replacement \$375,000.
- Warehouse Truck Replacement \$375,000.
- Regulator and Switch Purchases \$320,000.
- Information Systems \$307,900 (network, phone, access control and surveillance systems).
- Bucket Truck Replacement \$300,000.
- Wholesale Telecommunications Capital of \$296,900.
- Twisp Substation Modifications \$250,000.
- Covered Storage Okanogan or Sandflat Substations \$200,000
- Engineering - Large System Projects \$150,000.
- Cutout Replacement Program \$125,000.
- Pickup Truck Replacements (4) \$120,000.
- Other capital Items \$825,000.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
BUDGET SUMMARY**

<u>Description</u>	<u>Electric</u>	<u>Broadband</u>	<u>Total</u>
<u>REVENUE</u>			
Sales - Retail	42,501,700		42,501,700
Sales - Wholesale	2,835,200	2,200,000	5,035,200
Interest	50,000		50,000
Miscellaneous	1,104,000		1,104,000
Rental Income	108,000		108,000
Construction Contribution	917,000		917,000
Grant Proceeds	472,400	0	472,400
Total Revenue	47,988,300	2,200,000	50,188,300
<u>EXPENDITURES</u>			
Wages	6,998,100	281,200	7,279,300
Benefits	2,920,400	125,400	3,045,800
Travel	115,900	10,000	125,900
Training, Tuition and Meeting Fees	69,900	12,000	81,900
Transportation	828,200	42,600	870,800
Insurance	319,600		319,600
Utilities	95,800		95,800
Postage, Printing and Stationery	149,400	300	149,700
Advertising	18,600		18,600
Conservation Expenditures	472,400		472,400
Misc. Contractual Services	1,791,600	133,400	1,925,000
Legal Services	300,000	10,000	310,000
Maintenance Contracts	164,700	147,100	311,800
Software Licenses and Support	705,500	38,400	743,900
Permits and Fees	16,500	71,500	88,000
Rents and Leases	80,900	138,900	219,800
Materials and Supplies	697,500	85,500	783,000
Small Tools (under \$1,000)	24,000	1,000	25,000
Miscellaneous	65,000		65,000
Unforeseen Operating Contingency	100,000		100,000
Purchased Power	23,227,300		23,227,300
Taxes	2,570,000	11,000	2,581,000
Total Expenditures	41,731,300	1,108,300	42,839,600
<u>DEBT SERVICE</u>			
Debt Service - Principal	1,447,200	354,100	1,801,300
Debt Service - Interest	1,560,000	396,800	1,956,800
Total Debt Service	3,007,200	750,900	3,758,100
AVAILABLE FOR CAPITAL OUTLAY	3,249,800	340,800	3,590,600
<u>CAPITAL OUTLAY</u>			
Capital - Contractual Services	11,165,000		11,165,000
Capital - Materials and Supplies	3,675,000	266,900	3,941,900
Capital - Meter Purchases	70,000		70,000
Capital - Transformer Purchases	400,000		400,000
Capital - Tools and Equipment	4,500		4,500
Capital - Buildings	410,000		410,000
Capital - Equipment (Over \$2,000)	441,900	30,000	471,900
Capital - Vehicles	1,219,000		1,219,000
Capital - Personal Computers	37,500		37,500
Unforeseen Capital Contingency	100,000		100,000
Total Capital Outlay	17,522,900	296,900	17,819,800
RESERVES/DEBT	(14,273,100)	43,900	(14,229,200)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE SUMMARY BY DEPARTMENT

Description	Generation	Power Supply	Const. Design	Eng.	Operations	Enviro.	Customer Service	Cons.	General Admin.	I.S.	BOC	Broadband	Internal Comm.	Total
EXPENDITURES														
010 Wages	172,300	114,400	560,000	161,500	3,527,900	62,100	657,200	63,900	1,136,200	296,700	108,600	281,200	137,300	7,279,300
011 Benefits	72,000	49,800	239,700	69,100	1,397,000	28,500	331,200	24,900	465,800	131,700	54,800	125,400	55,900	3,045,800
020 Travel	25,000	10,000	2,300	5,800	11,400	3,000	4,000	3,000	24,400	5,000	17,000	10,000	5,000	125,900
021 Training, Tuition and Meeting Fees	7,000	2,500	2,100	4,300	22,000	2,400	2,500	2,000	11,100	6,000	3,000	12,000	5,000	81,900
030 Transportation	6,200	1,500	22,700	11,400	731,600	500	38,900	6,400	2,600	1,500		42,600	4,900	870,800
040 Insurance									319,600					319,600
050 Utilities					200				95,600					95,800
060 Postage, Printing and Stationery		100		500	3,000		137,600	3,000	4,900			300	300	149,700
070 Advertising				300	1,000				17,000	300				18,600
071 Conservation Expenditures								472,400						472,400
080 Misc. Contractual Services	82,100	364,000			646,100	6,500	52,200	20,000	498,700	47,000		133,400	75,000	1,925,000
081 Legal Services									300,000			10,000		310,000
082 Maintenance Contracts					94,000		500		13,900	35,300		147,100	21,000	311,800
083 Software Licenses and Support	5,000	190,000	4,000			2,000	5,000			494,700		38,400	8,800	747,900
084 Permits and Fees	5,000			500	1,000		300		2,700			71,500	3,000	84,000
085 Rents and Leases	9,000				1,000		5,200		9,500	26,800		138,900	29,400	219,800
090 Materials and Supplies	5,500	200		15,000	582,000	5,000	26,000	2,200	40,600	10,000	1,000	85,500	10,000	783,000
091 Small Tools (under \$1,000)			1,000		8,500		1,500		1,000	10,000		1,000	2,000	25,000
092 Miscellaneous				400	10,400		34,500	200	19,200		300			65,000
099 Unforeseen Operating Contingency									100,000					100,000
120 Purchased Power		23,227,300												23,227,300
210 Taxes									2,570,000			11,000		2,581,000
Total Expenditures	389,100	23,959,800	831,800	268,800	7,037,100	110,000	1,296,600	615,000	5,616,100	1,064,700	184,700	1,108,300	357,600	42,839,600
DEBT SERVICE														
810 Debt Service - Principal									1,447,200			354,100		1,801,300
811 Debt Service - Interest									1,560,000			396,800		1,956,800
Total Debt Service	0	0	0	0	0	0	0	0	3,007,200	0	0	750,900	0	3,758,100
CAPITAL OUTLAY														
581 Capital - Contractual Services	2,585,000		8,030,000	150,000	400,000									11,165,000
591 Capital - Materials and Supplies	165,000		1,860,000	410,000	1,225,000							266,900	15,000	3,941,900
592 Capital - Meter Purchases					70,000									70,000
593 Capital - Transformer Purchases					400,000									400,000
710 Capital - Tools and Equipment					2,500				2,000					4,500
711 Capital - Buildings					410,000									410,000
712 Capital - Equipment (Over \$2,000)					84,000					307,900		30,000	50,000	471,900
713 Capital - Vehicles					1,219,000									1,219,000
714 Capital - Personal Computers										37,500				37,500
901 Unforeseen Capital Contingency									100,000					100,000
Total Capital Outlay	2,750,000	0	9,890,000	560,000	3,810,500	0	0	0	102,000	345,400	0	296,900	65,000	17,819,800
Total Use of Resources	3,139,100	23,959,800	10,721,800	828,800	10,847,600	110,000	1,296,600	615,000	8,725,300	1,410,100	184,700	2,156,100	422,600	64,417,500

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
REVENUE DETAIL**

<u>Div.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	Electric		47,988,300
	001	Sales - Retail	42,501,700
	002	Sales - Wholesale	2,835,200
	003	Interest	50,000
	004	Miscellaneous	1,104,000
	005	Rental Income	108,000
	006	Construction Contributions	917,000
	007	Grant Proceeds	472,400
2	Broadband		2,200,000
	002	Sales - Wholesale	2,200,000
	004	Miscellaneous	0
	006	Construction Contributions	0
	007	Grant Proceeds	0
		TOTAL REVENUE	50,188,300

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	
1	10	Generation			3,139,100	
		010	Wages		172,300	
		011	Benefits		72,000	
		020	Travel		25,000	
		021	Training, Tuition and Meeting Fees		7,000	
		030	Transportation		6,200	
		080	Misc. Contractual Service		82,100	
		083	Software Licenses and Support		5,000	
		084	Permits and Fees		5,000	
		085	Rent and Leases		9,000	
			Ophir Site Lease	9,000		
		090	Materials and Supplies		5,500	
		581	Capital - Contractual Services		2,585,000 *	1
		591	Capital - Materials and Supplies		165,000 *	1

* Expenditures will require Board authorization prior to General Manager's approval.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	11	Power Supply		23,959,800
		010	Wages	114,400
		011	Benefits	49,800
		020	Travel	10,000
		021	Training, Tuition and Meeting Fees	2,500
		030	Transportation	1,500
		060	Postage, Printing and Stationery	100
		080	Misc. Contractual Services	364,000
			Douglas County PUD	350,000
			Professional Services (compliance/scheduling)	3,000
			Central Washington Power Authority	1,000
			Slice Implementation Group	10,000
		083	Software Licenses and Support	190,000
			Slice Software Support Fee	190,000
		090	Materials and Supplies	200
		120	Purchased Power	23,227,300
			BPA - Slice	7,937,400
			BPA - Block	5,828,600
			BPA - Transmission	2,672,900
			Wells	4,025,600
			Nine Canyon	2,762,800

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	
1	19	Construction Design		10,721,800	
	010	Wages		560,000	
	011	Benefits		239,700	
	020	Travel		2,300	
	021	Training, Tuition and Meeting Fees		2,100	
	030	Transportation		22,700	
	084	Permits and Fees		4,000	
		Miscellaneous	4,000		
	091	Small Tools (under \$1,000)		1,000	
	581	Capital - Contractual Services		8,030,000	
		PT Line Construction	6,000,000	**	1
		PT Mitigation/Roads	650,000	**	1
		PT Permits	175,000	**	1
		PT ROW/Easements	500,000	**	1
		Gold Creek Substation	505,000	**	1
		LiDAR - Transmission Fixes	50,000	***	3
		BPA Engineering Studies - Chicken Creek Substation	60,000	***	3
		OKPUD Preliminary Study - Chicken Creek Substation	15,000	***	3
		Okanogan-Brewster Transmission Rebuild	65,000	***	3
		Misc. Property Survey	10,000	***	3
	591	Capital - Materials and Supplies		1,860,000	
		PT Line - Transmission and Distribution Materials	1,250,000	**	1
		Gold Creek Substation	320,000	**	1
		Twisp Substation Modifications	250,000	***	3
		Loup Transmission Line Re-Route into Twisp Substation	40,000	***	3

** The District expects to spend \$2,000,000 in 2014 and reserve the balance to complete the project.
 *** Staff will get Board approval prior to incurring expenses for Priority 3 capital items and will provide an explanation of the funding source for the item.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	20	Engineering		828,800
		010	Wages	161,500
		011	Benefits	69,100
		020	Travel	5,800
		021	Training, Tuition and Meeting Fees	4,300
		030	Transportation	11,400
		060	Postage, Printing and Stationery	500
		070	Advertising	300
		084	Permits and Fees	500
			Miscellaneous	500
		090	Materials and Supplies	15,000
		092	Miscellaneous	400
		581	Capital - Contractual Services	150,000
			Engineering - Large System Projects	150,000 ***
		591	Capital - Materials and Supplies	410,000
			Okanogan 115kv Bus Differential	10,000 ***
			SCADA	50,000 ***
			OCB, Regulators, Reclosers, etc.	320,000 ***
			Battery Replacements Identified by NERC Testing	30,000 ***

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**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	
1	21	Operations		10,847,600	
		010	Wages	3,527,900	
		011	Benefits	1,397,000	
		020	Travel	11,400	
		021	Training, Tuition and Meeting Fees	22,000	
		030	Transportation	731,600	
		050	Utilities	200	
		060	Postage, Printing and Stationery	3,000	
		070	Advertising	1,000	
		080	Misc. Contractual Services	646,100	
			CDL Testing Program	6,000	
			Employee Dispatch	9,600	
			Janitorial Services (BR, TO and OR)	8,500	
			Pole Testing	115,000	
			Safety Training	40,000	
			Tree Trimming	455,000	
			Underground Locate Service	3,000	
			Weed Control	9,000	
		082	Maintenance Contracts	94,000	
			HVAC Maintenance	32,000	
			Landscape Maintenance	9,000	
			Snowplowing and Sweeping	15,000	
			Omak Office - Asphalt Repair, Seal and Stripe	10,000	
			Okanogan Office - Asphalt, Seal and Stripe	20,000	
			Brewster Office - Exterior Repair and Paint	8,000	
		084	Permits and Fees	1,000	
			Miscellaneous	1,000	
		085	Rents and Leases	1,000	
			Pole Contacts	1,000	
		090	Materials and Supplies	582,000	
			General	550,000	
			Fire Resistant Clothing	24,500	
			Fire Resistant Raingear	7,500	
		091	Small Tools (under \$1,000)	8,500	
			Brewster	1,500	
			Okanogan	3,500	
			Oroville	1,500	
			Vehicle Shop/Electric Shop	2,000	
		092	Miscellaneous	10,400	
			Lineman Rodeo (Fees, Travel and Supplies)	10,000	
			Safety Meeting Refreshments	400	
		581	Capital - Contractual Services	400,000	
			Contract Labor	100,000	2
			Underground Replacements	300,000	2
		591	Capital - Materials and Supplies	1,225,000	
			Normal Replacements and Extensions	1,100,000	2
			Cutout Replacement	125,000	2
		592	Capital - Meter Purchases	70,000	
			Metering Special Projects	30,000 ***	3
			PME Meter Replacements	40,000 ***	3
		593	Capital - Transformer Purchases	400,000	
			Normal Additions/Replacements	400,000	2

