

2022 Budget Presentation Talking Points

1. Electric and Water Revenues were increased by 4.5% based on 2021 Rate increases.
2. We raised expenses by 2.75%.
3. We raised our Fleet Expenses by 2.75% based on new vehicles and personnel.
4. We have budgeted for 6 new positions in 2022. The positions include 1 Finance, 2 Broadband Tech, 1 Meter Broadband, 1 Network Engineer, and 1 Director.
5. We kept our Purchased Power cost about the same but did add some for projected BPA reserves cost adjustment.
6. Electric Transmission Expense is primarily Bonneville Power Administration (BPA) but also includes expenses (labor, materials, fleet) associated with maintaining transmission lines.
7. Included in Electric Distribution Expense—Maintenance is \$800,000 for tree trimming.
8. Included in the Administrative and General expenses is \$150,000 available for raises per RCW 54.16.100.
9. Interest on Long-Term Debt is based on the amortization schedules within our loan documents with RUS, USDA Rural Development, and bonds.
10. Labor, Benefits, Fleet, and Inventory Expenses are based on historical information
11. All expenses are based on actual expenses from June 2020 to May 2021.
12. Each Department increased their training budgets by 5% for 2022.
13. We have included a 4% COLA increase for Non-Represented Employees and COLAs for Union Employees per their contracts.
14. Property tax revenues have been kept at the same level as last year and 100% of the funds will go toward Broadband.
15. Electric Construction Projects are based on the previously approved 4-year work plan with Board approved additions.
16. Water Construction Projects are based on current needs and our 10-year work plan.
17. General Plant capital purchases include building remodel, warehouse improvements, information technology equipment, fleet, broadband, electric tools/personal protection equipment, communications, and engineering costs.
18. Principal payments on long-term debt are based on the amortization schedules within our loan documents with RUS, USDA Rural Development, and bonds.
19. Added depreciation back into the cash flow as our construction costs should be close to our depreciation rate. We are replenishing our assets at the same rate they are depreciating.
20. We still have some LUDs that are paying on assessments which the Treasurer's Office collects and then we pay the bond payments.
21. We will be incorporating the 10-year Financial Forecast into the 2022 budget

EXHIBIT A
2022 PUD Electric and Water Utility Budgets

	<u>Electrical</u> <u>Utility</u>	<u>Water</u> <u>Utility</u>	<u>Talking</u> <u>Points</u>
Operating Revenues	\$40,094,599	\$2,757,235	1
Operating Expenses			2,3,4
Power Production Cost	\$0	\$0	
Cost of Purchased Power	\$15,050,647	\$135,041	5
Transmission Expense	1,913,799	0	6
Distribution Expense--Operation	2,378,697	958,532	
Distribution Expense--Maintenance	4,720,613	612,774	7
Customer Accounts Expense	2,004,285	353,744	
Customer Service and Informational Expense	18,794	0	
Administrative and General Expense	4,814,216	1,445,822	8
Depreciation & Amortization Expense	5,548,199	428,634	
Tax Expense--Other	2,262,163	133,811	
Interest on Long-Term Debt	2,720,820	235,079	9
Interest Expense--Other	0	0	
Other Deductions	0	0	
Total Operating Expenses	\$41,432,233	\$4,303,437	10,11,12,13
Net Operating Margins (Loss)	(\$1,337,634)	(\$1,546,202)	
Property Tax Revenue	\$590,000	\$0	14
Non-Operating Margins (Loss)	\$1,523,072	\$247,535	
Net Margins (Loss)	\$775,438	(\$1,298,667)	
Cash Flow Budget			
Construction Projects	\$3,595,500	\$633,105	15,16
General Plant Purchases	3,111,550	55,000	17
Principal on Long Term Debt	3,474,557	633,513	18
Add Depreciation & Amortization (non-cash)	(5,548,199)	(428,634)	19
Principal & Interest Received on LUDs	0	(442,966)	20
Total Cash Expenditures/Cash Outflow	\$4,633,408	\$450,018	21
Net Cash Inflow/(Outflow)	(\$3,857,970)	(\$1,748,685)	
Net TIER (Minimum of 1.25)	1.29		
Net DSC (Minimum of 1.25)	1.46		

Trigger:

If TIER is close to 1.25, the PUD will reduce expenses to ensure TIER comes up.
We will review cash reserves before big expenses are incurred.

**Electric Utility
Expense Changes
From 9/6/2021 to 9/14/2021**

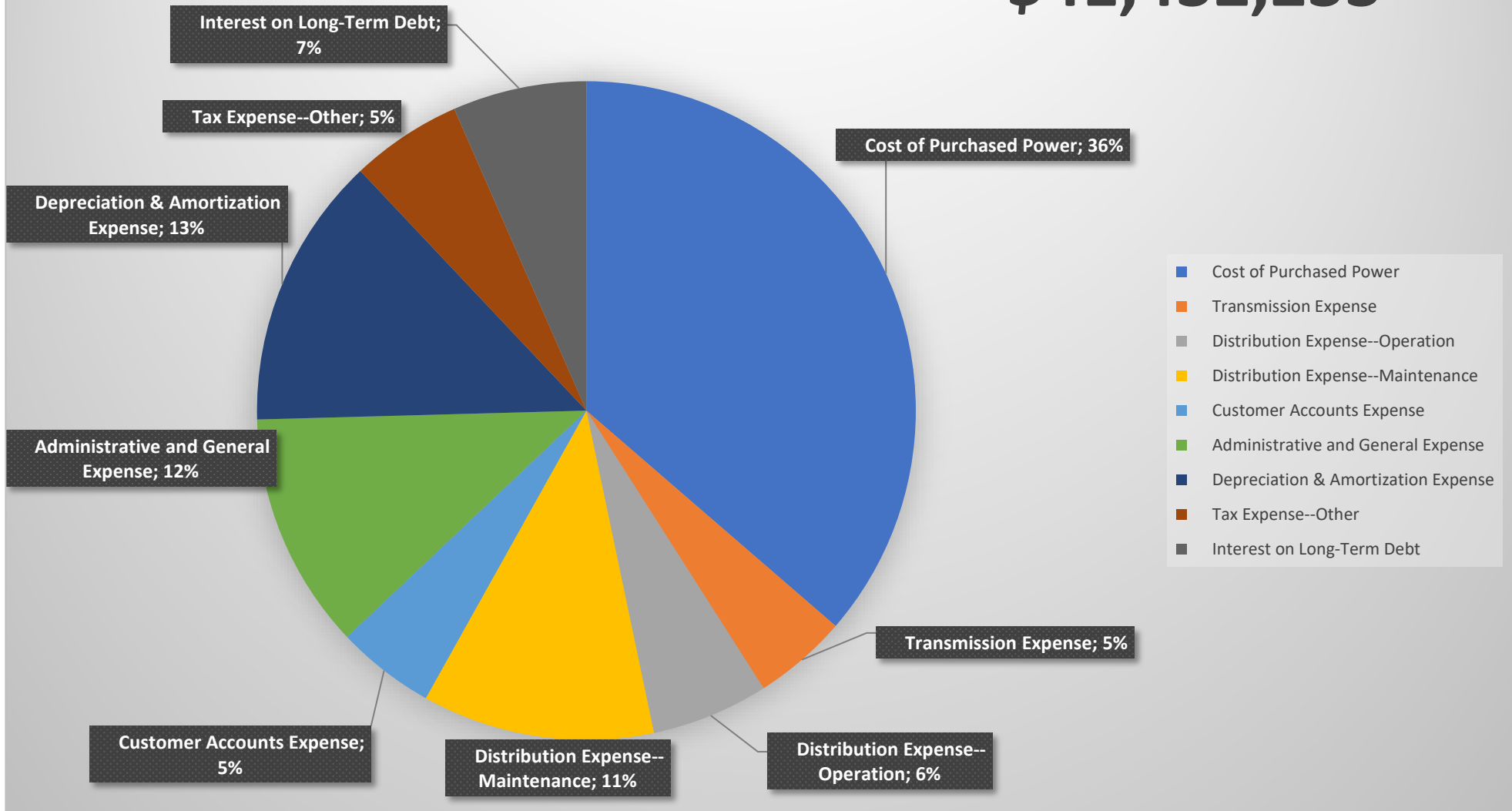
	9/6/2021	9/14/2021	Change
	Presentation	Presentation	
Operating Revenues	\$40,131,589	\$40,094,599	(\$36,990)
Operating Expenses			
Power Production Cost	\$0	\$0	\$0
Cost of Purchased Power	\$15,233,745	\$15,050,647	(\$183,098)
Transmission Expense	\$1,810,022	\$1,913,799	\$103,777
Distribution Expense--Operation	\$2,375,717	\$2,378,697	\$2,980
Distribution Expense--Maintenance	\$4,662,868	\$4,720,613	\$57,745
Customer Accounts Expense	\$1,988,515	\$2,004,285	\$15,770
Customer Service and Informational Expense	\$18,263	\$18,794	\$531
Administrative and General Expense	\$4,843,838	\$4,814,216	(\$29,622)
Depreciation & Amortization Expense	\$5,547,052	\$5,548,199	\$1,147
Tax Expense--Other	\$2,289,684	\$2,262,163	(\$27,521)
Interest on Long-Term Debt	\$2,753,920	\$2,720,820	(\$33,100)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$41,523,624	\$41,432,233	(\$91,391)
Net Operating Margins (Loss)	(\$1,392,035)	(\$1,337,634)	\$54,401
Non-Operating Margins (Loss)	\$2,156,235	\$2,113,072	(\$43,163)
Net Margins (Loss)	\$764,200	\$775,438	\$11,238
Cash Flow Budget			
Construction Projects	\$5,055,500	\$3,595,500	(\$1,460,000)
General Plant Purchases	\$1,897,000	\$3,111,550	\$1,214,550
Principal on Long Term Debt	\$3,474,557	\$3,474,557	\$0
Add Depreciation & Amortization (non-cash)	(\$5,547,052)	(\$5,548,199)	(\$1,147)
Principal & Interest Received on LUDs	\$0	\$0	\$0
Total Cash Expenditures/Cash Outflow	\$4,880,005	\$4,633,408	(\$246,597)
Net Cash Inflow/(Outflow)	(\$4,115,805)	(\$3,857,970)	\$257,835
Net TIER (Minimum of 1.25)	1.28	1.29	0.01
Net DSC (Minimum of 1.25)	1.46	1.46	0.00

