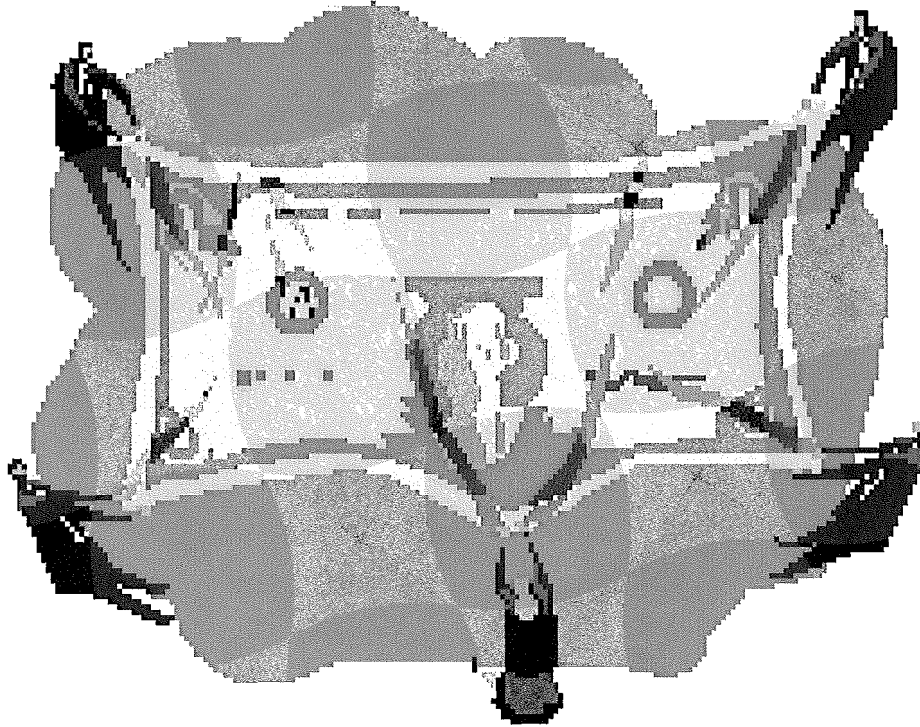


**PUBLIC UTILITY DISTRICT NUMBER 1
OF JEFFERSON COUNTY**



2010 BUDGET

Table of Contents

Table of Contents.....	i
PUD Manager’s Budget Message.....	ii
PUD Board of Commissioners.....	1
Budget Overview.....	2
PUD Budget Summary.....	4
CY 2010 PUD Budget.....	
General Fund Revenues and Expenditures.....	8
Table 1 History of PUD tax revenues	
Table 2 General Fund Balance Analysis	
Utility Fund Revenues and Expenditures.....	11
Table 3 Utility Fund Balance Analysis	

Enclosures

1. 2010 Budget Resolution
2. Exhibit 1 – PUD budget worksheet
3. Jeff. Co. Treasurer Report PUD General Fund Status – 1 Nov 2009
4. Jeff. Co. Bond Fund – Aug 2009
5. PWTF Summary Sheets
6. PUD 3rd Quarter Financials – Papandrew -
7. Capital Projects for 2010

Manager's Statement

2010 may prove to be a very pivotal year for the PUD. The overwhelming voter approve of proposition 1, granting the PUD electrical authority, has proffered a unique opportunity which could completely change the PUD's scope and scale of operations. The uncertainty of the costs and success of the PUD efforts to acquire PSE facilities in Jefferson County has had an impact on development of the 2010 budget and the thought process going into its creation. Fortunately, the PUD's prudent management of its general fund over the years in anticipation of such an opportunity has provided the reserves to proceed in a serious manner and still maintain its other obligations without PUD having to increase 2010 property tax rate on the citizens of Jefferson County.

The conclusion of 2009 should show the PUD's finances have continued to be in good standing. This year we will have accomplished a number of tasks which have further consolidated our fund accounting. The completion of the upgrade and consolidation of the Olympic Mobile Village Water System into the Quimper Water System, and the completion of LUD#14 – Marrowstone Island Water Line Extension - were both noteworthy accomplishments and mark the finished of a ten year period of major PUD permitting, engineering, construction and financing efforts. Projects of the size and complexity of the Becket Point Sewer System and Marrowstone Water line extension probably will not occur again in the foreseeable future.

In 2009, the budget format was modified to better clarify the PUD's use of its general funds. Past PUD Budget's had reflected the separate collection and expenditures of property tax revenues; however, they were not tracked separately as two funds at the County Treasurer level. The PUD has always tracked them as such internally, but starting in 2009 the PUD identify at the County Treasure's Office a General Fund comprised of those non water and sewer utility system expenses and property tax revenues, and a Utility Fund (more commonly called the enterprise fund). The Utility Fund is the operational revenues and expenses of the PUD water and sewer enterprise activities.

For this coming year's the expense for the acquisition of existing power utilities within Jefferson County will continue to pull money from our general fund and its identified reserves. The one significant system improvement for 2010 will be the upgrade of the treatment capacity of the Sparling Well site. This will be an on going project paid through rates, SDC charges, and a county grant. The actual construction will be done with the aid of a State Revolving Loan.

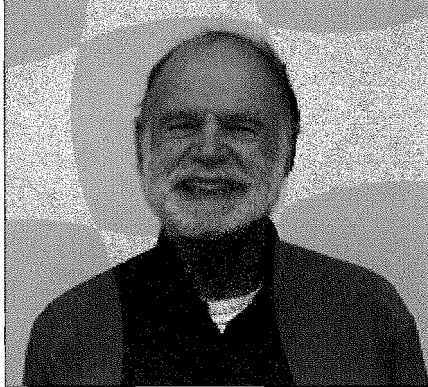
Jim Parker
Manager

PUD Board of Commissioners

Position #1 – City of PT

Dana Roberts, Board Secretary

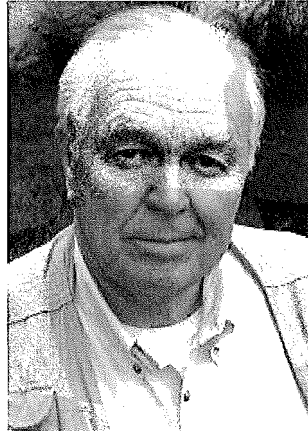
Term expiring December 2010



Position #2 – Mid Quimper

Kenneth McMillen, Vice President

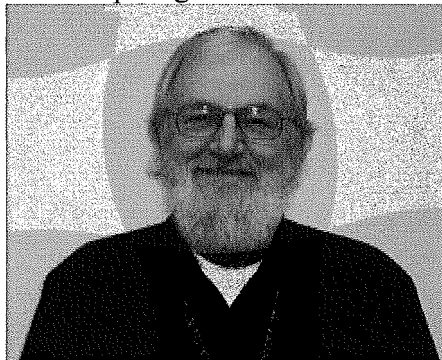
Term expiring December 2014



Position #3 – South & West County

Wayne G. King, Board President

Term expiring December 2012



BUDGET PROCESS OVERVIEW

Budgeting is an essential element of the financial planning, control, and evaluation processes of government. The planning process involves determining the types and levels of services to be provided and allocating available resources among various departments, programs or functions

Financial control and evaluation procedures typically focus upon assuring that fixed expenditure limitations (appropriations) are not exceeded, and on comparing estimated and actual revenues and expenditures.

The budget authorizes and provides control of financial operations during the fiscal year. The appropriations constitute maximum expenditure authorizations during the fiscal year, and cannot be exceeded until subsequently amended by the Board of Commissioners.

The PUD's accounting and budgeting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources. The funds are segregated for the purpose of carrying on specific activities or attaining certain objectives.

While typically thought of as a financial activity done to satisfy state law, budgeting is a process of planning. Fiscal planning involves all elements of government and should be considered one of most important functions for the PUD Board of Commissioners. The process of budgeting does not only allocate fiscal resources to meet needs and provide services, but will set a direction for the future. The elements of good planning include identifying community needs, PUD resources, the capabilities to meet community needs and a plan to match such resources to the needs.

The planning for this document starts with the Managers proposed budget to the Board of Commissioners. Thereafter the Board will meet with the Manager for a budget workshop to amend, change, or redirect the managers proposed budget. If necessary several such iterations will occur. The Budget must be on file at the PUD by the 1st Monday in September, RCW 54, with a budget hearing on the first Monday in October. The hearing is generally adjourned to the following regularly scheduled board meetings. Generally in November the Board will close the hearing and pass the modified budget by resolution, submitting it to the County's Treasurer, Assessor, and Auditor, and on posting it on the PUD web-site (www.jeffpud.org). The Budget can be changed (amended) at any time after it is adopted by the PUD BOC by motion during an open public meeting

The financial aspects of the budget are monitored in regular quarterly reports issued by the PUD's contracted accountant, David Papandrew. David is a CPA commonly used by the SAO to audit governmental agencies. Since hiring him the PUD has passed all of its State Audits. The State Audits the PUD every other year, copies of those reports can be seen at www.soa.wa.gov. The PUD's next scheduled State Audit will occur in 2010 for the CY 2008 and 2009.

The PUD's budget seeks to achieve these interrelated functions:

A Policy Tool

The PUD's budget process is conducted in a manner that allows the PUD Board an opportunity to comprehensively review the direction of the PUD and to redirect its activities by means of allocation of financial resources. On this basis, the budget sets policy for the following year. This budget also facilitates the evaluation of the PUD programs by providing a means to measurably examine the financial activities of the PUD.

An Operations Guide

This budget provides financial control by setting forth both legislative and administrative guidance to PUD employees regarding the character and scope of their activities.

A Financial Plan

The budget outlines the manner in which the financial resources of the PUD will be managed during the budget period. This allocation of resources is based on understanding both the current year's needs and long-term view of the development of the City's programs. The budget takes into account unforeseen contingencies and provides for the need for periodic adjustments.

As a Communication Medium

The budget provides management information as a comprehensive tabulation of information regarding both the character and scope of the PUD activity. No budget can be effective unless it communicates. Since this budget has diverse audience, it seeks to communicate at several levels and for several purposes. It seeks to communicate clear policy at a usable level of detail to PUD employee, to communicate significant policy issues and options in a form that can be acted on by officials, and to communicate the plans of the PUD to its constituents in a manner which affords them an opportunity to provide meaningful comments to the elected officials.

Budget summary

While the budget planning and adoption process is discussed above, there are many issues that are important to discuss in order to understand the dynamics of this document. For financial and accounting purposes, the PUD's operations are divided into three categories: general governmental, enterprise activities, and servicing of debt for capital projects.