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	
	710	Capital - Tools & Equipment (\$1,000 to \$2,000)		2,500	***	3
	711	Capital - Buildings		410,000		
		Headquarters - Emergency Generator Loadbank	8,000	***		3
		Okanogan or Sandflat Subs - Covered Storage	200,000	***		3
		Headquarters - Hardwater System	9,000	***		3
		Warehouse - HVAC Replacement	75,000	***		3
		Warehouse - Storage Container	3,000	***		3
		Warehouse - Lights	35,000	***		3
		Vehicle Shop - HVAC Replacement	80,000			1
	712	Capital - Equipment (Over \$2,000)		84,000		
		Electric Shop - Oil Filtration System	14,000			2
		Electric Shop - Portable Oil Test Set	12,000			2
		Electric Shop - Pipe Threading Machine	6,000	***		3
		Electric Shop\Telecom - Air Compressor	12,000	***		3
		Electric Shop\Telecom - Battery Storage\Charging	20,000	***		3
		Vehicle Shop - Parts Washer	5,500			2
		Vehicle Shop - Iron Worker Attachments	14,500	***		3
	713	Capital - Vehicles		1,219,000		
		Bucket Truck - Replacement	300,000			1
		Line Truck - Replacement	375,000	***		3
		Warehouse Truck - Replacement	375,000	***		3
		Backhoe Trailer - Replacement	35,000	***		3
		Service Trucks (2) - Replacements	90,000	***		3
		Cab\Chassis - Reuse and Remount Boom	80,000	***		3
		Foreman Truck - Replacement	90,000	***		3
		Pickup Truck - Replacements (4)	120,000	***		3
		Large SUV	30,000	***		3
		Less: Transportation System Depreciation	(276,000)			2

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**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	22		Environmental	110,000
		010	Wages	62,100
		011	Benefits	28,500
		020	Travel	3,000
		021	Training, Tuition and Meeting Fees	2,400
		030	Transportation	500
		080	Misc. Contractual Services	6,500
			Miscellaneous	6,500
		083	Software Licenses and Support	2,000
		090	Materials and Supplies	5,000

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	30	Customer Service		1,296,600
	010	Wages		657,200
	011	Benefits		331,200
	020	Travel		4,000
	021	Training, Tuition and Meeting Fees		2,500
	030	Transportation		38,900
	060	Postage, Printing and Stationery		137,600
		Postage and Printing - NISC	108,800	
		Postage - PUD	19,200	
		Printing - Misc.	9,600	
	080	Misc. Contractual Services		52,200
		CIS Programming	5,000	
		Collection Service - Credit Bureau	4,000	
		Credit Reporting Agency	3,200	
		Electronic Payments Fees	40,000	
	082	Maintenance Contracts		500
	083	Software Licenses and Support		5,000
		RemitPlus Check Scanning and Recognition Support	5,000	
	084	Permits and Fees		300
		Miscellaneous Fees (Notaries, etc.)	300	
	085	Rents and Leases		5,200
		Office Rent MVCC	4,900	
		Miscellaneous	300	
	090	Materials and Supplies		26,000
		General	26,000	
	091	Small Tools (under \$1,000)		1,500
	092	Miscellaneous		34,500
		Miscellaneous Expenses	600	
		Net Account Receivable Writeoffs	33,900	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	35		Conservation/Consumer Information	615,000
		010	Wages	63,900
		011	Benefits	24,900
		020	Travel	3,000
		021	Training, Tuition and Meeting Fees	2,000
		030	Transportation	6,400
		060	Postage, Printing and Stationery	3,000
			Miscellaneous	3,000
		070	Advertising	17,000
		071	Conservation Expenditures	472,400
			District Conservation Programs	472,400
		080	Misc. Contractual Services	20,000
			Electric Education Programs	20,000
		090	Materials and Supplies	2,200
		092	Miscellaneous	200

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	40	General Administration		8,725,300
	010	Wages		1,136,200
	011	Benefits		465,800
	020	Travel		24,400
		General	13,600	
		Accounting and Finance	5,000	
		Human Resource	3,800	
		Leadership	2,000	
	021	Training, Tuition and Meeting Fees		11,100
		General	2,500	
		Accounting and Finance	5,000	
		Human Resource	1,600	
		Leadership	2,000	
	030	Transportation		2,600
	040	Insurance (Property/Liability)		319,600
	050	Utilities		95,600
		Cell Phone Service	8,600	
		Electrical Service	8,700	
		Telephone Service	48,100	
		Water/Sewer/Garbage	30,200	
	060	Postage, Printing and Stationery		4,900
	070	Advertising		300
	080	Misc. Contractual Services		498,700
		APPA Dues	13,700	
		Audit Costs	74,400	
		Banking Fees	51,800	
		Benefits Administration	11,300	
		Bond Admin Fee	1,600	
		Chamber of Commerce Dues	800	
		CWPU/UIP Expenses	27,500	
		Economic Alliance	6,000	
		Financial Studies	50,000	
		Fire Alarm Monitoring	400	
		Foundation for Water and Energy	2,000	
		Janitorial Services (OK and OM)	49,500	
		Legislative Consultant	37,200	
		Misc. Services/Consulting	23,500	
		NW Public Power Assoc. Dues/NW Wage & Hour	28,600	
		PPC - Dues	27,400	
		PPC - NW River Partners	12,400	
		Standard and Poors	7,700	
		WA PUD Association Dues	72,900	
	081	Legal Services		300,000
		General Counsel	225,000	
		Misc. Attorney Fees	75,000	
	082	Maintenance Contracts		13,900
		Copier Maintenance - HQ Building	10,000	
		Elevator Maintenance	3,900	
	084	Permits and Fees		2,700
		WA State Purchasing Coop	2,000	
		WA State L&I Right to Know	300	
		Misc.	400	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	
	085	Rents and Leases			9,500	
		Copier Lease		8,800		
		P.O. Box Rent		700		
	090	Materials and Supplies			40,600	
	091	Small Tools (under \$1,000)			1,000	
	092	Miscellaneous			19,200	
		Clothing for Identification		1,200		
		Deductibles/Damage Claims		4,000		
		Election Costs		4,100		
		Employee Day		3,300		
		Meeting Expenses		1,800		
		Misc. Expenses (Wellness, Interview and Moving Exp)		3,600		
		Service Awards and Costs		1,200		
	099	Unforeseen Operating Contingency			100,000	
	210	Taxes			2,570,000	
	710	Capital - Tools & Equipment (\$1,000 to \$2,000)			2,000	*** 3
	810	Debt Service - Principal			1,447,200	
	811	Debt Service - Interest			1,560,000	
	901	Unforeseen Capital Contingency			100,000	2

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**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	41	Information Systems		1,410,100
	010	Wages		296,700
	011	Benefits		131,700
	020	Travel		5,000
	021	Training, Tuition and Meeting Fees		6,000
	030	Transportation		1,500
	080	Misc. Contractual Services		47,000
		Consulting	15,000	
		Security System Monitoring	3,000	
		Key Card System	2,000	
		Origin to WindmilMap Conversion	27,000	
	082	Maintenance Contracts		35,300
		Branch Office Multi Function Printer	1,500	
		Datacenter Liebert Units	5,400	
		NetApp SAN Hardware/Software - Current	25,000	
		Server Hardware Maintenance	3,400	
	083	Software Licenses and Support		494,700
		3rd Party Patch Management	4,500	
		Aclara - TWACS Support	18,000	
		Aclara - Upgrade to new iiDEAS	10,000	
		Certs SSL	1,500	
		LocalTel Phone System - Maintenance	13,500	
		Microsoft Software	20,200	
		NISC Custom Programming	5,000	
		NISC Maintenance	130,000	
		NISC MDMS Implementation	36,000	
		NISC MDMS Annual Fee	23,200	
		Domain Registrations	600	
		Programming Software	500	
		SonicWALL - ESA	2,200	
		Symantec Software and Support	14,700	
		VMWare Software Support (IS)	6,000	
		MS SQL Server	700	
		Milsoft - WindMilMap	27,000	
		AutoCad	2,500	
		ESRI	6,200	
		Futura	16,000	
		GeoNav	3,000	
		Itron Engineering Analysis	78,500	
		Itron Engineering Analysis - Maintenance	4,500	
		Itron Staker	20,000	
		Itron Staker - Reporting	10,000	
		TL-PRO Design Studio	5,000	
		OSI	19,500	
		Trimble Field Inspector	1,400	
		Allison Transmission Diagnostic Software	800	
		Mitchell Diagnostic Software	1,500	
		MSDS On Line	2,200	
		Cummins Tool Software	700	
		Fastenal Tool Inventory	1,200	
		Max Force	600	
		Zonar Vehicle Tracking	7,500	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	
	085	Rents and Leases			26,800	
			Okanogan Mailing Equipment	13,000		
			Branch Office Mailing Equipment	3,000		
			Branch Office MFP	10,800		
	090	Materials and Supplies			10,000	
	091	Small Tools (under \$1,000)			10,000	
	712	Capital - Equipment (Over \$2,000)			307,900	
			Virtual Environment	105,000		2
			HP Autoloader LTO5	5,500		2
			SQL Server - Operations	6,000 ***		3
			Trimble Field Inspection Unit - Operations	4,300 ***		3
			Network Switch	1,500		2
			SIEM - Log Management	15,000 ***		3
			Phone System	5,600 ***		3
			Keycard Systems - Readers and Controllers	50,000 ***		3
			Video Systems - Hardware	20,000 ***		3
			Video Surveillance Software/Licenses	15,000 ***		3
			Video System Cameras - Subs, Yards & Fence Lines	60,000 ***		3
			Video System Cameras - Branch Offices	10,000 ***		3
			Video Conferencing	10,000 ***		3
	714	Capital - Personal Computers			37,500	2

*** Staff will get Board approval prior to incurring expenses for Priority 3 capital items and will provide an explanation of the funding source for the item.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
 2014 ADOPTED BUDGET - DECEMBER 10, 2013
 EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	50		Commissioners	184,700
		010	Wages	108,600
		011	Benefits	54,800
		020	Travel	17,000
		021	Training, Tuition and Meeting Fees	3,000
		090	Materials and Supplies	1,000
		092	Miscellaneous	300

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
2	60	Broadband		2,156,100
	010	Wages		281,200
	011	Benefits		125,400
	020	Travel		10,000
	021	Training, Tuition and Meeting Fees		12,000
	030	Transportation		42,600
	060	Postage, Printing and Stationery		300
	080	Misc. Contractual Services		133,400
		NoaNet Calea Services	8,400	
		Network Consulting/Software Development	100,000	
		NRC 10G add/drop at Spokane USB	25,000	
	081	Legal Services		10,000
	082	Maintenance Contracts		147,100
		Motorola - New Access Points	54,700	
		Cambium Networks	4,600	
		Cisco SmartNet	10,200	
		WWP Lightning Edge/Ciena Devices	57,600	
		ADVA Optical	20,000	
	083	Software Licenses and Support		38,400
		NetZoom	2,100	
		Microsoft Software	1,700	
		Symantec Software and Support	4,500	
		VMWare	4,000	
		Ciena	10,000	
		Solar Winds	8,100	
		MapInfo Professional	500	
		Server License and Software Upgrades	7,500	
	084	Permits and Fees		71,500
		Upstream Internet Bandwidth	66,500	
		ARIN ASN & IP Address Allocation	5,000	
	085	Rents and Leases		138,900
		DCPUD Dark Fiber Leases	29,200	
		Co-location	10,400	
		Protect Path Ring	75,300	
		Wireless Site Lease	24,000	
	090	Materials and Supplies		85,500
		HVAC Maintenance and Repair	10,000	
		Switch/Network HW Upgrades	10,000	
		Fiber Plant Maintenance - Broadband	50,000	
		Battery Plant - Maintenance and Replacement	6,100	
		UPS/Rectifier - Maintenance and Replacement	7,100	
		Backup Tapes	500	
		Equipment Calibration	1,800	
	091	Small Tools (under \$1,000)		1,000
	210	Taxes		11,000
	591	Capital - Materials and Supplies		266,900
		WiFi Sites	75,000	2
		Fiber Build - Berney Ranch to SitnBull	18,500	2
		Fiber Build - SitnBull to Sackman's	5,900	2
		Fiber Build - Sackman's to Shady Pines	3,200	2
		Network Hardware Replacement - EOL	7,000	2
		Optics	17,300	2

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	
			Fiber Distribution Builds	60,000		2
			Wireless Subscriber Units	80,000		2
	712	Capital - Equipment (Over \$2,000)			30,000	
			Tools	5,000		2
			Test Equipment	25,000		2
	810	Debt Service - Principal			354,100	
			Loan - Electric	197,800		
			Operating Line - Electric	0		
			Loan - ARRA	156,300		
	811	Debt Service - Interest			396,800	
			Loan - Electric	80,500		
			Operating Line - Electric	186,600		
			Loan - ARRA	129,700		

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	61	Internal Communications		422,600
		010	Wages	137,300
		011	Benefits	55,900
		020	Travel	5,000
		021	Training, Tuition and Meeting Fees	5,000
		030	Transportation	4,900
		060	Postage, Printing and Stationery	300
		080	Misc. Contractual Services	75,000
			Radio System Coverage Analysis	75,000
		082	Maintenance Contracts	21,000
			Fire Alarm System	2,000
			UHF Radio System	19,000
		083	Software Licenses and Support	8,800
			Cisco Smartnet	300
			MapInfo Software Support	500
			Fiber Mapping Software Support	8,000
		084	Permits and Fees	3,000
			Right of Way - USFS, DOT, etc.	3,000
		085	Rents and Leases	29,400
			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.	1,200
			UHF Site Lease - Tunk Mtn.	2,400
			Dark Fiber Lease - Brewster to Wells Dam	17,700
		090	Materials and Supplies	10,000
			General Materials and Supplies	10,000
		091	Small Tools (under \$1,000)	2,000
		591	Capital - Materials and Supplies	15,000
			Fiber Rework - 1st and 2nd Avenue Okanogan	15,000
		712	Capital - Equipment (Over \$2,000)	50,000
			UHF Radio System Overhaul - Jackass Butte	50,000

2
2

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2014 ADOPTED BUDGET - DECEMBER 10, 2013
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
			TOTAL EXPENDITURES AND CAPITAL OUTLAY	64,417,500

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
OVERVIEW

HIGHLIGHTS

- \$6.8 million transfer from reserves, which is a \$7.4 million decrease over the 2014 adopted budget.
- Revenues cover debt service and operating expenses by \$11.9 million.
- Retail Electric Sales increased \$2.3 million to \$44.9 million.
- Wholesale Electric Sales increased \$139,800 - The increase in sales is due to a higher estimated market pricing than was used when estimating 2014 Wholesale Sales.
- Purchased Power - The largest operating expenditure in the budget increased \$57,700 to \$23.3 million.
- Capital Outlays account for \$18.8 million - see a summary of Capital Projects below.
- Debt Service Coverage Ratio is estimated at 3.08 times annual debt service payments; bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at 7.17; District's target is 1.5 times.