Water Utility
Expense Changes
From 9/6/2021 to 9/14/2021

	9/6/2021	9/14/2021	Change
	Presentation	Presentation	
Operating Revenues	\$2,757,235	\$2,757,235	\$0
Operating Expenses			
Power Production Cost	\$0	\$0	\$0
Cost of Purchased Power	\$136,684	\$135,041	(\$1,643)
Transmission Expense	\$0	\$0	\$0
Distribution Expense--Operation	\$962,014	\$958,532	(\$3,482)
Distribution Expense--Maintenance	\$419,214	\$612,774	\$193,560
Customer Accounts Expense	\$356,066	\$353,744	(\$2,322)
Customer Service and Informational Expense	\$0	\$0	\$0
Administrative and General Expense	\$1,452,708	\$1,445,822	(\$6,886)
Depreciation & Amortization Expense	\$428,634	\$428,634	\$0
Tax Expense--Other	\$135,439	\$133,811	(\$1,628)
Interest on Long-Term Debt	\$237,939	\$235,079	(\$2,860)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$4,128,698	\$4,303,437	\$174,739
Net Operating Margins (Loss)	(\$1,371,463)	(\$1,546,202)	(\$174,739)
Non-Operating Margins (Loss)	\$250,609	\$247,535	(\$3,074)
Net Margins (Loss)	(\$1,120,854)	(\$1,298,667)	(\$177,813)
Cash Flow Budget			
Construction Projects	\$609,500	\$633,105	\$23,605
General Plant Purchases	\$55,000	\$55,000	\$0
Principal on Long Term Debt	\$633,513	\$633,513	\$0
Add Depreciation & Amortization (non-cash)	(\$428,634)	(\$428,634)	\$0
Principal & Interest Received on LUDs	(\$442,966)	(\$442,966)	\$0
Total Cash Expenditures/Cash Outflow	\$426,413	\$450,018	\$23,605
Net Cash Inflow/(Outflow)	(\$1,547,267)	(\$1,748,685)	(\$201,418)