Enterprise funds are established for government activities that are financed and operated in a manner similar to private business. In the PUD's case this includes the operations and maintenance of both water and sewer systems. The PUD has over 3,500 water connections servicing a population of over 8,000 individuals throughout the County. The PUD also has over 200 sewer connections most of which most all are also PUD water customers. The activities of the enterprise fund makes up most of the PUD's revenues and expenses.

Debt Service funds accumulate resources and account for the payment of principal and interest for the general obligation long-term debt and special assessment debt (local utility districts). These funds account for the acquisition or development of major capital facilities. Sources of revenue for these funds can include bond proceeds, federal/state grants, interest earnings, and transfers from other funds, and revenue bonds.

Internal Service funds account for the financing of goods and services provided by one department or agency to other departments or agencies in the PUD.

Fiduciary funds include Pension Trust, Expendable Trust, and Agency Funds, which are used to account for assets held by the PUD in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The PUD does not maintain any such funds.

The General Fund which provides basic PUD services such as PUD administration, legislative, legal, personnel services, risk management, financial services, public safety, planning, building, facilities, and associated support functions which are not directly related to the PUD's enterprise activities. The resources to support these activities are primarily property taxes. The PUD BOC makes an effort to minimize these costs, only charging those activities that they feel do not solely benefit PUD utility customers, but rather benefit the County citizenry as a whole. Examples include regional water resource management/ research, telecommunication activities, Non-PUD related sewer studies and activities, and electrical power studies and actions. As a result of the newly acquired power authority most of the general fund cost predicted for 2010 will be related to acquiring electrical facilities from PSE.

Special Revenue funds account for the proceeds of specific revenue sources other than special assessments, expendable trusts or major capital projects. These revenues finance particular activities or functions as required by law or administrative regulators.

PUD Budget Summary

The PUD's budget is fairly simple. As a utility the PUD maintains both an Enterprise Fund (utility fund) and a Bond Fund. The daily operations of the PUD are accounted for in the Enterprise Fund, while the Bond Fund reflects those long term debts the PUD has acquired in its role of providing requested water and sewer utilities through out the county. The PUD also has a General Fund that it uses to meet its requirements under RCW 54 for the conservation and preservation of the County's Water and Electric resources, beyond those directly related to the PUD's enterprise activities.

Purpose -- 1931 c 1: "The purpose of this act is to authorize the establishment of public utility districts to conserve the water and power resources of the State of Washington for the benefit of the people thereof, and to supply public utility service, including water and electricity for all uses." [1931 c 1 § 1.]

General Fund

In the past the PUD has used the general fund for several specific purposes, but in general it is used for those projects that are not considered directly related to the PUD's operations and maintenance of its water and sewer systems. Projects such as funding the Water Utility Coordinating Counsel (WUCC), the Coordinated Water System Plan (CWSP), the continued operational expenses of the Eastern Jefferson Watershed Committee, Jefferson County's Satellite Management Agency program, Regional water resource studies, countywide Telecommunication and Power studies, and countywide water conservation education and support have been funded by the PUD. Additionally, the PUD has funded public requested Local Utility District formation, engineering, permitting, financing, and construction from the general fund, returning those funds once the project has been completed. A portion of the PUD's A & G, and personnel overhead has also been charged to the taxes. Recently the PUD was voted authority to acquire electrical facilities and is aggressively pursuing that option. The current balance in the fund is approximately 700,000 and estimated to be approximately 450,000 dollars by the end of the year. Starting in 2009, the Jefferson County Treasure (PUD's Treasurer) started to track the PUD's General Fund separately from its Enterprise Fund. The PUD reports quarterly to the Treasure General Fund activities so she can update the Fund information. In 2010 most of the General Fund Expenses will be spent in negotiations with PSE for the acquisition of their facilities in Jefferson County. Some monies were used to defend a suit against the PUD claiming miss use of PUD's tax funds.

Enterprise Fund

The PUD's enterprise fund consists of those operations (funds) related to operating a utility. Revenues and expenses are directly related to those operations. The Enterprise Fund includes the following activities:

Utility Fund

The PUD’s utility fund is used to provide funds for daily operational requirements, emergency repairs, and capital improvements/ replacements. The PUD follows guidelines establish by DOH in its financial viability policies to determine fund balances. Currently DOH requires a 90 day operational reserve, and a emergency replacement/ repair reserve equal to the largest emergency replacement cost. DOH also recommends a capital replacement fund to replace aging infrastructure, which the PUD’s board current has targeted as 25% of the depreciated value of the PUD’s assets. The PUD, while trying to maintain the best service possible at the lowest price for its ratepayers, must also be planning to meet 6, 20 and 50 planning requirements as set forth by the county GMA, state and federal mandates, and internal planning processes.

Non-LUD Debt & Trust Fund

In addition to the PUD Bond Fund which is maintained separately by the County Treasurer for the PUD, the PUD has acquired system improvements through other debt financing methods. For example, the PUD as the County SMA stepped up and acquired several failing water systems that were later improved through the use of the Public Works Trust Fund. This debt is being repaid through rates and/or surcharges to rates.

LUD#6 – Triton Cove	PWTF
LUD#8 – Lazy C	PWTF
Shine Platt (BWB)	PWTF
Snow Creek	PWTF
Tri-Area purchase from City	RUS – Bond
Tri-Area purchase from City	PWTF

Capital Improvement Fund

The PUD generally pays for system improvements beyond normal depreciation through the LUD process, by a developer fully paying for the improvements, or as stated immediately above through government backed loans. The PUD does use System Develop Charges to assist in the development of additional general system improvements (such as source and storage) projects which allow for the systems to expand without increasing rates.

Capital Replacement Fund (Depreciation)

Although tracked as part of the enterprise fund, this fund is used to fund replacement of infrastructure that has exceeded its expected life. The fund is a recommended by DOH. Although the amount is not set in policy the PUD is striving for a 50% balance of depreciated capital value. The most current rate study provided a path to reach this goal. Although the goal is 50% the intermediate goal is maintain 25%.

PUD Bond Fund

The Jefferson County Treasure maintains the PUD's Bond Fund. They have historically tracked the different many LUD Bonds separately. A listing of those funds and balances is recorded at enclosure 4 of this Budget.

LUD#1	Gardiner Water System	RUS Bond
LUD#3	South Hastings Loop Water System	RUS Bond
LUD#5	Ocean Grove LOSS	Revenue Bond
LUD#6	Triton Cove Water System	RUS Bond
LUD#8	Lazy-C Water System	RUS Bond
LUD#11	Shine Water System	Revenue Bond
LUD#13	Bywater Bay Water System extension	Revenue Bond
LUD#14	Marrowstone Island Water Line Extension	PWTF/ Revenue Bond/ SRF
LUD#15	Beckett Point LOSS	PWTF/ Revenue Bond

The Bond Fund continues to be well funded. This is a result of past prudent management decisions, the maximizing fund balances, and following recommendations from a variety of qualified professionals.

CY2010 PUD Budget

General Fund Revenues/ Expenses

The PUD provides what are considered general governmental services authorized by state law, including the conservation of water and electrical resources (RCW 54). The PUD's General Fund receives the greatest amount of its operating revenues from a property tax authorized in RCW 54.15.080. These funds are used to provide for the PUD's non enterprise fund activities. The general goal of the PUD is to continue to lower the rate of property tax that the PUD takes in. Eventually the PUD hopes to be completely free from this source of revenue. As a result of the PUD's citizen approved authority to acquire electrical facilities the PUD Board of Commissioners directed the Manager to aggressively pursue that goal. Costs for 2009 could exceed 300,000 dollars and in 2010 could surpass ½ a million dollars. Despite these anticipated costs the PUD Board has decided to only marginally increase the property taxes from last year to reflect new construction. They can do this because of careful management of past collections.

As in the past a portion of the general fund will cover a percentage of costs for the overall PUD Admin & General. Unlike other governmental agencies the PUD does not charge all of its elected nor management staff costs to the general public. Rather the Board of Commissioners charges what they consider a reasonable percentage of the various costs to the general fund. For example, 2/3 of the District Board's salary and 100% of their scheduled board meetings expenses are charged to the enterprise fund. This year the Board will continue to dedicate approximately 200,000 dollars towards the purchase and management of Peterson Lake in keeping with their mission of conservation of the state's water resources.

This year the PUD has had a class action lawsuit filed against it. Two individuals, claiming to represent the citizens of Port Townsend, felt the PUD had incorrectly taxed them. The PUD has hired counsel to prepare our position and prepare for a court case. Regardless of the success or failure of the lawsuit it is anticipated PUD legal costs could exceed 100,000 dollars, which will come from this fund.

A historical view of the PUD's General Fund Collections for the past 20 years is shown in table 1. Breakdown of General Fund Expenses are shown in exhibit 1, with the balance projections shown at Table 2. The rate of collection will be the lowest in at least 30 years, and almost ½ the rate collected in 1990.

Table 1 - Property Tax Levy Rate by the PUD

Taxing Rate of PUD -

<u>Year</u>	<u>PUD's% of Total Levy</u>	<u>PUD Levy Rate \$/ \$1000</u>	<u>Rate Change</u>	<u>Assessment Amount</u>
1981				102,500
1990	1.34	.15313	-----	
1991	1.25	.14688	-.0063	163,800
1992	1.29	.14250	-.0043	
1993	1.22	.14957	+.0070	201,850
1994	1.14	.14202	-.0075	
1995	1.15	.14538	+.0032	
1996	1.21	.14045	-.0049	
1997	1.24	.14435	+.0039	
1998	1.23	.14457	+.0002	
1999	1.22	.15229	+.0077	
2000	1.23	.15162	-.0057	355,500
2001	1.25	.15175	+.0013	372,500
2002	1.24	.14535	-.0064	379,950
2003	.99	.11405	-.0313	311,861
2004	.96	.10570	-.0830	
2005	.91	.09880	-.01515	310,000
2006	1.13	.10498	+.0062	391,650
2007	1.11	.10826	+.0048	410,000
2008	1.09	.08929	-.0190	422,000
2009	.92	.07275	-.01654	374,987
2010				382,500

Table 2: General Fund Balance Analysis

	<u>Calendar Year</u>			
	2007	2008	2009	2010
Operating				
Beginning Balance	\$799,784	\$764,993	\$741,291	\$436,291
Cash Flow	-\$34,791	-\$36,021	\$0	-\$37,000
Ending Balance	\$764,993	\$741,291	\$741,291	\$399,291
Less: Min Operating 6 Month Target	\$200,000	\$200,000	\$200,000	\$150,000
Less: Cap Contingency. Targ .	\$200,000	\$200,000	\$200,000	\$100,000
Less: 10% Loan Coverage for Lake	\$200,000	\$200,000	\$200,000	\$170,000
Balance Available for Capital/Planning	\$164,993	\$141,291	\$141,291	-\$20,709
Plus: Other Funding Resources			\$100,000	
Less Projects Expenses				
Public Power			\$375,000	\$430,000
MOS training				\$10,000
Attorney fees - lawsuit tax			\$30,000	\$40,000
Ending Balance after policy and projects	\$164,993	\$141,291	-\$163,709	-\$500,709

Utility Fund Revenues/ Expenses

The PUD's primary business continues to be water supply and distribution functions. The PUD Board's efforts to consolidate, update, and improve on water systems in Eastern Jefferson County continues to produce good results, with reductions in unaccounted for water, water conservation successes, replacement of older infrastructure, and extensions that loop or tie-up separate systems. Examples include eliminating the lower Adelma beach road water line, the purchase upgrade and incorporation of the Olympic Mobile Village water system into the Quimper water system, and the installation of variable speed motors at the Sparling and Bywater well sites and the ocean grove booster pump station.