REVENUES of \$59.8 million - Assumptions Used

- **Retail Electric Sales:** Predicting a 1% load growth, no added large single load and a July 1st 2% 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 .10%(LGIP) and .20%(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 \$472,400 from BPA, \$6.2 million for the Carlton Fire and \$438,700 for the ARRA Project.

EXPENDITURES \$44.1 million - Assumptions Used

- **Wages:** Three more employees than in the 2014 adopted budget. The wages reflect a general wage increase of 2%.
- **Benefits:** Based on August 2013 thru July 2014 actual percentage of wages. Range of 32.9% through 49.4% (ave. 40.8%).
- **Purchased Power:** Wells Project costs effective September 2014 and BPA rates effective October 2014.
- **Other Expenditures:** Other expenses are based on known 2015 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.

CAPITAL OUTLAY \$18.8 million - Summary Listing

- Methow Transmission Line and Substation \$9,930,000.
- Carlton Fire Restoration \$2,150,000.
- **Enloe Dam \$1,764,000.**
- Normal Renewals and Replacements \$4,230,000.
- Priority 3 Capital Outlays \$708,100.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
BUDGET SUMMARY**

<u>Description</u>	<u>Electric</u>	<u>Broadband</u>	<u>Total</u>
<u>REVENUE</u>			
Sales - Retail	44,867,000		44,867,000
Sales - Electric Wholesale	2,975,000		2,975,000
Sales - Broadband Wholesale		2,550,000	2,550,000
Interest	41,000		41,000
Miscellaneous	1,094,000		1,094,000
Rental Income	110,000		110,000
Construction Contribution	997,000		997,000
Grant Proceeds	6,720,400	438,700	7,159,100
Total Revenue	56,804,400	2,988,700	59,793,100
<u>EXPENDITURES</u>			
Wages	7,418,400	326,800	7,745,200
Benefits	2,955,200	146,400	3,101,600
Travel	141,500	15,000	156,500
Training, Tuition and Meeting Fees	95,500	15,000	110,500
Transportation	823,700	58,000	881,700
Insurance	336,500		336,500
Utilities	100,800		100,800
Postage, Printing and Stationery	152,100	300	152,400
Advertising	24,100		24,100
Conservation Expenditures	472,400		472,400
Misc. Contractual Services	2,327,800	229,200	2,557,000
Legal Services	281,100	10,000	291,100
Maintenance Contracts	233,300	157,500	390,800
Software Licenses and Support	574,800	63,000	637,800
Permits and Fees	16,600	69,800	86,400
Rents and Leases	89,800	68,400	158,200
Materials and Supplies	666,700	95,700	762,400
Small Tools (under \$1,000)	36,800	1,000	37,800
Miscellaneous	66,600		66,600
Unforeseen Operating Contingency	100,000		100,000
Purchased Power	23,285,000		23,285,000
Taxes	2,677,000	13,000	2,690,000
Total Expenditures	42,875,700	1,269,100	44,144,800
<u>DEBT SERVICE</u>			
Debt Service - Principal	1,482,300	358,600	1,840,900
Debt Service - Interest	1,517,400	355,700	1,873,100
Total Debt Service	2,999,700	714,300	3,714,000
AVAILABLE FOR CAPITAL OUTLAY	10,929,000	1,005,300	11,934,300
<u>CAPITAL OUTLAY</u>			
Capital - Contractual Services	12,475,000		12,475,000
Capital - Materials and Supplies	4,198,000	342,100	4,540,100
Capital - Meter Purchases	119,000		119,000
Capital - Transformer Purchases	400,000		400,000
Capital - Tools and Equipment	6,500		6,500
Capital - Buildings	354,000		354,000
Capital - Equipment (Over \$2,000)	435,700	101,100	536,800
Capital - Vehicles	224,000		224,000
Capital - Personal Computers	26,700		26,700
Unforeseen Capital Contingency	100,000		100,000
Total Capital Outlay	18,338,900	443,200	18,782,100
RESERVES/DEBT	(7,409,900)	562,100	(6,847,800)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
2014 ADOPTED BUDGET COMPARED TO 2015 ADOPTED BUDGET

REVENUE	Electric System				Broadband				Total			
	Adopted 2014	Projected 2014	Adopted 2015	2014 Adopted/ 2015 Adopted	Adopted 2014	Projected 2014	Adopted 2015	2014 Adopted/ 2015 Adopted	Adopted 2014	Projected 2014	Adopted 2015	2014 Adopted/ 2015 Adopted
Sales - Retail	42,501,700	42,565,000	44,867,000	2,365,300	0	0	0	0	42,501,700	42,565,000	44,867,000	2,365,300
Sales - Electric Wholesale	2,835,200	4,343,000	2,975,000	139,800	0	0	0	0	2,835,200	4,343,000	2,975,000	139,800
Sales - Broadband Wholesale	0	0	0	0	2,200,000	2,525,000	2,550,000	350,000	2,200,000	2,525,000	2,550,000	350,000
Interest	50,000	38,000	41,000	(9,000)	0	0	0	0	50,000	38,000	41,000	(9,000)
Miscellaneous	1,104,000	1,071,000	1,094,000	(10,000)	0	17,000	0	0	1,104,000	1,088,000	1,094,000	(10,000)
Rental Income	108,000	109,000	110,000	2,000	0	0	0	0	108,000	109,000	110,000	2,000
Construction Contribution	917,000	1,293,000	997,000	80,000	0	0	0	0	917,000	1,293,000	997,000	80,000
Grant Proceeds	472,400	3,311,000	6,720,400	6,248,000	0	279,000	438,700	438,700	472,400	3,590,000	7,159,100	6,686,700
Total Revenue	47,988,300	52,730,000	56,804,400	8,816,100	2,200,000	2,821,000	2,988,700	788,700	50,188,300	55,551,000	59,793,100	9,604,800
EXPENDITURES												
Wages	6,998,100	7,435,000	7,418,400	420,300	281,200	472,000	326,800	45,600	7,279,300	7,907,000	7,745,200	465,900
Benefits	2,920,400	2,838,000	2,955,200	34,800	125,400	193,000	146,400	21,000	3,045,800	3,031,000	3,101,600	55,800
Travel	115,900	76,000	141,500	25,600	10,000	5,000	15,000	5,000	125,900	81,000	156,500	30,600
Training, Tuition and Meeting Fees	69,900	33,000	95,500	25,600	12,000	11,000	15,000	3,000	81,900	44,000	110,500	28,600
Transportation	828,200	997,000	823,700	(4,500)	42,600	51,000	58,000	15,400	870,800	1,048,000	881,700	10,900
Insurance	319,600	375,000	336,500	16,900	0	0	0	0	319,600	375,000	336,500	16,900
Utilities	95,800	95,000	100,800	5,000	0	0	0	0	95,800	95,000	100,800	5,000
Postage, Printing and Stationery	149,400	128,000	152,100	2,700	300	1,000	300	0	149,700	129,000	152,400	2,700
Advertising	18,600	23,000	24,100	5,500	0	0	0	0	18,600	23,000	24,100	5,500
Conservation Expenditures	472,400	472,000	472,400	0	0	0	0	0	472,400	472,000	472,400	0
Misc. Contractual Services	1,791,600	1,718,000	2,327,800	536,200	133,400	7,000	229,200	95,800	1,925,000	1,725,000	2,557,000	632,000
Legal Services	300,000	199,000	281,100	(18,900)	10,000	6,000	10,000	0	310,000	205,000	291,100	(18,900)
Maintenance Contracts	164,700	123,000	233,300	68,600	147,100	154,000	157,500	10,400	311,800	277,000	390,800	79,000
Software Licenses and Support	705,500	520,000	574,800	(130,700)	38,400	21,000	63,000	24,600	743,900	541,000	637,800	(106,100)
Permits and Fees	16,500	2,000	16,600	100	71,500	52,000	69,800	(1,700)	88,000	54,000	86,400	(1,600)
Rents and Leases	80,900	80,000	89,800	8,900	138,900	188,000	68,400	(70,500)	219,800	268,000	158,200	(61,600)
Materials and Supplies	697,500	505,000	666,700	(30,800)	85,500	72,000	95,700	10,200	783,000	577,000	762,400	(20,600)
Small Tools (under \$1,000)	24,000	3,000	36,800	12,800	1,000	1,000	1,000	0	25,000	4,000	37,800	12,800
Miscellaneous	65,000	48,000	66,600	1,600	0	0	0	0	65,000	48,000	66,600	1,600
Unforeseen Operating Contingency	100,000	155,000	100,000	0	0	1,000	0	0	100,000	156,000	100,000	0
Purchased Power	23,227,300	24,201,000	23,285,000	57,700	0	0	0	0	23,227,300	24,201,000	23,285,000	57,700
Taxes	2,570,000	2,655,000	2,677,000	107,000	11,000	13,000	13,000	2,000	2,581,000	2,668,000	2,690,000	109,000
Total Expenditures	41,731,300	42,681,000	42,875,700	1,144,400	1,108,300	1,248,000	1,269,100	160,800	42,839,600	43,929,000	44,144,800	1,305,200
DEBT SERVICE												
Debt Service - Principal	1,447,200	1,367,000	1,482,300	35,100	354,100	286,000	358,600	4,500	1,801,300	1,653,000	1,840,900	39,600
Debt Service - Interest	1,560,000	1,490,000	1,517,400	(42,600)	396,800	331,000	355,700	(41,100)	1,956,800	1,821,000	1,873,100	(83,700)
Total Debt Service	3,007,200	2,857,000	2,999,700	(7,500)	750,900	617,000	714,300	(36,600)	3,758,100	3,474,000	3,714,000	(44,100)
AVAILABLE FOR CAPITAL OUTLAY	3,249,800	7,192,000	10,929,000	7,679,200	340,800	956,000	1,005,300	664,500	3,590,600	8,148,000	11,934,300	8,343,700
CAPITAL OUTLAY												
Capital - Contractual Services	11,165,000	617,000	12,475,000	1,310,000	0	53,000	0	0	11,165,000	670,000	12,475,000	1,310,000
Capital - Materials and Supplies	3,675,000	2,471,000	4,198,000	523,000	266,900	78,000	342,100	75,200	3,941,900	2,549,000	4,540,100	598,200
Capital - Meter Purchases	70,000	(8,000)	119,000	49,000	0	0	0	0	70,000	(8,000)	119,000	49,000
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	4,500	0	6,500	2,000	0	0	0	0	4,500	0	6,500	2,000
Capital - Buildings	410,000	101,000	354,000	(56,000)	0	0	0	0	410,000	101,000	354,000	(56,000)
Capital - Equipment (Over \$2,000)	441,900	119,000	435,700	(6,200)	30,000	63,000	101,100	71,100	471,900	182,000	536,800	64,900
Capital - Vehicles	1,219,000	43,000	224,000	(995,000)	0	0	0	0	1,219,000	43,000	224,000	(995,000)
Capital - Personal Computers	37,500	38,000	26,700	(10,800)	0	0	0	0	37,500	38,000	26,700	(10,800)
Unforeseen Capital Contingency	100,000	4,882,000	100,000	0	0	1,739,000	0	0	100,000	6,621,000	100,000	0
Total Capital Outlay	17,522,900	8,663,000	18,338,900	816,000	296,900	1,933,000	443,200	146,300	17,819,800	10,596,000	18,782,100	962,300
RESERVES/DEBT	(14,273,100)	(1,471,000)	(7,409,900)	6,863,200	43,900	(977,000)	562,100	518,200	(14,229,200)	(2,448,000)	(6,847,800)	7,381,400

**PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
BUDGET COMPARISON 2008 ACTUALS THRU 2015 ADOPTED**

	2008		2009		2010		2011		2012		2013		2014		2015
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actuals	Budget	Projected	Adopted
REVENUE															
Sales - Electric Retail	31,853,400	31,952,534	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	42,565,000	44,867,000
Sales - Electric Wholesale	8,737,000	11,263,826	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	4,343,000	2,975,000
Sales - Broadband Wholesale	850,000	1,030,980	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	2,525,000	2,550,000
Interest	1,738,500	1,697,562	1,246,000	964,500	262,000	214,509	207,000	113,944	80,000	74,313	68,000	58,696	50,000	38,000	41,000
Miscellaneous	1,250,000	727,466	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	1,088,000	1,094,000
Rental Income	118,000	117,068	118,000	116,995	118,000	117,098	118,000	117,098	118,000	117,098	118,000	107,875	108,000	109,000	110,000
Construction Contribution	1,600,000	1,795,823	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	1,293,000	997,000
Grant Proceeds									5,421,000	2,091,175	3,868,000	2,914,452	472,400	3,590,000	7,159,100
Total Revenue	46,146,900	48,585,259	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	55,551,000	59,793,100
EXPENDITURES															
Wages	6,675,300	5,929,192	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	7,907,000	7,745,200
Benefits	2,182,700	2,035,454	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	3,031,000	3,101,600
Travel	125,500	140,556	267,600	124,077	244,700	124,532	185,900	122,664	170,800	116,854	154,000	84,407	125,900	81,000	156,500
Training, Tuition and Meeting Fees	84,900	96,332	179,300	74,206	196,000	86,633	135,900	61,871	128,800	91,420	110,700	48,022	81,900	44,000	110,500
Transportation	627,300	687,840	695,400	783,135	757,000	924,761	903,500	835,496	829,300	825,034	843,100	848,903	870,800	1,048,000	881,700
Insurance	206,600	212,096	219,300	313,815	320,500	279,268	310,000	308,777	308,000	307,665	312,400	285,789	319,600	375,000	336,500
Utilities	65,900	69,183	73,100	75,014	75,600	87,580	97,200	82,874	85,800	91,668	88,900	95,307	95,800	95,000	100,800
Postage, Printing and Stationary	105,500	111,096	122,700	104,646	117,200	106,436	198,400	142,313	193,000	141,003	151,100	139,314	149,700	129,000	152,400
Advertising	29,800	14,858	28,500	29,848	31,500	21,817	37,700	26,321	22,300	18,742	23,000	15,435	18,600	23,000	24,100
Conservation Expenditures	274,700	286,121	203,700	340,016	276,000	430,665	372,800	294,811	460,000	428,365	480,000	369,514	472,400	472,000	472,400
Misc. Contractual Services	2,400,700	2,171,518	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	1,725,000	2,557,000
Legal Services	64,500	155,895	374,800	296,977	364,100	240,533	314,100	323,826	319,100	257,876	329,500	266,784	310,000	205,000	291,100
Maintenance Contracts	223,900	136,192	177,100	90,704	157,400	102,674	177,600	127,600	185,900	208,019	338,000	282,513	311,800	277,000	390,800
Software Licenses and Support	137,200	154,785	187,700	183,255	264,500	241,644	317,400	223,978	445,200	263,155	678,900	468,830	743,900	541,000	637,800
Permits and Fees	41,300	85,420	116,400	103,281	104,400	104,237	368,300	162,253	160,500	137,887	90,500	61,760	88,000	54,000	86,400
Rents and Leases	136,000	139,093	154,400	151,378	148,300	161,484	285,100	166,823	280,000	220,978	272,300	281,988	219,800	268,000	158,200
Materials and Supplies	550,000	882,014	720,400	773,077	932,000	840,196	930,400	592,470	797,000	743,578	754,400	638,865	783,000	577,000	762,400
Small Tools (under \$1,000)	43,600	38,941	44,300	60,736	69,300	25,196	68,800	25,664	43,300	15,366	48,300	6,591	25,000	4,000	37,800
Miscellaneous	83,700	81,974	64,000	48,492	101,000	45,911	74,100	105,491	100,300	58,933	72,500	53,676	65,000	48,000	66,600
Unforeseen Operating Contingency									100,000	14,099	100,000	147,210	100,000	156,000	100,000
Purchased Power	24,243,700	24,686,109	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	24,201,000	23,285,000
Taxes	1,947,500	1,921,891	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	2,668,000	2,690,000
Total Expenditures	40,250,300	40,036,560	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	43,929,000	44,144,800
DEBT SERVICE															
Debt Service - Principal	810,000	812,118	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	1,653,000	1,840,900
Debt Service - Interest	753,300	798,800	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	1,821,000	1,873,100
Total Debt Service	1,563,300	1,610,918	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	3,474,000	3,714,000
AVAILABLE FOR CAPITAL OUTLAY	4,333,300	6,937,781	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	8,148,000	11,934,300
CAPITAL OUTLAY															
Capital - Contractual Services	3,986,700	2,042,651	10,158,000	1,761,846	11,208,000	1,759,767	10,500,000	2,279,483	9,686,400	2,350,626	6,472,500	7,350,382	11,165,000	670,000	12,475,000
Capital - Materials and Supplies	4,827,600	4,783,802	9,326,100	5,270,105	8,796,000	6,189,149	5,636,700	3,283,116	13,051,400	5,196,359	7,894,400	1,930,443	3,941,900	2,549,000	4,540,100
Capital - Meter Purchases	390,000	125,857	595,000	790,778	1,500,000	252,306	440,000	369,605	90,000	0	90,000	19,620	70,000	(8,000)	119,000
Capital - Transformer Purchases	1,200,000	1,153,037	1,166,000	521,218	500,000	365,288	500,000	408,995	225,000	216,729	225,000	227,794	400,000	400,000	400,000
Capital - Tools and Equipment	22,000	6,920	10,200	1,374	13,500	6,572	13,200	1,770	12,000	6,232	9,500	0	4,500	0	6,500
Capital - Buildings	778,600	240,876	6,984,500	3,932,356	3,094,000	4,274,502	42,000	40,475	7,500	1,969	685,000	20,992	410,000	101,000	354,000
Capital - Equipment (Over \$2,000)	819,300	680,078	1,105,100	412,738	1,457,800	1,043,752	999,600	218,074	1,051,000	371,313	1,259,100	218,107	471,900	182,000	536,800
Capital - Vehicles	941,000	930,324	351,000	281,734	(175,000)	(219,097)	30,000	(186,718)	315,300	(310,574)	634,000	(182,592)	1,219,000	43,000	224,000
Capital - Personal Computers	78,500	56,993	58,600	39,551	70,600	59,792	57,300	40,751	48,100	30,680	54,200	35,384	37,500	38,000	26,700
Unforeseen Capital Contingencies	100,000	31,359	100,000	42,005	100,000	16,131	100,000	47,639	100,000	3,679	100,000	45,883	100,000	6,621,000	100,000
Total Capital Outlay	13,143,700	10,051,897	29,854,500	13,053,705	26,564,900	13,748,162	18,318,800	6,503,190	24,586,700	7,867,013	17,423,700	9,666,013	17,819,800	10,596,000	18,782,100
RESERVES/DEBT	(8,810,400)	(3,114,116)	(26,369,000)	(13,056,219)	(29,925,500)	(16,999,368)	(22,384,100)	(4,678,105)	(19,867,000)	(5,480,550)	(14,693,000)	(1,387,503)	(14,229,200)	(2,448,000)	(6,847,800)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
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	179,800	123,900	780,600	160,100	3,639,700	63,400	654,100	66,400	1,188,300	310,800	107,400	326,800	143,900	7,745,200
011 Benefits	88,800	53,400	309,100	64,500	1,346,700	20,900	319,900	27,500	482,400	139,200	46,700	146,400	56,100	3,101,600
020 Travel	25,000	7,500	6,000	10,000	27,000	6,000	4,500	3,000	26,800	5,000	15,700	15,000	5,000	156,500
021 Training, Tuition and Meeting Fees	7,000	7,500	9,000	15,000	20,000	3,000	2,500	2,000	15,100	6,000	3,400	15,000	5,000	110,500
030 Transportation	1,200	800	40,000	11,400	700,000	500	55,200	4,200	3,800	1,400		58,000	5,200	881,700
040 Insurance									336,500					336,500
050 Utilities					200				100,600					100,800
060 Postage, Printing and Stationery				500	1,500		142,500	3,000	4,300			300	300	152,400
070 Advertising				3,000	1,000				19,200	900				24,100
071 Conservation Expenditures								472,400						472,400
080 Misc. Contractual Services	79,100	388,600	80,000	100,000	1,079,000		56,000	20,000	425,600	49,500		229,200	50,000	2,557,000
081 Legal Services									281,100			10,000		291,100
082 Maintenance Contracts					142,200		500		12,000	56,600		157,500	22,000	390,800
083 Software Licenses and Support	5,000	184,600	4,000			1,500	5,200		11,100	358,600		63,000	8,800	641,800
084 Permits and Fees	5,000			500	1,000	100	300		2,700			69,800	3,000	82,400
085 Rents and Leases	9,800				1,000		5,200		10,300	26,800		68,400	36,700	158,200
090 Materials and Supplies	2,500	1,000	15,000	3,000	558,000	1,500	26,000	2,200	36,200	10,000	1,300	95,700	10,000	762,400
091 Small Tools (under \$1,000)			2,000		20,000		1,500		1,300	10,000		1,000	2,000	37,800
092 Miscellaneous				400	10,400		34,500	200	20,700		400			66,600
099 Unforeseen Operating Contingency									100,000					100,000
120 Purchased Power		23,285,000												23,285,000
210 Taxes									2,677,000			13,000		2,690,000
Total Expenditures	403,200	24,052,300	1,245,700	368,400	7,547,700	96,900	1,307,900	620,100	5,736,700	973,900	174,900	1,269,100	348,000	44,144,800
DEBT SERVICE														
810 Debt Service - Principal									1,482,300			358,600		1,840,900
811 Debt Service - Interest									1,517,400			355,700		1,873,100
Total Debt Service	0	0	0	0	0	0	0	0	2,999,700	0	0	714,300	0	3,714,000
CAPITAL OUTLAY														
581 Capital - Contractual Services	1,695,000		10,100,000	180,000	500,000									12,475,000
591 Capital - Materials and Supplies	39,000		2,100,000	419,000	1,625,000							342,100	15,000	4,540,100
592 Capital - Meter Purchases					119,000									119,000
593 Capital - Transformer Purchases					400,000									400,000
710 Capital - Tools and Equipment					4,500				2,000					6,500
711 Capital - Buildings					354,000									354,000
712 Capital - Equipment (Over \$2,000)					104,000					281,700		101,100	50,000	536,800
713 Capital - Vehicles					224,000									224,000
714 Capital - Personal Computers										26,700				26,700
901 Unforeseen Capital Contingency									100,000					100,000
Total Capital Outlay	1,734,000	0	12,200,000	599,000	3,330,500	0	0	0	102,000	308,400	0	443,200	65,000	18,782,100
Total Use of Resources	2,137,200	24,052,300	13,445,700	967,400	10,878,200	96,900	1,307,900	620,100	8,838,400	1,282,300	174,900	2,426,600	413,000	66,640,900

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
REVENUE DETAIL**

<u>Div.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	Electric		56,804,400
	001	Sales - Retail	44,867,000
	002	Sales - Wholesale	2,975,000
	003	Interest	41,000
	004	Miscellaneous	1,094,000
	005	Rental Income	110,000
	006	Construction Contributions	997,000
	007	Grant Proceeds	6,720,400
2	Broadband		2,988,700
	002	Sales - Wholesale	2,550,000
	004	Miscellaneous	0
	006	Construction Contributions	0
	007	Grant Proceeds	438,700
		TOTAL REVENUE	59,793,100

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	10	Generation		2,137,200	
		010	Wages	179,800	
		011	Benefits	88,800	
		020	Travel	25,000	
		021	Training, Tuition and Meeting Fees	7,000	
		030	Transportation	1,200	
		080	Misc. Contractual Service	79,100	
		083	Software Licenses and Support	5,000	
		084	Permits and Fees	5,000	
		085	Rent and Leases	9,800	
			Ophir Site Lease	9,800	
		090	Materials and Supplies	2,500	
		581	Capital - Contractual Services	1,695,000	1
		591	Capital - Materials and Supplies	39,000	1

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	11	Power Supply		24,052,300	
		010	Wages	123,900	
		011	Benefits	53,400	
		020	Travel	7,500	
		021	Training, Tuition and Meeting Fees	7,500	
		030	Transportation	800	
		080	Misc. Contractual Services	388,600	
			Douglas County PUD	363,600	
			Professional Services (compliance/scheduling)	10,000	
			Central Washington Power Authority	5,000	
			Slice Implementation Group	10,000	
		083	Software Licenses and Support	184,600	
			Slice Software Support Fee	184,600	
		090	Materials and Supplies	1,000	
		120	Purchased Power	23,285,000	
			BPA - Slice	8,002,400	
			BPA - Block	5,495,600	
			BPA - Transmission	2,686,300	
			Wells	4,220,700	
			Nine Canyon	2,722,000	
			Other - Market Purchases	158,000	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	19	Construction Design		13,445,700	
		010	Wages	780,600	
		011	Benefits	309,100	
		020	Travel	6,000	
		021	Training, Tuition and Meeting Fees	9,000	
		030	Transportation	40,000	
		080	Misc. Contractual Services	80,000	
			BPA Engineering Studies - Chicken Creek Sub	60,000	
			OKPUD Preliminary Study - Chicken Creek Sub	20,000	
		084	Permits and Fees	4,000	
			Miscellaneous	4,000	
		090	Materials and Supplies	15,000	
		091	Small Tools (under \$1,000)	2,000	
		581	Capital - Contractual Services	10,100,000	
			PT Line Construction	6,000,000	1
			PT Mitigation/Roads	650,000	1
			PT Permits	175,000	1
			PT ROW/Easements	500,000	1
			Gold Creek Substation	505,000	1
			LiDAR - Transmission Analysis/Fixes	50,000	2
			Okanogan-Brewster Transmission Rebuild	60,000	2
			Misc. Property Survey	10,000	2
			Carlton Fire Restoration - Transmission	1,200,000	1
			Carlton Fire Restoration - Distribution	950,000	1
		591	Capital - Materials and Supplies	2,100,000	
			PT Line - Transmission and Distribution Materials	1,250,000	1
			Gold Creek Substation	400,000	1
			Twisp Substation Modifications	400,000	1
			Loup Transmission Line Re-Route into Twisp Sub	50,000	1

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	20	Engineering		967,400	
	010	Wages		160,100	
	011	Benefits		64,500	
	020	Travel		10,000	
	021	Training, Tuition and Meeting Fees		15,000	
	030	Transportation		11,400	
	060	Postage, Printing and Stationery		500	
	070	Advertising		3,000	
	080	Misc. Contractual Services		100,000	
		BPA Study - WECC De-Registration	50,000		
		Protective Relay/Instrument Transformer Testing	50,000		
	084	Permits and Fees		500	
		Miscellaneous	500		
	090	Materials and Supplies		3,000	
	092	Miscellaneous		400	
	581	Capital - Contractual Services		180,000	
		Engineering - Large System Projects	150,000		2
		Enloe Dam - PFMA (potential failure mode analysis)	30,000		1
	591	Capital - Materials and Supplies		419,000	
		Okanogan 115kv Bus Differential	17,000		2
		SCADA	52,000		2
		OCB, Regulators, Reclosers, etc.	320,000		2
		Battery Replacements Identified by NERC Testing	30,000		2

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	21	Operations		10,878,200	
		010	Wages	3,639,700	
		011	Benefits	1,346,700	
		020	Travel	27,000	
		021	Training, Tuition and Meeting Fees	20,000	
		030	Transportation	700,000	
		050	Utilities	200	
		060	Postage, Printing and Stationery	1,500	
		070	Advertising	1,000	
		080	Misc. Contractual Services	1,079,000	
			CDL Testing Program	6,000	
			Employee Dispatch	120,000	
			Firealarm Testing and Monitoring	1,500	
			Janitorial Services (BR, TO and OR)	9,500	
			Janitorial Services (OK and OM)	50,000	
			Pole Testing	145,000	
			Safety Training	40,000	
			Tree Trimming	695,000	
			Underground Locate Service	3,000	
			Weed Control	9,000	
		082	Maintenance Contracts	142,200	
			Elevator Maintenance	4,200	
			HQ General Maintenance	40,000	
			HVAC Maintenance	35,000	
			Landscape Maintenance	10,000	
			Snowplowing and Sweeping	15,000	
			Omak Office - Asphalt Repair, Seal and Stripe	10,000	
			Okanogan Office - Asphalt, Seal and Stripe	20,000	
			Brewster Office - Exterior Repair and Paint	8,000	
		084	Permits and Fees	1,000	
			Miscellaneous	1,000	
		085	Rents and Leases	1,000	
			Pole Contacts	1,000	
		090	Materials and Supplies	558,000	
			General	500,000	
			Fall Protection	21,000	
			Fire Resistant Clothing	20,000	
			Fire Resistant Raingear	17,000	
		091	Small Tools (under \$1,000)	20,000	
			Line	14,000	
			Telecom	2,000	
			Electric Shop	2,000	
			Vehicle Shop	2,000	
		092	Miscellaneous	10,400	
			Lineman Rodeo (Fees, Travel and Supplies)	10,000	
			Safety Meeting Refreshments	400	
		581	Capital - Contractual Services	500,000	
			Contract Labor	100,000	2
			Underground Replacements	400,000	2
		591	Capital - Materials and Supplies	1,625,000	
			Normal Replacements and Extensions	1,100,000	2
			Avian Protection	6,000	2
			Cutout Replacement	125,000	2
			TNS-2000: Rebuild Havillah Road Phase 1	106,000	2
			TNS-2000: Rebuild Havillah Road Phase 2	114,000	3

