

**Special Meeting Agenda**  
**PUD Board of Commissioners**  
Tues, Sept 13, 2022 10:00 AM  
310 Four Corners Rd & Zoom  
Port Townsend, WA 98368



To join online go to: <https://zoom.us/my/jeffcopud>. Follow the instructions to login. Meetings will open 10 minutes before they begin. TOLL FREE CALL IN #: 833-548-0282, Meeting ID# 4359992575#. Use \*6 to mute or unmute. \*9 to raise a hand to request to begin speaking.

**1. Call to Order**

With the adoption by the Washington State Legislature of ESHB 1329, providing for both virtual and in-person meetings to be held, JPUD will be offering both virtual on-line meetings as well as in-person meetings, unless advance notice is provided. In person attendance will be limited to provide sufficient space and masking is encouraged. Online participant audio will be muted upon entry. Please unmute at the appropriate time to speak. If you are calling in, use \*6 to mute and unmute and \*9 to raise a hand to request to speak.

**2. Agenda Review**

**3. Broadband Funding Update and Discussion**

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[Broadband Grant and Loan Considerations.pdf](#) 

**4. District Auditor Contract**

Recommended Action: Approve a motion to allow the General Manager to sign the agreement with Jackson Thornton.

**5. 2023 Budget Review**

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[2023 Budget Cash Basis Summary for 9.13.2022 Meeting--Updated 9.9.2022.pdf](#) 