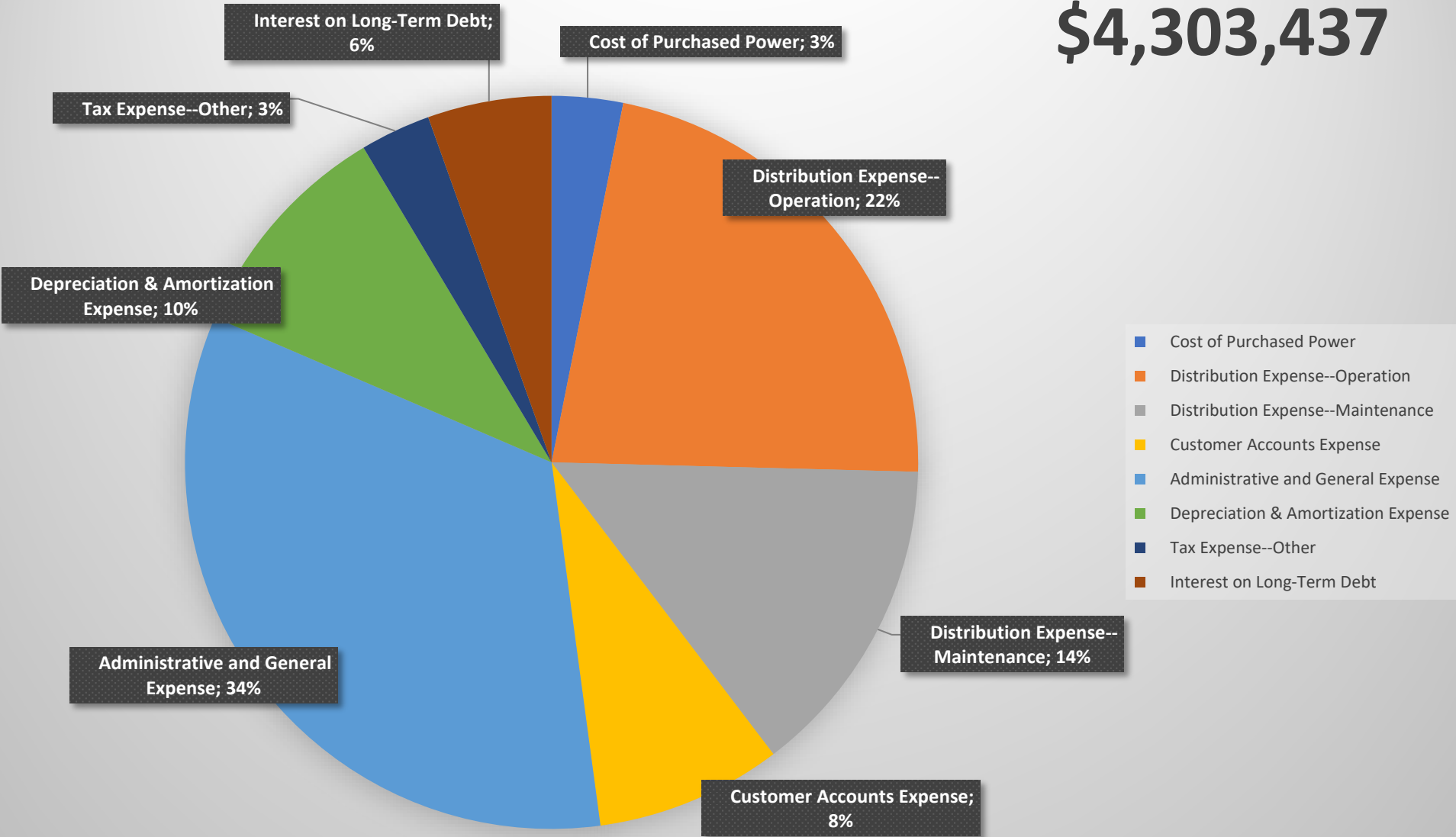
Electric Expenses

\$41,432,233



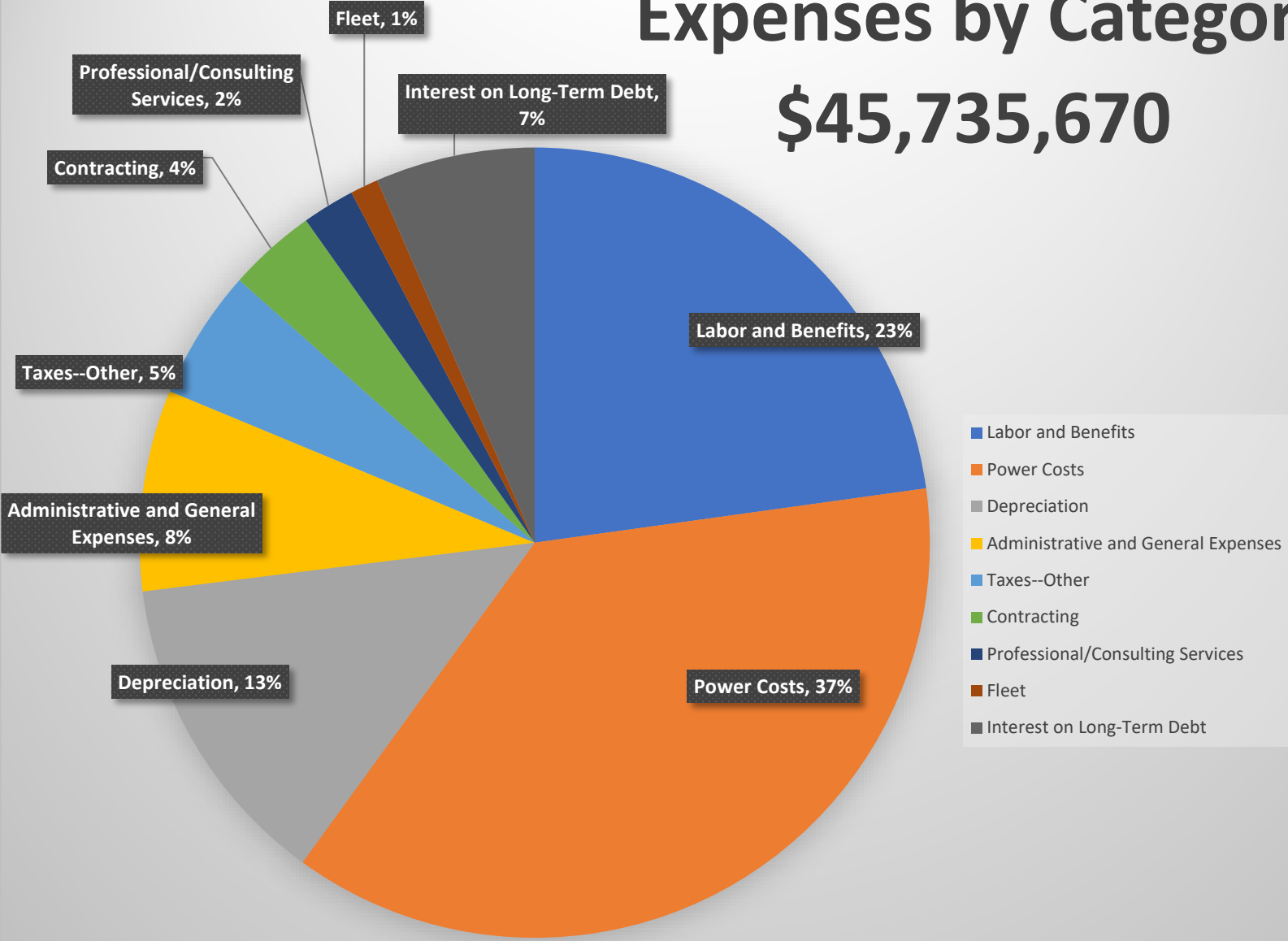
Water Expenses

\$4,303,437



Expenses by Category

\$45,735,670



Combined Utility Expenses By Category

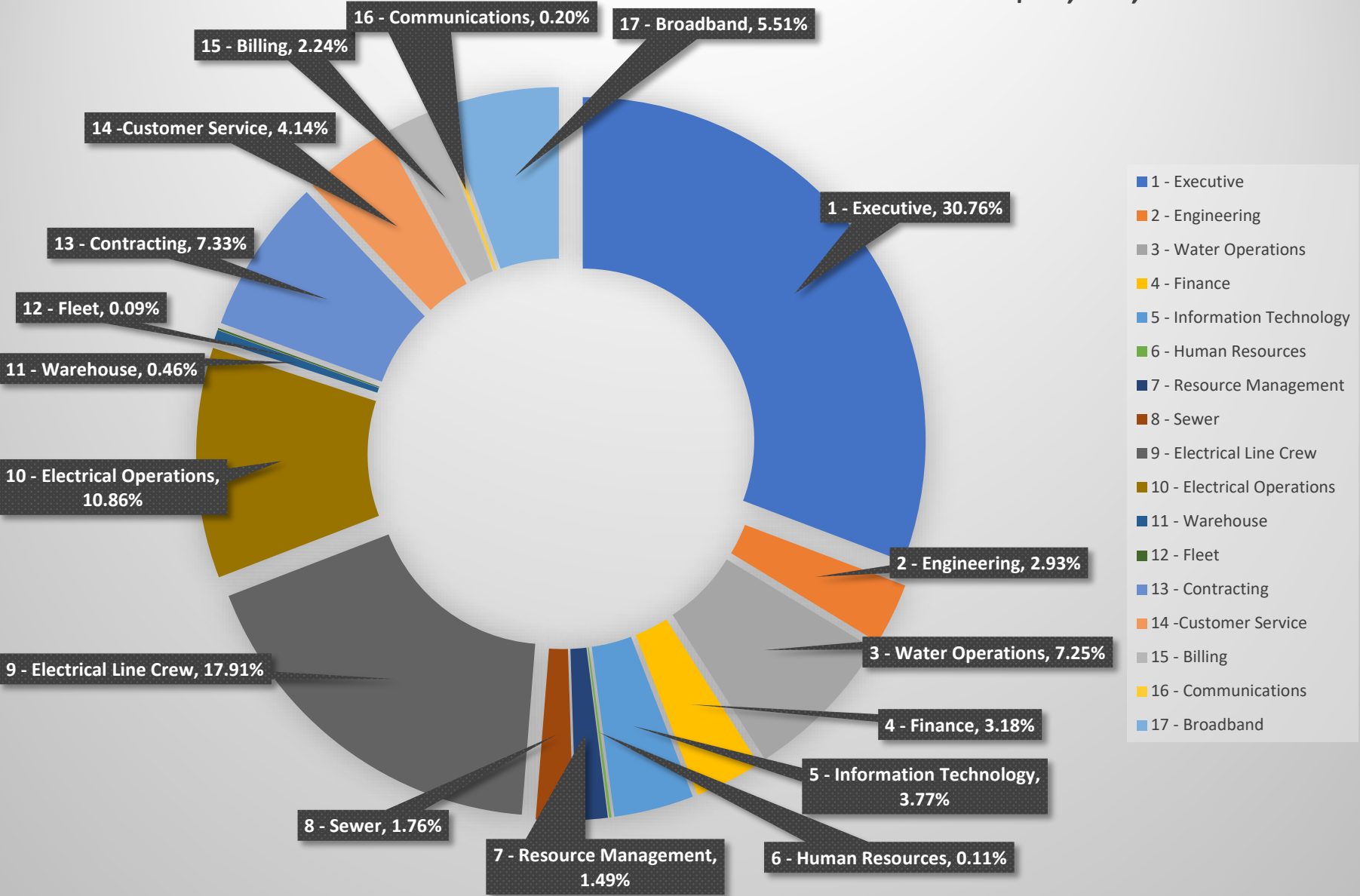
Expense Category	Amount	Percentage
Labor and Benefits	\$10,225,399	22%
Power Costs	\$16,856,911	37%
Depreciation	\$5,976,833	13%
Administrative and General Expenses	\$4,131,724	9%
Taxes--Other	\$2,405,219	5%
Contracting	\$1,651,842	4%
Professional/Consulting Services	\$980,112	2%
Fleet	\$550,900	1%
Interest on Long-Term Debt	\$2,956,731	6%
Total	\$45,735,670	100%

Expense Allocation By Department

Department	Administrative and			Professional and		Total	Percentage
	Labor and Benefits	General	Contracting	Consulting Services	Fleet		
1 - Executive	\$2,659,340	\$1,724,880	\$104,079	\$818,045	\$89,084	\$5,395,428	30.76%
2 - Engineering	\$351,781	\$128,035	\$23,531	\$0	\$10,294	\$513,641	2.93%
3 - Water Operations	\$657,234	\$330,286	\$65,303	\$0	\$219,469	\$1,272,292	7.25%
4 - Finance	\$471,590	\$83,638	\$2,030	\$0	\$0	\$557,258	3.18%
5 - Information Technology	\$417,788	\$240,427	\$1,375	\$1,269	\$62	\$660,922	3.77%
6 - Human Resources	\$0	\$18,382	\$687	\$945	\$0	\$20,015	0.11%
7 - Resource Management	\$197,214	\$17,453	\$687	\$5,613	\$40,302	\$261,269	1.49%
8 - Sewer	\$120,008	\$41,322	\$52,947	\$2,053	\$92,401	\$308,732	1.76%
9 - Electrical Line Crew	\$2,489,654	\$453,881	\$131,319	\$16,069	\$50,637	\$3,141,559	17.91%
10 - Electrical Operations	\$1,172,089	\$715,704	\$14,141	\$0	\$3,237	\$1,905,170	10.86%
11 - Warehouse	\$46,254	\$29,614	\$5,586	\$0	\$79	\$81,532	0.46%
12 - Fleet	\$9,663	\$4,603	\$687	\$0	\$0	\$14,954	0.09%
13 - Contracting	\$0	\$5,742	\$1,242,356	\$37,931	\$0	\$1,286,029	7.33%
14 -Customer Service	\$622,661	\$81,837	\$4,125	\$18,345	\$0	\$726,968	4.14%
15 - Billing	\$360,253	\$30,229	\$2,062	\$0	\$0	\$392,544	2.24%
16 - Communications	\$0	\$15,257	\$687	\$19,907	\$0	\$35,851	0.20%
17 - Broadband	\$649,869	\$210,948	\$239	\$60,578	\$45,336	\$966,970	5.51%
Totals	\$10,225,399	\$4,132,238	\$1,651,842	\$980,755	\$550,900	\$17,541,134	

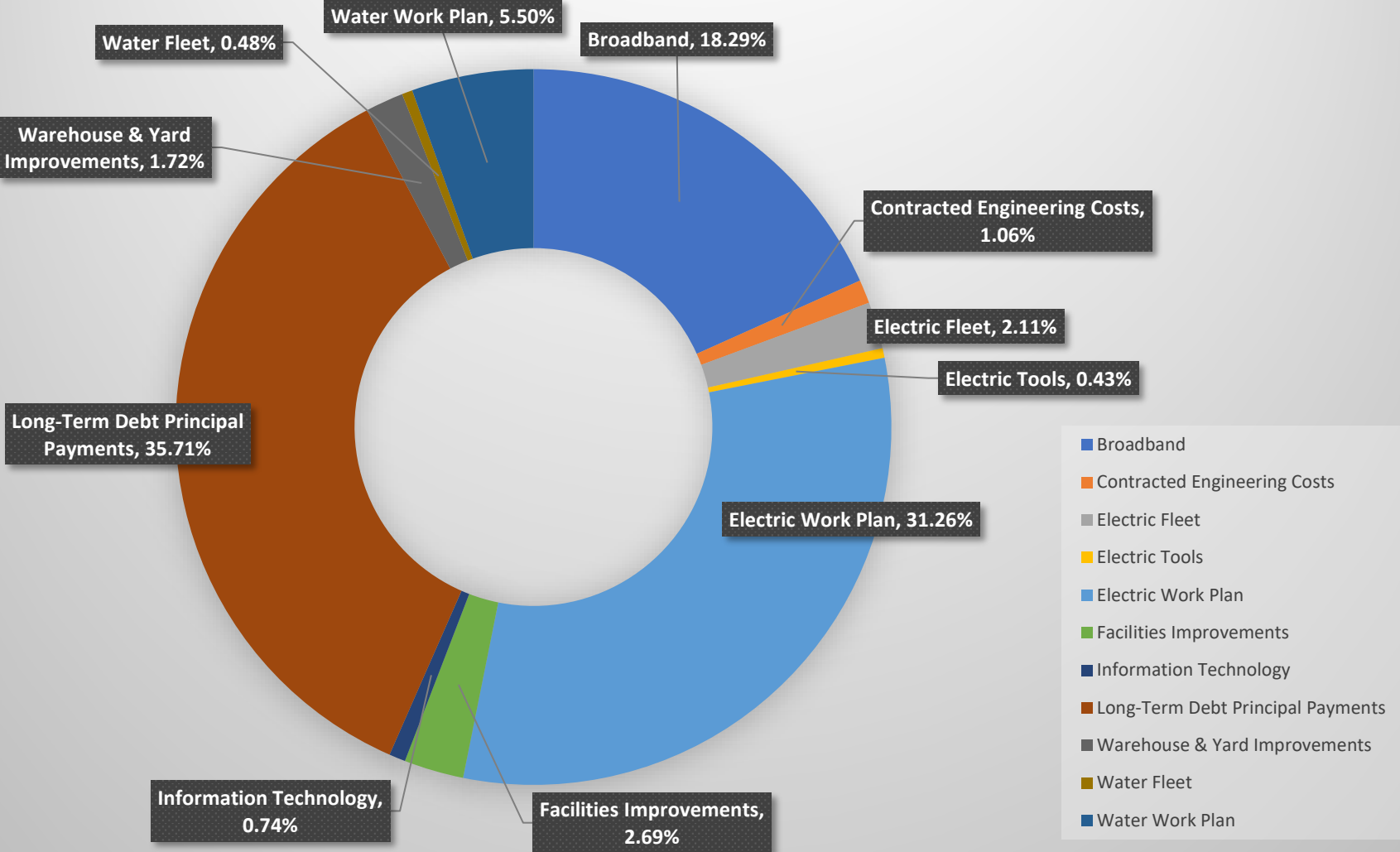
Expense Allocation By Department

\$17,493,235



Capital and Debt Principal Costs

\$11,520,225



Capital and Debt Principal Costs By Category

Cost Group	Amount	Percentage
Broadband	\$2,104,050	18.29%
Contracted Engineering Costs	\$122,500	1.06%
Electric Fleet	\$242,500	2.11%
Electric Tools	\$50,000	0.43%
Electric Work Plan	\$3,595,500	31.26%
Facilities Improvements	\$310,000	2.69%
Information Technology	\$85,000	0.74%
Long-Term Debt Principal Payments	\$4,108,070	35.71%
Warehouse & Yard Improvements	\$197,500	1.72%
Water Fleet	\$55,000	0.48%
Water Work Plan	\$633,105	5.50%
Total	\$11,503,225	100%

Electric 4 Year Work Plan Capital Costs

Item #	Description	Budget Amount	Triggers
101	UG Distribution Line Extensions	\$340,000.00	1
102	OH Distribution Line Extensions	\$135,000.00	1
103	New Subdivision	\$50,000.00	
204-1	New Feeder out of PLSS--Construction	\$200,000.00	
301	Convert Single Phase to Three Phase	\$200,000.00	
303	Convert OH to UG 4 Locations	\$0.00	
401-1	Port Ludlow Bay 2 Construction	\$75,000.00	
501			
	Replace Aging Substation Equipment--Hastings	\$135,000.00	
503	Replace/Install New Relays	\$30,000.00	
505	SCADA System Substation Communications and Devices Upgrades	\$40,000.00	
508	New Substation Transformer	\$0.00	
601-1	Install new pole-mount Transformers to serve new customers. 10 per year	\$30,000.00	
601-2	Install new pad-mount Transformers to serve new customers. 15 per year	\$40,000.00	
601-3	Transformer replacement of aging units. 60 per year	\$120,000.00	
604-1	Install four new Three-Phase distribution line reclosers	\$50,000.00	
605-1	Install new line regulators	\$75,000.00	
605-2	Regulator replacement of aging units	\$50,000.00	
607	Pole Replacements. 20 per year	\$130,000.00	
608	Replace Aging Conductors	\$150,500.00	
608-1	Install Single Phase 15kv 1/0 Distribution Line	\$100,000.00	
610	Wildlife Protection. X sites	\$25,000.00	
701	Security and Street Lighting	\$10,000.00	
703	SCADA System Distribution Line Devices Communications and Control Upgrades	\$25,000.00	
705-1	Meter Replacement Project	\$1,500,000.00	2
1001	Move Transmission Poles for Easements	\$60,000.00	
1201	Fiber Line Extensions	\$0.00	
1301	Fuel Tanks	\$0.00	
1302	Fencing	\$25,000.00	3
		\$3,595,500	

Triggers:

1. The PUD does receive Aid to Construction from Custers installing new services or upgrading their current service.
2. The PUD could possibly borrow money to offset the cost of a meter replacement. This would allow the cost to be paid for over a longer period of time and not just by current customers.
3. This is a project that we could wait until late Summer or early Fall depending on how actual revenues compare to budget revenues.