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Priority Ranking</u>
			WSS-3000: Rebuild Phase 1 from (3215-3300)	76,000		3
			MLS-1000: Rebuild towards Ophir Substation	62,000		3
			SFS-2000: Reconductor S. Fir; Ridge Dr./Radio Sta.	12,000		3
			BWS-5000: Replace UG Brewster Hghts. Subdivision	24,000		2
592		Capital - Meter Purchases			119,000	
			Metering Special Projects	30,000		2
			PME Meter Replacements	40,000		2
			Meters w/ Internal Breakers	30,000		2
			K Switches	19,000		2
593		Capital - Transformer Purchases			400,000	
			Normal Additions/Replacements	400,000		2
710		Capital - Tools & Equipment (\$1,000 to \$2,000)			4,500	2
711		Capital - Buildings			354,000	
			Headquarters - Emergency Generator Loadbank	8,000		2
			Headquarters - Hardwater System	10,000		2
			Headquarters - HVAC Digital Control Project	6,000		2
			Headquarters - HVAC Roof Mist System Installation	2,000		2
			Headquarters - Network Room Gas Fire System	25,000		2
			Okanogan or Sandflat Subs - Covered Storage	200,000		3
			Oroville - Storage Building, Cover Ceiling	5,000		2
			Warehouse - HVAC Replacement	75,000		2
			Warehouse - Storage Container	3,000		2
			Warehouse - Lighting	20,000		2
712		Capital - Equipment (Over \$2,000)			104,000	
			Electric Shop - Air Compressor	13,000		2
			Electric Shop - Battery Testing Equipment	10,000		2
			Electric Shop - Pipe Threading Machine	6,000		2
			Electric Shop\Telecom - Battery Storage\Charging	20,000		2
			Line - High Voltage Amp Meters	10,000		2
			Line - Boot Dryers	4,000		2
			Line - Servisavor (2)	10,000		2
			Operations - Water Tank, Pump, Hose (slip in)	10,000		2
			Telecom - OTDR	7,000		2
			Vehicle Shop - Iron Worker Attachments	14,000		2
713		Capital - Vehicles			224,000	
			Fleet	500,000		2
			Less: Transportation System Depreciation	(276,000)		2

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	22		Environmental		96,900
		010	Wages	63,400	
		011	Benefits	20,900	
		020	Travel	6,000	
		021	Training, Tuition and Meeting Fees	3,000	
		030	Transportation	500	
		083	Software Licenses and Support	1,500	
		084	Permits and Fees	100	
		090	Materials and Supplies	1,500	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	30	Customer Service		1,307,900	
		010	Wages	654,100	
		011	Benefits	319,900	
		020	Travel	4,500	
		021	Training, Tuition and Meeting Fees	2,500	
		030	Transportation	55,200	
		060	Postage, Printing and Stationery	142,500	
			Postage and Printing - NISC	112,100	
			Postage - PUD	19,800	
			Printing - Misc.	10,600	
		080	Misc. Contractual Services	56,000	
			CIS Programming	5,000	
			Collection Service - Credit Bureau	4,000	
			Credit Reporting Agency	3,200	
			Electronic Payments Fees	43,800	
		082	Maintenance Contracts	500	
		083	Software Licenses and Support	5,200	
			RemitPlus Check Scanning and Recognition Support	5,200	
		084	Permits and Fees	300	
			Miscellaneous Fees (Notaries, etc.)	300	
		085	Rents and Leases	5,200	
			Office Rent MVCC	4,900	
			Miscellaneous	300	
		090	Materials and Supplies	26,000	
			General	26,000	
		091	Small Tools (under \$1,000)	1,500	
		092	Miscellaneous	34,500	
			Miscellaneous Expenses	600	
			Net Account Receivable Writeoffs	33,900	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	35		Conservation/Consumer Information	620,100	
		010	Wages	66,400	
		011	Benefits	27,500	
		020	Travel	3,000	
		021	Training, Tuition and Meeting Fees	2,000	
		030	Transportation	4,200	
		060	Postage, Printing and Stationery	3,000	
			Miscellaneous	3,000	
		070	Advertising	19,200	
		071	Conservation Expenditures	472,400	
			District Conservation Programs	472,400	
		080	Misc. Contractual Services	20,000	
			Electric Education Programs	20,000	
		090	Materials and Supplies	2,200	
		092	Miscellaneous	200	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	40	General Administration		8,838,400	
	010	Wages		1,188,300	
	011	Benefits		482,400	
	020	Travel		26,800	
		General	12,700		
		Accounting and Finance	6,300		
		Human Resource	4,300		
		Leadership	3,500		
	021	Training, Tuition and Meeting Fees		15,100	
		General	2,900		
		Accounting and Finance	3,600		
		Human Resource	1,600		
		Educational Reimbursement	3,500		
		Leadership	3,500		
	030	Transportation		3,800	
	040	Insurance (Property/Liability)		336,500	
	050	Utilities		100,600	
		Cell Phone Service	8,400		
		Electrical Service	10,800		
		Telephone Service	49,900		
		Water/Sewer/Garbage	31,500		
	060	Postage, Printing and Stationery		4,300	
	070	Advertising		900	
	080	Misc. Contractual Services		425,600	
		APPA Dues	15,100		
		Audit Costs	81,500		
		Banking Fees	47,700		
		Benefits Administration	4,900		
		Bond Admin Fee	1,600		
		Chamber of Commerce Dues	800		
		CWPU/UIP Expenses	14,700		
		Economic Alliance	6,000		
		Financial Studies	50,000		
		Foundation for Water and Energy	2,000		
		Legislative Consultant	37,200		
		Misc. Services/Consulting	16,700		
		NW Public Power Assoc. Dues/NW Wage & Hour	27,600		
		PPC - Dues	26,800		
		PPC - NW River Partners	12,400		
		Standard and Poors	7,700		
		WA PUD Association Dues	72,900		
	081	Legal Services		281,100	
		General Counsel	206,100		
		Misc. Attorney Fees	75,000		
	082	Maintenance Contracts		12,000	
		Copier Maintenance - HQ Building	12,000		
	083	Software Licenses and Support		11,100	
		Performance Review Program (1/2 of cost is start up)	11,100		
	084	Permits and Fees		2,700	
		WA State Purchasing Coop	2,000		
		WA State L&I Right to Know	200		
		Misc.	500		
	085	Rents and Leases		10,300	
		Copier Lease	9,600		
		P.O. Box Rent	700		

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
	090		Materials and Supplies	36,200	
	091		Small Tools (under \$1,000)	1,300	
	092		Miscellaneous	20,700	
			Clothing for Identification	1,200	
			Deductibles/Damage Claims	4,000	
			Election Costs	0	
			Employee Day	3,300	
			Meeting Expenses	300	
			Misc. Expenses (Wellness, Interview and Moving Exp)	9,100	
			Service Awards and Costs	2,800	
	099		Unforeseen Operating Contingency	100,000	
	210		Taxes	2,677,000	
	710		Capital - Tools & Equipment (\$1,000 to \$2,000)	2,000	2
	713		Capital - Vehicles	0	
	810		Debt Service - Principal	1,482,300	
	811		Debt Service - Interest	1,517,400	
	901		Unforeseen Capital Contingency	100,000	2

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	41	Information Systems		1,282,300	
		010	Wages	310,800	
		011	Benefits	139,200	
		020	Travel	5,000	
		021	Training, Tuition and Meeting Fees	6,000	
		030	Transportation	1,400	
		080	Misc. Contractual Services	49,500	
			Consulting	15,000	
			Security System Monitoring	3,000	
			Key Card System	2,500	
			Eaton Powerware	2,000	
			Origin to WindmilMap Conversion	27,000	
		082	Maintenance Contracts	56,600	
			Branch Office Multi Function Printer	1,500	
			Check Scanner - RemitPlus	1,200	
			Datacenter Liebert Units	5,400	
			Eaton Powerware - Datacenter UPS & Monitoring	34,500	
			Eaton Powerware - Omak Network UPS	14,000	
		083	Software Licenses and Support	358,600	
			Aclara - TWACS Support	18,000	
			Certs SSL	300	
			Cisco SmartNet	1,000	
			Genetec Maintenance	2,500	
			LANDesk	1,200	
			Microsoft Software	18,200	
			NISC Custom Programming	5,000	
			NISC eBill VM	4,500	
			NISC Maintenance	130,000	
			Domain Registrations	600	
			Programming Software	1,200	
			ShoreTel Phone System	16,200	
			SonicWALL - ESA	2,500	
			SonicWALL - NSA	2,200	
			Symantec Software and Support	10,100	
			VMWare Software Support (IS)	5,000	
			Eng/Ops - MS SQL Server	700	
			Eng/Ops - Milsoft WindMilMap	27,000	
			Eng/Ops - AutoCad	2,800	
			Eng/Ops - ESRI	6,000	
			Eng/Ops - Futura	17,500	
			Eng/Ops - GeoNav	3,500	
			Eng/Ops - Itron Staker Maintenance	25,000	
			Eng/Ops - Itron Staker Reporting	10,000	
			Eng/Ops - TL-PRO Design Studio	5,000	
			Eng/Ops - OSI	21,000	
			Eng/Ops - Trimble Field Inspector	1,600	
			Eng/Ops - Allison Transmission Diagnostic Software	800	
			Eng/Ops - Mitchell Diagnostic Software	2,500	
			Eng/Ops - MSDS On Line	2,200	
			Eng/Ops - Cummins Tool Software	700	
			Eng/Ops - Fastenal Tool Inventory	1,200	
			Eng/Ops - Max Force	600	
			Eng/Ops - Zonar Vehicle Tracking	12,000	
		085	Rents and Leases	26,800	
			Okanogan Mailing Equipment	13,000	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Priority Ranking</u>
			Branch Office Mailing Equipment	3,000		
			Branch Office MFP	10,800		
090			Materials and Supplies		10,000	
091			Small Tools (under \$1,000)		10,000	
712			Capital - Equipment (Over \$2,000)		281,700	
			Eaton Powerware - Omak Network Room	19,500		2
			Genetec System - Cameras (Branch office)	8,000		2
			Genetec System - Cameras (Subs, yards and fences)	60,000		3
			Genetec System - Readers and Controllers	50,000		3
			Genetec System - Video Surveillance Software	15,000		3
			Genetec System - Video Conferencing	10,000		3
			Mapping Server - Physical	6,000		2
			NISC - iVue Server	19,000		2
			NISC - eBill Server	5,000		2
			Eng/Ops - Tablet PC's	19,000		2
			Eng/Ops - Physical Server SQL Database	6,000		2
			Printers	6,500		2
			Phone System	8,600		2
			Virtual Environment	49,100		2
714			Capital - Personal Computers		26,700	2

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	50		Commissioners	174,900	
		010	Wages	107,400	
		011	Benefits	46,700	
		020	Travel	15,700	
		021	Training, Tuition and Meeting Fees	3,400	
		090	Materials and Supplies	1,300	
		092	Miscellaneous	400	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
2	60	Broadband		2,426,600	
		010	Wages	326,800	
		011	Benefits	146,400	
		020	Travel	15,000	
		021	Training, Tuition and Meeting Fees	15,000	
		030	Transportation	58,000	
		060	Postage, Printing and Stationery	300	
		070	Advertising	0	
		080	Misc. Contractual Services	229,200	
			Network Consulting	100,000	
			NoaNet Calea Services	4,200	
			NRC 10G add/drop at Spokane USB	25,000	
			Software Development	100,000	
		081	Legal Services	10,000	
		082	Maintenance Contracts	157,500	
			ADVA Optical	25,000	
			Cambium Networks	4,600	
			Cisco	4,900	
			Motorola	57,400	
			NetApp	1,300	
			WWP Lightning Edge/Ciena Devices	64,300	
		083	Software Licenses and Support	63,000	
			Ciena	30,000	
			MapInfo Professional	3,000	
			Microsoft Software	1,800	
			NetZoom	2,100	
			Server License and Software Upgrades	7,500	
			Solar Winds	8,600	
			Symantec Software and Support	4,500	
			VMWare	5,500	
		084	Permits and Fees	69,800	
			ARIN ASN & IP Address Allocation	5,000	
			Upstream Internet Bandwidth	64,800	
		085	Rents and Leases	68,400	
			DCPUD Dark Fiber Leases	29,200	
			DCPUD Co-location	5,600	
			Wireless Site Lease	33,600	
		090	Materials and Supplies	95,700	
			Backup Tapes	500	
			Battery Plant - Maintenance and Replacement	16,300	
			Fiber Plant Maintenance - Broadband	50,000	
			HVAC Maintenance and Repair	10,000	
			Switch/Network HW Upgrades	10,000	
			UPS/Rectifier - Maintenance and Replacement	7,100	
			Equipment Calibration/Repair	1,800	
		091	Small Tools (under \$1,000)	1,000	
		210	Taxes	13,000	
		591	Capital - Materials and Supplies	342,100	
			Node Rework	30,000	2
			WiFi Sites Omak/Okanogan	75,000	3
			Fiber Build - SitnBull to Sackman's	5,900	3
			Fiber Build - Sackman's to Shady Pines	3,200	3
			Fiber Distribution Builds	75,000	2
			Network Hardware Replacement - EOL	25,800	2
			Optics	42,200	2

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Priority Ranking</u>
			Wireless Subscriber Units	85,000		2
	712	Capital - Equipment (Over \$2,000)			101,100	
			Door Controller	2,500		2
			NetApp Shelf	30,500		2
			Tools	5,000		2
			Test Equipment	25,000		3
			Virtual Server Environment	38,100		2
	810	Debt Service - Principal			358,600	
			Loan - Electric	207,700		
			Operating Line - Electric	0		
			Loan - ARRA	150,900		
	811	Debt Service - Interest			355,700	
			Loan - Electric	70,700		
			Operating Line - Electric	180,200		
			Loan - ARRA	104,800		

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	61	Internal Communications		413,000	
		010	Wages	143,900	
		011	Benefits	56,100	
		020	Travel	5,000	
		021	Training, Tuition and Meeting Fees	5,000	
		030	Transportation	5,200	
		060	Postage, Printing and Stationery	300	
		080	Misc. Contractual Services	50,000	
			Radio System Coverage Analysis	50,000	
		082	Maintenance Contracts	22,000	
			Fire Alarm System	3,000	
			UHF Radio System	19,000	
		083	Software Licenses and Support	8,800	
			Cisco Smartnet	300	
			MapInfo Software Support	500	
			Fiber Mapping Software Support	8,000	
		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	10,000	
			General Materials and Supplies	10,000	
		091	Small Tools (under \$1,000)	2,000	
		591	Capital - Materials and Supplies	15,000	
			Fiber Rework - 1st and 2nd Avenue Okanogan	15,000	2
		712	Capital - Equipment (Over \$2,000)	50,000	
			UHF Radio System Overhaul - Jackass Butte	50,000	2

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2015 ADOPTED BUDGET - DECEMBER 15, 2014
EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
			TOTAL EXPENDITURES AND CAPITAL OUTLAY	66,640,900	

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
OVERVIEW

HIGHLIGHTS

- \$11.9 million transfer from reserves, which is a \$5.1 million increase over the 2015 adopted budget.
- Revenues cover debt service and operating expenses by \$5.5 million.
- Retail Electric Sales increased \$1.0 million to \$45.9 million.
- Wholesale Electric Sales decreased \$1.0 million - The decrease in sales is due to a lower estimated market pricing than was used when estimating 2015 Wholesale Sales and lower sales volume.
- Purchased Power - The largest operating expenditure in the budget increased \$785,500 to \$24.1 million.
- Capital Outlays account for \$18.3 million - see a summary of Capital Projects below.
- Debt Service Coverage Ratio is estimated at 2.35 times annual debt service payments; bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at 2.11; District's target is 1.5 times.

