

A white Jefferson County PUD truck with a crane attachment is parked in a maintenance shop. The truck has "PUD" and "Jefferson County Public Utility District" written on its side. The crane is labeled "ALEC". The truck is parked in a bay with yellow floor markings. Other trucks are visible in the background.

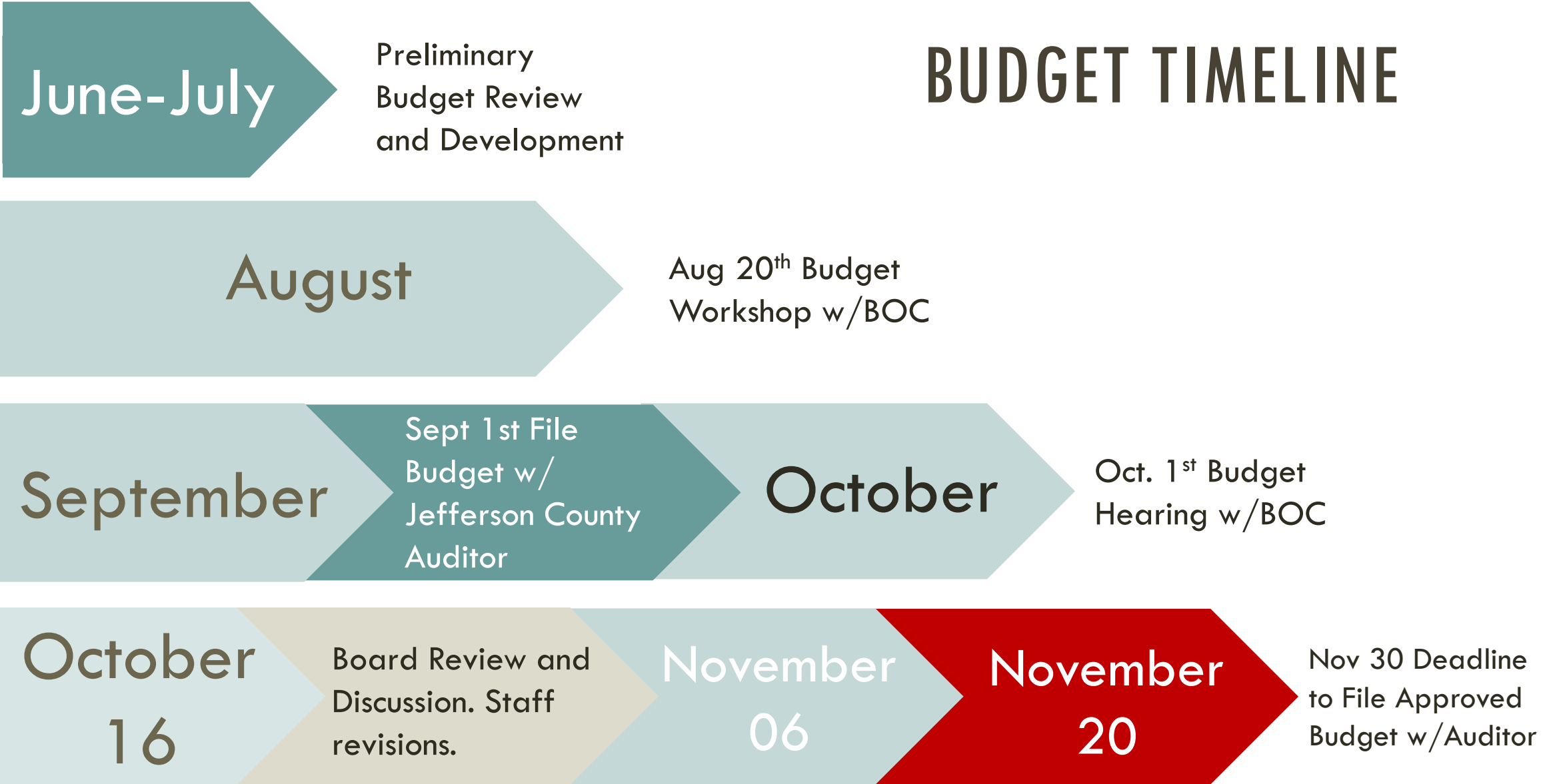
JEFFERSON PUD 2019 DRAFT BUDGET

November 20, 2018

Prepared by

Larry Dunbar, *General Manager*
& PUD management staff

BUDGET TIMELINE



Expanded Planning and Training

PRINCIPLES

Heightened Focus on Service, Reliability, & Safety

Revenue Positive Budget

Maintain Key Financial Ratios

No Rate Increases

GUIDELINES



Budget reflects policies and practices preordained by the commission



The Budget is a spending limit, but just because it is in the budget doesn't mean we are going to do it



