

# Jefferson County PUD No. 1

## 2023 Budget



The proposed budget for 2023 on the following pages shows Staff's best idea on what money will be coming into the PUD and what money will be going out. This is a guide to the financial path that will allow the PUD to operate day to day as well as complete capital projects.

In 2023, we are budgeting for our new broadband utility. Most of the budget numbers for broadband are based on the probability of building out our fiber and adding connections as an Internet Service Provider.

As part of the budget packet, Staff has included supplementary pages showing a look back at the actual operating revenues and expenses since 2017. Also, a 10-year forecast is included in the supplementary pages. An outline of capital purchases and projects that will need to be completed in the next 5 to 10 years is included.

**Electric Summary (cash basis)**

	2023
Revenues	Budget
Sales	\$46,009,532
Other	\$31,442
Interest	\$4,902
Customer Contributions	\$1,539,542
Grant/Loan Proceeds	\$5,530,555
	<u>\$53,115,973</u>

Expenses	
Purchased Resources	\$19,499,834
Operations & Maintenance	\$7,895,774
Customer Related	\$2,098,849
Administrative and General	\$5,132,534
Taxes	\$2,554,821
Debt	\$6,877,373
Capital	\$6,833,618
	<u>\$50,892,803</u>

**Net Change in Op. Reserves**      **\$ 2,223,170**

**Broadband Summary (cash basis)**

	2023
Revenues	Budget
Sales	\$828,070
Other	\$600,000
Interest	\$0
Customer Contributions	\$205,000
Grant/Loan Proceeds	\$15,879,366
	<u>\$17,512,436</u>

Expenses	
Purchased Resources	\$15,819
Operations & Maintenance	\$1,247,159
Customer Related	\$149,528
Administrative and General	\$550,003
Taxes	\$16,048
Debt	\$387,394
Capital	\$15,172,063
	<u>\$17,538,014</u>

**Net Change in Op. Reserves**      **\$ (25,578)**

**Water Summary (cash basis)**

	2023
Revenues	Budget
Sales	\$4,671,610
Other	\$380,815
Interest	\$24,651
Customer Contributions	\$263,519
Grant/Loan Proceeds	\$3,019,982
	<u>\$8,360,577</u>

Expenses	
Purchased Resources	\$142,432
Operations & Maintenance	\$1,634,101
Customer Related	\$260,493
Administrative and General	\$1,257,099
Taxes	\$169,026
Debt	\$793,515
Capital	\$3,532,419
	<u>\$7,789,085</u>

**Net Change in Op. Reserves**      **\$ 571,492**

**Sewer Summary (cash basis)**

	2023
Revenues	Budget
Sales	\$243,441
Other	\$28,770
Interest	\$1,862
Customer Contributions	\$19,908
Grant/Loan Proceeds	\$0
	<u>\$293,981</u>

Expenses	
Purchased Resources	\$10,607
Operations & Maintenance	\$387,577
Customer Related	\$19,619
Administrative and General	\$94,971
Taxes	\$12,770
Debt	\$51,538
Capital	\$55,000
	<u>\$632,082</u>

**Net Change in Op. Reserves**      **\$ (338,101)**

## 2023 Budget Presentation Talking Points

1. Electric and Water Revenues were increased by 4.5% based on 2021 Rate increases.
2. Broadband Revenues are based on projected connections along with current connections.
3. We raised expenses by 8%.
4. We raised our Fleet Expenses by 8% based on new vehicles and personnel.
5. We have budgeted for 11 new positions in 2023. The positions include 1 Broadband Admin, 2 Broadband Tech, 1 SCADA/Substation Apprentice, 1 Network Engineer, 3 Linemen, 1 Summer Intern, 1 Water Meter Reader, and 1 Custodian.
6. We kept our Purchased Power cost about the same but did add some for projected BPA reserves cost adjustment.
7. Electric Transmission Expense is primarily Bonneville Power Administration (BPA) but also includes expenses (labor, materials, fleet) associated with maintaining transmission lines.
8. Included in Electric Distribution Expense—Maintenance is \$800,000 for tree trimming.
9. Included in the Administrative and General expenses is \$150,000 available for raises per RCW 54.16.100.
10. Interest on Long-Term Debt is based on the amortization schedules within our loan documents with RUS, USDA Rural Development, and bonds.
11. Labor, Benefits, Fleet, and Inventory Expenses are based on historical information
12. All expenses are based on actual expenses from June 2021 to May 2022.
13. Training Budgets were reduced based on historical training expenses.
14. We have included a COLA increase for Non-Represented Employees and COLAs for Union Employees per their contracts.
15. Property tax revenues have been kept at the same level as last year and 100% of the funds will go toward Broadband.
16. Electric Construction Projects are based on the previously approved 4-year work plan with Board approved additions.
17. Water Construction Projects are based on current needs and our 10-year work plan.
18. Broadband Construction Projects are based on previously approved Grant Areas and applications.
19. General Plant capital purchases include warehouse improvements, information technology equipment, fleet, electric tools, communications, and engineering costs.
20. Principal payments on long-term debt are based on the amortization schedules within our loan documents with RUS, USDA Rural Development, and bonds.
21. 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.
22. We still have some LUDs that are paying on assessments which the Treasurer's Office collects and then we pay the bond payments.
23. We incorporated a 10-year Financial Forecast into the 2023 budget along with a 5-year look back.

**EXHIBIT A**  
**2023 PUD Electric, Water, and Broadband Utility Budgets**

	<u>Electrical</u> <u>Utility</u>	<u>Water</u> <u>Utility</u>	<u>Broadband</u> <u>Utility</u>	<u>Talking</u> <u>Points</u>
<b>Operating Revenues</b>	\$46,009,532	\$4,915,051	\$828,070	1,2
<b>Operating Expenses</b>				3,4,5
Power Production Cost	\$0	\$2,027	\$0	
Cost of Purchased Power	\$17,095,180	\$151,012	\$15,819	6
Transmission Expense	\$2,404,654	\$0	\$0	7
Distribution Expense--Operation	\$3,116,911	\$1,412,908	\$440,469	
Distribution Expense--Maintenance	\$4,778,863	\$608,771	\$806,690	8
Customer Accounts Expense	\$2,075,683	\$280,113	\$149,528	
Customer Service and Informational Expense	\$23,166	\$0	\$0	
Administrative and General Expense	\$5,132,534	\$1,352,069	\$550,003	9
Depreciation & Amortization Expense	\$5,605,637	\$388,013	\$0	
Tax Expense--Other	\$2,554,821	\$181,796	\$16,048	
Interest on Long-Term Debt	\$2,756,315	\$182,692	\$0	10
Interest Expense--Other	\$0	\$0	\$0	
Other Deductions	\$0	\$0	\$0	
<b>Total Operating Expenses</b>	<b>\$45,543,764</b>	<b>\$4,559,401</b>	<b>\$1,978,557</b>	11,12,13,14
<b>Net Operating Margins (Loss)</b>	\$465,768	\$355,650	(\$1,150,487)	
<b>Property Tax Revenue</b>	\$0	\$0	\$600,000	15
<b>Non-Operating Margins (Loss)</b>	\$1,575,886	\$719,525	\$205,000	
<b>Net Margins (Loss)</b>	<b>\$2,041,654</b>	<b>\$1,075,175</b>	<b>(\$345,487)</b>	
<b>Cash Flow Budget</b>				
Construction Projects	\$6,044,500	\$3,477,419	\$0	16,17
General Plant Purchases	\$789,118	\$110,000	\$15,172,062	18,19
Principal on Long Term Debt	\$4,121,058	\$662,361	\$387,394	20
Add Depreciation & Amortization (non-cash)	(\$5,605,637)	(\$388,013)	\$0	21
Principal & Interest Received on LUDs	\$0	(\$442,966)	\$0	22
Grants and Loan Funds	(\$5,530,555)	(\$2,577,016)	(\$15,879,366)	
<b>Total Cash Expenditures/Cash Outflow</b>	<b>(\$181,516)</b>	<b>\$841,785</b>	<b>(\$319,910)</b>	23
<b>Net Cash Inflow/(Outflow)</b>	<b>\$2,223,170</b>	<b>\$233,390</b>	<b>(\$25,577)</b>	
Net TIER (Minimum of 1.25)	1.74			
Net DSC (Minimum of 1.25)	1.51			