REVENUES of \$57.9 million - Assumptions Used

- **Retail Electric Sales:** Predicting a 1% load growth, 1% 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 .13%(LGIP) and .20%(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 \$486,900 from BPA, \$829,800 for the Carlton Complex Fires and \$3,359,000 for the Okanogan Complex Fires.

EXPENDITURES \$47.8 million - Assumptions Used

- **Wages:** Four more employees than in the 2015 adopted budget. The wages reflect a general wage increase of 2%.
- **Benefits:** Based on August 2014 thru July 2015 actual percentage of wages. Range of 30.6% through 49.1% (ave. 41.2%).
- **Purchased Power:** Wells Project costs effective September 2015 and BPA rates effective October 2015.
- **Other Expenditures:** Other expenses are based on known 2016 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.

CAPITAL OUTLAY \$18.3 million - Summary Listing

- Methow Transmission Line and Substation \$11,025,000.
- **Enloe Dam \$1,056,000.**
- Okanogan Fire Restoration \$325,800.
- Normal Renewals and Replacements \$5,271,600.
- Priority 3 Capital Outlays \$656,000.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
BUDGET SUMMARY**

<u>Description</u>	<u>Electric</u>	<u>Broadband</u>	<u>Total</u>
<u>REVENUE</u>			
Sales - Retail	45,909,000		45,909,000
Sales - Electric Wholesale	1,939,800		1,939,800
Sales - Broadband Wholesale		2,640,000	2,640,000
Interest	41,000		41,000
Miscellaneous	1,208,000		1,208,000
Rental Income	110,000		110,000
Construction Contribution	1,345,600		1,345,600
Grant Proceeds	4,675,700	0	4,675,700
Total Revenue	55,229,100	2,640,000	57,869,100
<u>EXPENDITURES</u>			
Wages	8,243,000	345,200	8,588,200
Benefits	3,339,100	156,700	3,495,800
Travel	134,800	15,000	149,800
Training, Tuition and Meeting Fees	98,800	15,000	113,800
Transportation	933,900	50,400	984,300
Insurance	337,600		337,600
Utilities	97,900		97,900
Postage, Printing and Stationery	152,700	300	153,000
Advertising	34,800		34,800
Conservation Expenditures	214,900		214,900
Misc. Contractual Services	3,966,400	104,200	4,070,600
Legal Services	283,800	10,000	293,800
Maintenance Contracts	193,000	112,700	305,700
Software Licenses and Support	557,900	72,300	630,200
Permits and Fees	14,900	80,600	95,500
Rents and Leases	91,100	73,200	164,300
Materials and Supplies	709,300	98,800	808,100
Small Tools (under \$1,000)	34,000	1,000	35,000
Miscellaneous	64,500		64,500
Unforeseen Operating Contingency	250,000		250,000
Purchased Power	24,070,500		24,070,500
Taxes	2,793,000	13,000	2,806,000
Total Expenditures	46,615,900	1,148,400	47,764,300
<u>DEBT SERVICE</u>			
Debt Service - Principal	1,536,900	360,400	1,897,300
Debt Service - Interest	1,563,900	235,500	1,799,400
Total Debt Service	3,100,800	595,900	3,696,700
AVAILABLE FOR CAPITAL OUTLAY	5,512,400	895,700	6,408,100
<u>CAPITAL OUTLAY</u>			
Capital - Contractual Services	10,805,800		10,805,800
Capital - Materials and Supplies	5,006,000	375,000	5,381,000
Capital - Meter Purchases	95,000		95,000
Capital - Transformer Purchases	400,000		400,000
Capital - Tools and Equipment	5,000		5,000
Capital - Buildings	382,000		382,000
Capital - Equipment (Over \$2,000)	564,500	161,000	725,500
Capital - Vehicles	260,000		260,000
Capital - Personal Computers	30,100		30,100
Unforeseen Capital Contingency	250,000		250,000
Total Capital Outlay	17,798,400	536,000	18,334,400
RESERVES/DEBT	(12,286,000)	359,700	(11,926,300)

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
 2016 ADOPTED BUDGET - DECEMBER 7, 2015
 2015 ADOPTED BUDGET COMPARED TO 2016 ADOPTED BUDGET

	Electric System				Broadband				Total			
	Adopted 2015	Projected 2015	Adopted 2016	2015 Adopted/ Adopted 2016	Adopted 2015	Projected 2015	Adopted 2016	2015 Adopted/ Adopted 2016	Adopted 2015	Projected 2015	Adopted 2016	2015 Adopted/ Adopted 2016
REVENUE												
Sales - Retail	44,867,000	43,418,000	45,909,000	1,042,000	0	0	0	0	44,867,000	43,418,000	45,909,000	1,042,000
Sales - Electric Wholesale	2,975,000	2,768,000	1,939,800	(1,035,200)	0	0	0	0	2,975,000	2,768,000	1,939,800	(1,035,200)
Sales - Broadband Wholesale	0	0	0	0	2,550,000	2,624,000	2,640,000	90,000	2,550,000	2,624,000	2,640,000	90,000
Interest	41,000	40,000	41,000	0	0	0	0	0	41,000	40,000	41,000	0
Miscellaneous	1,094,000	1,230,000	1,208,000	114,000	0	4,000	0	0	1,094,000	1,234,000	1,208,000	114,000
Rental Income	110,000	110,000	110,000	0	0	0	0	0	110,000	110,000	110,000	0
Construction Contribution	997,000	1,707,000	1,345,600	348,600	0	0	0	0	997,000	1,707,000	1,345,600	348,600
Grant Proceeds	6,720,400	3,384,000	4,675,700	(2,044,700)	438,700	1,190,000	0	(438,700)	7,159,100	4,574,000	4,675,700	(2,483,400)
Total Revenue	56,804,400	52,657,000	55,229,100	(1,575,300)	2,988,700	3,818,000	2,640,000	(348,700)	59,793,100	56,475,000	57,869,100	(1,924,000)
EXPENDITURES												
Wages	7,418,400	7,449,000	8,243,000	824,600	326,800	447,000	345,200	18,400	7,745,200	7,896,000	8,588,200	843,000
Benefits	2,955,200	2,879,000	3,339,100	383,900	146,400	189,000	156,700	10,300	3,101,600	3,068,000	3,495,800	394,200
Travel	141,500	76,000	134,800	(6,700)	15,000	8,000	15,000	0	156,500	84,000	149,800	(6,700)
Training, Tuition and Meeting Fees	95,500	32,000	98,800	3,300	15,000	14,000	15,000	0	110,500	46,000	113,800	3,300
Transportation	823,700	1,026,000	933,900	110,200	58,000	49,000	50,400	(7,600)	881,700	1,075,000	984,300	102,600
Insurance	336,500	253,000	337,600	1,100	0	0	0	0	336,500	253,000	337,600	1,100
Utilities	100,800	98,000	97,900	(2,900)	0	0	0	0	100,800	98,000	97,900	(2,900)
Postage, Printing and Stationery	152,100	147,000	152,700	600	300	2,000	300	0	152,400	149,000	153,000	600
Advertising	24,100	32,000	34,800	10,700	0	2,000	0	0	24,100	34,000	34,800	10,700
Conservation Expenditures	472,400	454,000	214,900	(257,500)	0	0	0	0	472,400	454,000	214,900	(257,500)
Misc. Contractual Services	2,327,800	1,955,000	3,966,400	1,638,600	229,200	185,000	104,200	(125,000)	2,557,000	2,140,000	4,070,600	1,513,600
Legal Services	281,100	281,000	283,800	2,700	10,000	10,000	10,000	0	291,100	291,000	293,800	2,700
Maintenance Contracts	233,300	125,000	193,000	(40,300)	157,500	135,000	112,700	(44,800)	390,800	260,000	305,700	(85,100)
Software Licenses and Support	574,800	524,000	557,900	(16,900)	63,000	63,000	72,300	9,300	637,800	587,000	630,200	(7,600)
Permits and Fees	16,600	2,000	14,900	(1,700)	69,800	50,000	80,600	10,800	86,400	52,000	95,500	9,100
Rents and Leases	89,800	106,000	91,100	1,300	68,400	91,000	73,200	4,800	158,200	197,000	164,300	6,100
Materials and Supplies	666,700	596,000	709,300	42,600	95,700	96,000	98,800	3,100	762,400	692,000	808,100	45,700
Small Tools (under \$1,000)	36,800	7,000	34,000	(2,800)	1,000	1,000	1,000	0	37,800	8,000	35,000	(2,800)
Miscellaneous	66,600	93,000	64,500	(2,100)	0	0	0	0	66,600	93,000	64,500	(2,100)
Unforeseen Operating Contingency	100,000	100,000	250,000	150,000	0	0	0	0	100,000	100,000	250,000	150,000
Purchased Power	23,285,000	24,539,000	24,070,500	785,500	0	0	0	0	23,285,000	24,539,000	24,070,500	785,500
Taxes	2,677,000	2,683,000	2,793,000	116,000	13,000	13,000	13,000	0	2,690,000	2,696,000	2,806,000	116,000
Total Expenditures	42,875,700	43,457,000	46,615,900	3,740,200	1,269,100	1,355,000	1,148,400	(120,700)	44,144,800	44,812,000	47,764,300	3,619,500
DEBT SERVICE												
Debt Service - Principal	1,482,300	1,482,000	1,536,900	54,600	358,600	340,000	360,400	1,800	1,840,900	1,822,000	1,897,300	56,400
Debt Service - Interest	1,517,400	1,648,000	1,563,900	46,500	355,700	285,000	235,500	(120,200)	1,873,100	1,933,000	1,799,400	(73,700)
Total Debt Service	2,999,700	3,130,000	3,100,800	101,100	714,300	625,000	595,900	(118,400)	3,714,000	3,755,000	3,696,700	(17,300)
AVAILABLE FOR CAPITAL OUTLAY	10,929,000	6,070,000	5,512,400	(5,416,600)	1,005,300	1,838,000	895,700	(109,600)	11,934,300	7,908,000	6,408,100	(5,526,200)
CAPITAL OUTLAY												
Capital - Contractual Services	12,475,000	2,047,000	10,805,800	(1,669,200)	0	1,000	0	0	12,475,000	2,048,000	10,805,800	(1,669,200)
Capital - Materials and Supplies	4,198,000	3,533,000	5,006,000	808,000	342,100	192,000	375,000	32,900	4,540,100	3,725,000	5,381,000	840,900
Capital - Meter Purchases	119,000	41,000	95,000	(24,000)	0	0	0	0	119,000	41,000	95,000	(24,000)
Capital - Transformer Purchases	400,000	366,000	400,000	0	0	0	0	0	400,000	366,000	400,000	0
Capital - Tools and Equipment	6,500	6,500	5,000	(1,500)	0	0	0	0	6,500	6,500	5,000	(1,500)
Capital - Buildings	354,000	150,000	382,000	28,000	0	0	0	0	354,000	150,000	382,000	28,000
Capital - Equipment (Over \$2,000)	435,700	210,000	564,500	128,800	101,100	101,000	161,000	59,900	536,800	311,000	725,500	188,700
Capital - Vehicles	224,000	224,000	260,000	36,000	0	0	0	0	224,000	224,000	260,000	36,000
Capital - Personal Computers	26,700	27,000	30,100	3,400	0	0	0	0	26,700	27,000	30,100	3,400
Unforeseen Capital Contingency	100,000	1,360,000	250,000	150,000	0	14,000	0	0	100,000	1,374,000	250,000	150,000
Total Capital Outlay	18,338,900	7,964,500	17,798,400	(540,500)	443,200	308,000	536,000	92,800	18,782,100	8,272,500	18,334,400	(447,700)
RESERVES/DEBT	(7,409,900)	(1,894,500)	(12,286,000)	(4,876,100)	562,100	1,530,000	359,700	(202,400)	(6,847,800)	(364,500)	(11,926,300)	(5,078,500)

**PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
BUDGET COMPARISON 2008 ACTUALS THRU 2016 ADOPTED**

	2008		2009		2010		2011		2012		2013		2014		2015		2016
REVENUE	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actuals	Budget	Actuals	Budget	Projected	Adopted
Sales - Electric Retail	31,853,400	31,952,534	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	43,418,000	45,909,000
Sales - Electric Wholesale	8,737,000	11,263,826	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	2,768,000	1,939,800
Sales - Broadband Wholesale	850,000	1,030,980	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	2,624,000	2,640,000
Interest	1,738,500	1,697,562	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	40,000	41,000
Miscellaneous	1,250,000	727,466	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	1,234,000	1,208,000
Rental Income	118,000	117,068	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	110,000	110,000
Construction Contribution	1,600,000	1,795,823	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	1,707,000	1,345,600
Grant Proceeds									5,421,000	2,091,175	3,868,000	2,914,452	472,400	3,622,043	7,159,100	4,574,000	4,675,700
Total Revenue	46,146,900	48,585,259	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	56,475,000	57,869,100
EXPENDITURES																	
Wages	6,675,300	5,929,192	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	7,896,000	8,588,200
Benefits	2,182,700	2,035,454	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	3,068,000	3,495,800
Travel	125,500	140,556	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	84,000	149,800
Training, Tuition and Meeting Fees	84,900	96,332	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	46,000	113,800
Transportation	627,300	687,840	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	1,075,000	984,300
Insurance	206,600	212,096	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	253,000	337,600
Utilities	65,900	69,183	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	98,000	97,900
Postage, Printing and Stationary	105,500	111,096	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	149,000	153,000
Advertising	29,800	14,858	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	34,000	34,800
Conservation Expenditures	274,700	286,121	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	454,000	214,900
Misc. Contractual Services	2,400,700	2,171,518	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	2,140,000	4,070,600
Legal Services	64,500	155,895	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	291,000	293,800
Maintenance Contracts	223,900	136,192	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	260,000	305,700
Software Licenses and Support	137,200	154,785	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	587,000	630,200
Permits and Fees	41,300	85,420	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	52,000	95,500
Rents and Leases	136,000	139,093	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	197,000	164,300
Materials and Supplies	550,000	882,014	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	692,000	808,100
Small Tools (under \$1,000)	43,600	38,941	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	8,000	35,000
Miscellaneous	83,700	81,974	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	93,000	64,500
Unforeseen Operating Contingency									100,000	14,099	100,000	147,210	100,000	131,401	100,000	100,000	250,000
Purchased Power	24,243,700	24,686,109	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	24,539,000	24,070,500
Taxes	1,947,500	1,921,891	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	2,696,000	2,806,000
Total Expenditures	40,250,300	40,036,560	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	44,812,000	47,764,300
DEBT SERVICE																	
Debt Service - Principal	810,000	812,118	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	1,822,000	1,897,300
Debt Service - Interest	753,300	798,800	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	1,933,000	1,799,400
Total Debt Service	1,563,300	1,610,918	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	3,755,000	3,696,700
AVAILABLE FOR CAPITAL OUTLAY	4,333,300	6,937,781	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	7,908,000	6,408,100
CAPITAL OUTLAY																	
Capital - Contractual Services	3,986,700	2,042,651	10,158,000	1,761,846	11,208,000	1,759,767	10,500,000	2,279,483	9,686,400	2,350,626	6,472,500	7,350,382	11,165,000	869,847	12,475,000	2,048,000	10,805,800
Capital - Materials and Supplies	4,827,600	4,783,802	9,326,100	5,270,105	8,796,000	6,189,149	5,636,700	3,283,116	13,051,400	5,196,359	7,894,400	1,930,443	3,941,900	2,382,334	4,540,100	3,725,000	5,381,000
Capital - Meter Purchases	390,000	125,857	595,000	790,778	1,500,000	252,306	440,000	369,605	90,000	0	90,000	19,620	70,000	(7,752)	119,000	41,000	95,000
Capital - Transformer Purchases	1,200,000	1,153,037	1,166,000	521,218	500,000	365,288	500,000	408,995	225,000	216,729	225,000	227,794	400,000	235,676	400,000	366,000	400,000
Capital - Tools and Equipment	22,000	6,920	10,200	1,374	13,500	6,572	13,200	1,770	12,000	6,232	9,500	0	4,500	0	6,500	6,500	5,000
Capital - Buildings	778,600	240,876	6,984,500	3,932,356	3,094,000	4,274,502	42,000	40,475	7,500	1,969	685,000	20,992	410,000	83,767	354,000	150,000	382,000
Capital - Equipment (Over \$2,000)	819,300	680,078	1,105,100	412,738	1,457,800	1,043,752	999,600	218,074	1,051,000	371,313	1,259,100	218,107	471,900	176,699	536,800	311,000	725,500
Capital - Vehicles	941,000	930,324	351,000	281,734	(175,000)	(219,097)	30,000	(186,718)	315,300	(310,574)	634,000	(182,592)	1,219,000	42,640	224,000	224,000	260,000
Capital - Personal Computers	78,500	56,993	58,600	39,551	70,600	59,792	57,300	40,751	48,100	30,680	54,200	35,384	37,500	22,464	26,700	27,000	30,100
Unforeseen Capital Contingencies	100,000	31,359	100,000	42,005	100,000	16,131	100,000	47,639	100,000	3,679	100,000	45,883	100,000	5,601,308			

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
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	215,700	134,700	800,500	200,100	4,013,000	69,700	743,600	132,500	1,249,900	418,400	108,900	345,200	156,000	8,588,200
011 Benefits	89,500	59,800	352,200	64,800	1,537,000	21,300	365,100	44,500	507,500	192,500	44,500	156,700	60,400	3,495,800
020 Travel	7,500	10,000	6,000	8,000	33,000	7,000	4,500	3,500	20,200	10,000	20,100	15,000	5,000	149,800
021 Training, Tuition and Meeting Fees	2,500	7,500	9,000	10,000	22,000	4,000	2,500	2,500	17,300	13,500	3,000	15,000	5,000	113,800
030 Transportation	2,300	400	60,000	8,000	800,000	100	40,800	2,200	2,400	1,300		50,400	16,400	984,300
040 Insurance									337,600					337,600
050 Utilities					200				97,700					97,900
060 Postage, Printing and Stationery			100	300	1,500		145,000	500	5,000			300	300	153,000
070 Advertising			2,500	1,500	2,000		1,000	23,000	4,800					34,800
071 Conservation Expenditures								214,900						214,900
080 Misc. Contractual Services	29,100	414,500	45,000	1,363,000	1,252,200	1,500	57,500	292,000	458,600	28,000		104,200	25,000	4,070,600
081 Legal Services									283,800			10,000		293,800
082 Maintenance Contracts					150,200					19,300		112,700	23,500	305,700
083 Software Licenses and Support		190,600								358,500		72,300	8,800	630,200
084 Permits and Fees	7,500		2,000	500	1,000	100	300		500			80,600	3,000	95,500
085 Rents and Leases	9,800				1,500		5,300		800	38,300		73,200	35,400	164,300
090 Materials and Supplies	2,500	1,000	12,000	2,000	550,000	1,500	24,400	13,000	31,500	10,000	1,400	98,800	60,000	808,100
091 Small Tools (under \$1,000)			2,000	2,000	16,000		1,000		1,000	10,000		1,000	2,000	35,000
092 Miscellaneous				400			34,100	200	27,900		1,900			64,500
099 Unforeseen Operating Contingency									250,000					250,000
120 Purchased Power		24,070,500												24,070,500
210 Taxes									2,793,000			13,000		2,806,000
Total Expenditures	366,400	24,889,000	1,291,300	1,660,600	8,379,600	105,200	1,425,100	728,800	6,089,500	1,099,800	179,800	1,148,400	400,800	47,764,300
DEBT SERVICE														
810 Debt Service - Principal									1,536,900			360,400		1,897,300
811 Debt Service - Interest									1,563,900			235,500		1,799,400
Total Debt Service	0	0	0	0	0	0	0	0	3,100,800	0	0	595,900	0	3,696,700
CAPITAL OUTLAY														
581 Capital - Contractual Services	750,000		8,975,800	580,000	500,000									10,805,800
591 Capital - Materials and Supplies	6,000		2,700,000	375,000	1,900,000							375,000	25,000	5,381,000
592 Capital - Meter Purchases					95,000									95,000
593 Capital - Transformer Purchases					400,000									400,000
710 Capital - Tools and Equipment					3,000				2,000					5,000
711 Capital - Buildings					382,000									382,000
712 Capital - Equipment (Over \$2,000)					137,500					362,000		161,000	65,000	725,500
713 Capital - Vehicles					260,000									260,000
714 Capital - Personal Computers										30,100				30,100
901 Unforeseen Capital Contingency									250,000					250,000
Total Capital Outlay	756,000	0	11,675,800	955,000	3,677,500	0	0	0	252,000	392,100	0	536,000	90,000	18,334,400
Total Use of Resources	1,122,400	24,889,000	12,967,100	2,615,600	12,057,100	105,200	1,425,100	728,800	9,442,300	1,491,900	179,800	2,280,300	490,800	69,795,400

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
REVENUE DETAIL**

<u>Div.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	Electric		55,229,100
	001	Sales - Retail	45,909,000
	002	Sales - Wholesale	1,939,800
	003	Interest	41,000
	004	Miscellaneous	1,208,000
	005	Rental Income	110,000
	006	Construction Contributions	1,345,600
	007	Grant Proceeds	4,675,700
2	Broadband		2,640,000
	002	Sales - Wholesale	2,640,000
	004	Miscellaneous	0
	006	Construction Contributions	0
	007	Grant Proceeds	0
		TOTAL REVENUE	57,869,100

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	10	Generation		1,122,400	
		010	Wages	215,700	
		011	Benefits	89,500	
		020	Travel	7,500	
		021	Training, Tuition and Meeting Fees	2,500	
		030	Transportation	2,300	
		080	Misc. Contractual Service	29,100	
		084	Permits and Fees	7,500	
		085	Rent and Leases	9,800	
			Ophir Site Lease	9,800	
		090	Materials and Supplies	2,500	
		581	Capital - Contractual Services	750,000	1
		591	Capital - Materials and Supplies	6,000	1

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	11	Power Supply		24,889,000	
		010	Wages	134,700	
		011	Benefits	59,800	
		020	Travel	10,000	
		021	Training, Tuition and Meeting Fees	7,500	
		030	Transportation	400	
		080	Misc. Contractual Services	414,500	
			Douglas County PUD	354,500	
			Professional Services (compliance/scheduling)	15,000	
			Central Washington Power Authority	5,000	
			Slice Implementation Group	10,000	
			WECC/NERC Assessment	30,000	
		083	Software Licenses and Support	190,600	
			Slice Software Support Fee	190,600	
		090	Materials and Supplies	1,000	
		120	Purchased Power	24,070,500	
			BPA - Slice	8,391,300	
			BPA - Block	5,463,400	
			BPA - Transmission	2,633,400	
			Wells	4,176,100	
			Nine Canyon	2,722,000	
			Other - Market Purchases	684,300	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	19	Construction Design		12,967,100	
		010	Wages	800,500	
		011	Benefits	352,200	
		020	Travel	6,000	
		021	Training, Tuition and Meeting Fees	9,000	
		030	Transportation	60,000	
		060	Postage, Printing and Stationery	100	
		070	Advertising	2,500	
		080	Misc. Contractual Services	45,000	
			Foster Crk 115KV Tower Inspection	45,000	
		084	Permits and Fees	2,000	
			Miscellaneous	2,000	
		090	Materials and Supplies	12,000	
		091	Small Tools (under \$1,000)	2,000	
		581	Capital - Contractual Services	8,975,800	
			PT Line Construction	7,325,000	1
			WASDOT Clear Zone Analysis	175,000	2
			Gold Creek Substation	1,000,000	1
			LiDAR - Transmission Analysis/Fixes	50,000	2
			Preliminary Studies	90,000	2
			Misc. Property Survey	10,000	2
			Okanogan Fire Restoration - Distribution & Fiber	255,600	1
			Okanogan Fire Restoration - Loup Trans. & Fiber	70,200	1
			Carlton Fire Restoration - Distribution	0	1
		591	Capital - Materials and Supplies	2,700,000	
			PT Line - Transmission and Distribution Materials	1,250,000	1
			Gold Creek Substation	1,000,000	1
			Twisp Substation Modifications	400,000	1
			Loup Transmission Line Re-Route into Twisp Sub	50,000	1

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	20	Engineering		2,615,600	
		010	Wages	200,100	
		011	Benefits	64,800	
		020	Travel	8,000	
		021	Training, Tuition and Meeting Fees	10,000	
		030	Transportation	8,000	
		060	Postage, Printing and Stationery	300	
		070	Advertising	1,500	
		080	Misc. Contractual Services	1,363,000	
			BPA Study - WECC De-Registration	50,000	
			Contract Engineering	100,000	
			Enloe Dam Dewatering	1,000,000	
			Enloe Dam Inspection	38,000	
			SPCC Plan Updates	65,000	
			Substation Equipment Testing	50,000	
			Wells Dam - O&M Contract Development	60,000	
		084	Permits and Fees	500	
			Miscellaneous	500	
		090	Materials and Supplies	2,000	
		091	Small Tools (under \$1,000)	2,000	
		092	Miscellaneous	400	
		581	Capital - Contractual Services	580,000	
			Engineering - Large System Projects	180,000	2
			Enloe Dam - On Call Engineering Support	300,000	1
			Wells Dam - System Impact Studies	100,000	2
		591	Capital - Materials and Supplies	375,000	
			Brewster 115kv Bus Differential	25,000	2
			OCB, Regulators, Reclosers, etc.	300,000	2
			SCADA	50,000	2