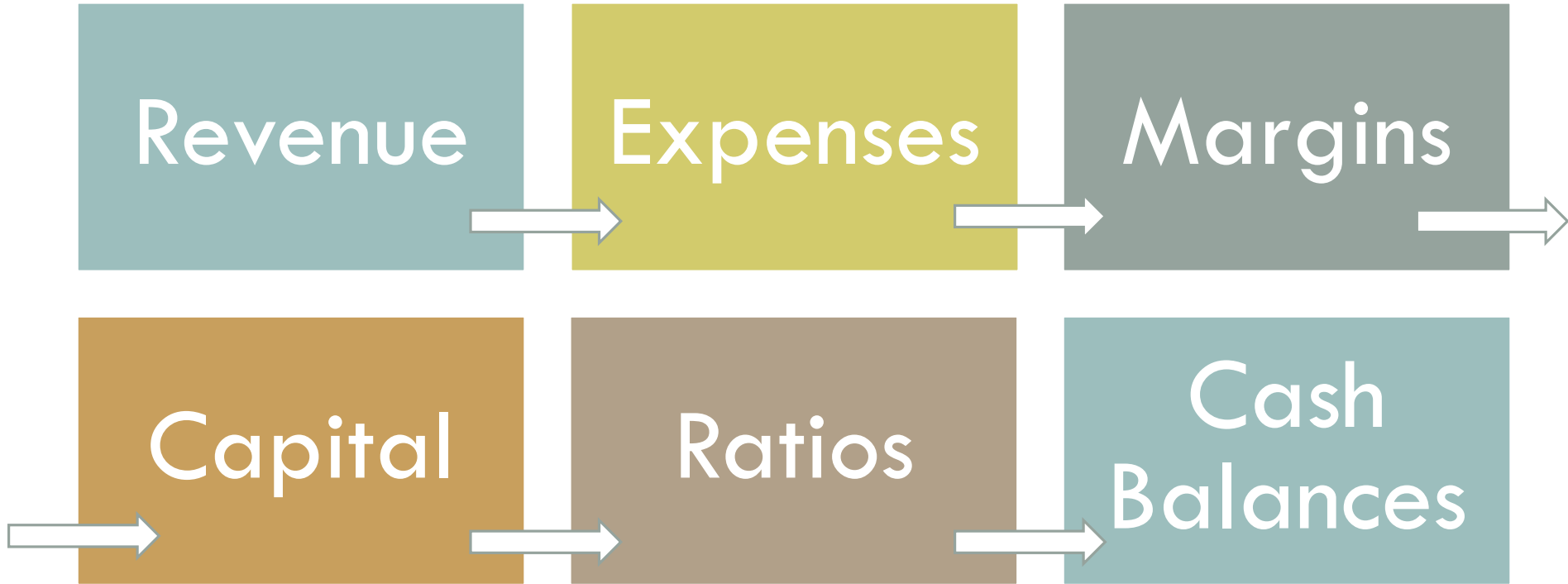
Any expense over \$100K will require board approval prior to spending