**Electric Utility  
Expense Changes  
2022 Budget to 2023 Budget**

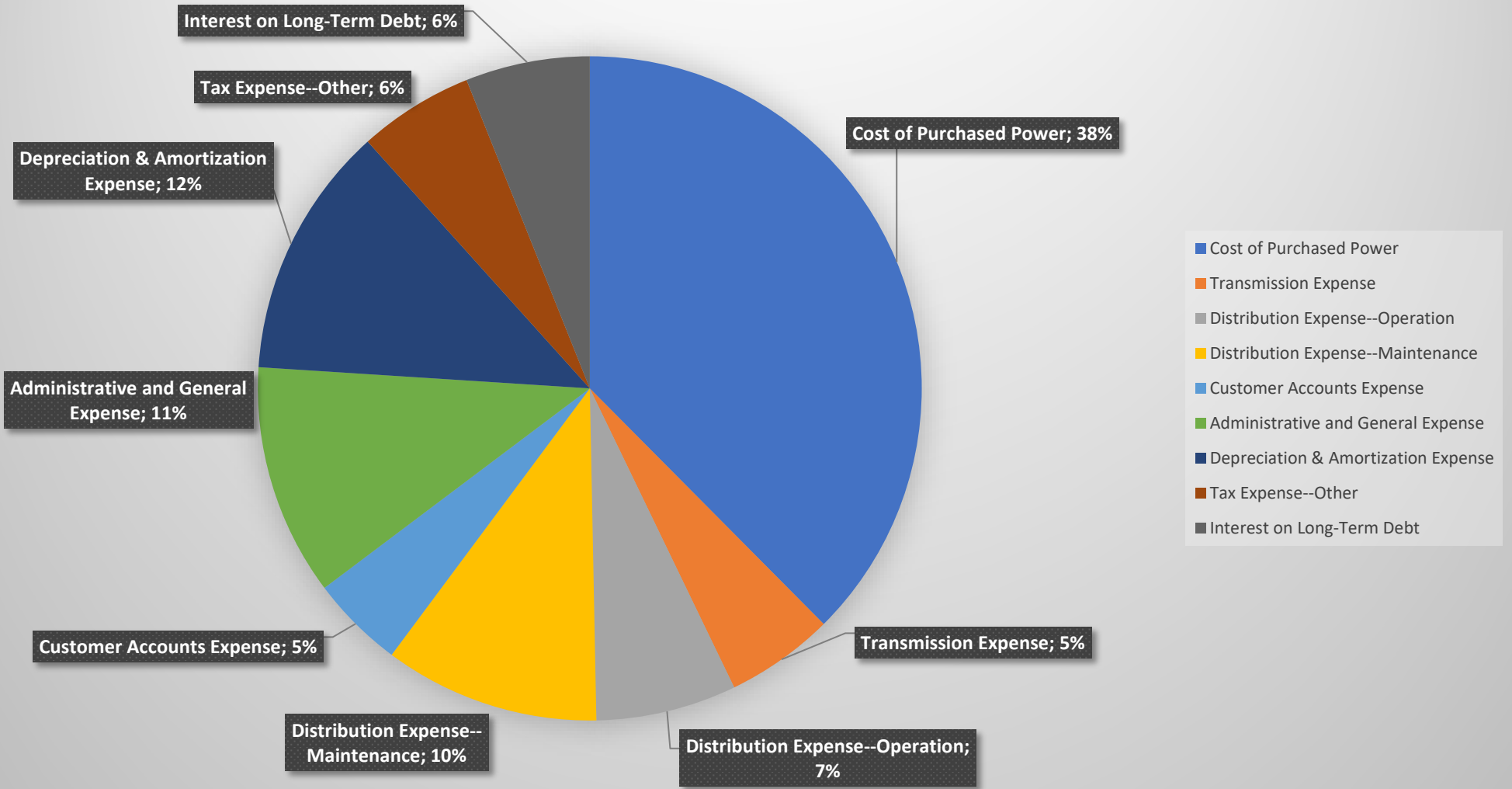
	<b>2022 Budget</b>	<b>2023 Budget</b>	<b>Change</b>
<b>Operating Revenues</b>	\$40,094,599	\$46,009,532	\$5,914,933
<b>Operating Expenses</b>			
Power Production Cost	\$0	\$0	\$0
Cost of Purchased Power	\$15,050,647	\$17,095,180	\$2,044,533
Transmission Expense	\$1,988,049	\$2,404,654	\$416,605
Distribution Expense--Operation	\$2,472,245	\$3,116,911	\$644,666
Distribution Expense--Maintenance	\$5,016,304	\$4,778,863	(\$237,441)
Customer Accounts Expense	\$2,202,865	\$2,075,683	(\$127,182)
Customer Service and Informational Expense	\$18,794	\$23,166	\$4,372
Administrative and General Expense	\$5,537,981	\$5,132,534	(\$405,447)
Depreciation & Amortization Expense	\$5,548,199	\$5,605,637	\$57,438
Tax Expense--Other	\$2,262,163	\$2,554,821	\$292,658
Interest on Long-Term Debt	\$2,720,820	\$2,756,315	\$35,495
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$42,818,067</b>	<b>\$45,543,764</b>	<b>\$2,725,697</b>
<b>Net Operating Margins (Loss)</b>	<b>(\$2,723,468)</b>	<b>\$465,768</b>	<b>\$3,189,236</b>
<b>Non-Operating Margins (Loss)</b>	<b>\$2,088,887</b>	<b>\$1,575,886</b>	<b>(\$513,001)</b>
<b>Net Margins (Loss)</b>	<b>(\$634,581)</b>	<b>\$2,041,654</b>	<b>\$2,676,235</b>
<b>Cash Flow Budget</b>			
Construction Projects	\$3,595,500	\$6,044,500	\$2,449,000
General Plant Purchases	\$3,111,550	\$789,118	(\$2,322,432)
Principal on Long Term Debt	\$3,474,557	\$4,121,058	\$646,501
Add Depreciation & Amortization (non-cash)	(\$5,548,199)	(\$5,605,637)	(\$57,438)
Principal & Interest Received on LUDs	\$0	\$0	\$0
Grants and Loan Funds	\$0	(\$5,530,555)	(\$5,530,555)
<b>Total Cash Expenditures/Cash Outflow</b>	<b>\$4,633,408</b>	<b>(\$181,516)</b>	<b>(\$4,814,924)</b>
<b>Net Cash Inflow/(Outflow)</b>	<b>(\$5,267,989)</b>	<b>\$2,223,170</b>	<b>\$7,491,159</b>
Net TIER (Minimum of 1.25)	0.77	1.74	0.97
Net DSC (Minimum of 1.25)	1.23	1.51	0.28

**Water Utility  
Expense Changes  
2022 Budget to 2023 Budget**

	<b>2022 Budget</b>	<b>2023 Budget</b>	<b>Change</b>
<b>Operating Revenues</b>	\$2,757,235	\$4,915,051	\$2,157,816
<b>Operating Expenses</b>			
Power Production Cost	\$0	\$2,027	\$2,027
Cost of Purchased Power	\$135,041	\$151,012	\$15,971
Transmission Expense	\$0	\$0	\$0
Distribution Expense--Operation	\$1,024,330	\$1,412,908	\$388,578
Distribution Expense--Maintenance	\$605,218	\$608,771	\$3,553
Customer Accounts Expense	\$207,322	\$280,113	\$72,791
Customer Service and Informational Expense	\$0	\$0	\$0
Administrative and General Expense	\$1,097,305	\$1,352,069	\$254,764
Depreciation & Amortization Expense	\$428,634	\$388,013	(\$40,621)
Tax Expense--Other	\$133,811	\$181,796	\$47,985
Interest on Long-Term Debt	\$235,079	\$182,692	(\$52,387)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$3,866,740</b>	<b>\$4,559,401</b>	<b>\$692,661</b>
<b>Net Operating Margins (Loss)</b>	(\$1,109,505)	\$355,650	\$1,465,155
<b>Non-Operating Margins (Loss)</b>	\$247,535	\$719,525	\$471,990
<b>Net Margins (Loss)</b>	<b>(\$861,970)</b>	<b>\$1,075,175</b>	<b>\$1,937,145</b>
<b>Cash Flow Budget</b>			
Construction Projects	\$633,105	\$3,477,419	\$2,844,314
General Plant Purchases	\$55,000	\$110,000	\$55,000
Principal on Long Term Debt	\$633,513	\$662,361	\$28,848
Add Depreciation & Amortization (non-cash)	(\$428,634)	(\$388,013)	\$40,621
Principal & Interest Received on LUDs	(\$442,966)	(\$442,966)	\$0
Grants and Loan Funds	\$0	(\$2,577,016)	(\$2,577,016)
<b>Total Cash Expenditures/Cash Outflow</b>	<b>\$450,018</b>	<b>\$841,785</b>	<b>\$391,767</b>
<b>Net Cash Inflow/(Outflow)</b>	<b>(\$1,311,988)</b>	<b>\$233,390</b>	<b>\$1,545,378</b>