Work priorities 2022. This list is in no order of importance and is for dirt projects.

1. Cedar Avenue. Upgrade on Cedar Avenue.
2. Utility Pole replacement along Oak Bay and Old Shine State Route.
3. 7423 Thorndyke Road. This is a driveway along Thorndyke Road that has 7 spans of overhead. PUD has multiple outages at this location every year. Rough materials needed, 1- 575-LA vault, 4- fiberglass basements, 4- Pencil vaults, 1-2" inch conduit, 1-4" inch conduit, trenching 2,100' feet.
4. Rhododendron Drive, this is a 2,300' foot long 10 span overhead PUD line along Rhododendron Drive. PUD has multiple outages at this location every year. Rough materials needed 1- 575-LA vault, 2- 444-LA vaults, 2- Pencil vaults, 1- 2" inch conduit, 1- 4" inch conduit, trenching 2,300' feet.
5. Van Trojan Road, PUD plans to complete a section on Van Trojan Road the section will be about 3200' foot long underground upgrade. Van Trojan has had some outages due to aging infrastructure. Rough materials needed, 2- 575-LA vaults, 1-444-LA vault, 2-Pencil vaults, 1- 2" inch conduit 1-4" inch conduit, trenching for 3,200' feet.
6. Shorts Lane, PUD has had many outages on this span of overhead. Underground along Shorts Lane about 400' feet of trenching, 1- 2" inch conduit, 1- 4" inch conduit, 1- 575-LA vault, 1- Pencil vault.
7. Underground Blueberry Hill Road to Shine Road and parallel to HWY 104 to utility pole 632296-11867. This is undergrounding about 1,600' feet, 1- 444-LA vault, 2- Pencil vaults, install 2- utility poles, 1- fiberglass basement, trench about 800', install 1- 4" inch conduit, install 1-2" inch conduit, bore about 800' 1-4" inch conduit and 1-2" inch conduit.
8. Phase 2 Port Project. Install the conduit between Boat Street and Haines Place.
9. Loftus Road, this is about a 350' foot underground project. Trenching about 350' feet, install 1-2" inch conduit, 1-4" inch conduit, 1-575-LA vault.

2022 Water Capital Project Costs

Description	Budget Amount	Triggers
Snow Creek Wellhouse Replacement	\$233,105.30	
Well pump and motor replacement	\$35,000.00	1
Well cleaning	\$10,000.00	
Distribution pipe replacement	\$100,000.00	
Bulk Water Sales - system software and set-up device location	\$20,000.00	
Transducers	\$10,000.00	
Reynolds well replacement	\$195,000.00	
Water Service Repairs	\$20,000.00	
Wastewater system improvements	\$10,000.00	
Total Water Capital Costs	\$633,105	

Triggers:

1. This is a project that we could wait until late Summer or early Fall depending on how actual revenues compare to budget revenues.

2022 Broadband Capital Costs

Description	Budget Amount	Triggers
Fiber Upgrades--2 Central Offices	\$90,000	
Electrical Work and Batteries	\$60,000	
PON Router & Switching Equipment	\$58,000	
Fiber Frame and Patch Panels	\$50,000	
Generator for 2 Central Offices	\$60,000	
Splitters	\$38,990	
Customer Electronics	\$445,600	
Underground Fiber	\$903,500	
Overhead Fiber	\$292,950	
Electronics	\$105,010	
Total Broadband Capital Costs	\$2,104,050	1,2

Triggers:

1. The PUD will not move forward with some Broadband Projectes until we have received grant approval.
2. Dollars not spent on Broadband Projects will remain in Cash Reserves to be used for other projects or matching funds for grants.

2022 Facilities Improvements

Description	Budget Amount	Triggers
New roof for section of old building as discussed.	\$230,000.00	1
Work on new storm water area on parcel 001333013	\$60,000.00	2
Paint triple wide at 310 and 210 Four Corners Road. Inspect roofs	<u>\$20,000.00</u>	3
Total Facilities Improvements Capital Costs	\$310,000	

Triggers:

1. If actual revenues are greater than budgeted revenues at the end of May, the PUD could move forward with the roof replacement.
2. If the PUD moves forward with developing the parcel 001333013 then we look at a new storm water area.
3. We will review cash reserves at the end of June and if they are looking good, then we can move forward with the painting of the triple wide trailers and inspecting the roofs. It is possible that we only do one trailer in 2022.

2022 Warehouse and Yard Improvements Capital Costs

Description	Budget Amount	Triggers
Log, clear area at 310 Four Corners for new fiber lay yard. Costs are from fencing and County requirements.	\$130,000.00	1,2
Install utility pole bunks between the asphalt road and storm water drainage pond.	\$30,000.00	
Install concrete base around PUD oil storage facility in the open shed.	\$30,000.00	3
Install fencing around Oil containment with two 8' gates.	<u>\$7,500.00</u>	3
Total Warehouse and Yard Capital Costs	\$197,500	

Triggers:

1. The PUD will receive all or a portion of the proceeds from the sale of the timber harvested from the logging operations.
2. If the PUD receives approval for Broadband grants, we will proceed with the clearing of logs to make way for a fiber lay yard.
3. We will wait until summer and review cash reserves before moving forward with installing the concrete base and fencing around oil containment area.

2022 Information Technology Capital Costs

Description	Budget Amount
Network Switches for New Building	\$25,000
HR Software	\$60,000
Total IT Capital Costs	\$85,000

2022 Electric Fleet Capital Costs

<u>Description</u>	<u>Budget Amount</u>	<u>Triggers</u>
Electric Vehicle	\$41,000.00	1
Electric Vehicle Charging Station	\$6,500.00	2
Wire Reel Trailer	\$15,000.00 On order	3
Wire Reel Trailer	\$15,000.00 On order	3
Wire Reel Trailer	\$15,000.00 On order	3
Broadband Vehicle	\$50,000.00	4
Broadband Vehicle	\$50,000.00	4
Broadband Vehicle	\$50,000.00	4
Total Electric Fleet Capital Costs	\$242,500	

Triggers:

1. The cost of an electric vehicle is based on State Contract. We will review by April 2022 after 1st Quarter Revenues are in.
2. The electric charging station will be purchased if we move forward with the purchase of an electric vehicle.
3. The wire reel trailers were ordered in 2021 to be delivered in Spring 2022. This was due to the lead times of the manufacturer.
4. The Broadband Vehicles will be reviewed in April 2022 based on grant received and reserve levels.

2022 Water Fleet Capital Costs

Description	Budget Amount	Triggers
Vehicle--Sewer	<u>\$55,000</u>	1
Total Water Fleet Capital Costs	\$55,000	

Triggers:

1. We will review in April 2022 after 1st Quarter Revenues are in.

2022 Electric Tools

Description	Budget Amount	Triggers
Tools	<u>\$50,000</u>	1
Total Electric Tools & PPE Capital Costs	\$50,000	

Triggers:

1. Tool requests will be reviewed and approved by Management before purchases are made.

2022 Contracted Engineering Capital Costs

Description	Budget Amount	Triggers
Contracted Electric Engineering	\$25,000.00	1
Consolidation Study	\$67,500.00	1
Contract Water Engineering	<u>\$30,000.00</u>	1
Total Contracted Engineering Capital Costs	\$122,500	

Triggers:

1. Before contracting outside engineering, we will do as much as we can in-house. Use of outside contractors for engineering will be dependent on projects moving forward.

**Change in Capital Projects
Cost Reductions from 9/6/2021 to 9/14/2021**

Project Name	9/6/2021 Presentation	9/14/2021 Presentation	Change
Electric Work Plan	\$5,055,500	\$3,595,500	(\$1,460,000)
Water Work Plan	\$609,500	\$633,105	\$23,605
Broadband	\$675,000	\$2,104,050	\$1,429,050
Facilities Improvements	\$310,000	\$310,000	\$0
Warehouse & Yard Improvements	\$197,500	\$197,500	\$0
Information Technology	\$25,000	\$85,000	\$60,000
Electric Fleet	\$499,500	\$242,500	(\$257,000)
Water Fleet	\$55,000	\$55,000	\$0
Electric Tools and PPE	\$90,000	\$50,000	(\$40,000)
Contracted Engineering Costs	\$100,000	\$122,500	\$22,500
	\$7,617,000	\$7,395,155	(\$221,845)

Capital and Maintenance Projects

Item/Project	Cost	Payment Source
Materials Purchased for Electric	\$1,363,937	Cash Reserves
Broadband	\$12,500,000	Grants
Quilcene Water Tank	\$2,019,427	PWB Loan
Shine Plat LUD	\$480,468	DWSRF Loan and LUD Payments
Shine Plat LUD	\$90,000	Cash Reserves
Broadband	\$2,104,050	Cash Reserves
Contracted Engineering Costs	\$122,500	Cash Reserves
Electric Fleet	\$242,500	Cash Reserves
Electric Tools	\$50,000	Cash Reserves
Electric Work Plan	\$3,595,500	Cash Reserves
Facilities Improvements	\$310,000	Cash Reserves
Information Technology	\$85,000	Cash Reserves
Warehouse & Yard Improvements	\$197,500	Cash Reserves
Water Fleet	\$55,000	Cash Reserves
New Building Purchase	\$1,750,000	Cash Reserves
	\$24,965,882	
Loans	\$2,499,895	
Grants	\$12,500,000	
Cash Reserves	\$9,965,987	
	\$24,965,882	

2022 Cash Summary

Cash-Operating Depository	\$ 1,100,434
Cash-Jeff Co Treasurer General	127,433
Cash-Payroll Clearing-1st Security Payroll Clearing	12
Working Funds	2,150
Cash-1996 Bond LUD #6	27,027
Cash-1996 Bond LUD #8	8,697
Temp Invest JeffCo Treasurer Gen	2,840,689
Tax Revenue Fund	4,070,165
Tax Revenue Fund Investment	1,925,000
Operating Account - Jefferson Co. Treasurer	<u>\$ 1,891,964</u>
2021 Ending Unrestricted Cash	\$ 11,993,571
2022 Net Cash Outflow	<u>(5,606,655)</u>
2022 Ending Unrestricted Cash	\$ 6,386,916