The Budget this year reflects rate changes suggested and approved during past years budget/rate hearings. The rate changes came as a result of a rate study done two years ago by FSCC (check out PUD website – jeffpud.org). The Board reviewed some of the findings of the report and felt that not all the recommended rate increases are needed at this time. This was partially because the increased number of connections on Marrowstone Island and Olympic Mobile Village and partially due to more efficient operational procedures; which have partially offset part of the higher operational costs of energy. Additionally, as a result of the finished LUD#15 and LUD#14 the PUD has a better idea of its strength of reserves.

After the past 13 years of acquiring, upgrading, and consolidating of water systems and the construction of several Large On-Site Septic Systems (LOSS), it would appear the PUD will have a period of slowed activities. The only major projects seen in the near future will be the enlargement of the Sparling Treatment Plant and possible acquisition and upgrade of the Navy's Indian Island water system. The Sparling well upgrade could be as much as 2 million dollars and will be financed through SDC's and rates.

One area that the PUD may expand to meet County needs is the hiring of a certified waste water treatment plant operator capable of running MBR units. This would both allow us to provide that service to Fort Flagler now, and prepare us to operate the Tri-Area Sewer System should it happen.

Table 3 shows the PUD Utility Fund Analysis. Enclosure 1 is the PUD's 2010 Budget Resolution, enclosure 2 contains the Budget worksheet. The worksheet provides a detailed breakdown of revenues and costs for 2010, except for the Sparling well improvement which is reflected on Table 3.

Table 3: Enterprise Fund Balance Analysis

	<u>Calendar Year</u>			
	2007	2008	2009	2010
Operating				
Beginning Balance	\$1,007,227	\$1,400,000	\$956,381	\$2,250,000
Cash Flow	-\$140,222	\$32,325	\$1,193,619	\$570
Ending Balance	\$867,005	\$1,432,325	\$2,250,000	\$2,250,570
less: Operating 90 Day Target	\$316,497	\$327,936	\$327,936	\$340,000
sick/vacation time balance		\$74,327	\$74,327	\$74,327
Less: Emergency Replacement Cont. Target	\$600,000	\$600,000	\$500,000	\$500,000
Less: Capital Replacement Fund (at 25% of depreciated)			\$832,173	\$907,173
Balance Available for Capital Improvemen	\$550,508	\$430,062	\$515,564	\$429,070
Plus: Other Capital Funding Resources				
County infrastructure grant			\$15,000	\$200,000
DOH grant for OMV		\$156,000		
SRF loan -				\$1,000,000
Total Capital Resources available		\$586,062	\$530,564	\$1,629,070
Less: Capital Projects Scheduled				
Sparling well upgrade			\$15,000	\$1,200,000
OMV upgrades		\$320,000		
Balance after Policies Met & Capital Projec	\$550,508	\$266,062	\$515,564	\$429,070
Total fixed assets -			26,223,913	
Depreciated assets			3,328,692	3,628,692

* note 2009 saw reimbursement of LUD14 & 15 interfund loans transfers

PUBLIC UTILITY DISTRICT NO. 1
OF
JEFFERSON COUNTY, WASHINGTON

RESOLUTION NO. 2009-019

A RESOLUTION Adopting a Budget for the Calendar Year 2010

WHEREAS, in accordance with RCW 54.16.070 and RCW 84.52.020, the Board of Commissioners of Public Utility District No.1 of Jefferson County, Washington has prepared a budget for the projected financial transactions of the District for the calendar year 2010 and conducted a series of Public Hearings; and

WHEREAS, the Board of Commissioners of the District did approve a six year rate schedule on 21 November 2007, Resolution 2007-014; and

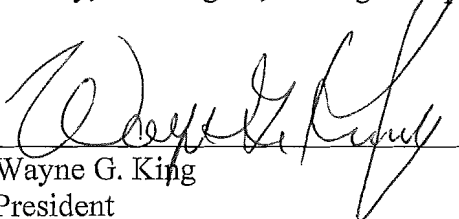
WHEREAS, the Board of Commissioners of the District did meet on Monday, October 5, 2009 and held a Public Hearing on the proposed 2010 budget starting at 5:00 p.m. in the District Office at 230 Chimacum Road, Port Hadlock, Washington; and

WHEREAS, the Public Hearing was continued and reconvened at the subsequent regularly scheduled PUD BOC meetings, as announced publicly by the Board of Commissioners; and

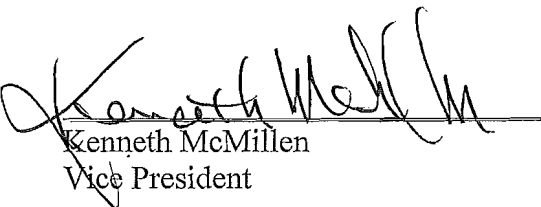
WHEREAS, the Public Hearing was continued and closed by the PUD Board of Commissioners on the 4th of November, 2009.

NOW, THEREFORE, BE IT RESOLVED that the Commission, after taking public testimony and consideration of all the evidence and information provided by the staff, hereby adopts the budget identified on attached Exhibit "A" and confirms the updated rate schedule identified on attached Exhibit "B".

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington, at a regular open public meeting held this 18th day of November 2009.



Wayne G. King
President



Kenneth McMillen
Vice President

Dana Roberts
Secretary

EXHIBIT "A"

PUBLIC UTILITY DISTRICT NUMBER 1
OF JEFFERSON COUNTY

2010 BUDGET

INCOME SOURCES

1. Property Taxes	\$ 382,500
2. Timber Taxes	\$ 15,000
3. Water Rates	\$ 1,569,323
4. Water Hookups	\$ 28,000
5. Sewer Rates	\$ 53,676
6. _____	\$
7. Other Income	\$ 113,052
8. System Development Charges	\$ 44,100

TOTAL INCOME \$ 2,205,651

EXPENSE CATEGORIES

1. Personnel & Benefits	\$ 850,199
2. General & Admin	\$ 217,303
3. Water Operations	\$ 395,910
4. Water Hookups	\$ 23,526
5. Sewer Operations	\$ 20,530
6. B&O Taxes	\$ 81,787
7. Programs	\$ 84,895
8. Debt Repayment – non bond fund	\$ 530,930
9. Capital Replacement/ construction	\$ 571

TOTAL EXPENSES \$ 2,205,651

BREAKDOWN OF BUDGET COSTS BASED ON OPERATIONS REVENUE VERSUS TAX REVENUE FOR CY 2010 BUDGET

INCOME SOURCES

1. Property Taxes	\$ 382,500
2. Timber Taxes	\$ 15,000
3. Water Rates	\$ 1,569,323
4. Water Hookups	\$ 28,000
5. Sewer Rates	\$ 53,676
6. -----	\$ -----
7. Other Income	\$ 113,052
8. System Development Charges	\$ 44,100

TOTAL INCOME \$ 2,205,651

EXPENSE CATEGORIES

	TOTAL	OPERATIONAL	PUD TAX
1. Personnel & Benefits	\$ 850,199	\$ 742,940	\$ 107,260
2. General & Admin	\$ 217,303	\$ 183,901	\$ 33,402
3. Water Operations	\$ 395,910	\$ 395,910	\$ 000
4. Water Hookups	\$ 23,526	\$ 23,526	\$ 000
5. Sewer Operations	\$ 20,530	\$ 20,530	\$ 000
6. B & O Taxes	\$ 81,787	\$ 81,787	\$ 000
7. Programs	\$ 84,895	\$	\$ 84,395
8. Debt Replacement	\$ 530,930	\$ 358,987	\$ 171,943
9. Capital Replacement	\$ 571	\$ 571	\$
TOTAL EXPENSES	\$ 2,205,651	\$1,808,151	\$ 397,500

Public Utility District Number 1 of Jefferson County

2010 WATER AND SEWER RATES

	Tri-Area Water System	Group A Water Systems	Group B Water Systems	LUD #3 Water System	Sewer
RESIDENTIAL BASE FEE					
All Meters	\$20.75	\$15.25	\$17.75	\$16.00	\$22.00
Low Income	\$14.53	\$ 10.68	\$12.43	\$10.20	\$15.40
COMMERCIAL BASE FEE					
Meter Size					
3/4"	\$20.75	\$20.75	\$20.75	\$20.75	
1"	\$51.00	\$51.00	\$51.00	\$51.00	
1-1/2"	\$102.00	\$102.00	\$102.00	\$102.00	
2"	\$163.00	\$163.00	\$163.00	\$163.00	
3"	\$306.00	\$306.00	\$306.00	\$306.00	
4"	\$508.00	\$508.00	\$508.00	\$508.00	
6"	\$1,018.00	\$1,018.00	\$1,018.00	\$1,018.00	
8"	\$1,628.00	\$1,628.00	\$1,628.00	\$1,628.00	
CONSUMPTIVE RATES (per 100 gallons)					
	0 - 5,000	5,001-10,000	10,001 plus		
Residential	\$ 0.25	\$ 0.33	\$ 0.40		
Commercial	\$ 0.33	\$ 0.33	\$ 0.33		

Notes:

1. Hadlock 37, Olympic Mobile Village, Marrowstone/ Indian Isle are part of Tri-Area System
2. Group A: Lazy-C, Triton Cove, Bywater, Gardiner, Snow Creek, GCS, Quilcene
3. Group B systems are: Skywater, Bishop, Mats View, VDC

PUBLIC UTILITY DISTRICT NO. 1
OF
JEFFERSON COUNTY, WASHINGTON

RESOLUTION NO. 2009-015

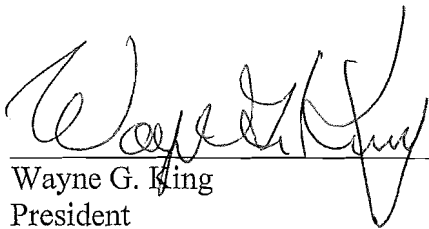
A RESOLUTION of the Board of Commissioners of Public Utility District No.1 of Jefferson County, Washington adopting the limit factor for property tax increase for 2010 budget purposes.