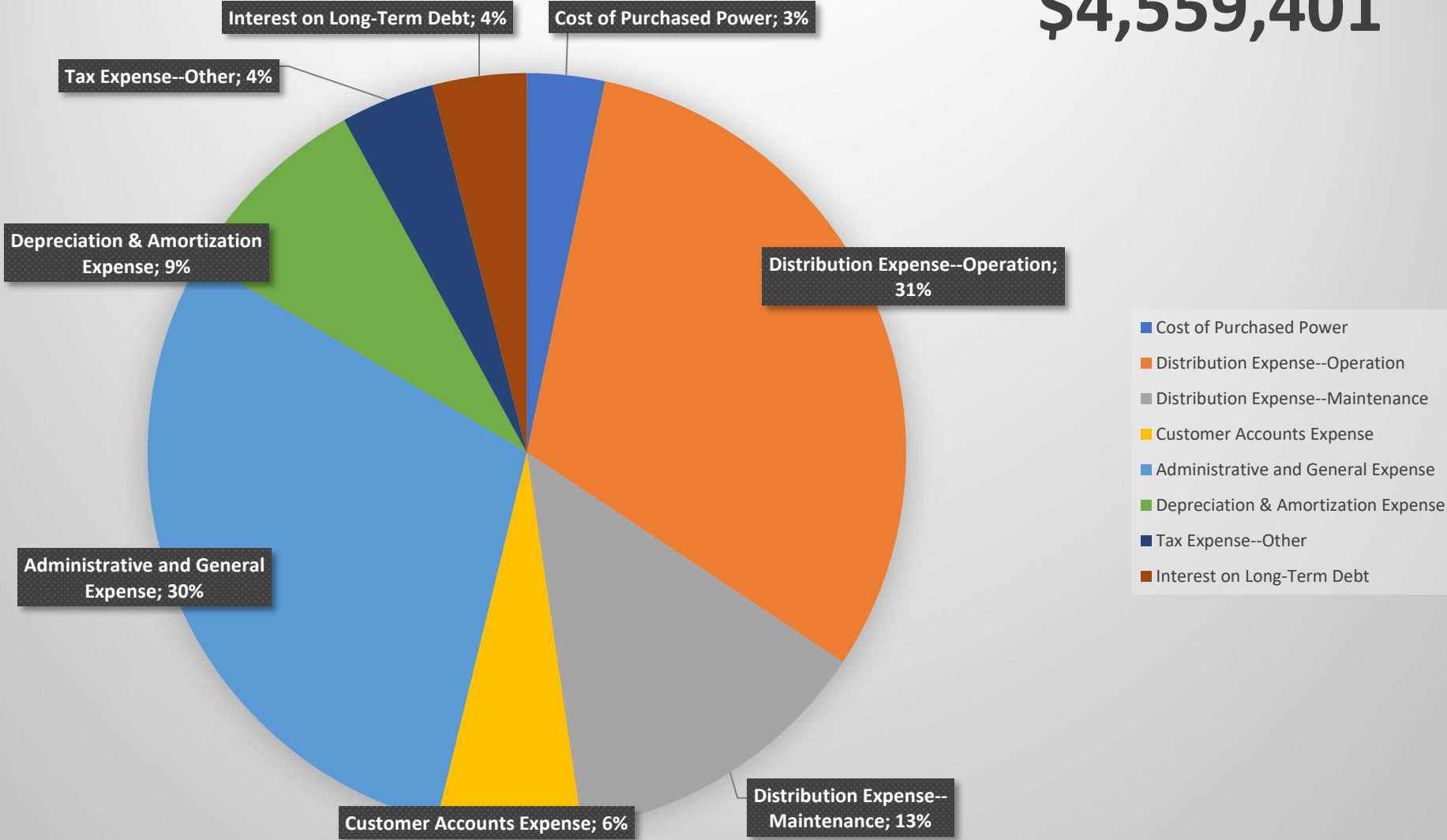
# Electric Expenses

## \$45,543,764



# Water Expenses

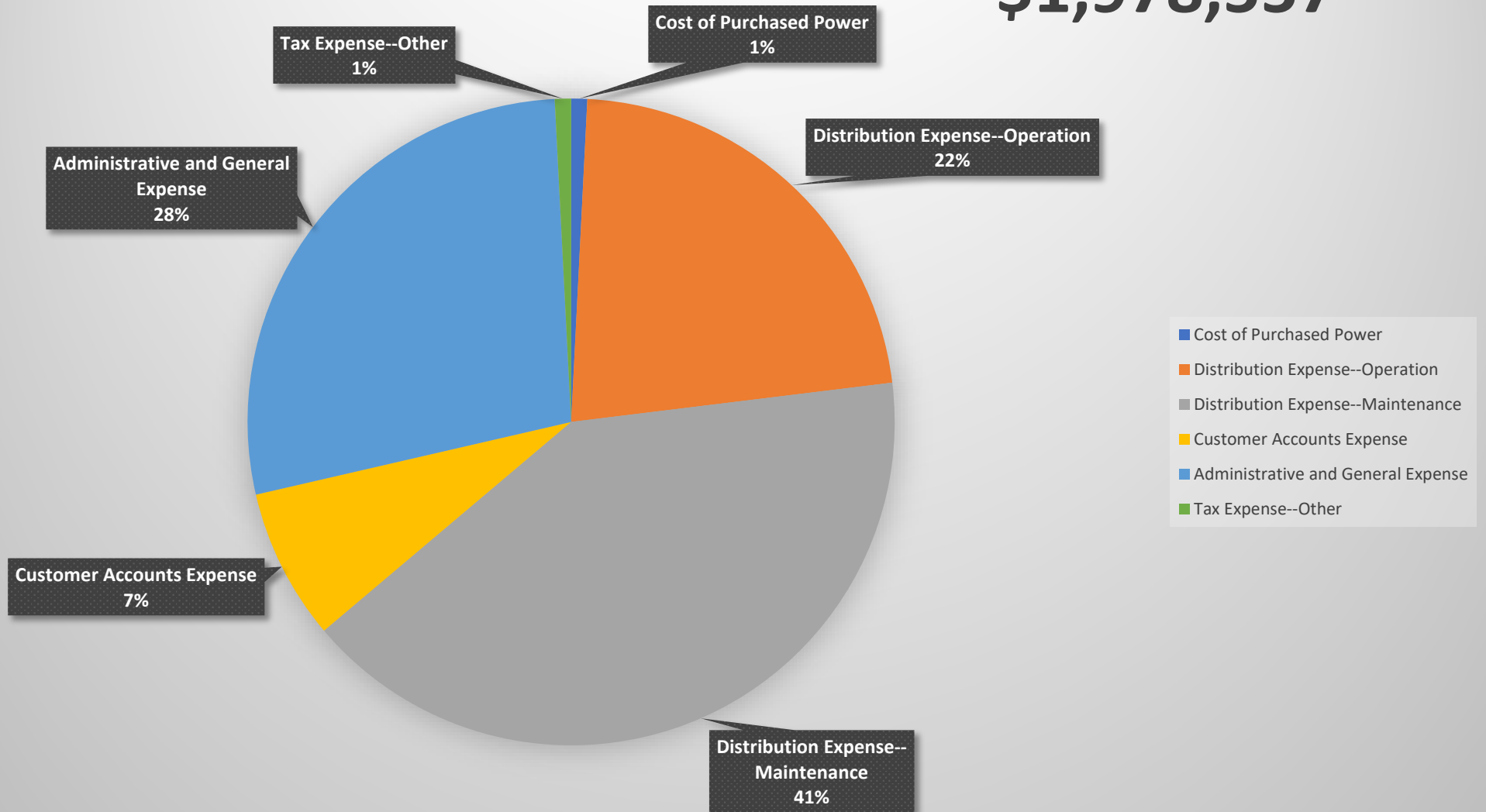
## \$4,559,401





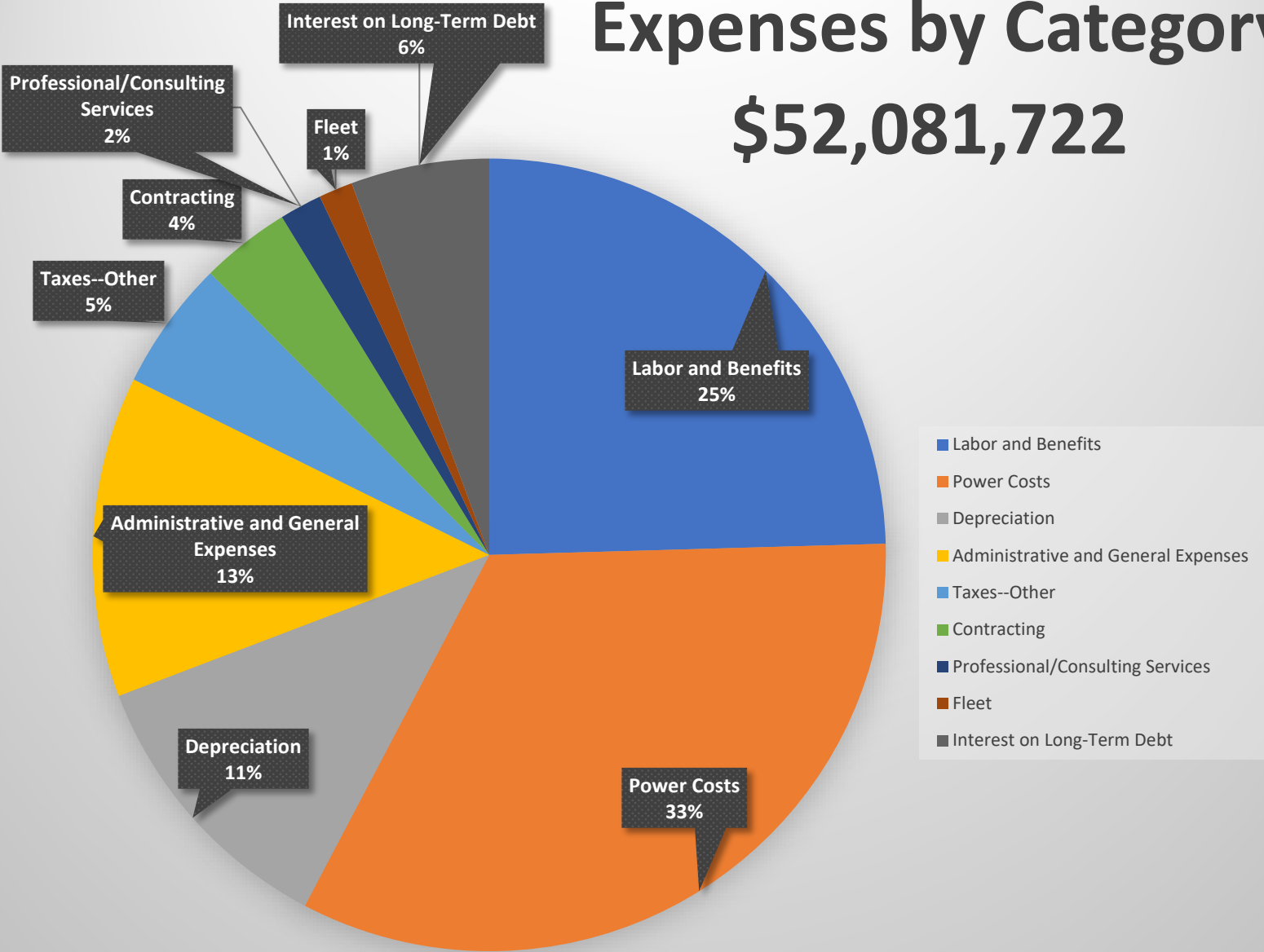
# Broadband Expenses

## \$1,978,557



# Expenses by Category

## \$52,081,722



## Combined Utility Expenses By Category

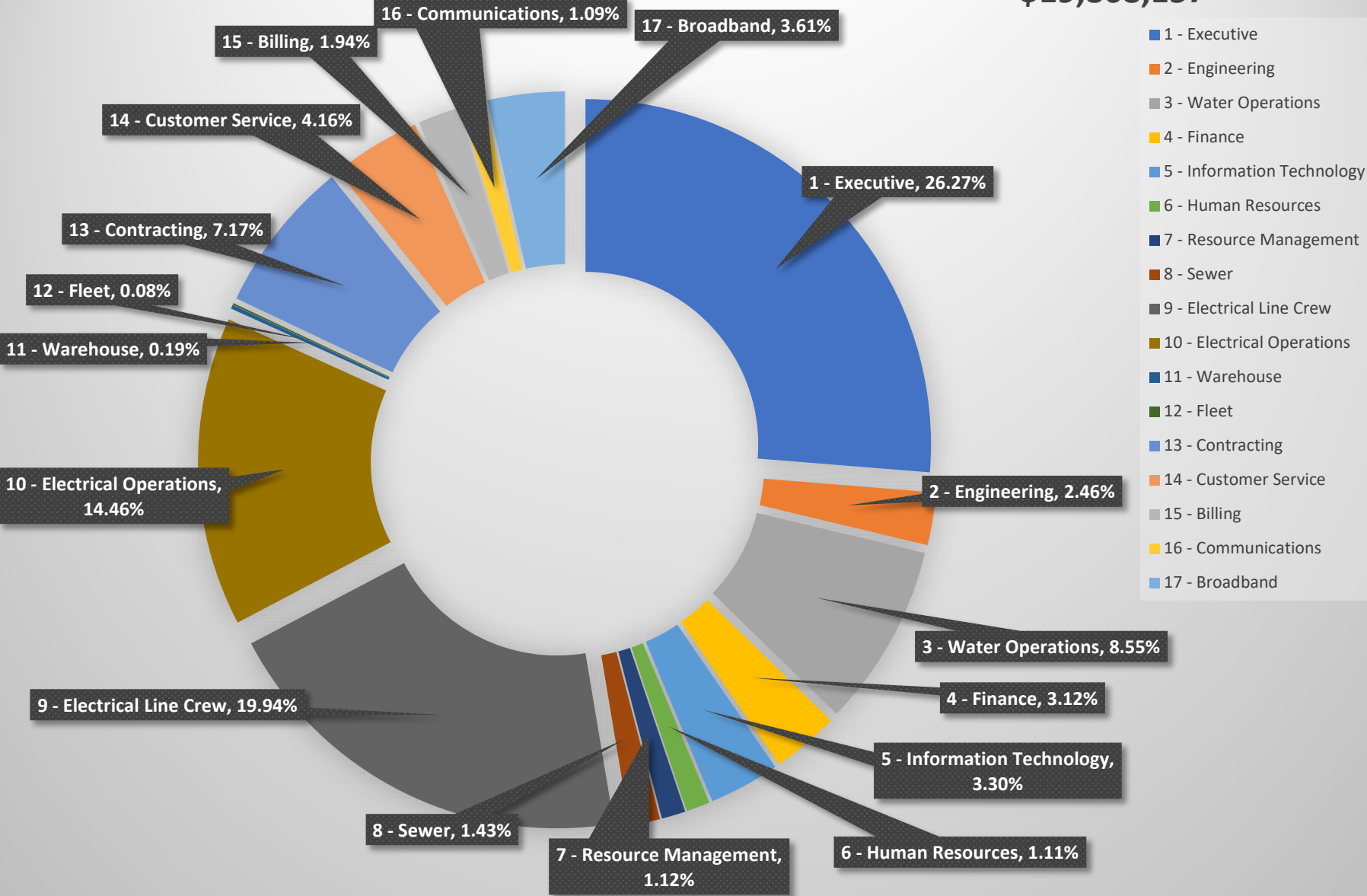
Expense Category	Amount	Percentage
Labor and Benefits	\$12,787,059	25%
Power Costs	\$17,264,038	33%
Depreciation	\$5,993,650	12%
Administrative and General Expenses	\$6,816,572	13%
Taxes--Other	\$2,752,665	5%
Contracting	\$1,904,458	4%
Professional/Consulting Services	\$901,447	2%
Fleet	\$722,826	1%
Interest on Long-Term Debt	\$2,939,007	6%
<b>Total</b>	<b>\$52,081,722</b>	<b>100%</b>