Restricted Cash

Other Special Funds	\$ 250
Tri Area Bond Reserve	(10)
Tri Area Bond Investment	164,827
Capital Reserves	100,000
Cash-2009 Bond LUD #14	(1,786)
Cash-2008 Bond LUD #15	(21)
LUD #14 Bond Investment	1,059,162
LUD #15 Bond Investment	<u>313,006</u>
2021 Ending Restricted Cash	\$ 1,635,428

2022 Cash Summary
Change in Cash Position

	9/14/21	10/4/21	
	Presentation	Presentation	Change
Cash-Operating Depository	\$ 763,276	\$ 1,100,434	\$ 337,158
Cash-Jeff Co Treasurer General	127,433	\$ 127,433	\$ -
Cash-Payroll Clearing-1st Security Payroll Clearing	15	\$ 12	\$ (3)
Working Funds	2,000	\$ 2,150	\$ 150
Cash-1996 Bond LUD #6	27,027	\$ 27,027	\$ -
Cash-1996 Bond LUD #8	8,697	\$ 8,697	\$ -
Temp Invest JeffCo Treasurer Gen	2,840,689	\$ 2,840,689	\$ -
Tax Revenue Fund	4,068,720	\$ 4,070,165	\$ 1,445
Tax Revenue Fund Investment	1,925,000	\$ 1,925,000	\$ -
Operating Account - Jefferson Co. Treasurer	\$ 2,018,552	\$ 1,891,964	\$(126,588)
2021 Ending Unrestricted Cash	\$11,781,409	\$11,993,571	\$ 212,162
2022 Net Cash Outflow	(5,663,072)	(5,606,655)	56,417
2022 Ending Unrestricted Cash	\$ 6,118,337	\$ 6,386,916	\$ 268,579

Restricted Cash

Other Special Funds	\$ 250	\$ 250	\$ -
Tri Area Bond Reserve	\$ (10)	\$ (10)	\$ -
Tri Area Bond Investment	\$ 164,827	\$ 164,827	\$ -
Capital Reserves	\$ 100,000	\$ 100,000	\$ -
Cash-2009 Bond LUD #14	\$ (2,486)	\$ (1,786)	\$ 700
Cash-2008 Bond LUD #15	\$ (21)	\$ (21)	\$ -
LUD #14 Bond Investment	\$ 1,059,162	\$ 1,059,162	\$ -
LUD #15 Bond Investment	\$ 313,006	\$ 313,006	\$ -
2022 Ending Restricted Cash	\$ 1,634,728	\$ 1,635,428	\$ 700

**Electric Utility
Budget Comparison
2021 to 2022**

	2021	2022	Change
	Approved	Proposed	
Operating Revenues	\$37,504,346	\$40,094,599	\$2,590,253
Operating Expenses			
Power Production Cost	\$0	\$0	\$0
Cost of Purchased Power	\$15,478,556	\$15,050,647	(\$427,909)
Transmission Expense	\$1,834,765	\$1,913,799	\$79,034
Distribution Expense--Operation	\$2,102,600	\$2,378,697	\$276,097
Distribution Expense--Maintenance	\$3,825,269	\$4,720,613	\$895,344
Customer Accounts Expense	\$1,549,956	\$2,004,285	\$454,329
Customer Service and Informational Expense	\$27,814	\$18,794	(\$9,020)
Administrative and General Expense	\$3,225,402	\$4,814,216	\$1,588,814
Depreciation & Amortization Expense	\$5,484,513	\$5,548,199	\$63,686
Tax Expense--Other	\$2,564,637	\$2,262,163	(\$302,474)
Interest on Long-Term Debt	\$2,598,440	\$2,720,820	\$122,380
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$38,691,952	\$41,432,233	\$2,740,281
Net Operating Margins (Loss)	(\$1,187,606)	(\$1,337,634)	(\$150,028)
Non-Operating Margins (Loss)	\$2,783,688	\$2,113,072	(\$670,616)
Net Margins (Loss)	\$1,596,082	\$775,438	(\$820,644)
Cash Flow Budget			
Construction Projects	\$2,954,000	\$3,595,500	\$641,500
General Plant Purchases	\$3,076,000	\$3,111,550	\$35,550
Principal on Long Term Debt	\$3,479,853	\$3,474,557	(\$5,296)
Add Depreciation & Amortization (non-cash)	(\$5,484,513)	(\$5,548,199)	(\$63,686)
Principal & Interest Received on LUDs	\$0	\$0	\$0
Total Cash Expenditures/Cash Outflow	\$4,025,340	\$4,633,408	\$608,068
Net Cash Inflow/(Outflow)	(\$2,429,258)	(\$3,857,970)	(\$1,428,712)
Net TIER (Minimum of 1.25)	1.61	1.29	-0.33
Net DSC (Minimum of 1.25)	1.59	1.46	-0.13

**Electric Utility
Actuals to Budget
2021 to 2022**

	2021	2022	
	Actuals	Budget	Change
Operating Revenues	\$38,077,995	\$40,094,599	\$2,016,604
Operating Expenses			
Power Production Cost	\$0	\$0	\$0
Cost of Purchased Power	\$15,212,023	\$15,050,647	(\$161,376)
Transmission Expense	\$1,882,385	\$1,913,799	\$31,414
Distribution Expense--Operation	\$1,864,284	\$2,378,697	\$514,413
Distribution Expense--Maintenance	\$3,500,674	\$4,720,613	\$1,219,939
Customer Accounts Expense	\$1,573,345	\$2,004,285	\$430,940
Customer Service and Informational Expense	\$32,479	\$18,794	(\$13,685)
Administrative and General Expense	\$3,314,552	\$4,814,216	\$1,499,664
Depreciation & Amortization Expense	\$5,636,509	\$5,548,199	(\$88,310)
Tax Expense--Other	\$2,441,807	\$2,262,163	(\$179,644)
Interest on Long-Term Debt	\$2,588,853	\$2,720,820	\$131,967
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$39	\$0	(\$39)
Total Operating Expenses	\$38,046,950	\$41,432,233	\$3,385,283
Net Operating Margins (Loss)	\$31,045	(\$1,337,634)	(\$1,368,679)
Non-Operating Margins (Loss)	\$2,409,731	\$2,113,072	(\$296,659)
Net Margins (Loss)	\$2,440,776	\$775,438	(\$1,665,338)

2021 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.

**Water Utility
Budget Comparison
2021 to 2022**

	2021	2022	Change
	Approved	Proposed	
Operating Revenues	\$2,678,048	\$2,757,235	\$79,187
Operating Expenses			
Power Production Cost	\$650	\$0	(\$650)
Cost of Purchased Power	\$200,000	\$135,041	(\$64,959)
Transmission Expense	\$0	\$0	\$0
Distribution Expense--Operation	\$1,096,882	\$958,532	(\$138,350)
Distribution Expense--Maintenance	\$551,081	\$612,774	\$61,693
Customer Accounts Expense	\$226,811	\$353,744	\$126,933
Customer Service and Informational Expense	\$0	\$0	\$0
Administrative and General Expense	\$1,106,256	\$1,445,822	\$339,566
Depreciation & Amortization Expense	\$414,779	\$428,634	\$13,855
Tax Expense--Other	\$111,413	\$133,811	\$22,398
Interest on Long-Term Debt	\$226,987	\$235,079	\$8,092
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$3,934,859	\$4,303,437	\$368,578
Net Operating Margins (Loss)	(\$1,256,811)	(\$1,546,202)	(\$289,391)
Non-Operating Margins (Loss)	\$855,826	\$247,535	(\$608,291)
Net Margins (Loss)	(\$400,985)	(\$1,298,667)	(\$897,682)
Cash Flow Budget			
Construction Projects	\$609,500	\$633,105	\$23,605
General Plant Purchases	\$55,000	\$55,000	\$0
Principal on Long Term Debt	\$554,505	\$633,513	\$79,008
Add Depreciation & Amortization (non-cash)	(\$414,779)	(\$428,634)	(\$13,855)
Principal & Interest Received on LUDs	(\$442,966)	(\$442,966)	\$0
Total Cash Expenditures/Cash Outflow	\$361,260	\$450,018	\$88,758
Net Cash Inflow/(Outflow)	(\$762,245)	(\$1,748,685)	(\$986,440)