WHEREAS ,the Board of Commissioners of Public Utility District No.1 of Jefferson County, Washington in the course of considering the budget for 2010 has reviewed all sources of revenue and examined all anticipated expenses and 2010 obligations; and,

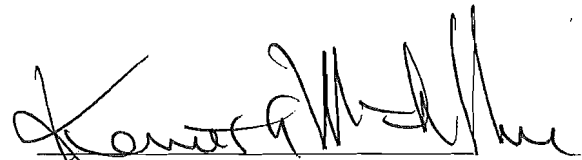
WHEREAS, the Board of Commissioners has determined that, because Public Utility District No.1 of Jefferson County is actively pursuing the feasibility of acquiring electrical utility facilities, the Commissioners find that there is a substantial need to increase the regular property tax limit factor above the rate of inflation;

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of Public Utility District No.1 of Jefferson County, Washington that the limit for the regular tax levy for the year 2010 will be 101% of the highest amount of regular property taxes that could have been lawfully levied in the district in any year since 1985.

ADOPTED by the Board of Commissioners of Public Utility District No.1 of Jefferson County, Washington on this 18th day of November, 2009, during a regular open meeting, to be effective January 2010.



Wayne G. King
President



Kenneth Mc Millen
Vice-President

Dana Roberts
Secretary

PUBLIC UTILITY DISTRICT NO. 1
OF
JEFFERSON COUNTY, WASHINGTON

RESOLUTION NO. 2009-016

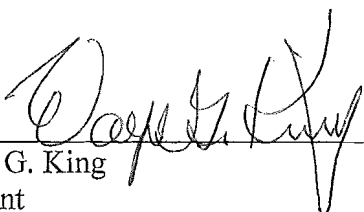
A RESOLUTION of the Board of Commissioners of Public Utility District No.1 of Jefferson County, Washington to neither increase nor decrease their regular levy versus the District's prior year's levy amount, not including increases that would occur from new construction and increases in the states valued assessed properties.

WHEREAS, the Board of commissioners of Public Utility District No. 1 of Jefferson County, Washington has properly given notice of the Public Hearing held on Monday, October 16, 2009 to consider the District's expense budget for the year 2010 pursuant to RCW 85.55.120; and


WHEREAS, the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington, after hearing, and after duly considering all relevant evidence and testimony presented, has determined that the District does not require an increase in property tax revenue from the previous year in excess of the increase resulting from the addition of new construction and improvements to property and any increase in the value of states assessed properties, in order to discharge the expected expenses and obligations of the District and in its best interest:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public utility District No. 1 of Jefferson County, Washington that the regular property tax levy limit, not including any increase resulting from the addition of new construction and improvements to property, refunds from the previous year, and any increases in value of states assessed property, is hereby authorized for the 2010 tax levy in the amount of \$375,000.00 which is no change from the previous year's levy amount.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington on this 18th day of November, 2009 during a regular open meeting, to be effective January 2010.



Wayne G. King
President



Kenneth Mc Millen
Vice-President

Dana Roberts
Secretary

ENCL 2 - PUD WORKSHEETS FOR 2010 Budget - FINAL

2010 Budget -
Approved 18 November 2009

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INCOME SOURCES	Operating Funds		Utility Fund Budget 2009	General Fund		Budget 2008	Budget 2007
	Utility Fund Budget 2010	General Fund Budget 2010		Utility Fund Budget 2009	General Fund Budget 2009		
1. Property Taxes (910)		\$382,500		375,000	\$422,000	\$410,000	
2. Timber Taxes (832)		\$15,000	\$20,000		\$30,000	\$30,000	
3. Water Sales (400.10)	\$1,569,323		\$1,470,129		\$1,424,053	\$1,290,608	
4. Water Hookups (400.62)	\$28,000		\$50,000		\$47,680	\$50,000	
5. Sewer Rates (400.20 & 400.30)	\$53,676		\$48,348		\$40,812	\$37,500	
6.							
7. Other Income (814, 400.8,.5,.9,.34 838)	\$113,052		\$130,840		\$226,775	\$265,127	
8. System Development Charges	\$44,100		\$82,600				
TOTAL INCOME	\$1,808,151 82%	\$397,500 18%	\$2,205,651	\$1,801,917	375,000	\$2,191,320	\$2,083,235
EXPENSE CATEGORIES							
1. Personnel & Benefits (600)	\$742,940	\$107,260	850,199	\$709,410	116,237	\$753,063	\$670,099
2. General & Admin (700 - 760)	\$183,901	\$33,402	217,303	\$129,595	16,905	\$144,450	\$140,098
3. Water Operations	\$395,910			\$423,343		\$347,419	\$300,398
4. Water Hookups	\$23,526			\$40,530		\$46,972	\$49,536
5. Sewer Operations	\$20,530			\$22,443		\$16,720	\$10,190
6. B&O Taxes (760)	\$81,787			\$76,812		\$72,574	\$66,775
7. Programs		\$84,895			69,100	\$73,000	\$45,000
8. Debt Repayment -non Bond Fund	\$358,987	\$171,943	530,930	\$282,200	171,943	\$704,796	\$764,796
9. Lawsuit defense - legal							
10. Capital Replacement/ construction	\$571	\$0	571	\$117,584		\$32,325	\$36,343
EXPENSE BY FUND							
General Fund related		\$397,500			374,185	\$446,021	\$435,868
Enterprise Fund related	\$1,808,151		2,205,651	\$1,801,917		\$1,712,974	\$1,611,024
TOTAL EXPENSES	\$1,807,580	\$397,500	\$2,205,080	\$2,158,955	374,185		

METERED WATER SALES (400.10)

System Name	# Conn	2009		2008-2009 July -June	2007-2008 July -June	2006-2007 July-June
		Average Mo Bill	Annual Total			
1. Quimper Water System						1
South Hasting (LUD#3)	301	\$25	\$91,773	88,161	77,898.60	\$77,547
Tri-area	1,937	\$44	\$1,029,439	1,232,163	1,017,817.36	\$1,019,242
OMV	80	\$25	\$24,000			
GCS	289	\$27	\$93,118		88,783.24	\$86,048
Marrowstone Island	270	\$30	\$97,200			
2. Gardiner (LUD#1)	130	\$36	\$55,424	53,474	40,530.55	\$43,812
3. Triton Cove (LUD#6)	60	\$23	\$16,341	15,441	12,773.69	\$12,722
Triton-Willaims Surcharge	74	\$8	\$7,104		\$6,000	\$6,000
4. Lazy-C (LUD#8)	121	\$23	\$33,960	32,145	28,735.00	\$27,013
Surcharge	160	\$7	\$13,524		\$13,524	\$0
Quilcene	22	\$39	\$10,294	9,964	9,005.38	\$3,769
5. Bywater Bay/Shine	216	\$32	\$82,375	79,135	68,577.98	\$70,967
Surcharge	17	\$50	\$10,200		\$12,000	\$12,000
6. Bishop/Mats Mats/Skywater Vandecar/Valiani	39	\$43	\$20,159	19,574	\$20,849	\$21,555
7. Snow Creek Ranch	37	\$22	\$9,839	9,284	\$7,856	\$7,830
Surcharge	43	14	\$7,224		\$7,560	\$7,560
8. SMA Contracts	4	\$450	\$5,400	2,100	\$4,640	\$2,100
TOTAL WATER SALES (400.10)	3,506		\$1,569,323	\$1,531,477	\$1,368,462	\$1,368,836

WATER INSTALLATION INCOME DETAIL (400.60)

System Name	# Conn	Hookup Fee	Hookup Total	SDC Fee	SDC's Total	
1. Gardiner	1	\$1,500	\$1,500	\$0	\$0	\$1,500
2. South Hastings	1	\$1,500	\$1,500	\$2,700	\$2,700	
South Hastings Normal meter	2	\$200	\$400	\$0	\$0	
3. Tri-area	10	\$1,500	\$15,000	\$2,000	\$20,000	
4. Glen Cove So (new)	3	\$1,500	\$4,500	\$2,000	\$6,000	
Glen Cove So (box)	3	\$200	\$600	\$2,000	\$6,000	
5. Triton Cove	0	\$1,500	\$0	\$0	\$0	
6. Lazy-C	0	\$1,500	\$0	\$0	\$0	
7. Quilcene	1	\$1,500	\$1,500	\$2,000	\$2,000	
8. Bywater Bay/Shine	1	\$1,500	\$1,500	\$7,400	\$7,400	
9. Valiani/Eagle Ridge/Mats Mats	1	\$1,500	\$1,500	\$0	\$0	
10. Snow Creek	0	\$1,500	\$0	\$3,800	\$0	
11. Vandecar	0	\$1,500	\$0	\$0	\$0	
TOTAL NEW CONNECTIONS	23					
Total Hookup Fees (400.62)			\$28,000			
Total SDC Fees (400.66)					\$44,100	

SEWER/ SEPTIC INCOME DETAIL

DOH
Non-DOH

21.00

System Name	# Conn	Average Mo Bill	Annual Total		
1. Levine		5	\$21.00	\$1,260	
2. Disco Ridge (dbr3)		37	\$21.00	\$9,324	
3. Ocean Grove (lud5)		38	\$21.00	\$9,576	
4. Shoenfeld		9	\$21.00	\$2,268	
5. House & Rouse		3	\$55.00	\$660	
6. Old Alcohol Plant		1	\$150.00	\$1,800	
7. Mats View Terrace/cotton		12	\$21.00	\$3,024	
8. Sganamish View		4	\$21.00	\$1,008	
9. South Point		3	\$21.00	\$756	
10. Becket Point	88	80	\$21.00	\$20,160	
11. Senior Seven		1	\$320.00	\$3,840	
Septic System Totals (400.20)		193		\$53,676	
Septic System Hookups (400.25)		2	New connections @	\$150	\$300
TOTAL SEWER CHARGES (400.20)					53,976
TOTAL SEWER REVENUES					\$53,676

OTHER INCOME DETAIL

1. Grants, loans		\$0		
2. Water System Surcharges			\$38,052	
3. Interest			\$35,000	
Investments (814)	\$35,000			1,750,000 @ 2 percent
4. Misc			\$40,000	
Fees/Charges (400.8, 400.5, 400.9)	\$30,000			late charges, on/off, check handling
Timber Sales & Other (838)	\$10,000			
5.				
6. SDC'S (400.34)			\$44,100	
TOTAL OTHER INCOME			\$157,152	