# Expense Allocation By Department

Department	Administrative and			Professional and		Total	Percentage
	Labor and Benefits	General	Contracting	Consulting Services	Fleet		
1 - Executive	\$2,963,073	\$1,443,373	\$39,967	\$707,728	\$66,184	\$5,220,324	26.27%
2 - Engineering	\$438,886	\$44,174	\$2,734	\$0	\$2,842	\$488,635	2.46%
3 - Water Operations	\$1,093,651	\$255,765	\$89,590	\$1,178	\$258,794	\$1,698,979	8.55%
4 - Finance	\$506,108	\$110,755	\$2,407	\$0	\$0	\$619,270	3.12%
5 - Information Technology	\$422,943	\$229,214	\$1,604	\$2,410	\$186	\$656,357	3.30%
6 - Human Resources	\$187,462	\$28,092	\$802	\$3,737	\$0	\$220,093	1.11%
7 - Resource Management	\$211,462	\$9,525	\$802	\$834	\$0	\$222,623	1.12%
8 - Sewer	\$153,867	\$14,119	\$62,574	\$3,459	\$49,768	\$283,786	1.43%
9 - Electrical Line Crew	\$3,146,859	\$480,021	\$149,071	\$26,950	\$158,313	\$3,961,214	19.94%
10 - Electrical Operations	\$1,984,993	\$687,033	\$11,884	\$10,646	\$178,772	\$2,873,328	14.46%
11 - Warehouse	\$18,821	(\$532)	\$14,868	\$0	\$4,313	\$37,469	0.19%
12 - Fleet	\$11,574	\$3,057	\$802	\$0	\$192	\$15,625	0.08%
13 - Contracting	\$0	\$2,707	\$1,416,456	\$4,903	\$0	\$1,424,066	7.17%
14 - Customer Service	\$773,668	\$26,353	\$4,813	\$21,371	\$0	\$826,206	4.16%
15 - Billing	\$372,911	\$9,570	\$2,407	\$0	\$0	\$384,888	1.94%
16 - Communications	\$78,034	\$116,284	\$802	\$22,338	\$0	\$217,459	1.09%
17 - Broadband	\$422,746	\$92,859	\$102,875	\$95,892	\$3,463	\$717,835	3.61%
<b>Totals</b>	<b>\$12,787,059</b>	<b>\$3,552,367</b>	<b>\$1,904,458</b>	<b>\$901,447</b>	<b>\$722,826</b>	<b>\$19,868,157</b>	

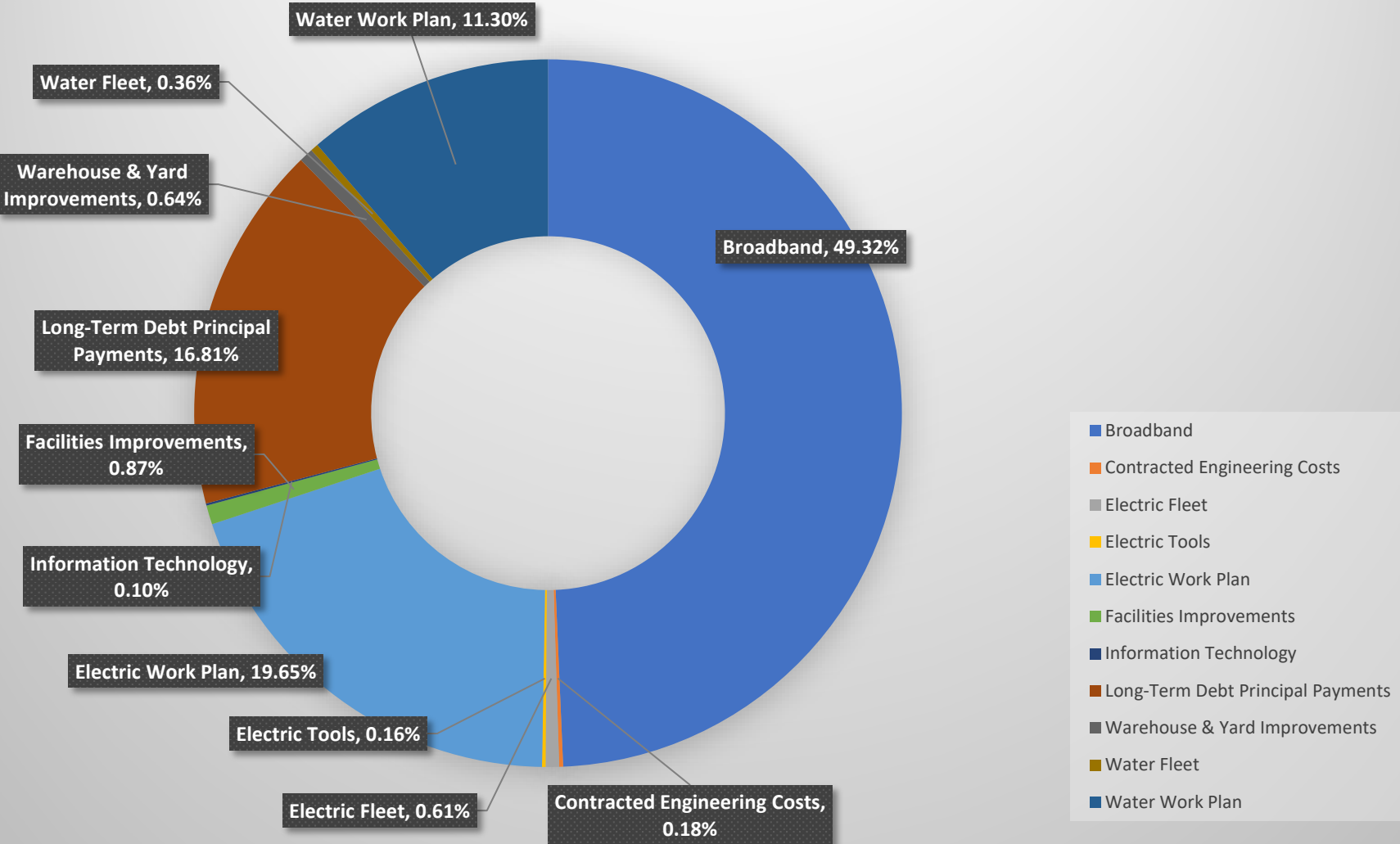
# Expense Allocation By Department

## \$19,868,157



# Capital and Debt Principal Costs

## \$30,763,912



## Capital and Debt Principal Costs By Category

Cost Group	Amount	Percentage
Broadband	\$15,172,062	49.32%
Contracted Engineering Costs	\$55,000	0.18%
Electric Fleet	\$188,468	0.61%
Electric Tools	\$50,000	0.16%
Electric Work Plan	\$6,044,500	19.65%
Facilities Improvements	\$268,150	0.87%
Information Technology	\$30,000	0.10%
Long-Term Debt Principal Payments	\$5,170,813	16.81%
Warehouse & Yard Improvements	\$197,500	0.64%
Water Fleet	\$110,000	0.36%
Water Work Plan	\$3,477,419	11.30%
<b>Total</b>	<b>\$30,763,912</b>	<b>100%</b>

**2023 Electric Work Plan Capital Costs**

<b>Item #</b>	<b>Description</b>	<b>Budget Amount</b>
101	UG Distribution Line Extensions	\$300,000
102	OH Distribution Line Extensions	\$175,000
103	New Subdivision	\$150,000
202	Underground Feeds Out of Irondale Bay 2	\$100,000
301	Convert Single Phase to Three Phase	\$150,000
303	Convert OH to UG 4 Locations	\$380,000
501	Replace Aging Substation Equipment--Hastings	\$235,000
503	Replace/Install New Relays	\$120,000
505	SCADA System Substation Communications and Devices Upgrades	\$100,000
507-2	New Breaker Hastings	\$210,000
601-1	Install new pole-mount Transformers to serve new customers. 10 per year	\$30,000
601-2	Install new pad-mount Transformers to serve new customers. 15 per year	\$40,000
601-3	Transformer replacement of aging units. 60 per year	\$180,000
604-1	Install four new Three-Phase distribution line reclosers	\$0
605-1	Install new line regulators	\$175,000
605-2	Regulator replacement of aging units	\$0
607	Pole Replacements. 20 per year	\$180,000
608	Replace Aging Conductors	\$354,500
608-1	Install Single Phase 15kv 1/0 Distribution Line	\$225,000
610	Wildlife Protection. X sites	\$25,000
701	Security and Street Lighting	\$20,000
703	SCADA System Distribution Line Devices Communications and Control Upgrades	\$90,000
704	SCADA Communications	\$40,000
705-1	Meter Replacement Project	\$2,300,000
1001	Move Transmission Poles for Easements	\$160,000
1002	Install 115kVA Switches	\$125,000
1101	Easements and Right-of-Way	\$80,000
1201	Fiber Line Extensions	\$0
1302	Fencing	\$100,000
	<b>Total Electric Capital Costs</b>	<b>\$6,044,500</b>