Water Utility
Actuals to Budget
2021 to 2022

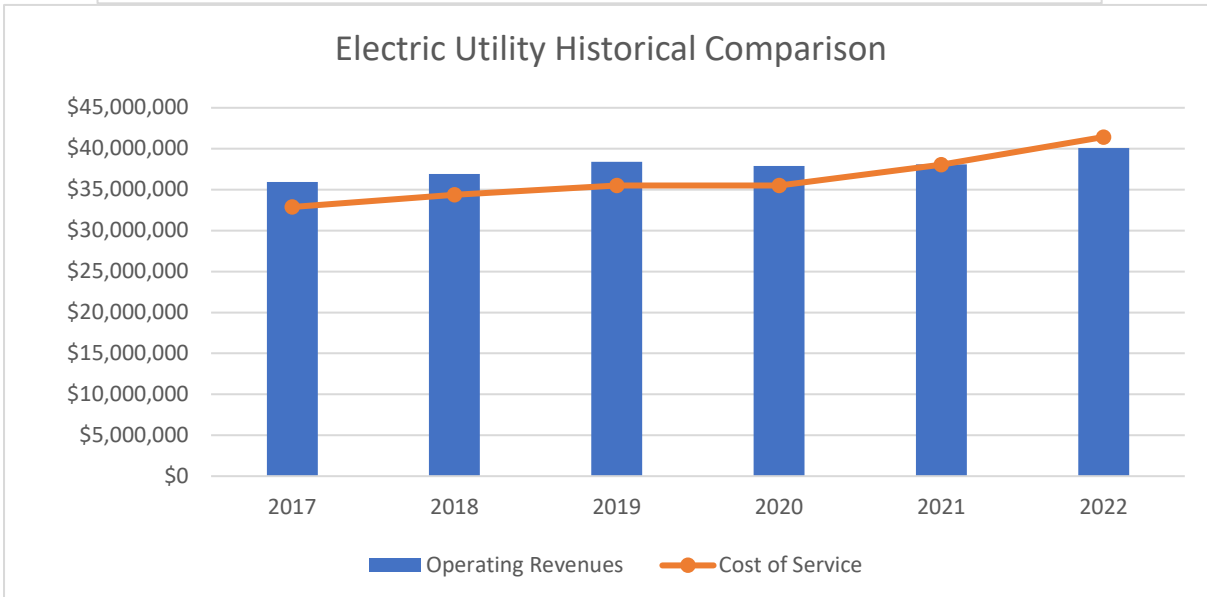
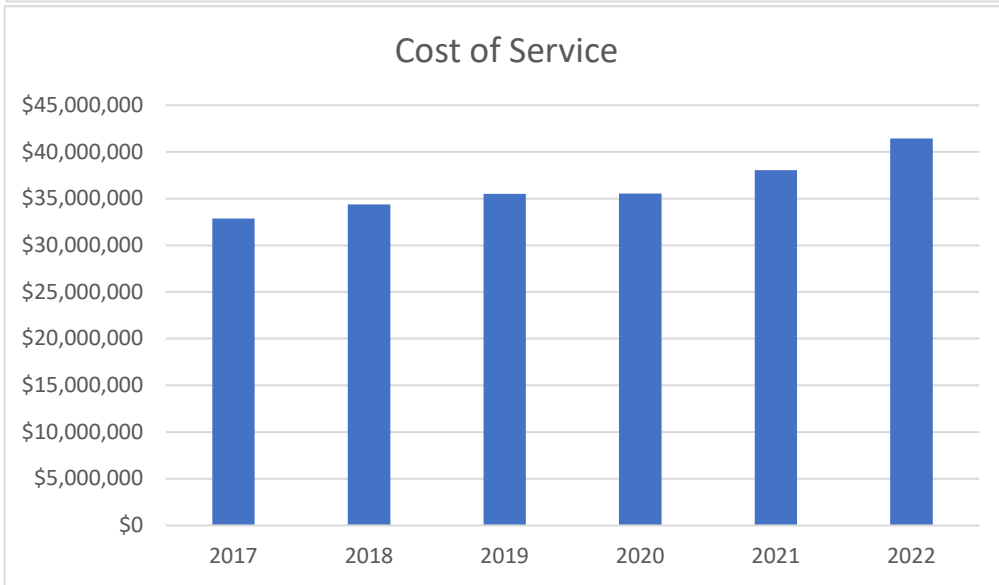
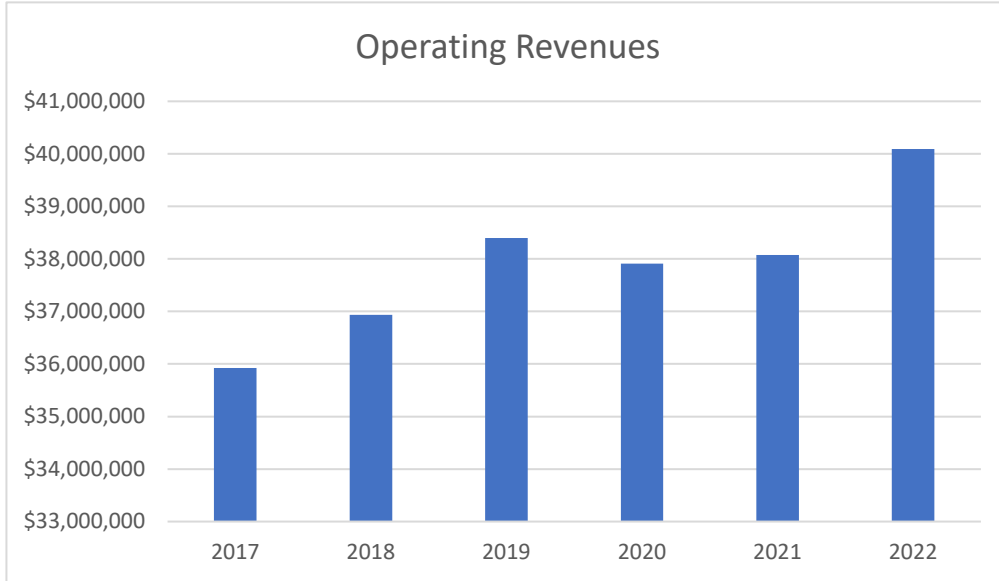
	2021	2022	Change
	Actuals	Budget	
Operating Revenues	\$2,805,070	\$2,757,235	(\$47,835)
Operating Expenses			
Power Production Cost	\$1,492	\$0	(\$1,492)
Cost of Purchased Power	\$156,713	\$135,041	(\$21,672)
Transmission Expense	\$0	\$0	\$0
Distribution Expense--Operation	\$823,389	\$958,532	\$135,143
Distribution Expense--Maintenance	\$357,276	\$612,774	\$255,498
Customer Accounts Expense	\$246,660	\$353,744	\$107,084
Customer Service and Informational Expense	\$0	\$0	\$0
Administrative and General Expense	\$1,085,051	\$1,445,822	\$360,771
Depreciation & Amortization Expense	\$758,358	\$428,634	(\$329,724)
Tax Expense--Other	\$129,948	\$133,811	\$3,863
Interest on Long-Term Debt	\$223,689	\$235,079	\$11,390
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$3,782,576	\$4,303,437	\$520,861
Net Operating Margins (Loss)	(\$977,506)	(\$1,546,202)	(\$568,696)
Non-Operating Margins (Loss)	\$837,788	\$247,535	(\$590,253)
Net Margins (Loss)	(\$139,718)	(\$1,298,667)	(\$1,158,949)

2021 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.

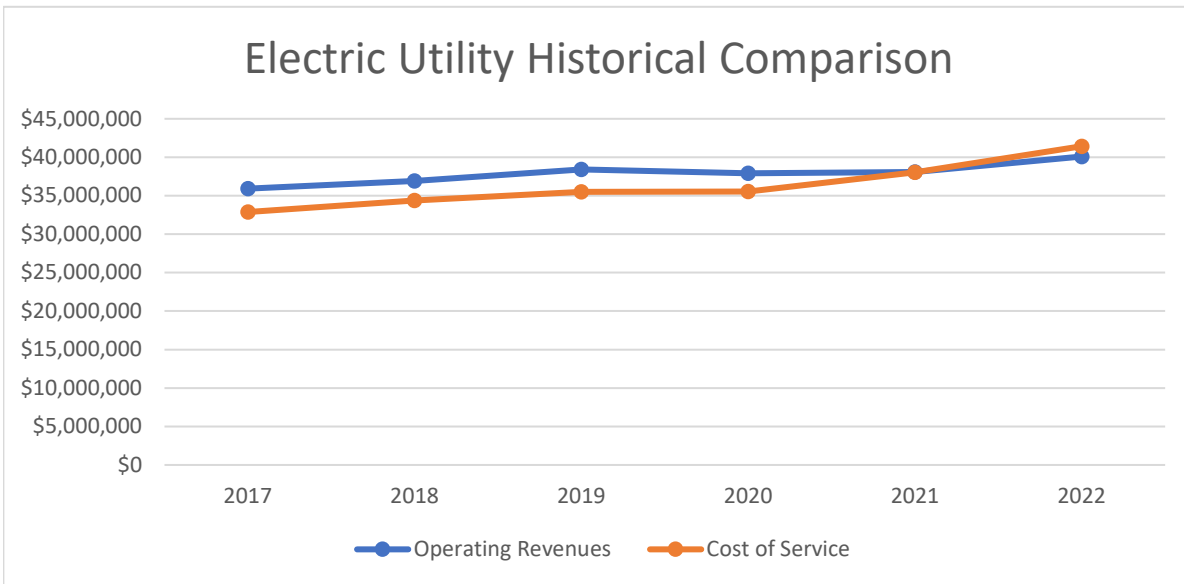
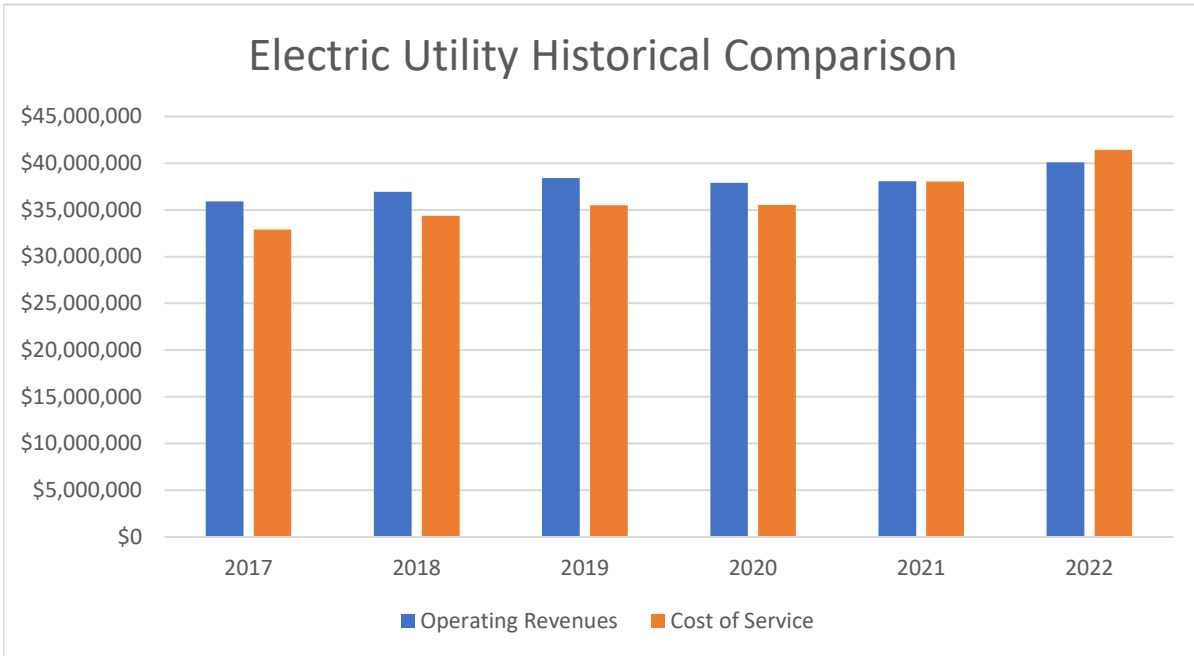
**Capital Budget Comparison
2021 to 2022**

Project Name	2021 Budget	2022 Budget	Variance
Electric Work Plan	\$2,954,000	\$3,595,500	\$641,500
Water Work Plan	\$609,500	\$633,105	\$23,605
Broadband	\$675,000	\$2,104,050	\$1,429,050
Facilities Improvements	\$1,600,000	\$310,000	(\$1,290,000)
Warehouse & Yard Improvements	\$131,000	\$197,500	\$66,500
Information Technology	\$25,000	\$85,000	\$60,000
Electric Fleet	\$400,000	\$242,500	(\$157,500)
Water Fleet	\$55,000	\$55,000	\$0
Electric Tools and PPE	\$90,000	\$50,000	(\$40,000)
Contracted Engineering Costs	\$155,000	\$122,500	(\$32,500)
	\$6,694,500	\$7,395,155	\$700,655