Staff will present financial report every month to keep board apprised

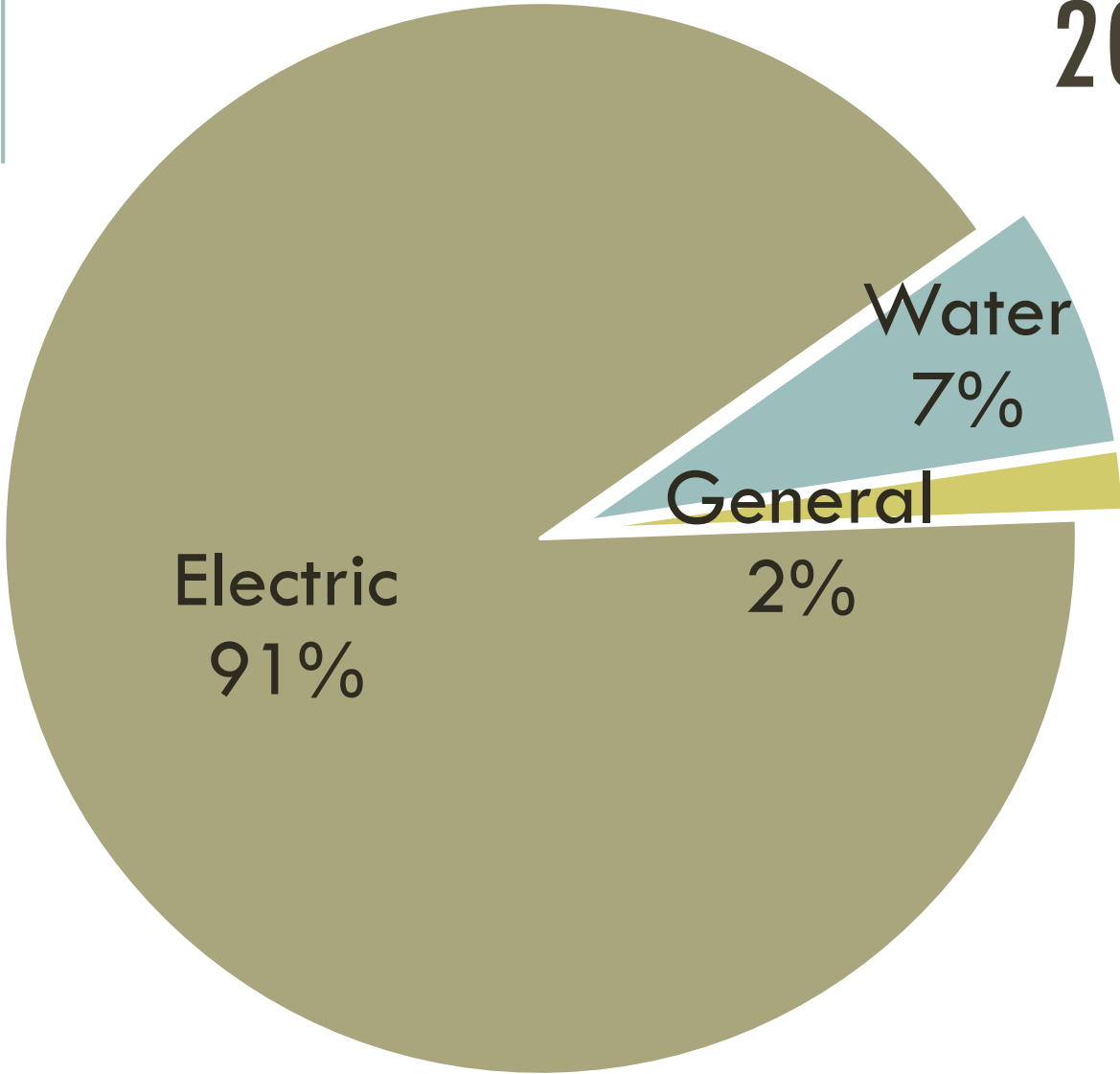


At the direction of the board, staff can provide 1st and 2nd quarter financial reports



TODAY'S BUDGET PRESENTATION

2019 OPERATING REVENUES



2019 total:

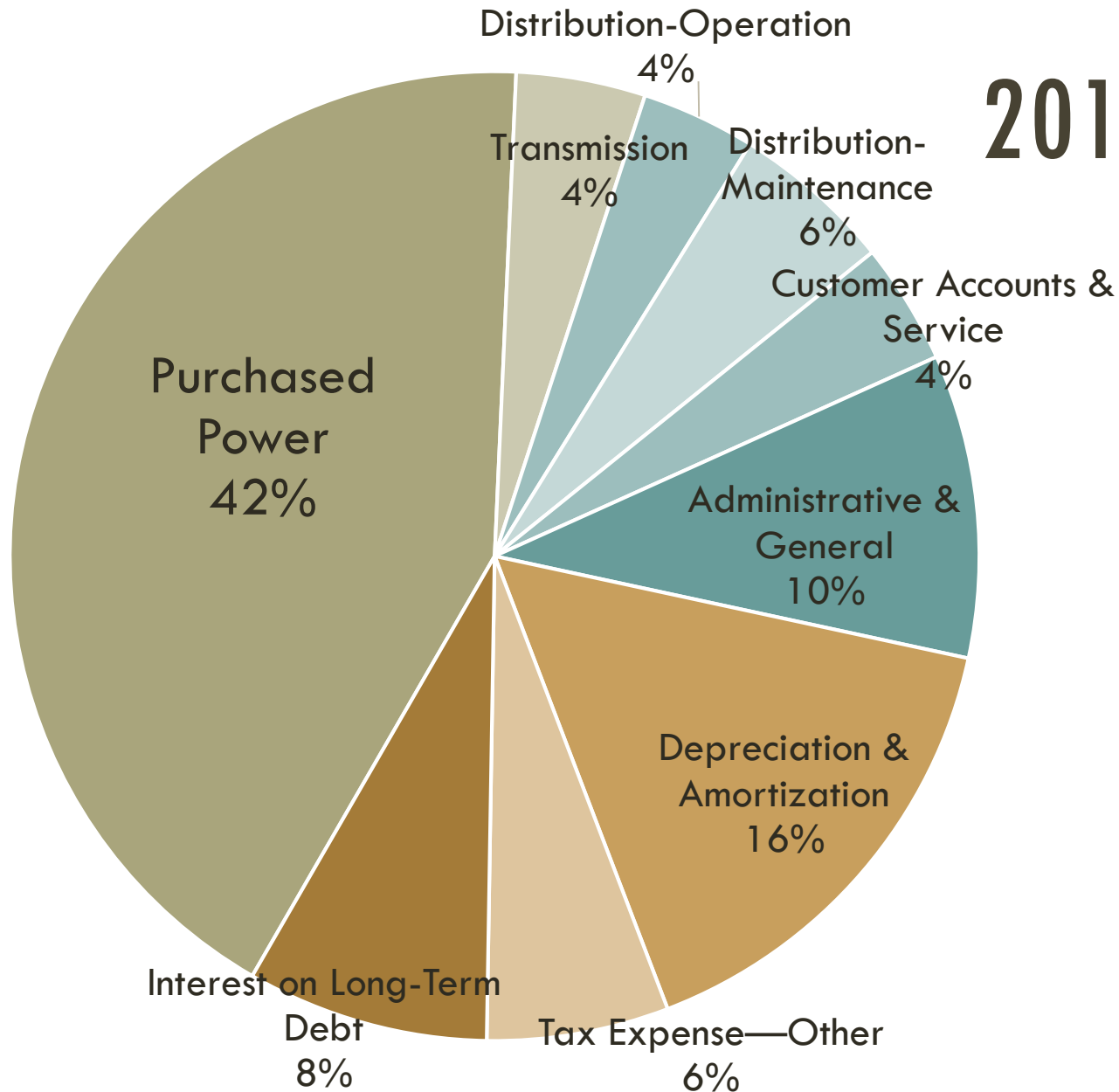
\$39.7M

Electric Utility Revenues	\$36,068,252
Water Utility Revenues	\$2,940,463
General Fund Revenues	\$717,037
Total Operating Revenues	\$39,725,752

2019 OPERATING EXPENSES BY CATEGORY

2019 total:

\$37.7M



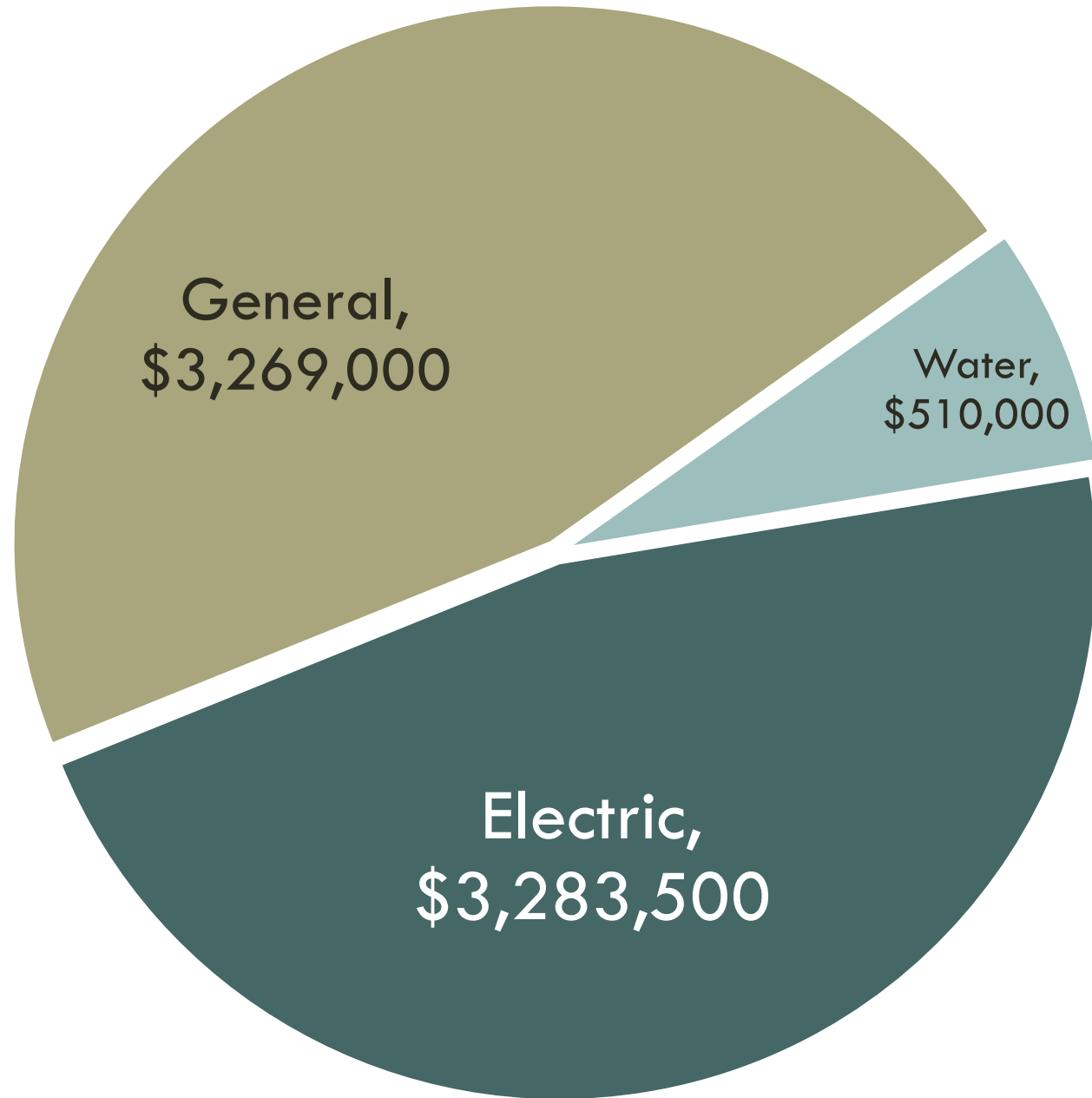
% of Total Budget 2019	
Power Purchase	46%
Financing & Taxes	30%
Operations	24%

Budget Category	Electric	Water	General	Total
Total Operating Income	\$36,068,252	\$2,940,463	\$717,037	\$39,725,752
Total Operating Expenses	\$34,391,770	\$3,143,927	\$250,283	\$37,785,980
Net Operating Margins (Loss)	\$1,676,482	(\$203,464)	\$466,753	\$1,938,771
Non-Operating Margins (Loss)	\$571,678	\$525,806	0	\$1,097,484
Net Margins (Loss)	\$2,248,160	\$322,342	\$466,753	\$3,037,255

2019 NET MARGINS

CAPITAL IMPROVEMENT PROJECTS

2019 total:
\$7.06M



ELECTRIC UTILITY CAPITAL IMPROVEMENT PROJECTS

New Line Construction	\$423,000
Substation Changes	\$738,000
Miscellaneous Distribution Equipment	\$640,000
Other Distribution Items	\$182,500
Transmission Line and Station Changes	\$60,000
Other Transmission Items	\$40,000
Communications	\$75,000
Conversions	\$550,000
Electric System Plan	\$150,000
Warehouse Yard Improvements	\$45,000
Telecommunications Strategic Plan	\$75,000
Small Bucket Truck	\$160,000
Tools	\$50,000
Foreman Service Truck	\$65,000
Personal Protection Equipment	\$30,000



WATER UTILITY CAPITAL PROJECTS

Snow Creek Well Treatment Plant & Well House	\$150,000	\$510K
Hydrant Replacement	\$30,000	
Quilcene Reservoir Replacement	\$310,000	
Bywater SCADA	\$20,000	