PERSONNEL COSTS (600)

G.F. UTILITY FUND
WATER SEPTIC

	Salary	No. Units	# Comm	Total				
Commissioners								
Regular Meetings	\$90	23	3	\$6,210		\$1,242	\$4,968	
Extra Meetings	\$90	72	3	\$19,440		\$9,720	\$9,720	
Monthly Salary	\$1,000	12	3	\$36,000		\$7,200	\$28,800	
COMMISSIONERS TOTAL (610.10)				\$61,650		\$18,162	\$43,488	\$0

Employee	COLA	Wage 2,009	Hours	Total	cy 2009			
1. Manager (610.20)	1.022	\$42.50	2,080	\$90,327	\$88,400	22,582	67,745	
2. Resource Man (620.30)	1.022	\$24.54	2,080	\$52,156	\$51,043	26,078	26,078	
3. Admin Assit (620)	1.022	\$15.00	0	\$0		0	0	
4. Bookkeeper (620)	1.022	\$23.47	2,080	\$52,007	Add' 1/hr	2,600	49,407	
5. Operator 1 Mike (620)	1.022	\$26.72	2,080	\$57,491			57,491	
6. Operator 2 Jerry Govia	1.022	\$25.73	1,907	\$50,771		0	25,385	25,385
7. Operator 3 Doug	1.022	\$24.58	2,080	\$52,942			52,942	
8. Operator 4 Jerry Rupert	1.022	\$25.58	2,080	\$55,068			55,068	
9. Operator 5 Eric	1.022	\$27.97	2,080	\$63,697	Add' 2/hr supervisor		63,697	
10. Operator 6 Bob	1.022	\$23.92	2,080	\$51,540		0	51,540	
11. Operator wastewater	1.022	\$26.00	867	\$23,317	hire Aug		6,995	16,322
12. Executive Assistant	1.022	\$24.00	0	\$0		0	0	
13. Overtime	1.022	\$45.00	500	\$34,486		0	34,486	
EMPLOYEES TOTAL				\$583,800		\$51,260	\$490,833	\$41,707
PERSONNEL TOTAL (605)				\$645,450		\$69,422	\$534,321	\$41,707

Taxes and Benefits

1. FICA (640)	0.0765		\$49,377 (7.65%)		\$5,311	\$40,876	\$3,191
2. L&I (640)	0.8909 & .1717%		\$10,985 (estimate)		\$1,181	\$9,094	\$710
3. Employment Security (640)	0.65%	0.57%	\$3,679 (estimate)		\$396	\$3,046	\$238
4. Medical & Dental (652)			\$109,229 (estimate)		\$28,176	\$75,557	\$5,496
5. Life Insurance (652)			\$479 (estimate)		\$51	\$396	\$31
6. Retirement (current) (654)		5.31%	\$31,000 (estimate)		\$2,722	\$26,063	\$2,215
TOTAL BENEFITS (650)			\$204,749		\$37,837	\$155,032	\$11,880
TOTAL PERSONNEL AND BENEFITS (600)			\$850,199		\$107,260	\$689,353	\$53,587

13%

Inflation rate: 1.022

GENERAL AND ADMINISTRATIVE EXPENSE (700)

TOTAL GENERAL FUND
EXPENSE SUPPORTED

1. Rent	\$0	\$0	
2. Telephone Services (772)	\$6,301	\$630	
3. Office Expenses (copier) (710,715)	\$16,946	\$1,695	
4. Postage (715)	\$2,800	\$280	
5. Insurance - business (720)	\$48,001	\$4,800	
6. Licenses, Permits, & Fees (735)	\$9,641		
7. Dues & Subscriptions (725)	\$1,494	\$149	
8. Professional Fees (740)			
Accounting (741)	\$20,062	\$5,016	
Legal (743)	\$2,000	\$500	
Minutes (950.200)	\$4,800	\$480	
State Auditor (745)	\$0	\$0	
network - phone	\$17,190	\$1,719	
9. Software Maintenance (746)	\$11,232	\$500	
10. Travel (750)	\$7,305		Misc office staff
11. Taxes (760)	\$81,787		5% of income
12. Utilities (770)	\$3,550	\$710	Water, power,
13. State Auditor Office	\$8,000	\$4,000	
14. Bld Maint (775)	\$4,000	\$800	cleaning, grounds, painting
15. Bank Charges (792 & 794)	\$2,734		
16. Billing	\$22,000		
17. Computer (746,192)	\$3,000		replacement, maintenance
18. BOC Expenses (travel, meals) (940.200)	\$17,247	\$8,624	puda 7500
19. Other general (700)	\$2,000		
20. Election Costs (747)	\$7,000	\$3,500	

GROSS GEN & ADMIN EXPENSE (700) less tax
DISTR TO OPERATIONAL

217,303 \$33,402
\$183,901

15%
85%

WATER OPERATIONS EXPENSE DETAIL (without personnel)
 Direct costs and general water systems (less labor & benefits) prorated on direct labor

System Name	Direct Costs	G&A	B&O Taxes	Direct Lab & Benefits	Admin Lab & Benefits	System totals No depr
1. Gardiner	\$12,782	\$6,819	\$2,788	\$14,529	6,755	\$43,673
2. Tri-area	\$258,701	\$108,501	\$57,877	\$216,482	100,655	\$742,218
3. Triton Cove	\$6,261	\$3,361	\$1,179	\$6,706	3,118	\$20,625
4. South Hastings	\$45,561	\$16,861	\$4,616	\$33,640	15,641	\$116,319
5. Lazy-C	\$10,278	\$2,073	\$2,388	\$13,523	6,288	\$34,550
6. Snow Creek Ranch	\$5,473	\$16,188	\$858	\$4,135	1,923	\$28,577
7. Glen Cove So	\$23,738	\$12,099	\$4,684	\$32,299	15,018	\$87,838
8. Bywater/Shine	\$22,449	\$16,188	\$4,657	\$24,141	11,224	\$78,659
9. Quilcene	\$4,282	\$1,232	\$518	\$4,359	2,027	\$12,418
10. Small systems	\$6,385	\$2,185	\$1,014	\$2,459	2,027	\$14,069
			1,207			
Total Water Costs	\$395,910	\$185,507	\$81,787	\$352,273	\$164,676	\$1,178,945
LAB & BEN				\$352,273	\$164,676	\$516,949
TOTAL LESS LABOR & BENEFITS	\$395,910			\$0	\$0	\$661,996

NOTES:
 Detail on summary worksheet.

WATER HOOKUP EXPENSE DETAILS (contractors and materials only)

System Name	# Conn	PUD Costs (Less lab)	PUD Lab	Contract Cost	Expense	B & O Taxes	Total Expense	Total Exp Less labor
1. LUD #1	1	\$421	\$200	\$700	\$1,321	\$28	\$1,349	\$1,149
2. LUD #3 (normal)	1	\$421	\$200	\$700	\$1,321	\$28	\$1,349	\$1,149
LUD #3 (DBR)	2	\$421	\$200	\$700	\$2,642	\$55	\$2,697	\$2,297
3. Tri-Area	10	\$421	\$200	\$700	\$13,210	\$276	\$13,486	\$11,486
4. Quilcene	1	\$421	\$200	\$700	\$1,321	\$28	\$1,349	\$1,149
5. Glen Cove So (new)	3	\$421	\$200	\$700	\$3,963	\$83	\$4,046	\$3,446
Glen Cove So (box)	3	\$180	\$45		\$675	\$14	\$689	\$554
6. Triton Cove (proj)	0	\$421	\$200	\$700	\$0	\$0	\$0	\$0
7. Lazy-C (proj)	0	\$421	\$200	\$700	\$0	\$0	\$0	\$0
8. Van DeCar	0	\$275	\$200	\$700	\$0	\$0	\$0	\$0
9. Snow Creek Ranch	0	\$421	\$200	\$700	\$0	\$0	\$0	\$0
10. Skywater	1	\$421	\$200	\$700	\$1,321	\$28	\$1,349	\$1,149
11. Bywater/Shine	1	\$421	\$200	\$700	\$1,321	\$28	\$1,349	\$1,149
TOTAL NEW CONNECTIOI	23		4,135		\$27,095	\$566	\$27,661	\$23,526

SEWER OPERATIONS

	GEN & ADMIN	LABOR & POWER BENEFITS	MILEAGE	GROUND MAINT	SHARE GENERAL	SEWER TAX	TOTAL
1. Levine	\$187		97	670		49	\$1,003
2. Old Alcohol Plant	\$173		49			69	\$291
3. LUD5	\$306	600	97	900		369	\$2,272
4. Squamish/House & Rouse	\$183	288	146	450		64	\$1,131
5. Schoenfelds	\$201	288	146	450		87	\$1,173
6. Becket Point	\$180	1560	389	600		777	\$3,505
7. Mats View Terrace	\$212	720	97	450		69	\$1,549
8. DBR III	\$302		97	900		359	\$1,659
9. MOS							
TOTAL	\$1,744	\$3,456	\$1,118	\$4,420	\$0	\$1,843	\$12,581
Less Counted elsewhere	1,744		1,118				\$2,862
TOTAL	\$0	\$3,456	\$0	\$4,420	\$10,811	\$1,843	\$20,530

GENERAL SYSTEM COSTS

0

DIR COSTS:

1 SYS OPER (WAGES):		cy 2009		
MGMT & OFFICE				
FIELD				
2 SYS OPER (BENEFITS)				
3 MOBILE PHONES	3,200			
4 MATERIALS & TOOLS(505 & 506)	15,000			
5 DUES & SUBSCRIPTIONS				
6 TRUCK INSURANCE (554)	9,000	9,000	property	
7 TRUCK MAINTENANCE (558)	6,000	5,000	repairs	
8 LICENSE & PERMITS	5,000	5,000	SMA permit, WDM certifications	
9 REPAIR	50,000		system repairs - leaks, pumps, valves	
10 TRUCK GASOLINE (552)	30,000	21,000	100,000 miles @ 15 mpg * 4.5	30,000
11 TRAINING (545)	4,000		Field personnel certification	
12				
13 NEW VEHICLE	25,000		Truck - Light duty	
14 SYSTEM UPGRADES	60,000		Looping of lines - pump house upgrades -	
15 VSP			Ocean Grove	
TOTAL GENERAL SYSTEMS COSTS	207,200		196,389 Water	RATIO OF CONI
			10,811 Sewer	

PROJECTS & PROGRAMS EXPENSE DETAILS

General Fund Programs

1. Telecommunications - NOANET	\$3,895	annual cost to NOAnet as active members
2. Community involvement/ education	\$3,000	fairs, education, water watchers
3. PUD Power Authority	\$67,500	210,000 from existing general fund
5. Regional Water Resource - Aquifer properties	\$500	digi-loggers support
6. Peterson Lake Maintenance	\$10,000	Area police, protection
7. Peterson Lake Resource Management	\$0	Forest Plan and implementation
8.		
9. Defense of lawsuit		80,000 from reserves
10.		