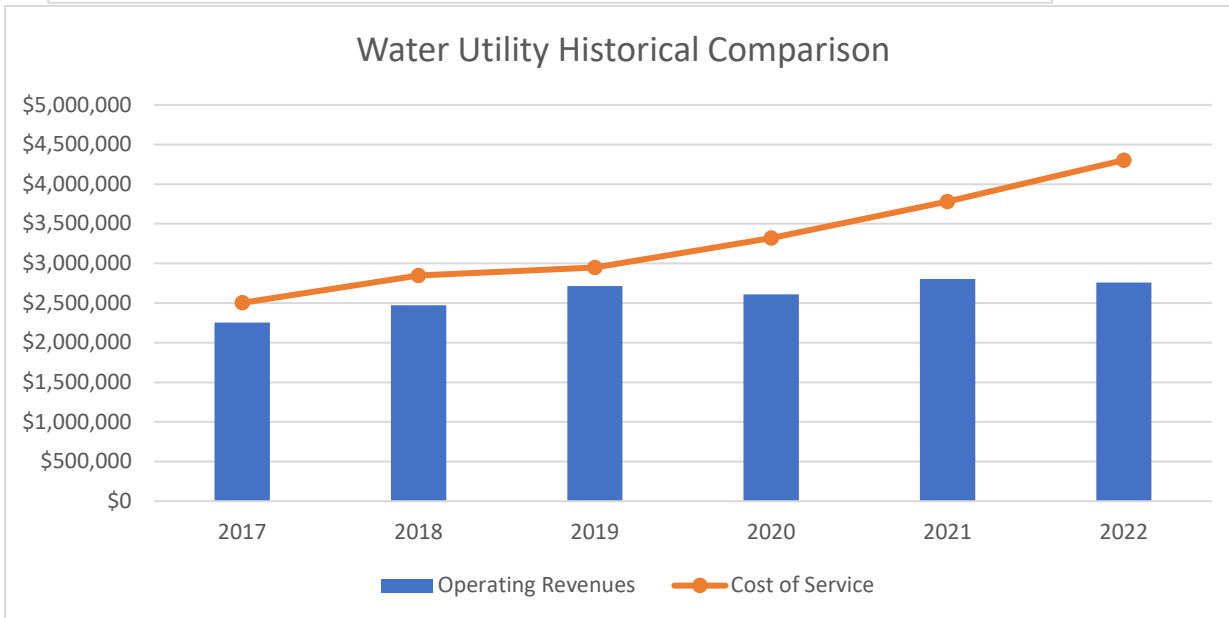
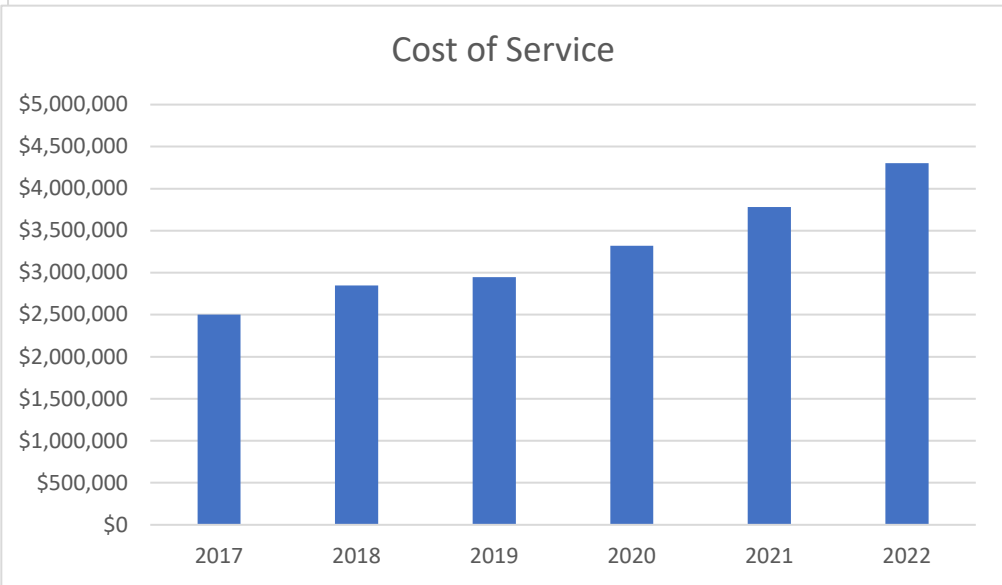
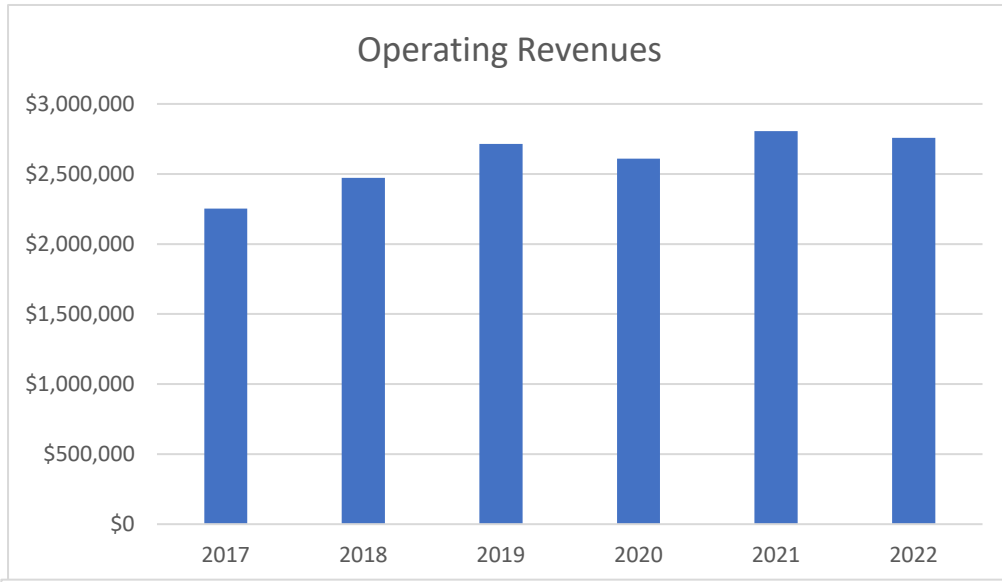
Electric Utility Historical Operating Revenues and Total Cost of Service



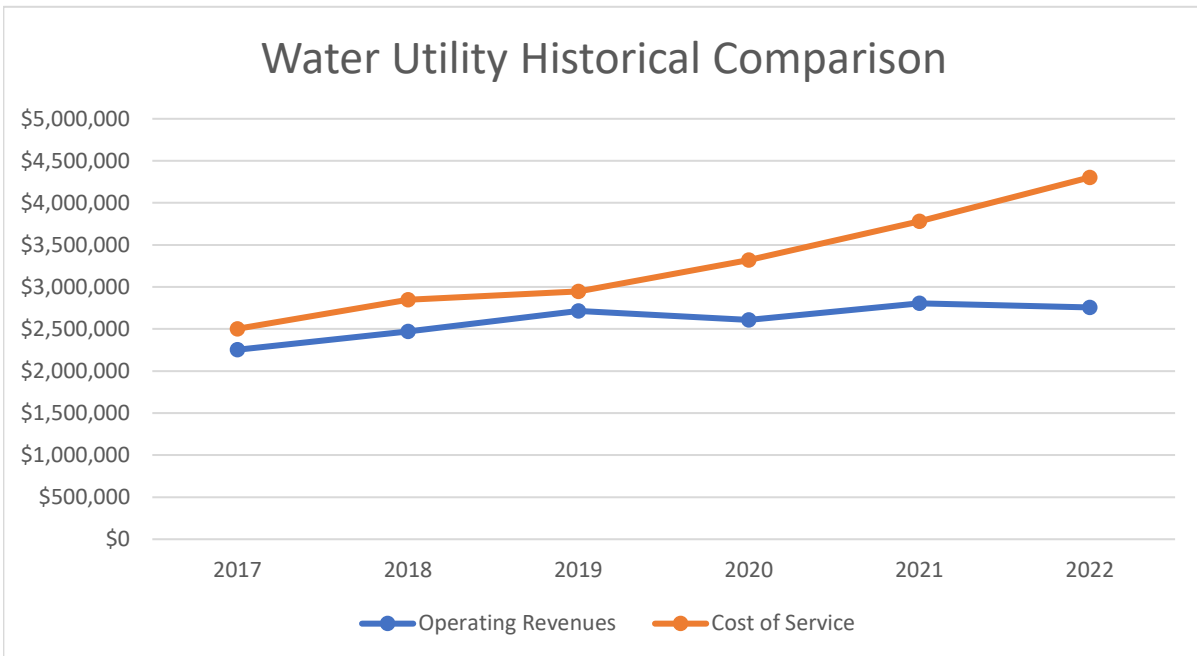
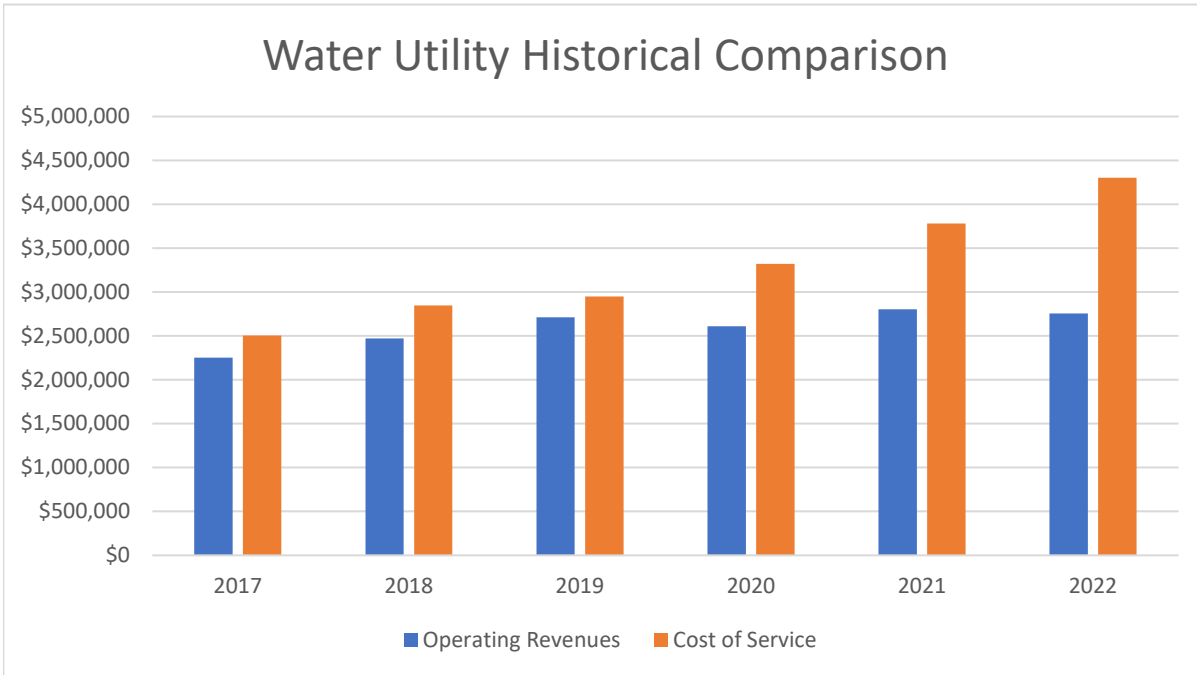
Electric Utility Historical Operating Revenues and Total Cost of Service