**6. Adjourn**



Jefferson County  
Public Utility District

# Broadband Grant and Loan Considerations

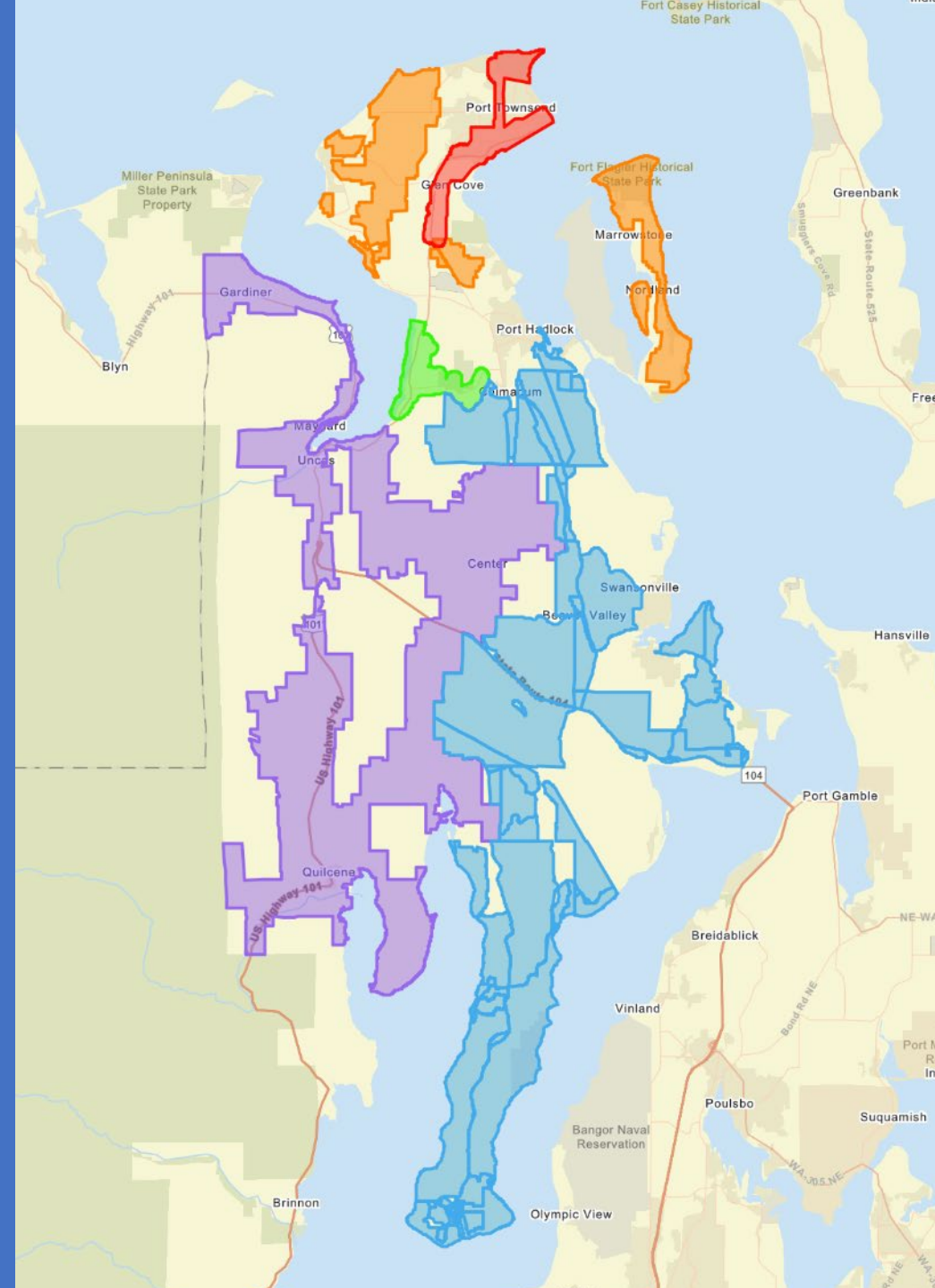
Will O'Donnell

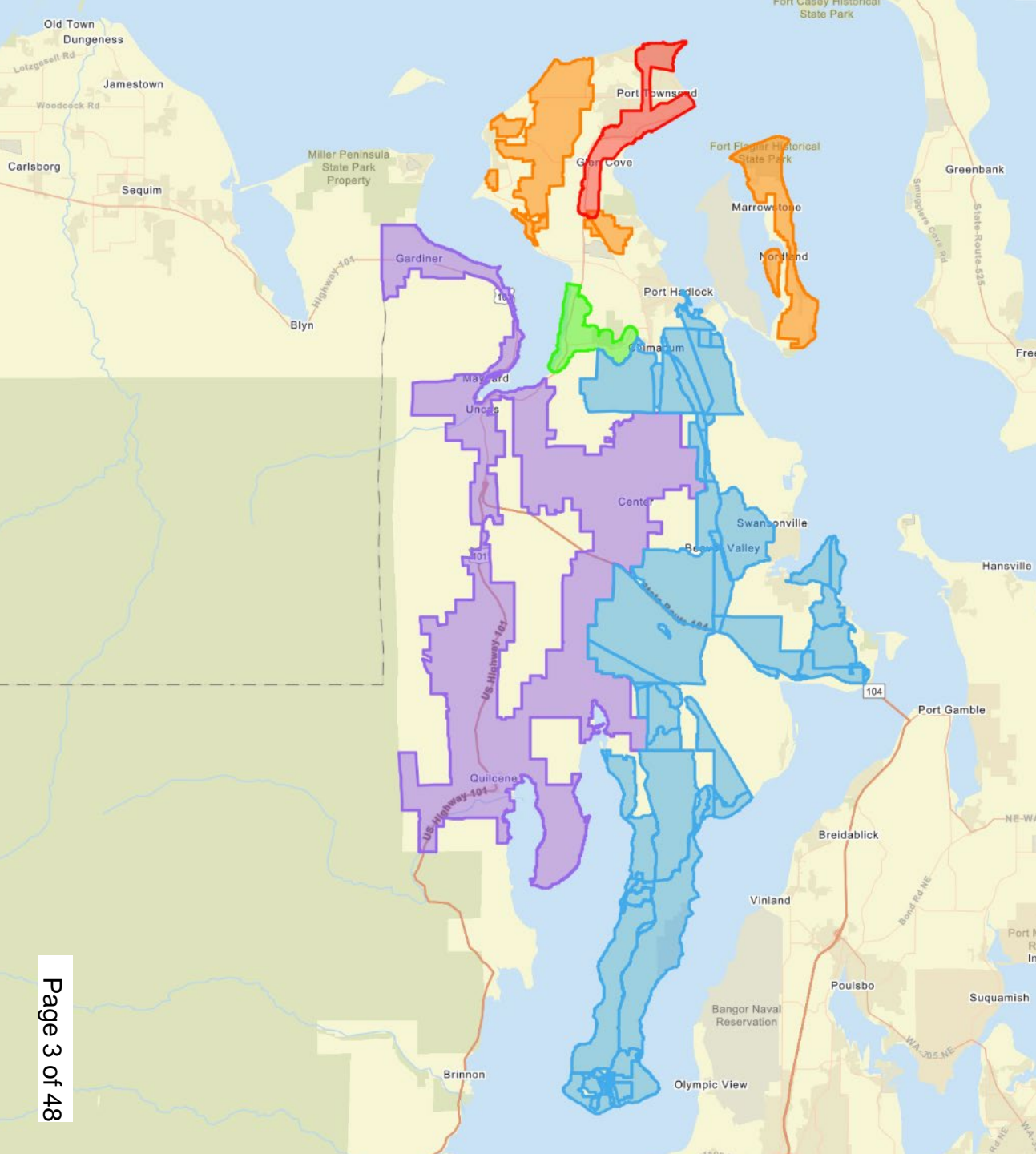
Broadband and Communications Director

Doug Dawson

President, CCG Consulting

Sept 13, 2022





# Current Projects

## Olympic Fiber Corridor

Quilcene to Gardiner

## East Discovery Bay

Anderson Lake Rd and  
Hwy 20

## Jefferson North

Cape George, Woodland  
Hills, Marrowstone

## SE Jefferson County

Chimacum to Ludlow to  
Coyle

## PT Business Fiber

Fort Worden to Hwy 20/19 Intersection

# SE Jefferson County Fiber Project

- Last large unfunded, unserved area
- 1755 passings
- 1200 customers at 60% take rate
- 180+ miles of fiber
- ~\$20M to complete project
- Staff goal to begin construction in 2024, complete project in 2025