\$84,895 **\$84,895**

TOTAL PROGRAMS

Capital Project Loans

1. Marrowstone Island Water System (LUD & PWTF financ		\$0	Assessment agains property M
2.			
3. Snow Creek Ranch SRF Loan		\$10,960	150K@1% for 20 years
4. Lazy-C and Triton Cove PWTF loan repayment		\$21,724	
5. Sound View villa PWTF loan repayment		\$7,967	100K @ 5% for 20 years
6. Tri-area PWTF loan repayment		\$76,787	1.3 M@ 1%for 20 years
7. Tri-area RUS loan repayment		\$164,762	3 M@4.75for 40 years
8. Peterson Lake	<u>171,943</u>		2.5 M @ 6 % over 20 years
9.			
10.			
11. Tri-area Improvements - upgrade treatment Sparling Well		\$76,787	1.3 M@ 1%for 20 years

COLUMN TOTALS **\$171,943** \$358,987

TOTAL CAPITAL LOAN REPAYMENT \$530,930

TOTAL CAPITAL EXPENSE \$530,930

		LUD#1	TRI-AREA	GLEN C.So.	LUD#3	LAZY COW	CREEK	ITON COVE	VATER BAY	Small systems	Quilcene
ALL SYSTEMS:											
WATER BILLINGS:	1,601,975	55,424	1,150,639	93,118	91,773	47,484	17,063	23,445	92,575	20,159	10,294
Loan payments	283,476		241,549		0	15,000	10,960	8,000	7,967		
DIR COSTS:											
1 SYS OPER (WAGES)	\$306,122	11,351	169,127	25,234	26,281	10,565	3,231	5,239	18,860	1,921	3,405
2 SYS OPER (BENEFITS)	\$85,714	3,178	47,356	7,065	7,359	2,958	905	1,467	5,281	538	953
3 TELEMETRY (540)	\$2,700	500	1,200	0	500	0	500	0			
4 ELECTRICAL (507)	\$80,700	3,000	55,000	5,000	4,500	2,100	500	1,500	7,000	1,300	800
5 WATER (503)	\$20,000			0	20,000				0		
6 CHEMICALS (504)	\$67,050	0	65,000	200	0	0	500	0	350	500	500
7 TESTING (535)	\$16,650	800	9,000	350	700	900	900	900	1,200	900	1,000
12		0	0	0	0	0		0	0		
13 PUB UTIL TAX	\$80,579	2,788	57,877	4,684	4,616	2,388	858	1,179	4,657	1,014	518
14 MISC. (MATERIALS)	\$32,250	1,200	20,000	2,000	3,000	500	1,000	500	1,800	1,500	750
15 GEN WATER SYS SHARE	\$196,389	7,282	108,501	16,188	16,861	6,778	2,073	3,361	12,099	2,185	1,232
TOTAL DIRECT COSTS	\$828,762	\$30,099	\$533,061	\$60,721	\$83,817	\$26,189	\$10,466	\$14,146	\$51,246	\$9,857	\$9,159
REV B/4 INDIR COSTS	\$773,213	\$25,325	\$617,579	\$32,397	\$7,956	\$21,295	\$6,597	\$9,299	\$41,329	\$10,302	\$1,135
REV AFTER DEBT	\$489,737	\$25,325	\$376,030	\$32,397	\$7,956	\$6,295	(\$4,363)	\$1,299	\$33,362	\$10,302	\$1,135
INDIRECT COSTS (1):											
16 GEN & ADMIN	\$183,901	6,819	101,602	15,159	15,788	6,347	1,941	3,147	11,330	2,046	2,046
17 OH LAB & BEN	\$182,188	6,755	100,655	15,018	15,641	6,288	1,923	3,118	11,224	2,027	2,027
TOT INDIRECT COSTS	\$330,900	\$13,574	\$202,257	\$30,177	\$31,430	\$12,635	\$3,863	\$6,265	\$22,554	\$4,072	\$4,072
TOTAL REVENUE	\$158,837	\$11,751	\$173,772	\$2,220	(\$23,474)	(\$6,340)	(\$8,226)	(\$4,966)	\$10,807	\$6,229	(\$2,937)
	\$415,739	\$12,782	\$258,701	\$23,738	\$45,561	\$10,278	\$5,473	\$6,261	\$22,449	\$6,385	\$4,282

ENCL 2 - 9

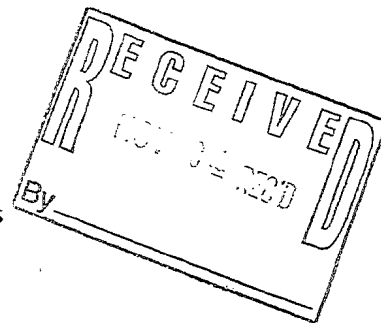
NOTES: Assume workload is distributed by number of customers.

1. () = Negative amount
2. Distribution based on percentage of customers, no correction for age of system, distance, density, components
3. Note if you assume equal distribution of labor, misc, and general water share that the small group A's ar

JEFFERSON COUNTY
MONTHLY FINANCIAL STATEMENT
10/30/2009

680-001-010 P U D NO 1 GENERAL

BEGINNING CASH BALANCE		667,136.96	
MISCELLANEOUS RECEIPTS	182,821.31		
TOTAL RECEIPTS		182,821.31	
WARRANTS REDEEMED	189,827.35		
REMITTANCES	14,328.62		
TOTAL DISBURSEMENTS		204,155.97	
ENDING CASH BALANCE		645,802.30	**
PRIOR WARRANTS OUTSTANDING		1,008.87	
WARRANTS ISSUED	214,805.24		
WARRANTS REDEEMED	189,827.35		
WARRANTS OUTSTANDING		25,986.76	
UNENCUMBERED CASH BALANCE		619,815.54	**
BEGINNING INVESTMENT BALANCE		1,355,558.47	
INVESTMENTS ACQUIRED	.00		
INVESTMENTS LIQUIDATED	.00		
ENDING INVESTMENT BALANCE		1,355,558.47	**



Leasehold tax 336.53
Inv. Int. 504.72

841.25



transfer in 181980.06

Encl 3 - (County Fund Balance - Enterprise Fund)

Encl 3-1

JEFFERSON COUNTY
MONTHLY FINANCIAL STATEMENT
10/30/2009

680-001-015 PUD #1 - TAX REVENUE FUND

BEGINNING CASH BALANCE		722,330.37	
TAX RECEIPTS	114,176.97		
MISCELLANEOUS RECEIPTS	954.54		
TOTAL RECEIPTS		115,131.51	
TOTAL DISBURSEMENTS		.00	
ENDING CASH BALANCE		837,461.88	**
UNENCUMBERED CASH BALANCE		837,461.88	**

Property tax
114,176.97
DNR Int. .97
Timber Sales 954.07

115,131.51



Enc 1 3 (County Fund Balance - General Fund)

Enc 1 3-2

Enclosure 4 (PUD Bond Fund Status) to 2010 Budget

Bond Fund

as of 1 Oct 2009

	Owed	General	Reserve	Owed to PUD	Balance	Interest
LUD#1	Paid off	\$48,071			\$48,071	
LUD#3	Paid off	\$260,517	\$757		\$261,274	
LUD#5	Paid off	\$131,185	\$70,108	\$1,424	\$202,717	
LUD#6	Paid off	\$43,389		\$22,302	\$65,691	5.50
LUD#8	Paid off	\$141,309		\$80,733	\$222,042	5.63
LUD#11 (Shine)	\$710,000	\$421,008	\$218,630	\$146,512	\$76,150	5.87
LUD#13 (Bywater Bay)	\$40,000	\$34,280	\$22,561	\$6,213	\$23,054	6.50
LUD#15 (Beckett Point)	\$1,820,996	\$205,699	\$0	\$1,868,533	\$47,537	
FF Loan	\$1,008,584				\$0	7.25
PWTF	812,412					0.50
LUD#14 (marrowstone)	\$3,740,900	\$540,546		\$3,938,492	\$738,138	
Cashmere Val	\$2,000,000					7.50
PWTF	1,740,900					0.50
						3.00
total Balance of Funds	6,311,896	\$1,826,004	\$312,056	\$6,064,209	\$1,684,674	
USDA (Tri-Area)	2,871,446					
Peterson Lake note	1,798,257					
PWTF Separate from LUD						
LUD#6						
LUD#8						
Sound View Villa PWTF	42,183					5.00
Snow Creek PWTF	157,168					3.00
Tri-Area Water Tank PV	628,262					1.00

Encl 5 (PwTF Worksheets)

Jefferson County PUD 1 · PW-05-691-025 · Marrowstone Island Water System .

Summary		Draws-Payments		Progress Reports			
Loan	Project	Scope	Schedule	System Info	Tax/Revenues	Costs	Financing
Client Name: Jefferson County PUD 1 - - Project Title: Marrowstone Island Water System							
Agreement Status and Numbering				Monitoring Information			
Agreement Status:		Complete		Last Site Visit:		N/A	
Agreement Type:		Construction		Last Quarterly Report Received:		N/A	
Accounting Code:		058-9005		Last Reported Project Completion Status:		0.00	
CTED Contract No. (ASD)		15113		Agreement Terms & Key Dates			
Client Contract No.				Loan Term:(Years)		20	
State Contract No.				Agreement Start Year:		2005	
DOH Application No.				Agreement End Year:		2025	
Agreement Amount/Interest Rates				Agreement Fiscal Year:		2005	
Agreement Amount Current:		2,000,000.00		Agreement List Year:		2005	
Amount Requested:		2,000,000.00		Agreement Start Biennium:		2005-07	
Amount Contracted:		2,000,000.00		Contract Execution Date:		5/2/2005	
Amount at Project Completion:		2,000,000.00		Project Completion - Execution Date:		2/25/2009	
Interest Rate Current:		0.50		Project Completion - Original Date:		5/2/2009	
Interest Rate Application:		0.50		Project Completion - Extended Date:		N/A	
Interest Rate Contract:		0.50					
Interest Rate Project Completion:		0.50					
Financial				General Demographic Information			
Current Principal Balance:		1,740,901.27		Congressional District:		6	
Available to draw:		0.00		Legislative District:		24	
Total Drawn to Date:		2,000,000.00		Puget Sound Partner:		Yes Partnership Number:	
Interest Paid to Date:		16,461.69		Is West Side:		Yes	
Last Payment Amount:		117,767.37		Drinking Water Agreement Information			
Last Payment Date:		6/22/2009		DOH Type		N/A	
Last Draw:		1/28/2009		DOH Project Type		N/A	
Last Draw Amount:		100,000.00		DOH Compliance Type		N/A	
Standard Principal Deferral		1		DOH Agreement Fee:		0.00	
Deferral Type:				DOH Agreement Fee Percent:		0.00	
Payment Deferral Start Year:		0		Recovery Loan Percent Forgiven			
Payment Deferral End Year:		0		Water System Name			
Encumbrance Account:		2005 PwTF 058 Fund.Obligation		Water Resource Inventory Area			
Amount Encumbered:		0.00					
Amount De Obligated:		0.00					
Economic Development Information							
Economic Impact on Community				10,514,506.86			
Jobs Created by this Loan:				103			
Percent of Total Project Cost:				85.00			
Application Information							
Application Approval Date				5/2/2005			
Application Acceptance Date:				5/2/2005			
Agreement Contact: James Parker · · jparker@jeffpud.org							
Billing Contact: James Parker · ·							
CAU Contact: Leona Coldeen · (360) 725-3088 · LeonaC@cted.wa.gov							
PWB Contact: Isaac Huang · (360) 725-3162 · Isaac.Huang@pwb.wa.gov							
Other Contact: · ·							

Encl 5-1

Jefferson County PUD 1 · PW-5-91-280-031 · System Improvements .