Water Utility Historical Operating Revenues and Total Cost of Service



Water Utility Historical Operating Revenues and Total Cost of Service





INCOME STATEMENT

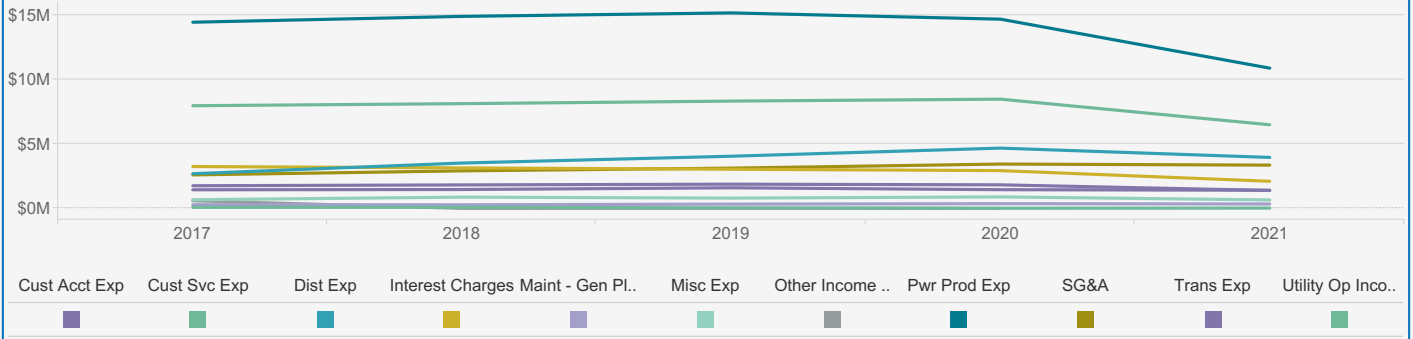
Operating Expenses

Utility
All

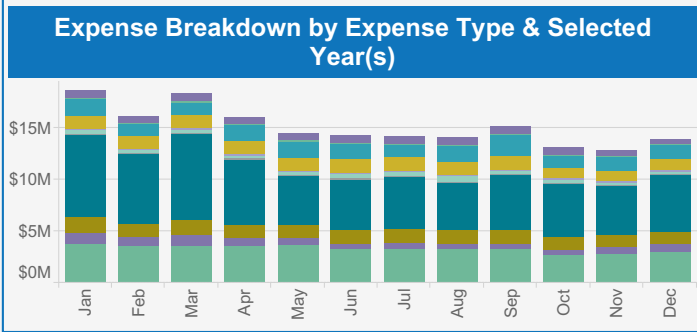
Years to View Annually
2017 to 2021
and Null values

Select color legend below to view the expense type and associated yearly and monthly trends in detail. Select a year in the annual expense trend to filter on a specific year.

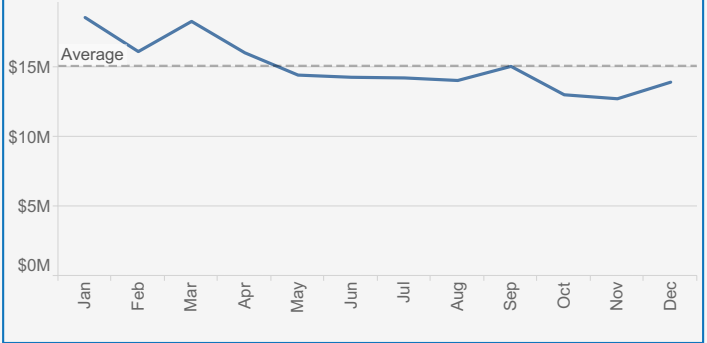
Annual Operating Expenses Trend



Select Expense View
Expense Type



Monthly Expense Trend for Selected Year(s)





INCOME STATEMENT

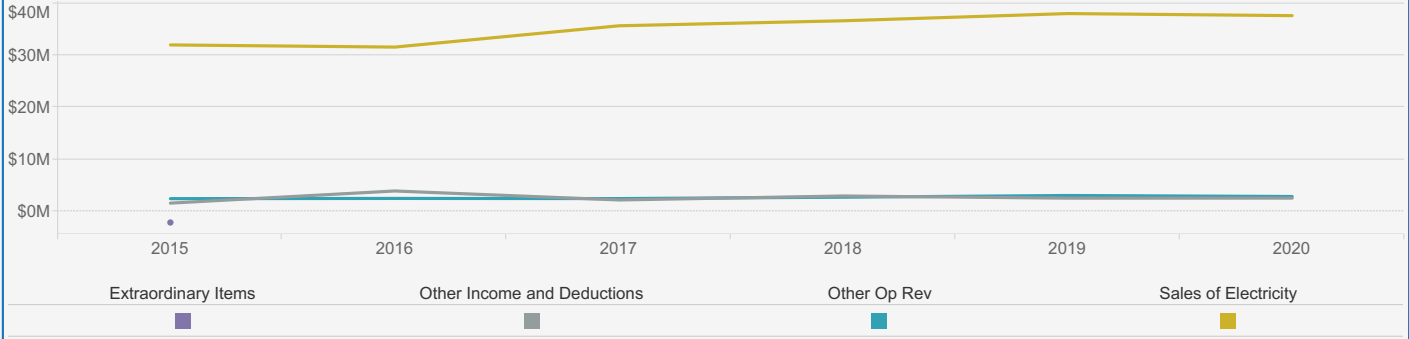
Revenues

Utility
All

Years to View Annually
2015 to 2020
and Null values

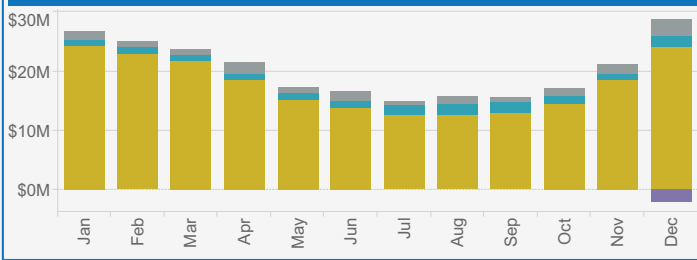
Select color legend below to view the revenue type and associated yearly and monthly trends in detail. Select a year on the annual revenue trend to view data for a specific year.

Annual Revenue Trend

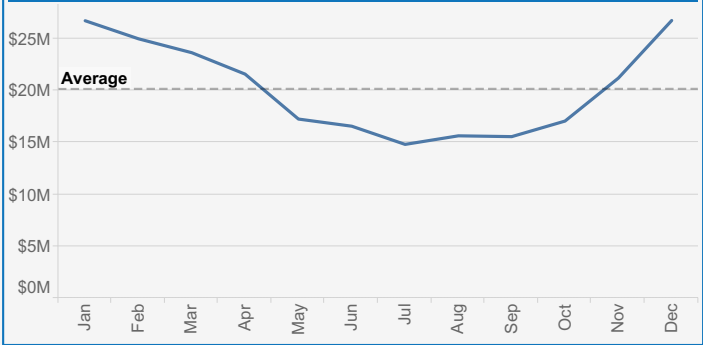


Select Revenue View
Revenue Type

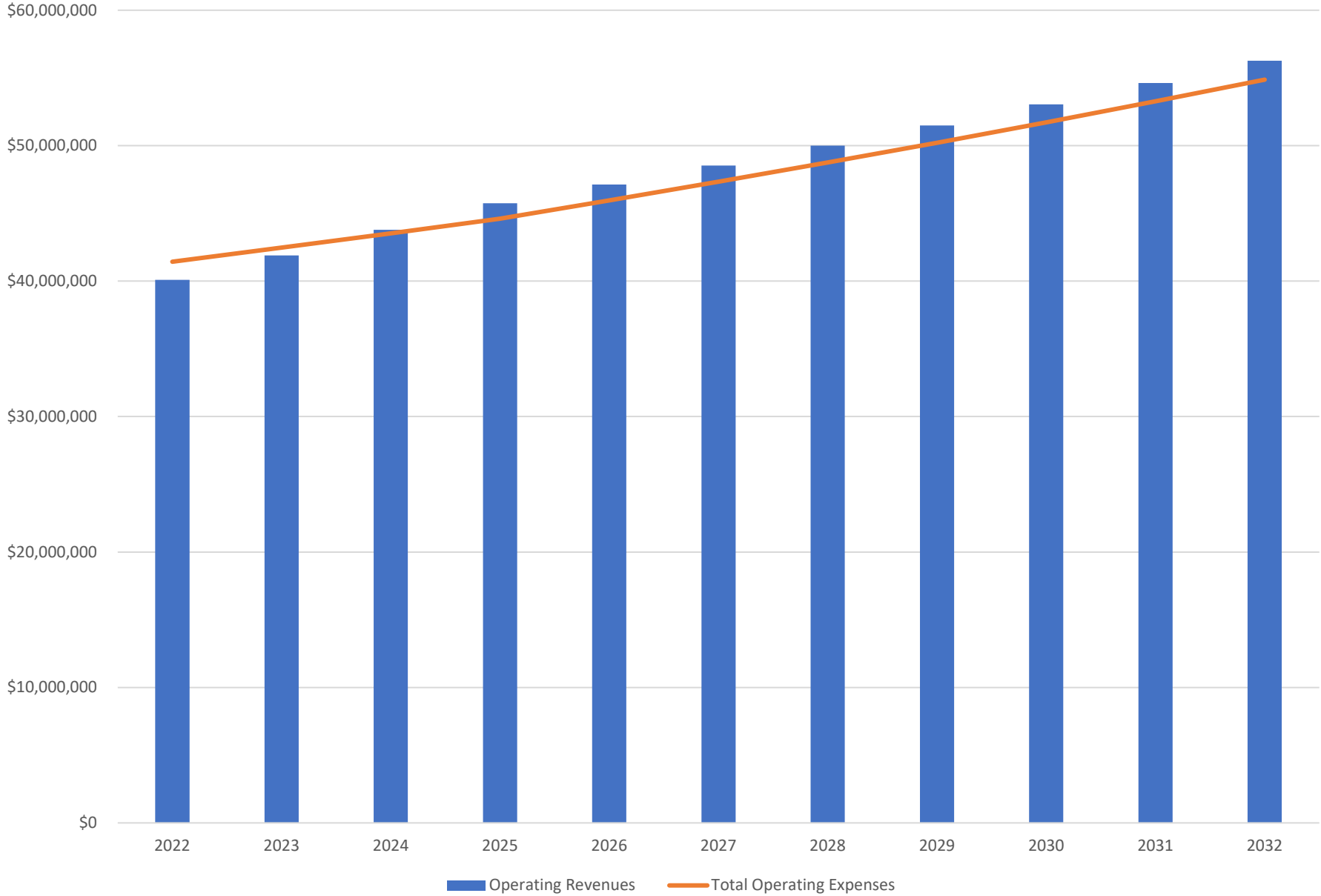
Revenue Breakdown by Revenue Type & Selected Year(s)



Monthly Revenue Trend for Selected Year(s)



Electric Utility Budget Forecast



Water Utility Budget Forecast