GENERAL CAPITAL COSTS

Four Corners Facilities Upgrade	\$3,200,000	\$3.27M
IT Upgrades	\$69,000	

TIER AND DSC

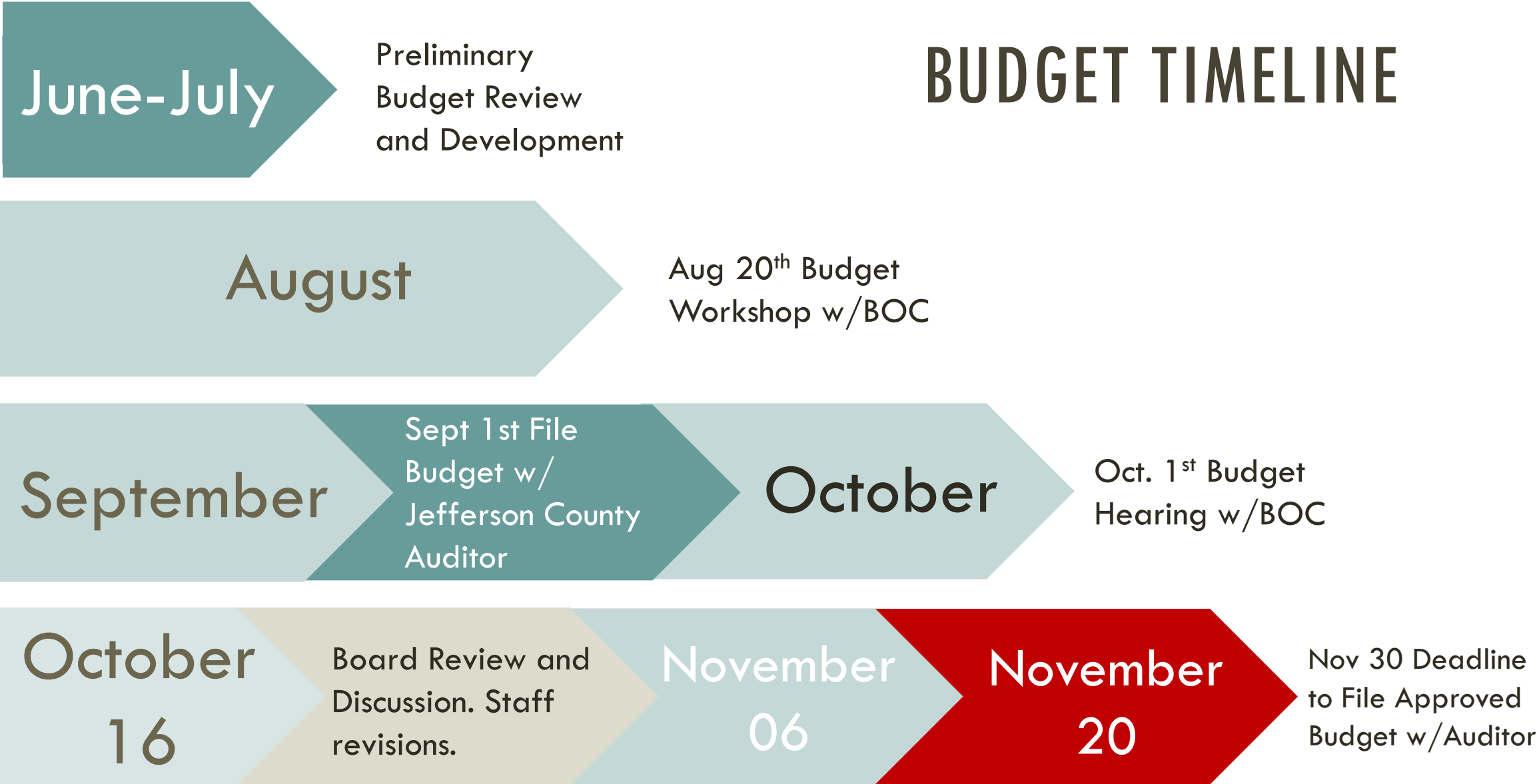
	2018	Mid 2018	2019
	Budget	Actual	Budget
TIER	1.91	3.60	1.81
OTIER	1.61	3.07	1.60
DSC	1.70	2.54	1.68
ODSC	1.56	2.30	1.59



2019 CASH SUMMARY REPORT

CASH BALANCE, Beginning of Year	\$19,208,306
90 Day Reserve & LUD Restricted Cash	-\$12,784,653
UNRESTRICTED CASH BALANCE, Beginning of Year	=\$6,423,653
Net Margins and Non-Cash Expense Total	+\$9,010,473
Principal Long Term Debt Total	-\$4,303,540
2019 Cash Available for Capital Improvements	=\$11,130,586
2019 Capital improvements, Fleet, Tools Total	-\$7,062,500
Unrestricted Cash Balance Ending	=\$4,068,500
90 Day Reserve & LUD Restricted Cash	+\$12,784,653
Total Ending Cash Balance	\$16,852,739

BUDGET TIMELINE





QUESTIONS? |



**STAFF REQUESTS THE
COMMISSION ADOPT THE
2019 BUDGET**