## 2023 Water Work Plan Capital Costs

<b>Description</b>	<b>Budget Amount</b>
Quilcene Water Tank	\$2,577,016
WSDOT Culvert Replacement Chimacum Creek	\$410,403
Brinnon Consolidation Projects--Feasibility Studies	\$180,000
Service Line Replacement	\$60,000
Well Pump and Motor Replacement	\$40,000
Booser Pump Replacements	\$60,000
Water Distribution Replacement	\$140,000
Wastewater system improvements	\$10,000
<b>Total Water Capital Costs</b>	<b>\$3,477,419</b>

## 2023 Broadband Capital Costs

<b>Description</b>	<b>Budget Amount</b>
Huts/Buildings	\$163,506
Fiber	\$9,655,334
Engineering	\$1,699,975
Core PON	\$210,134
Drops	\$1,527,980
ONTs	\$771,247
Consulting	\$125,529
Contingency	\$1,018,357
<b>Total Broadband Capital Costs</b>	<b>\$15,172,062</b>

## 2023 Facilities Improvements

<b>Description</b>	<b>Budget Amount</b>
Solar Panel Installation at 310 Four Corners	\$238,150
Installation of 4 Dual Head Electric Vehicle Chargers	\$30,000
<b>Total Facilities Improvements Capital Costs</b>	<b>\$268,150</b>

## 2023 Warehouse and Yard Improvements Capital Costs

<b>Description</b>	<b>Budget Amount</b>
Log, clear area at 310 Four Corners for new fiber lay yard. Costs are from fencing and County requirements.	\$130,000
Install utility pole bunks between the asphalt road and storm water drainage pond.	\$30,000
Install concrete base around PUD oil storage facility in the open shed.	\$30,000
Install fencing around Oil containment with two 8' gates.	\$7,500
<b>Total Warehouse and Yard Capital Costs</b>	<b>\$197,500</b>

**2023 Information Technology Capital Costs**

<b>Description</b>	<b>Budget Amount</b>
Network Switches	\$30,000
<b>Total IT Capital Costs</b>	<b>\$30,000</b>

## 2023 Electric Fleet Capital Costs

<b>Description</b>	<b>Budget Amount</b>	
Ford F-150 Lightning	\$52,034	On order
Ford Ranger	\$31,717	On order
Ford Ranger	\$31,717	On order
Ford Mustang Mach - E	\$73,000	
<b>Total Electric Fleet Capital Costs</b>	<b>\$188,468</b>	

### 2023 Water Fleet Capital Costs

<b>Description</b>	<b>Budget Amount</b>
Vehicle--Sewer	\$55,000
Vehicle--Water	\$55,000
<b>Total Water Fleet Capital Costs</b>	<b>\$110,000</b>

## 2023 Electric Tools

<b>Description</b>	<b>Budget Amount</b>
Tools	<u>\$50,000</u>
<b>Total Electric Tools Capital Costs</b>	<b>\$50,000</b>



### 2023 Contracted Engineering Capital Costs

<b>Description</b>	<b>Budget Amount</b>
Contracted Electric Engineering	\$25,000
Contracted Water Engineering	\$30,000
<b>Total Contracted Engineering Capital Costs</b>	<b>\$55,000</b>

**Change in Capital Projects  
10/3/2022 to 10/18/2022**

<b>Project Name</b>	<b>10/3/2022 Presentation</b>	<b>10/18/2022 Presentation</b>	<b>Change</b>
Electric Work Plan	\$6,044,500	\$6,044,500	\$0
Water Work Plan	\$3,477,419	\$3,477,419	\$0
Broadband	\$15,172,062	\$15,172,062	\$0
Facilities Improvements	\$238,150	\$268,150	\$30,000
Warehouse & Yard Improvements	\$197,500	\$197,500	\$0
Information Technology	\$30,000	\$30,000	\$0
Electric Fleet	\$164,000	\$188,468	\$24,468
Water Fleet	\$110,000	\$110,000	\$0
Electric Tools and PPE	\$50,000	\$50,000	\$0
Contracted Engineering Costs	\$55,000	\$55,000	\$0
	<b>\$25,538,631</b>	<b>\$25,593,099</b>	<b>\$54,468</b>

**2023 Cash Summary  
Through July 31, 2022**

Cash-Operating Depository	\$ 586,472
Cash-Jefferson County Treasurer General	\$ 127,433
Cash-Payroll Clearing-1st Security Payroll Clearing	\$ 15
Working Funds	\$ 2,000
Cash-1996 Bond LUD #6	\$ 9,209
Cash-1996 Bond LUD #8	\$ 31,644
Temp Invest Jefferson County Treasurer Gen	\$ 163,303
Tax Revenue Fund	\$ 3,312,425
Tax Revenue Fund Investment	\$ 1,925,000
Operating Account - Jefferson County Treasurer	\$ 90,924
<b>2022 Ending Unrestricted Cash</b>	<u>\$ 6,248,425</u>
2023 Net Cash Outflow	<u>\$1,422,133</u>
<b>2023 Ending Unrestricted Cash</b>	<u>\$ 7,670,558</u>

**Restricted Cash**

Other Special Funds	\$ 250
Tri Area Bond Investment	\$ 164,817
Capital Reserves	\$ 100,000
Cash-2009 Bond LUD #14	\$ 1,434
Cash-2008 Bond LUD #15	\$ 482
Cash-1999 Bond LUD #11	\$ 2,404
LUD #14 Bond Investment	\$ 1,012,453
LUD #15 Bond Investment	\$ 370,935
Meter Replacment--2024 Work	\$ 1,008,850
<b>2023 Ending Restricted Cash</b>	<u>\$ 2,661,625</u>

# 2023 Budget Supplementary Pages



**Electric Utility  
Budget Comparison  
2022 to 2023**

	<b>2022</b>	<b>2023</b>	
	<b>Approved</b>	<b>Proposed</b>	<b>Change</b>
<b>Operating Revenues</b>	\$40,094,599	\$46,009,532	\$5,914,933
<b>Operating Expenses</b>			
Power Production Cost	\$0	\$0	\$0
Cost of Purchased Power	\$15,050,647	\$17,095,180	\$2,044,533
Transmission Expense	\$1,988,049	\$2,404,654	\$416,605
Distribution Expense--Operation	\$2,472,245	\$3,116,911	\$644,666
Distribution Expense--Maintenance	\$5,016,304	\$4,778,863	(\$237,441)
Customer Accounts Expense	\$2,202,865	\$2,075,683	(\$127,182)
Customer Service and Informational Expense	\$18,794	\$23,166	\$4,372
Administrative and General Expense	\$5,537,981	\$5,132,534	(\$405,447)
Depreciation & Amortization Expense	\$5,548,199	\$5,605,637	\$57,438
Tax Expense--Other	\$2,262,163	\$2,554,821	\$292,658
Interest on Long-Term Debt	\$2,720,820	\$2,756,315	\$35,495
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$42,818,067</b>	<b>\$45,543,764</b>	<b>\$2,725,697</b>
<b>Net Operating Margins (Loss)</b>	<b>(\$2,723,468)</b>	<b>\$465,768</b>	<b>\$3,189,236</b>
<b>Non-Operating Margins (Loss)</b>	<b>\$2,088,887</b>	<b>\$1,575,886</b>	<b>(\$513,001)</b>
<b>Net Margins (Loss)</b>	<b>(\$634,581)</b>	<b>\$2,041,654</b>	<b>\$2,676,235</b>
<b>Cash Flow Budget</b>			
Construction Projects	\$3,595,500	\$6,044,500	\$2,449,000
General Plant Purchases	\$3,111,550	\$789,118	(\$2,322,432)
Principal on Long Term Debt	\$3,474,557	\$4,121,058	\$646,501
Add Depreciation & Amortization (non-cash)	(\$5,548,199)	(\$5,605,637)	(\$57,438)
Principal & Interest Received on LUDs	\$0	\$0	\$0
Grants and Loan Funds	\$0	(\$5,530,555)	(\$5,530,555)
<b>Total Cash Expenditures/Cash Outflow</b>	<b>\$4,633,408</b>	<b>(\$181,516)</b>	<b>(\$4,814,924)</b>
<b>Net Cash Inflow/(Outflow)</b>	<b>(\$5,267,989)</b>	<b>\$2,223,170</b>	<b>\$7,491,159</b>
Net TIER (Minimum of 1.25)	0.77	1.74	0.97
Net DSC (Minimum of 1.25)	1.23	1.51	0.28

**Electric Utility**  
**Actuals to Budget**  
**2022 to 2023**

	<b>2022</b>	<b>2023</b>	
	<b>Actuals**</b>	<b>Budget</b>	<b>Change</b>
<b>Operating Revenues</b>	\$40,964,546	\$46,009,532	\$5,044,986
<b>Operating Expenses</b>			
Power Production Cost	\$0	\$0	\$0
Cost of Purchased Power	\$15,124,755	\$17,095,180	\$1,970,425
Transmission Expense	\$1,999,003	\$2,404,654	\$405,651
Distribution Expense--Operation	\$2,115,032	\$3,116,911	\$1,001,879
Distribution Expense--Maintenance	\$3,977,080	\$4,778,863	\$801,783
Customer Accounts Expense	\$1,684,960	\$2,075,683	\$390,723
Customer Service and Informational Expense	\$12,349	\$23,166	\$10,817
Administrative and General Expense	\$4,335,931	\$5,132,534	\$796,603
Depreciation & Amortization Expense	\$5,619,845	\$5,605,637	(\$14,208)
Tax Expense--Other	\$2,341,991	\$2,554,821	\$212,830
Interest on Long-Term Debt	\$2,592,082	\$2,756,315	\$164,233
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$39,803,028</b>	<b>\$45,543,764</b>	<b>\$5,740,736</b>
<b>Net Operating Margins (Loss)</b>	<b>\$1,161,518</b>	<b>\$465,768</b>	<b>(\$695,750)</b>
<b>Non-Operating Margins (Loss)</b>	<b>\$2,209,159</b>	<b>\$1,575,886</b>	<b>(\$633,273)</b>
<b>Net Margins (Loss)</b>	<b>\$3,370,677</b>	<b>\$2,041,654</b>	<b>(\$1,329,023)</b>