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	21	Operations		12,057,100	
		010	Wages	4,013,000	
		011	Benefits	1,537,000	
		020	Travel	33,000	
		021	Training, Tuition and Meeting Fees	22,000	
		030	Transportation	800,000	
		050	Utilities	200	
		060	Postage, Printing and Stationery	1,500	
		070	Advertising	2,000	
		080	Misc. Contractual Services	1,252,200	
			CDL Testing Program	6,500	
			Employee Dispatch	120,000	
			Firealarm Testing and Monitoring	1,700	
			Janitorial Services (All Offices)	66,000	
			Non-PCB Waste Disposal	8,000	
			Pole Testing	230,000	
			Safety Training	40,000	
			Transmission Pole Fire Retardent	65,000	
			Tree Trimming	700,000	
			Underground Locate Service	3,000	
			Weed Control	12,000	
		082	Maintenance Contracts	150,200	
			Elevator Maintenance	4,200	
			HQ General Maintenance	40,000	
			HVAC Maintenance	38,000	
			Landscape Maintenance	10,000	
			Snowplowing and Sweeping	15,000	
			Okanogan Sub - Asphalt Repair/Driveway Approach	35,000	
			Brewster Office - Exterior Repair and Paint	8,000	
		084	Permits and Fees	1,000	
			Miscellaneous	1,000	
		085	Rents and Leases	1,500	
			Pole Contacts	1,500	
		090	Materials and Supplies	550,000	
			General	530,000	
			Fire Resistant Clothing	20,000	
		091	Small Tools (under \$1,000)	16,000	
			Line	10,000	
			Telecommunications	2,000	
			Electric Shop	2,000	
			Vehicle Shop	2,000	
		581	Capital - Contractual Services	500,000	
			Contract Labor	100,000	2
			Underground Replacements	400,000	2
		591	Capital - Materials and Supplies	1,900,000	
			Normal Replacements and Extensions	1,375,000	2
			Avian Protection	6,000	2
			Cutout Replacement	125,000	2
			TNS-2000: Rebuild Havillah Road Phase 1	106,000	2
			TNS-2000: Rebuild Havillah Road Phase 2	114,000	3
			WSS-3000: Rebuild Phase 1 from (3215-3300)	76,000	3
			MLS-1000: Rebuild towards Ophir Substation	62,000	3
			SFS-2000: Reconductor S. Fir; Ridge Dr./Radio Sta.	12,000	3
			BWS-5000: Replace UG Brewster Hghts. Subdivision	24,000	2
		592	Capital - Meter Purchases	95,000	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Priority Ranking</u>
			Metering Special Projects	30,000		2
			PME Meter Replacements	20,000		2
			Meters w/ Internal Breakers	45,000		2
593		Capital - Transformer Purchases			400,000	
			Normal Additions/Replacements	400,000		2
710		Capital - Tools & Equipment (\$1,000 to \$2,000)			3,000	2
711		Capital - Buildings			382,000	
			Brewster Warehouse - Enclose	30,000		2
			District Offices - Physical Security	104,000		2
			Headquarters - Emergency Generator Loadbank	8,000		2
			Headquarters - HVAC Digital Control Project	15,000		2
			Headquarters - Network Room Gas Fire System	25,000		2
			Okanogan or Sandflat Subs - Covered Storage	200,000		3
712		Capital - Equipment (Over \$2,000)			137,500	
			Electric Shop - Recloser Tester	22,000		2
			Electric Shop\Telecom - Battery Storage\Charging	20,000		2
			Operations - PPE\Tool Vending Machines	27,500		2
			Operations - Water Tank, Pump, Hose (slip in)	15,000		2
			Vehicle Shop - Plasma Cutter	16,500		2
			Vehicle Shop - Diagnostic Code Scanner	10,500		2
			Vehicle Shop - Vehicle Lifts	26,000		2
713		Capital - Vehicles			260,000	
			Fleet	500,000		2
			Fleet - 2017 Commitment: Line Vehicles (2) \$700,000			2
			Less: Transportation System Depreciation	(240,000)		2

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	22		Environmental	105,200	
		010	Wages	69,700	
		011	Benefits	21,300	
		020	Travel	7,000	
		021	Training, Tuition and Meeting Fees	4,000	
		030	Transportation	100	
		080	Misc. Contractual Services	1,500	
		084	Permits and Fees	100	
		090	Materials and Supplies	1,500	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	30	Customer Service		1,425,100	
	010	Wages		743,600	
	011	Benefits		365,100	
	020	Travel		4,500	
	021	Training, Tuition and Meeting Fees		2,500	
	030	Transportation		40,800	
	060	Postage, Printing and Stationery		145,000	
		Postage and Printing - NISC	115,000		
		Postage - PUD	25,000		
		Printing - Misc.	5,000		
	070	Advertising		1,000	
	080	Misc. Contractual Services		57,500	
		CIS Programming	500		
		Collection Service - Credit Bureau	3,000		
		Credit Reporting Agency	3,000		
		Electronic Payments Fees	51,000		
	084	Permits and Fees		300	
		Miscellaneous Fees (Notaries, etc.)	300		
	085	Rents and Leases		5,300	
		Office Rent MVCC	5,000		
		Miscellaneous	300		
	090	Materials and Supplies		24,400	
		General	24,400		
	091	Small Tools (under \$1,000)		1,000	
	092	Miscellaneous		34,100	
		Miscellaneous Expenses	200		
		Net Account Receivable Writeoffs	33,900		

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	35		Conservation/Consumer Information	728,800	
		010	Wages	132,500	
		011	Benefits	44,500	
		020	Travel	3,500	
		021	Training, Tuition and Meeting Fees	2,500	
		030	Transportation	2,200	
		060	Postage, Printing and Stationery	500	
			Miscellaneous	500	
		070	Advertising	23,000	
		071	Conservation Expenditures	214,900	
			District Conservation Programs	214,900	
		080	Misc. Contractual Services	292,000	
			Conservation Contracts	272,000	
			Electric Education Programs	20,000	
		090	Materials and Supplies	13,000	
		092	Miscellaneous	200	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	40	General Administration		9,442,300	
	010	Wages		1,249,900	
	011	Benefits		507,500	
	020	Travel		20,200	
		General	8,200		
		Accounting and Finance	4,700		
		Human Resource	3,800		
		Leadership	3,500		
	021	Training, Tuition and Meeting Fees		17,300	
		General	3,400		
		Accounting and Finance	6,600		
		Human Resource	1,600		
		Educational Reimbursement	2,200		
		Leadership	3,500		
	030	Transportation		2,400	
	040	Insurance (Property/Liability)		337,600	
	050	Utilities		97,700	
		Cell Phone Service	8,400		
		Electrical Service	10,100		
		Telephone Service	47,700		
		Water/Sewer/Garbage	31,500		
	060	Postage, Printing and Stationery		5,000	
	070	Advertising		4,800	
	080	Misc. Contractual Services		458,600	
		APPA Dues	16,600		
		Audit Costs	88,100		
		Banking Fees	45,500		
		Benefits Administration	10,500		
		Bond Admin Fee	600		
		Chamber of Commerce Dues	800		
		CWPU/UIP Expenses	12,700		
		Economic Alliance	6,000		
		Financial Studies	50,000		
		Foundation for Water and Energy	2,000		
		Human Resources Consulting Services	31,100		
		Legislative Consultant	42,000		
		Misc. Services/Consulting	10,000		
		NW Public Power Assoc. Dues/NW Wage & Hour	28,000		
		PPC - Dues	21,900		
		PPC - NW River Partners	12,400		
		Standard and Poors	7,500		
		WA PUD Association Dues	72,900		
	081	Legal Services		283,800	
		General Counsel	208,800		
		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		31,500	
	091	Small Tools (under \$1,000)		1,000	
	092	Miscellaneous		27,900	
		Clothing for Identification	1,200		
		Deductibles/Damage Claims	4,000		

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Priority Ranking</u>
			Election Costs	6,500		
			Employee Day	3,300		
			Meeting Expenses	300		
			Misc. Expenses (Wellness, Interview & Moving Exp)	11,700		
			Service Awards and Costs	900		
099			Unforeseen Operating Contingency		250,000	
210			Taxes		2,793,000	
710			Capital - Tools & Equipment (\$1,000 to \$2,000)		2,000	2
810			Debt Service - Principal		1,536,900	
811			Debt Service - Interest		1,563,900	
901			Unforeseen Capital Contingency		250,000	2

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	41	Information Systems		1,491,900	
		010	Wages	418,400	
		011	Benefits	192,500	
		020	Travel	10,000	
		021	Training, Tuition and Meeting Fees	13,500	
		030	Transportation	1,300	
		080	Misc. Contractual Services	28,000	
			Consulting	15,000	
			Key Card System	2,500	
			Security System Monitoring	3,000	
			Sharepoint Migration/Configuration	7,500	
		082	Maintenance Contracts	19,300	
			Branch Office Multi Function Printer	1,500	
			Okanogan Office Multi Function Printer	12,000	
			Check Scanner - RemitPlus	300	
			Datacenter Liebert Units	5,500	
		083	Software Licenses and Support	358,500	
			Aclara - TWACS Support	18,000	
			Brocade Tech Support	1,000	
			Certs SSL	2,100	
			Genetec Maintenance	3,000	
			Kayako Helpdesk Maintenance	300	
			LANDesk Patch Management	1,200	
			Microsoft Software	35,300	
			NISC Custom Programming	5,000	
			NISC Maintenance	130,000	
			NISC SmartHub - One Time	5,000	
			NISC SmartHub - Maintenance	5,000	
			Domain Registrations	600	
			Programming Software	1,200	
			ShoreTel Phone System	16,200	
			SonicWALL - ESA	3,500	
			SonicWALL - NSA	2,500	
			Symantec Software and Support	10,800	
			VMWare Software Support (IS)	5,000	
			Eng/Ops - Symantec for SCADA Servers	800	
			Eng/Ops - AutoCad	3,000	
			Eng/Ops - ESRI	6,000	
			Eng/Ops - Futura	17,500	
			Eng/Ops - GeoNav	3,500	
			Eng/Ops - Itron Staker Maintenance	25,000	
			Eng/Ops - Itron Staker Reporting	10,000	
			Eng/Ops - Mapsight	3,000	
			Eng/Ops - OSI	21,300	
			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 - Fastenal Tool Inventory	1,200	
			Eng/Ops - Max Force	700	
			Eng/Ops - Zonar Vehicle Tracking	12,000	
		085	Rents and Leases	38,300	
			Okanogan Mailing Equipment	13,000	
			Branch Office Mailing Equipment	3,000	

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Priority Ranking</u>
			Branch Office MFP	10,300		
			Okanogan Office MFP	12,000		
090			Materials and Supplies		10,000	
091			Small Tools (under \$1,000)		10,000	
712			Capital - Equipment (Over \$2,000)		362,000	
			KVM Switch for Datacenter	2,300		2
			PowerVault External Tape Drive	2,500		2
			Eaton Powerware - Okanogan Datacenter	30,000		2
			Genetec System - Cameras (Subs, yards and fences)	60,000		3
			Genetec System - Readers and Controllers	40,000		3
			Genetec System - Video Surveillance Software	10,000		3
			Genetec System - Video Conferencing	10,000		3
			NISC RemitPlus Server	2,500		2
			Eng/Ops - OSI SCADA Servers and Workstations	127,600		2
			Eng/Ops - Tablet PC's	20,000		2
			Eng/Ops - Physical Server SQL Database	6,000		2
			Printers	5,000		2
			Phone System	6,600		2
			Virtual Environment	39,500		2
714			Capital - Personal Computers		30,100	2

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	50		Commissioners	179,800	
		010	Wages	108,900	
		011	Benefits	44,500	
		020	Travel	20,100	
		021	Training, Tuition and Meeting Fees	3,000	
		090	Materials and Supplies	1,400	
		092	Miscellaneous	1,900	

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2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
2	60	Broadband		2,280,300	
		010	Wages	345,200	
		011	Benefits	156,700	
		020	Travel	15,000	
		021	Training, Tuition and Meeting Fees	15,000	
		030	Transportation	50,400	
		060	Postage, Printing and Stationery	300	
		080	Misc. Contractual Services	104,200	
			Network Consulting	50,000	
			NoaNet Calea Services	4,200	
			Software Development	50,000	
		081	Legal Services	10,000	
		082	Maintenance Contracts	112,700	
			ADVA Optical	30,000	
			Cambium Networks	4,600	
			Cisco	2,100	
			Juniper support	6,000	
			Motorola	3,500	
			WWP Lightning Edge/Ciena Devices	66,500	
		083	Software Licenses and Support	72,300	
			Ciena	30,000	
			Kayako Helpdesk	300	
			Microsoft Software	5,300	
			NetZoom	2,100	
			Server License and Software Upgrades	7,500	
			Solar Winds	15,100	
			Symantec Software and Support	4,600	
			Telerik	1,900	
			VMWare	5,500	
		084	Permits and Fees	80,600	
			ARIN ASN & IP Address Allocation	5,000	
			Upstream Internet Bandwidth	75,600	
		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	98,800	
			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	10,000	
			Switch/Network HW Upgrades	10,000	
			UPS/Rectifier - Maintenance and Replacement	7,100	
			10G NICs for ESX Hosts	2,600	
		091	Small Tools (under \$1,000)	1,000	
		210	Taxes	13,000	
		591	Capital - Materials and Supplies	375,000	
			Fiber Build - Berney' to P18275	34,800	3
			Fiber Build - SitnBull to P18275	2,200	3
			Fiber Distribution Builds	100,000	2
			Legacy Wireless Site Upgrades	55,000	2
			Network Hardware Replacement - EOL	25,800	2
			Node Rework	30,000	2

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2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget Amount</u>	<u>Priority Ranking</u>
			Optics	42,200		2
			Wireless Subscriber Units	85,000		2
	712	Capital - Equipment (Over \$2,000)			161,000	
			NetApp Shelf	51,000		2
			Stand Alone Server for IDS/IPS Services	12,000		2
			Switch Replacement Cisco 3750s	13,000		2
			Tools	5,000		2
			Test Equipment	35,000		3
			Virtual Environment	45,000		2
	810	Debt Service - Principal			360,400	
			Loan - Electric	218,100		
			Operating Line - Electric	0		
			Loan - ARRA	142,300		
	811	Debt Service - Interest			235,500	
			Loan - Electric	60,300		
			Operating Line - Electric	78,300		
			Loan - ARRA	96,900		

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
1	61	Internal Communications		490,800	
		010	Wages	156,000	
		011	Benefits	60,400	
		020	Travel	5,000	
		021	Training, Tuition and Meeting Fees	5,000	
		030	Transportation	16,400	
		060	Postage, Printing and Stationery	300	
		080	Misc. Contractual Services	25,000	
			Radio System Coverage Analysis	25,000	
		082	Maintenance Contracts	23,500	
			Fire Alarm System	3,500	
			UHF Radio System	20,000	
		083	Software Licenses and Support	8,800	
			Cisco Smartnet	300	
			MapInfo Software Support	500	
			Fiber Mapping Software Support	8,000	
		084	Permits and Fees	3,000	
			Right of Way - USFS, DOT, etc.	3,000	
		085	Rents and Leases	35,400	
			UHF Site Lease - Little Buck Mtn.	2,500	
			UHF Site Lease - Aeneas Mtn.	2,800	
			UHF Site Lease - Goat Mtn.	600	
			UHF Site Lease - Omak Mtn.	3,900	
			UHF Site Lease - McClure Mtn.	1,300	
			UHF Site Lease - Tunk Mtn.	1,300	
			Dark Fiber Lease - Brewster to Wells Dam	23,000	
		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	25,000	
			Fiber Rework - 1st and 2nd Avenue Okanogan	15,000	2
			Misc.	10,000	2
		712	Capital - Equipment (Over \$2,000)	65,000	
			UHF Radio System Overhaul - Jackass Butte	65,000	2

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY
2016 ADOPTED BUDGET - DECEMBER 7, 2015
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<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>	<u>Priority Ranking</u>
TOTAL EXPENDITURES AND CAPITAL OUTLAY				69,795,400	