Summary		Draws-Payments		Progress Reports			
Loan	Project	Scope	Schedule	System Info	Tax/Revenues	Costs	Financing
Client Name: Jefferson County PUD 1 - - Project Title: System Improvements							
Agreement Status and Numbering				Monitoring Information			
Agreement Status:		Complete		Last Site Visit:		N/A	
Agreement Type:		Construction		Last Quarterly Report Received:		N/A	
Accounting Code:		058-9091		Last Reported Project Completion Status:		0.00	
CTED Contract No. (ASD)		549		Agreement Terms & Key Dates			
Client Contract No.				Loan Term:(Years)		20	
State Contract No.				Agreement Start Year:		1991	
DOH Application No.				Agreement End Year		2011	
Agreement Amount/Interest Rates				Agreement Fiscal Year:		1991	
Agreement Amount Current:		338,200.00		Agreement List Year:		1991	
Amount Requested:		338,200.00		Agreement Start Biennium:		1991-93	
Amount Contracted:		338,200.00		Contract Execution Date:		7/3/1991	
Amount at Project Completion:		338,200.00		Project Completion - Execution Date:		3/5/1997	
Interest Rate Current:		1.00		Project Completion - Original Date:		1/3/1993	
Interest Rate Application:		3.00		Project Completion - Extended Date:		N/A	
Interest Rate Contract:		3.00					
Interest Rate Project Completion:		1.00					
Financial				General Demographic Information			
Current Principal Balance:		42,183.82		Congressional District:		6	
Available to draw:		0.00		Legislative District:		24	
Total Drawn to Date:		338,200.00		Puget Sound Partner: <input checked="" type="checkbox"/> Yes		Partnership Number:	
Interest Paid to Date:		34,236.58		Is West Side:		Yes	
Last Payment Amount:		21,724.67		Drinking Water Agreement Information			
Last Payment Date:		6/22/2009		DOH Type		N/A	
Last Draw:		3/7/1997		DOH Project Type		N/A	
Last Draw Amount:		33,820.00		DOH Compliance Type		N/A	
Standard Principal Deferral		1		DOH Agreement Fee:		0.00	
Deferral Type:				DOH Agreement Fee Percent:		0.00	
Payment Deferral Start Year:		0		Recovery Loan Percent Forgiven			
Payment Deferral End Year:		0		Water System Name			
Encumbrance Account:		1992 PWTF 058 Fund.Obligation		Water Resource Inventory Area			
Amount Encumbered:		338,200.00					
Amount De Obligated:		0.00					
Economic Development Information							
Economic Impact on Community						0.00	
Jobs Created by this Loan:						0	
Percent of Total Project Cost:						100.00	
Application Information							
Application Approval Date						6/30/1991	
Application Acceptance Date:						6/30/1991	
Agreement Contact: James Parker · · jparker@jeffpud.org							
Billing Contact: James Parker · ·							
CAU Contact: Leona Coldeen · (360) 725-3088 · LeonaC@cted.wa.gov							
PWB Contact: Isaac Huang · (360) 725-3162 · Isaac.Huang@pwb.wa.gov							
Other Contact: · ·							
<i>Amendments:</i>							
No amendments are on file							

Encl 5-2

Jefferson County PUD 1 · PW-05-691-024 · Beckett Point Large on-Site Sewage System (Loss) .

Summary		Draws-Payments		Progress Reports					
Loan	Project	Scope	Schedule	System Info	Tax/Revenues	Costs	Financing		
Client Name: Jefferson County PUD 1 - - Project Title: Beckett Point Large on-Site Sewage System (Loss)									
Agreement Status and Numbering				Monitoring Information					
Agreement Status:		Complete		Last Site Visit:		N/A			
Agreement Type:		Construction		Last Quarterly Report Received:		N/A			
Accounting Code:		058-9005		Last Reported Project Completion Status:		0.00			
CTED Contract No. (ASD)		15112		Agreement Terms & Key Dates					
Client Contract No.				Loan Term:(Years)		20			
State Contract No.				Agreement Start Year:		2005			
DOH Application No.				Agreement End Year		2025			
Agreement Amount/Interest Rates				Agreement Fiscal Year:				2005	
Agreement Amount Current:		948,924.00		Agreement List Year:		2005			
Amount Requested:		948,924.00		Agreement Start Biennium:		2005-07			
Amount Contracted:		948,924.00		Contract Execution Date:		5/2/2005			
Amount at Project Completion:		948,924.00		Project Completion - Execution Date:		5/11/2008			
Interest Rate Current:		0.50		Project Completion - Original Date:		5/2/2009			
Interest Rate Application:		0.50		Project Completion - Extended Date:		N/A			
Interest Rate Contract:		0.50							
Interest Rate Project Completion:		0.50							
Financial				General Demographic Information					
Current Principal Balance:		812,412.13		Congressional District:		6			
Available to draw:		0.00		Legislative District:		24			
Total Drawn to Date:		948,924.00		Puget Sound Partner: <input checked="" type="checkbox"/> Yes		Partnership Number:			
Interest Paid to Date:		8,969.43		Is West Side:		Yes			
Last Payment Amount:		55,091.69		Drinking Water Agreement Information					
Last Payment Date:		6/22/2009		DOH Type		N/A			
Last Draw:		4/17/2008		DOH Project Type		N/A			
Last Draw Amount:		47,446.20		DOH Compliance Type		N/A			
Standard Principal Deferral		1		DOH Agreement Fee:		0.00			
Deferral Type:				DOH Agreement Fee Percent:		0.00			
Payment Deferral Start Year:		0		Recovery Loan Percent Forgiven					
Payment Deferral End Year:		0		Water System Name					
Encumbrance Account:		2005 PWTF 058 Fund.Obligation		Water Resource Inventory Area					
Amount Encumbered:		0.00							
Amount De Obligated:		0.00							
Economic Development Information									
Economic Impact on Community				6,114,382.56					
Jobs Created by this Loan:				60					
Percent of Total Project Cost:				85.00					
Application Information									
Application Approval Date				5/2/2005					
Application Acceptance Date:				5/2/2005					
Agreement Contact: James Parker · · jparker@jeffpud.org									
Billing Contact: James Parker · ·									
CAU Contact: Leona Coldeen · (360) 725-3088 · LeonaC@cted.wa.gov									
PWB Contact: Isaac Huang · (360) 725-3162 · Isaac.Huang@pwb.wa.gov									
Other Contact: · ·									

ENCL 5-3

Jefferson County PUD 1 · PW-99-691-ELP-301 · Sound View Villa Emergency Loan .

Summary		Draws-Payments		Progress Reports				
Loan	Project	Scope	Schedule	System Info	Tax/Revenues	Costs	Financing	
Client Name: Jefferson County PUD 1 - - Project Title: Sound View Villa Emergency Loan								
Agreement Status and Numbering				Monitoring Information				
Agreement Status:		Complete		Last Site Visit:		N/A		
Agreement Type:		Emergency Loan		Last Quarterly Report Received:		N/A		
Accounting Code:		058-9E99		Last Reported Project Completion Status:		0.00		
CTED Contract No. (ASD)		7425		Agreement Terms & Key Dates				
Client Contract No.				Loan Term:(Years)		20		
State Contract No.				Agreement Start Year:		1999		
DOH Application No.				Agreement End Year		2019		
Agreement Amount/Interest Rates				Agreement Fiscal Year:				1999
Agreement Amount Current:		108,515.00		Agreement List Year:				1999
Amount Requested:		108,515.00		Agreement Start Biennium:				1999-01
Amount Contracted:		108,515.00		Contract Execution Date:		9/30/1999		
Amount at Project Completion:		108,515.00		Project Completion - Execution Date:		11/2/2000		
Interest Rate Current:		5.00		Project Completion - Original Date:		9/30/2000		
Interest Rate Application:		5.00		Project Completion - Extended Date:		N/A		
Interest Rate Contract:		5.00						
Interest Rate Project Completion:		5.00						
Financial				General Demographic Information				
Current Principal Balance:		51,401.84		Congressional District:				
Available to draw:		10,851.50		Legislative District:				
Total Drawn to Date:		97,663.50		Puget Sound Partner: <input checked="" type="checkbox"/> Yes		Partnership Number:		
Interest Paid to Date:		37,578.67		Is West Side: <input checked="" type="checkbox"/> Yes				
Last Payment Amount:		7,967.29		Drinking Water Agreement Information				
Last Payment Date:		6/22/2009		DOH Type		N/A		
Last Draw:		12/1/1999		DOH Project Type		N/A		
Last Draw Amount:		81,386.25		DOH Compliance Type		N/A		
Standard Principal Deferral		1		DOH Agreement Fee:		0.00		
Deferral Type:				DOH Agreement Fee Percent:		0.00		
Payment Deferral Start Year:		0		Recovery Loan Percent Forgiven				
Payment Deferral End Year:		0		Water System Name				
Encumbrance Account:		2000 P WTF 058 Fund.Obligation		Water Resource Inventory Area				
Amount Encumbered:		108,515.00						
Amount De Obligated:		0.00						
Economic Development Information								
Economic Impact on Community						0.00		
Jobs Created by this Loan:						0		
Percent of Total Project Cost:						100.00		
Application Information								
Application Approval Date						6/30/1999		
Application Acceptance Date:						6/30/1999		
Agreement Contact: James Parker · · jparker@jeffpud.org								
Billing Contact: James Parker · ·								
CAU Contact: Leona Coldeen · (360) 725-3088 · LeonaC@cted.wa.gov								
PWB Contact: Isaac Huang · (360) 725-3162 · Isaac.Huang@pwb.wa.gov								
Other Contact: · ·								

Encl 5-4

Jefferson County PUD 1 · PW-02-691-066 · Transfer From City of Port Townsend .