\*\*2022 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.\*\*

**Water Utility  
Budget Comparison  
2022 to 2023**

	<b>2022</b>	<b>2023</b>	<b>Change</b>
	<b>Approved</b>	<b>Proposed</b>	
<b>Operating Revenues</b>	\$2,757,235	\$4,915,051	\$2,157,816
<b>Operating Expenses</b>			
Power Production Cost	\$0	\$2,027	\$2,027
Cost of Purchased Power	\$135,041	\$151,012	\$15,971
Transmission Expense	\$0	\$0	\$0
Distribution Expense--Operation	\$1,024,330	\$1,412,908	\$388,578
Distribution Expense--Maintenance	\$605,218	\$608,771	\$3,553
Customer Accounts Expense	\$207,322	\$280,113	\$72,791
Customer Service and Informational Expense	\$0	\$0	\$0
Administrative and General Expense	\$1,097,305	\$1,352,069	\$254,764
Depreciation & Amortization Expense	\$428,634	\$388,013	(\$40,621)
Tax Expense--Other	\$133,811	\$181,796	\$47,985
Interest on Long-Term Debt	\$235,079	\$182,692	(\$52,387)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$3,866,740</b>	<b>\$4,559,401</b>	<b>\$692,661</b>
<b>Net Operating Margins (Loss)</b>	(\$1,109,505)	\$355,650	\$1,465,155
<b>Non-Operating Margins (Loss)</b>	\$247,535	\$719,525	\$471,990
<b>Net Margins (Loss)</b>	<b>(\$861,970)</b>	<b>\$1,075,175</b>	<b>\$1,937,145</b>
<b>Cash Flow Budget</b>			
Construction Projects	\$633,105	\$3,477,419	\$2,844,314
General Plant Purchases	\$55,000	\$110,000	\$55,000
Principal on Long Term Debt	\$633,513	\$662,361	\$28,848
Add Depreciation & Amortization (non-cash)	(\$428,634)	(\$388,013)	\$40,621
Principal & Interest Received on LUDs	(\$442,966)	(\$442,966)	\$0
Grants and Loan Funds	\$0	(\$2,577,016)	(\$2,577,016)
<b>Total Cash Expenditures/Cash Outflow</b>	<b>\$450,018</b>	<b>\$841,785</b>	<b>\$391,767</b>
<b>Net Cash Inflow/(Outflow)</b>	<b>(\$1,311,988)</b>	<b>\$233,390</b>	<b>\$1,545,378</b>

**Water Utility  
Actuals to Budget  
2022 to 2023**

	<b>2022</b>	<b>2023</b>	
	<b>Actuals**</b>	<b>Budget</b>	<b>Change</b>
<b>Operating Revenues</b>	\$3,229,060	\$4,915,051	\$1,685,991
<b>Operating Expenses</b>			
Power Production Cost	\$0	\$2,027	\$2,027
Cost of Purchased Power	\$139,097	\$151,012	\$11,915
Transmission Expense	\$0	\$0	\$0
Distribution Expense--Operation	\$878,491	\$1,412,908	\$534,417
Distribution Expense--Maintenance	\$558,557	\$608,771	\$50,214
Customer Accounts Expense	\$194,918	\$280,113	\$85,195
Customer Service and Informational Expense	\$0	\$0	\$0
Administrative and General Expense	\$926,300	\$1,352,069	\$425,769
Depreciation & Amortization Expense	\$629,860	\$388,013	(\$241,847)
Tax Expense--Other	\$151,150	\$181,796	\$30,646
Interest on Long-Term Debt	\$273,870	\$182,692	(\$91,178)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$3,752,243</b>	<b>\$4,559,401</b>	<b>\$807,158</b>
<b>Net Operating Margins (Loss)</b>	(\$523,183)	\$355,650	\$878,833
<b>Non-Operating Margins (Loss)</b>	\$260,554	\$719,525	\$458,971
<b>Net Margins (Loss)</b>	<b>(\$262,629)</b>	<b>\$1,075,175</b>	<b>\$1,337,804</b>

\*\*2022 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.\*\*



**Capital Budget Comparison  
2022 to 2023**

<b>Project Name</b>	<b>2022 Budget</b>	<b>2023 Budget</b>	<b>Variance</b>
<b>Electric Work Plan</b>	\$3,595,500	\$6,044,500	\$2,449,000
<b>Water Work Plan</b>	\$633,105	\$3,477,419	\$2,844,314
<b>Broadband</b>	\$2,104,050	\$15,172,062	\$13,068,012
<b>Facilities Improvements</b>	\$310,000	\$268,150	(\$41,850)
<b>Warehouse &amp; Yard Improvements</b>	\$197,500	\$197,500	\$0
<b>Information Technology</b>	\$85,000	\$30,000	(\$55,000)
<b>Electric Fleet</b>	\$242,500	\$188,468	(\$54,032)
<b>Water Fleet</b>	\$55,000	\$110,000	\$55,000
<b>Electric Tools and PPE</b>	\$50,000	\$50,000	\$0
<b>Contracted Engineering Costs</b>	\$122,500	\$55,000	(\$67,500)
	<b>\$7,395,155</b>	<b>\$25,593,099</b>	<b>\$18,197,944</b>

**Electric Utility**  
**Actuals to Budget**  
**5 Year Look Back Compared to 2023**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals**</b>	<b>Budget</b>
<b>Operating Revenues</b>	\$35,921,744	\$36,934,122	\$38,398,203	\$37,912,318	\$39,287,746	\$40,964,546	\$46,009,532
<b>Operating Expenses</b>							
Power Production Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Purchased Power	\$14,480,267	\$14,933,122	\$15,204,855	\$14,717,058	\$15,242,290	\$15,124,755	\$17,095,180
Transmission Expense	\$1,760,778	\$1,825,877	\$1,883,441	\$1,832,052	\$1,950,421	\$1,999,003	\$2,404,654
Distribution Expense--Operation	\$800,596	\$1,114,352	\$1,471,987	\$1,574,671	\$1,777,535	\$2,115,032	\$3,116,911
Distribution Expense--Maintenance	\$1,895,916	\$2,412,616	\$2,585,373	\$3,114,151	\$2,768,549	\$3,977,080	\$4,778,863
Customer Accounts Expense	\$1,296,389	\$1,320,922	\$1,465,794	\$1,228,908	\$1,305,362	\$1,684,960	\$2,075,683
Customer Service and Informational Expense	\$82,821	\$83,750	\$40,874	\$12,433	\$24,808	\$12,349	\$23,166
Administrative and General Expense	\$2,270,419	\$2,500,497	\$2,540,211	\$2,672,839	\$3,197,515	\$4,335,931	\$5,132,534
Depreciation & Amortization Expense	\$5,083,334	\$5,202,894	\$5,319,171	\$5,497,554	\$5,538,986	\$5,619,845	\$5,605,637
Tax Expense--Other	\$2,078,854	\$2,112,640	\$2,198,268	\$2,174,860	\$2,255,905	\$2,341,991	\$2,554,821
Interest on Long-Term Debt	\$2,950,225	\$2,856,256	\$2,782,558	\$2,701,573	\$2,607,298	\$2,592,082	\$2,756,315
Interest Expense--Other	\$0	\$1,352	\$0	\$0	\$0	\$0	\$0
Other Deductions	\$182,664	\$256	\$2,927	\$39	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$32,882,263</b>	<b>\$34,364,534</b>	<b>\$35,495,459</b>	<b>\$35,526,138</b>	<b>\$36,668,669</b>	<b>\$39,803,028</b>	<b>\$45,543,764</b>
<b>Net Operating Margins (Loss)</b>	\$3,039,481	\$2,569,588	\$2,902,744	\$2,386,180	\$2,619,077	\$1,161,518	\$465,768
<b>Non-Operating Margins (Loss)</b>	\$1,506,208	\$2,621,555	\$1,660,436	\$2,168,111	\$2,115,150	\$2,209,159	\$1,575,886
<b>Net Margins (Loss)</b>	<b>\$4,545,689</b>	<b>\$5,191,143</b>	<b>\$4,563,180</b>	<b>\$4,554,291</b>	<b>\$4,734,227</b>	<b>\$3,370,677</b>	<b>\$2,041,654</b>

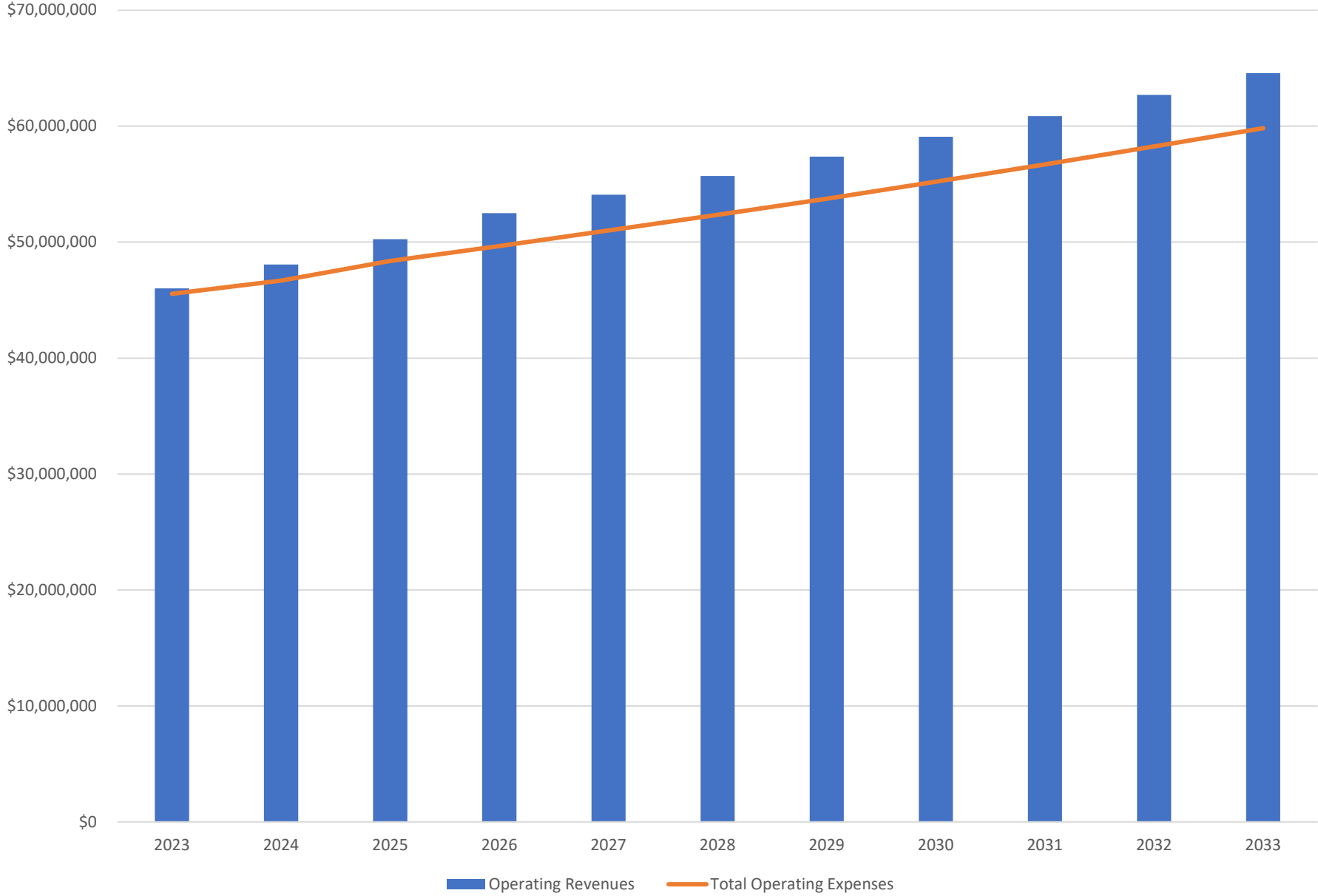
\*\*2022 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.\*\*

**Water Utility**  
**Actuals to Budget**  
**5 Year Look Back Compared to 2023**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals**</b>	<b>Budget</b>
<b>Operating Revenues</b>	\$2,253,721	\$2,472,823	\$2,713,505	\$2,608,999	\$3,020,841	\$3,229,060	\$4,915,051
<b>Operating Expenses</b>							
Power Production Cost	\$101	\$757	\$209	\$268	\$1,877	\$0	\$2,027
Cost of Purchased Power	\$118,175	\$126,840	\$3,885	\$82,473	\$135,288	\$139,097	\$151,012
Transmission Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Expense--Operation	\$473,524	\$583,854	\$654,726	\$681,484	\$668,170	\$878,491	\$1,412,908
Distribution Expense--Maintenance	\$269,219	\$351,711	\$364,276	\$376,709	\$394,764	\$558,557	\$608,771
Customer Accounts Expense	\$151,067	\$146,842	\$134,888	\$226,078	\$255,519	\$194,918	\$280,113
Customer Service and Informational Expense	\$60	\$2,684	\$330	\$110	\$0	\$0	\$0
Administrative and General Expense	\$432,278	\$511,852	\$699,871	\$893,190	\$1,031,638	\$926,300	\$1,352,069
Depreciation & Amortization Expense	\$714,066	\$710,798	\$701,661	\$696,061	\$774,737	\$629,860	\$388,013
Tax Expense--Other	\$109,548	\$119,954	\$125,901	\$127,246	\$154,504	\$151,150	\$181,796
Interest on Long-Term Debt	\$234,929	\$289,115	\$261,833	\$236,595	\$225,120	\$273,870	\$182,692
Interest Expense--Other	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$247	\$0	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$2,502,967</b>	<b>\$2,846,907</b>	<b>\$2,947,827</b>	<b>\$3,320,214</b>	<b>\$3,641,617</b>	<b>\$3,752,243</b>	<b>\$4,559,401</b>
<b>Net Operating Margins (Loss)</b>	<b>(\$249,246)</b>	<b>(\$374,084)</b>	<b>(\$234,322)</b>	<b>(\$711,215)</b>	<b>(\$620,776)</b>	<b>(\$523,183)</b>	<b>\$355,650</b>
<b>Non-Operating Margins (Loss)</b>	<b>\$284,911</b>	<b>\$372,474</b>	<b>\$915,474</b>	<b>\$418,689</b>	<b>\$637,966</b>	<b>\$260,554</b>	<b>\$719,525</b>
<b>Net Margins (Loss)</b>	<b>\$35,665</b>	<b>(\$1,610)</b>	<b>\$681,152</b>	<b>(\$292,526)</b>	<b>\$17,190</b>	<b>(\$262,629)</b>	<b>\$1,075,175</b>