Summary		Draws-Payments		Progress Reports			
Loan	Project	Scope	Schedule	System Info	Tax/Revenues	Costs	Financing
Client Name: Jefferson County PUD 1 - - Project Title: Transfer From City of Port Townsend							
Agreement Status and Numbering				Monitoring Information			
Agreement Status:		Complete		Last Site Visit:		N/A	
Agreement Type:		Construction		Last Quarterly Report Received:		N/A	
Accounting Code:		058-9002		Last Reported Project Completion Status:		0.00	
CTED Contract No. (ASD)		11604		Agreement Terms & Key Dates			
Client Contract No.				Loan Term:(Years)		17	
State Contract No.				Agreement Start Year:		2001	
DOH Application No.				Agreement End Year		2018	
Agreement Amount/Interest Rates				Agreement Fiscal Year:			
Agreement Amount Current:		1,186,718.69		Agreement List Year:		2001	
Amount Requested:		1,186,718.69		Agreement Start Biennium:		2001-03	
Amount Contracted:		1,186,718.69		Contract Execution Date:		9/18/2002	
Amount at Project Completion:		1,186,718.69		Project Completion - Execution Date:		9/18/2002	
Interest Rate Current:		1.00		Project Completion - Original Date:		9/18/2002	
Interest Rate Application:		1.00		Project Completion - Extended Date:		N/A	
Interest Rate Contract:		1.00					
Interest Rate Project Completion:		1.00					
Financial				General Demographic Information			
Current Principal Balance:		628,262.84		Congressional District:			
Available to draw:		0.00		Legislative District:			
Total Drawn to Date:		1,186,718.69		Puget Sound Partner:		Partnership Number:	
Interest Paid to Date:		71,435.83		Is West Side:		Yes	
Last Payment Amount:		76,787.68		Drinking Water Agreement Information			
Last Payment Date:		6/22/2009		DOH Type		N/A	
Last Draw:		10/31/2001		DOH Project Type		N/A	
Last Draw Amount:		1,186,718.69		DOH Compliance Type		N/A	
Standard Principal Deferral		0		DOH Agreement Fee:		0.00	
Deferral Type:				DOH Agreement Fee Percent:		0.00	
Payment Deferral Start Year:		0		Recovery Loan Percent Forgiven			
Payment Deferral End Year:		0		Water System Name			
Encumbrance Account:		2003 PWTF 058 Fund.Obligation		Water Resource Inventory Area			
Amount Encumbered:		1,186,719.00					
Amount De Obligated:		0.00					
Economic Development Information							
Economic Impact on Community				0.00			
Jobs Created by this Loan:				0			
Percent of Total Project Cost:				100.00			
Application Information							
Application Approval Date				6/30/2001			
Application Acceptance Date:				6/30/2001			
Agreement Contact: James Parker · · jparker@jeffpud.org							
Billing Contact: James Parker · ·							
CAU Contact: Leona Coldeen · (360) 725-3088 · LeonaC@cted.wa.gov							
PWB Contact: Isaac Huang · (360) 725-3162 · Isaac.Huang@pwb.wa.gov							
Other Contact: · ·							

ENCL 5-5

DAVID A. PAPANDREW
Certified Public Accountant

301 BIRCH STREET
FIRCREST, WA 98466
PHONE 253-988-3410

EMAIL pappy@olympus.net

James G. Parker, Manager
Public Utility District No. 1 of Jefferson County
Port Hadlock, Washington

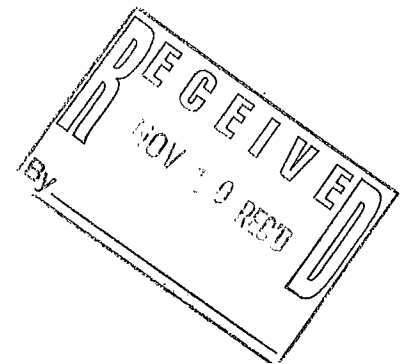
I have compiled the accompanying statement of net assets of the Public Utility District No. 1 of Jefferson County as of September 30, 2009 and 2008, and the related statements of revenues, expenses and changes in net assets for the nine months then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows, required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



David A. Papandrew
Fircrest, Washington
November 5, 2009



ENCL 7-1

Public Utility District #1 of Jefferson County
Statement of Net Assets
September 30, 2009 and 2008

	2009	2008
ASSETS		
Current Assets		
Cash and investments	\$ 3,893,457	\$ 1,985,365
Receivables (net):		
Accounts	184,448	190,942
Assessments	275,000	246,950
Other current assets	5,478	5,478
Total Current Assets	4,358,383	2,428,735
Restricted and Other Noncurrent Assets		
Long term portion of assessments receivable	5,929,767	1,283,400
Restricted assets:		
Cash	485,807	1,034,516
Investments	544,865	306,007
Total Restricted and Other Noncurrent Assets	6,960,439	2,623,923
Capital Assets		
Systems, property & equipment	27,069,256	26,209,723
Accumulated depreciation	(4,517,874)	(4,321,789)
Total Capital Assets	22,551,382	21,887,934
TOTAL ASSETS	\$ 33,870,204	\$ 26,940,592
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 130,756	\$ 204,225
Accrued interest	68,068	67,699
Current portion of long-term debt	2,104,920	1,955,125
Total Current Liabilities	2,303,744	2,227,049
Noncurrent Liabilities		
Vacation and sick leave accrual	72,382	-
Line of credit and interim financing	-	1,197,008
PWTF loans payable	3,421,872	3,538,319
Bonds payable:		
LUD 11	710,000	750,000
LUD 13	40,000	50,000
LUD 14	2,000,000	
Tri-Area USDA	2,854,072	2,889,210
Peterson Lake	1,798,238	1,860,272
Beckett Point	1,008,585	1,053,076
Less current portion	(2,104,920)	(1,955,125)
Total Noncurrent Liabilities	9,800,229	9,382,760
TOTAL LIABILITIES	\$ 12,103,973	\$ 11,609,809
NET ASSETS		
Invested in capital assets - net of related debt	\$ 10,718,615	\$ 11,747,057
Restricted:		
For debt service	545,032	522,477
For property tax qualified expenditures	485,640	818,046
Total restricted	1,030,672	1,340,523
Unrestricted	10,016,944	2,243,203
TOTAL NET ASSETS	\$ 21,766,231	\$ 15,330,783

See accountant's compilation report

See accountant's compilation report.

ENC 72

Public Utility District #1 of Jefferson County
Statement of Revenues, Expenses and Changes in Net Assets
For the Nine Months Ended September 30, 2009 and 2008

	2009	2008
OPERATING REVENUES		
Water fees	\$ 1,321,130	\$ 1,154,758
System development fees	33,800	88,934
Other charges for services	70,835	243,260
TOTAL OPERATING REVENUES	1,425,765	1,486,952
OPERATING EXPENSES		
Personnel services	485,782	466,216
Purchase of services	132,232	140,919
Materials and supplies	165,728	125,556
Property and liability insurance	44,966	15,547
Professional fees	66,027	24,105
Taxes and licenses	27,444	57,753
Auto and travel	44,485	38,078
Office and administrative	52,633	30,656
Depreciation	225,000	270,000
TOTAL OPERATING EXPENSES	1,244,297	1,168,830
OPERATING INCOME (LOSS)	181,468	318,122
NONOPERATING REVENUES (EXPENSES)		
Grant revenue	228,571	-
Property taxes	221,383	250,204
Regional studies	(348,056)	(197,161)
Assessment interest income	64,728	18,823
Investment interest income	29,771	85,452
Timber harvest tax and other	11,684	37,874
Bond and other interest expense	(279,235)	(230,019)
TOTAL NONOPERATING REVENUES AND EXPENSES	(71,154)	(34,827)
NET INCOME BEFORE CAPITAL CONTRIBUTIONS	110,314	283,295
Capital contributions	5,258,100	1,701,076
CHANGE IN NET ASSETS	5,368,414	1,984,371
NET ASSETS		
Beginning of year (as adjusted)	16,397,817	13,346,412
End of period	\$ 21,766,231	\$ 15,330,783

See accountant's compilation report.

ENC 7-3

Enclosure 7 (Capital Projects) PUD 2010 Budget

Capital Projects for 2010.

Capital Projects closing out 2009:

- a. Sparling well upgrade. Although no new construction is expected this year engineering reports and pilot testing could amount to 70,000 dollars in costs. The county will reimburse the PUD for a quarter of these costs.
- b. The conversion of Moore's Mobile Manor from a single meter to multiple meters is expected to run about 40,000 dollars, and should be done by the end of the year.
- c. On-going efforts to extend the water line from Marrowstone Island to the portage canal bridge will occur over the next 2 to 3 years. These costs were programmed into the LUD#14 assessments, however short term financing will have to be obtained to pay for the improvements.
- d. The repair of the waterline over portage canal is estimated to be in the neighborhood of 40,000 dollars.

Capital Projects anticipated in 2010:

- a. The only major project schedule for 2020 will be the increased treatment capacity at the Sparling site. This could cost as much as 2,500,000.00 dollars, of which 200,000 dollars will be a grant from the County Infrastructure Fund. This project may need to be extended over a couple of years, and value engineered to keep the costs within PUD funding capacity. This project will provide the PUD with the water needs to meet the next 10 to 20 years of growth under current projections.
- b. Water line extension to consolidate Sahara water system into the Quimper water System. This project has been in progress for years. The system has a failing well and requested connection to the PUD system. Permits and easements have been difficult to obtain. Cost will be born by the water system members.
- c. Other planned projects are:
 - a. Shine – bring emergency well on line – 15,000 dollars
 - b. Engineering and permitting for a looping project from Snagstead area to the LUD#3 water system. This would allow for better utilization of regional storage and supplies.
 - c. County is working on the Tri-Area UGA sewer system. The PUD potentially will be the operator/ manager of such a system. No costs are projected yet, however, the PUD needs to plan accordingly.
 - d. PUD is in negotiations with the US Navy over the acquisition of their water system. The terms have yet to be worked out.