\*\*2022 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.\*\*

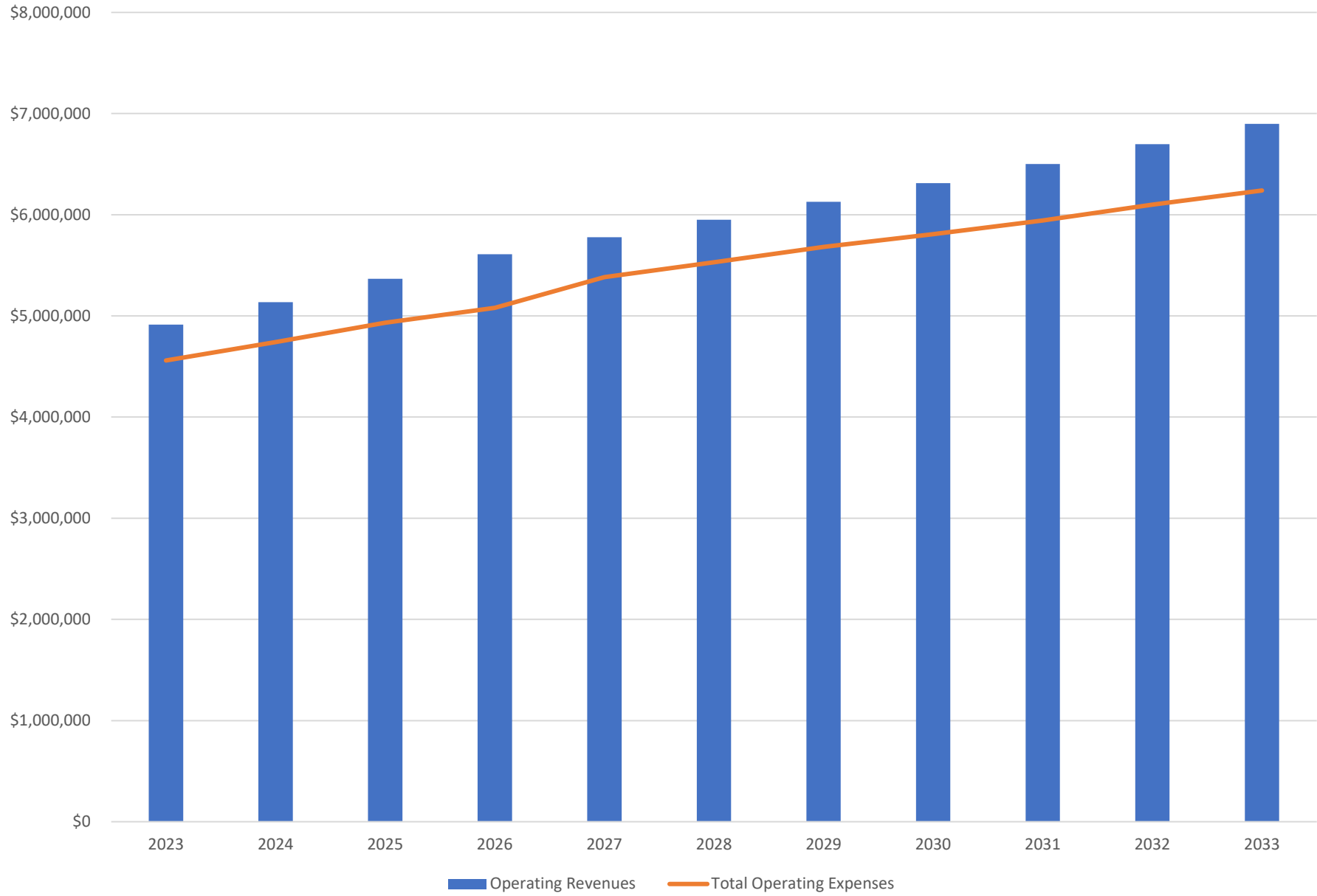
### Electric Utility Budget Forecast



**Electric Utility**  
**10-Year Forecast**  
**2023 - 2033**

	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>
	<b>Proposed</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Operating Revenues</b>	\$46,009,532	\$48,079,961	\$50,243,559	\$52,504,519	\$54,079,655	\$55,702,045	\$57,373,106	\$59,094,299	\$60,867,128	\$62,693,142	\$64,573,936
<b>Operating Expenses</b>											
Power Production Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Purchased Power	\$17,095,180	\$17,778,987	\$18,490,147	\$19,044,851	\$19,616,197	\$20,204,683	\$20,810,823	\$21,435,148	\$22,078,202	\$22,740,548	\$23,422,765
Transmission Expense	\$2,404,654	\$2,500,840	\$2,600,874	\$2,678,900	\$2,759,267	\$2,842,045	\$2,927,306	\$3,015,126	\$3,105,579	\$3,198,747	\$3,294,709
Distribution Expense--Operation	\$3,116,911	\$3,241,587	\$3,371,251	\$3,472,388	\$3,576,560	\$3,683,857	\$3,794,373	\$3,908,204	\$4,025,450	\$4,146,213	\$4,270,600
Distribution Expense--Maintenance	\$4,778,863	\$4,970,018	\$5,168,818	\$5,323,883	\$5,483,599	\$5,648,107	\$5,817,550	\$5,992,077	\$6,171,839	\$6,356,994	\$6,547,704
Customer Accounts Expense	\$2,075,683	\$2,158,710	\$2,245,059	\$2,312,410	\$2,381,783	\$2,453,236	\$2,526,833	\$2,602,638	\$2,680,718	\$2,761,139	\$2,843,973
Customer Service and Informational Expense	\$23,166	\$24,093	\$25,056	\$25,808	\$26,582	\$27,380	\$28,201	\$29,047	\$29,919	\$30,816	\$31,741
Administrative and General Expense	\$5,132,534	\$5,337,835	\$5,551,349	\$5,717,889	\$5,889,426	\$6,066,109	\$6,248,092	\$6,435,535	\$6,628,601	\$6,827,459	\$7,032,283
Depreciation & Amortization Expense	\$5,605,637	\$5,829,862	\$6,063,057	\$6,244,949	\$6,432,297	\$6,625,266	\$6,824,024	\$7,028,745	\$7,239,607	\$7,456,795	\$7,680,499
Tax Expense--Other	\$2,554,821	\$2,657,014	\$2,763,294	\$2,846,193	\$2,931,579	\$3,019,526	\$3,110,112	\$3,203,416	\$3,299,518	\$3,398,504	\$3,500,459
Interest on Long-Term Debt	\$2,756,315	\$2,182,977	\$2,095,249	\$1,993,151	\$1,903,516	\$1,775,891	\$1,661,668	\$1,557,395	\$1,440,911	\$1,332,228	\$1,198,403
Interest Expense--Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$45,543,764</b>	<b>\$46,681,924</b>	<b>\$48,374,154</b>	<b>\$49,660,422</b>	<b>\$51,000,806</b>	<b>\$52,346,100</b>	<b>\$53,748,983</b>	<b>\$55,207,330</b>	<b>\$56,700,344</b>	<b>\$58,249,443</b>	<b>\$59,823,135</b>
<b>Net Operating Margins (Loss)</b>	\$465,768	\$1,398,037	\$1,869,405	\$2,844,097	\$3,078,849	\$3,355,945	\$3,624,122	\$3,886,969	\$4,166,784	\$4,443,699	\$4,750,801
<b>Non-Operating Margins (Loss)</b>	\$1,575,886	\$1,607,404	\$1,639,552	\$1,672,343	\$1,705,790	\$1,739,905	\$1,774,704	\$1,810,198	\$1,846,402	\$1,883,330	\$1,920,996
<b>Net Margins (Loss)</b>	<b>\$2,041,654</b>	<b>\$3,005,441</b>	<b>\$3,508,957</b>	<b>\$4,516,440</b>	<b>\$4,784,639</b>	<b>\$5,095,850</b>	<b>\$5,398,826</b>	<b>\$5,697,167</b>	<b>\$6,013,186</b>	<b>\$6,327,028</b>	<b>\$6,671,797</b>
<b>Cash Flow Budget</b>											
Construction Projects	\$6,044,500	\$5,147,769	\$5,353,679	\$5,514,290	\$5,679,718	\$5,850,110	\$6,025,613	\$6,206,382	\$6,392,573	\$6,584,350	\$6,781,881
General Plant Purchases	\$789,118	\$682,094	\$709,378	\$730,659	\$752,579	\$775,156	\$798,411	\$822,363	\$847,034	\$872,445	\$898,618
Principal on Long Term Debt	\$4,121,058	\$3,789,737	\$3,877,464	\$3,979,563	\$4,069,198	\$4,196,823	\$4,311,045	\$4,415,318	\$4,531,803	\$4,640,486	\$4,774,311
Add Depreciation & Amortization (non-cash)	(\$5,605,637)	(\$5,829,862)	(\$6,063,057)	(\$6,244,949)	(\$6,432,297)	(\$6,625,266)	(\$6,824,024)	(\$7,028,745)	(\$7,239,607)	(\$7,456,795)	(\$7,680,499)
Principal & Interest Received on LUDs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants and Loan Funds	(\$5,530,555)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Expenditures/Cash Outflow</b>	<b>(\$181,516)</b>	<b>\$3,789,737</b>	<b>\$3,877,464</b>	<b>\$3,979,563</b>	<b>\$4,069,198</b>	<b>\$4,196,823</b>	<b>\$4,311,045</b>	<b>\$4,415,318</b>	<b>\$4,531,803</b>	<b>\$4,640,486</b>	<b>\$4,774,311</b>
<b>Net Cash Inflow/(Outflow)</b>	<b>\$2,223,170</b>	<b>(\$784,296)</b>	<b>(\$368,507)</b>	<b>\$536,877</b>	<b>\$715,441</b>	<b>\$899,028</b>	<b>\$1,087,781</b>	<b>\$1,281,849</b>	<b>\$1,481,383</b>	<b>\$1,686,542</b>	<b>\$1,897,487</b>
Net TIER (Minimum of 1.25)	1.74	2.38	2.67	3.27	3.51	3.87	4.25	4.66	5.17	5.75	6.57
Net DSC (Minimum of 1.25)	1.51	1.84	1.95	2.14	2.20	2.26	2.32	2.39	2.46	2.53	2.60

### Water Utility Budget Forecast



**Water Utility**  
**10-Year Forecast**  
**2023 - 2033**

	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>
	<b>Proposed</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Operating Revenues</b>	\$4,915,051	\$5,136,228	\$5,367,359	\$5,608,890	\$5,777,156	\$5,950,471	\$6,128,985	\$6,312,855	\$6,502,240	\$6,697,308	\$6,898,227
<b>Operating Expenses</b>											
Power Production Cost	\$2,027	\$2,108	\$2,192	\$2,258	\$2,326	\$2,396	\$2,468	\$2,542	\$2,618	\$2,696	\$2,777
Cost of Purchased Power	\$151,012	\$157,052	\$163,335	\$168,235	\$173,282	\$178,480	\$183,835	\$189,350	\$195,030	\$200,881	\$206,907
Transmission Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Expense--Operation	\$1,412,908	\$1,469,424	\$1,528,201	\$1,574,047	\$1,621,269	\$1,669,907	\$1,720,004	\$1,771,604	\$1,824,752	\$1,879,495	\$1,935,880
Distribution Expense--Maintenance	\$608,771	\$633,122	\$658,447	\$678,200	\$698,546	\$719,503	\$741,088	\$763,320	\$786,220	\$809,806	\$834,101
Customer Accounts Expense	\$280,113	\$291,318	\$302,970	\$312,059	\$321,421	\$331,064	\$340,996	\$351,226	\$361,762	\$372,615	\$383,794
Customer Service and Informational Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative and General Expense	\$1,352,069	\$1,406,152	\$1,462,398	\$1,506,270	\$1,551,458	\$1,598,002	\$1,645,942	\$1,695,320	\$1,746,179	\$1,798,565	\$1,852,522
Depreciation & Amortization Expense	\$388,013	\$403,534	\$419,675	\$432,265	\$445,233	\$458,590	\$472,348	\$486,518	\$501,114	\$516,147	\$531,632
Tax Expense--Other	\$181,796	\$189,068	\$196,631	\$202,529	\$208,605	\$214,864	\$221,309	\$227,949	\$234,787	\$241,831	\$249,086
Interest on Long-Term Debt	\$182,692	\$190,000	\$197,600	\$203,528	\$360,651	\$358,587	\$353,402	\$320,423	\$290,503	\$276,668	\$242,898
Interest Expense--Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$4,559,401</b>	<b>\$4,741,777</b>	<b>\$4,931,448</b>	<b>\$5,079,392</b>	<b>\$5,382,791</b>	<b>\$5,531,391</b>	<b>\$5,681,390</b>	<b>\$5,808,251</b>	<b>\$5,942,966</b>	<b>\$6,098,705</b>	<b>\$6,239,596</b>
<b>Net Operating Margins (Loss)</b>	<b>\$355,650</b>	<b>\$394,451</b>	<b>\$435,910</b>	<b>\$529,498</b>	<b>\$394,365</b>	<b>\$419,080</b>	<b>\$447,595</b>	<b>\$504,604</b>	<b>\$559,275</b>	<b>\$598,603</b>	<b>\$658,631</b>
<b>Non-Operating Margins (Loss)</b>	<b>\$719,525</b>	<b>\$733,916</b>	<b>\$748,594</b>	<b>\$763,566</b>	<b>\$778,837</b>	<b>\$794,414</b>	<b>\$810,302</b>	<b>\$826,508</b>	<b>\$843,038</b>	<b>\$859,899</b>	<b>\$877,097</b>
<b>Net Margins (Loss)</b>	<b>\$1,075,175</b>	<b>\$1,128,367</b>	<b>\$1,184,504</b>	<b>\$1,293,064</b>	<b>\$1,173,202</b>	<b>\$1,213,494</b>	<b>\$1,257,897</b>	<b>\$1,331,112</b>	<b>\$1,402,313</b>	<b>\$1,458,502</b>	<b>\$1,535,728</b>
<b>Cash Flow Budget</b>											
Construction Projects	\$3,477,419	\$343,811	\$357,563	\$368,290	\$379,339	\$390,719	\$402,440	\$414,513	\$426,949	\$439,757	\$452,950
General Plant Purchases	\$110,000	\$59,723	\$62,112	\$63,975	\$65,894	\$67,871	\$69,907	\$72,005	\$74,165	\$76,390	\$78,681
Principal on Long Term Debt	\$662,361	\$689,112	\$765,027	\$692,324	\$743,580	\$614,689	\$2,181,862	\$783,096	\$718,102	\$959,162	\$616,346
Add Depreciation & Amortization (non-cash)	(\$388,013)	(\$403,534)	(\$419,675)	(\$432,265)	(\$445,233)	(\$458,590)	(\$472,348)	(\$486,518)	(\$501,114)	(\$516,147)	(\$531,632)
Principal & Interest Received on LUDs	(\$442,966)	(\$442,966)	(\$221,483)	(\$221,483)	(\$221,483)	(\$221,483)	(\$110,742)	(\$110,742)	(\$110,742)	(\$110,742)	(\$55,371)
Grants and Loan Funds	(\$2,577,016)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Expenditures/Cash Outflow</b>	<b>\$841,785</b>	<b>\$246,146</b>	<b>\$543,544</b>	<b>\$470,841</b>	<b>\$522,097</b>	<b>\$393,206</b>	<b>\$2,071,121</b>	<b>\$672,354</b>	<b>\$607,360</b>	<b>\$848,420</b>	<b>\$560,976</b>
<b>Net Cash Inflow/(Outflow)</b>	<b>\$233,390</b>	<b>\$882,221</b>	<b>\$640,960</b>	<b>\$822,223</b>	<b>\$651,106</b>	<b>\$820,288</b>	<b>(\$813,224)</b>	<b>\$658,758</b>	<b>\$794,953</b>	<b>\$610,082</b>	<b>\$974,753</b>

**Jefferson County PUD**  
**Long Range Capital Projects**  
**5 - 10 Year Timeframe**

Will be Reviewed every 2 Years--Next Review 2024

<u>Project/Capital Purchase</u>	<u>Amount</u>
Substation Transformer	\$750,000
Substation Transformer	\$750,000
Quilcene Substation Upgrade	\$5,000,000
Chimacum Substation Circuit	\$5,000,000
Port Ludlow Substation Upgrades	\$5,000,000
Resilency & Reliability Improvements	\$5,000,000
Water Distribution Pipe Replacements	\$750,000
Glen Cove Water Storage Tank	\$6,500,000
Sparling Well Treatment Plant	\$2,500,000
<b>Total</b>	<b><u>\$31,250,000</u></b>