# Funding Options for SE Jefferson County

- Federal ReConnect Program is open now, closes Nov 2.
- \$1.15B in funding available- multiple categories
  - \$300M grant only tribal areas, persistent poverty, socially vulnerable (\$35M max)
  - \$300M 50/50 grant loan (\$50M max request)
  - \$200M grants for sub 25/3 100% funding no match (\$25M max request)
  - \$150M grant 75%/25% match (\$35M max request)
  - \$150M loan (\$50M max request)
- WSBO Round 2 opens later this year \$100M+ pot, ~\$20M max request
- PWB Grant and Loans in 2023, smaller pots/requests
- BEAD Grants expected to be released end of 2023
  - Per WSBO Director Vasconi. Up to \$200M

# Staff Proposal for SE Jefferson County

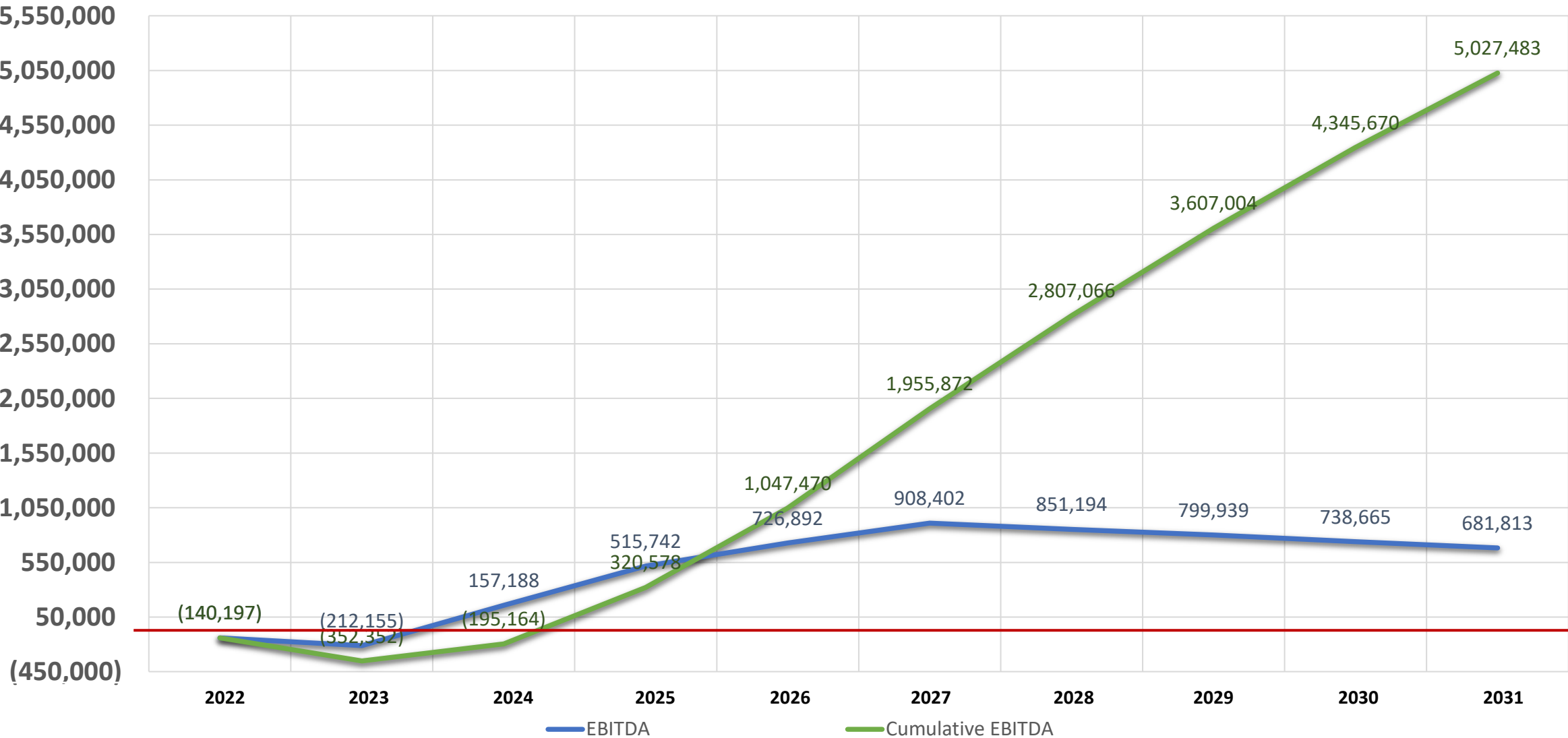
- \$19.6M total project
- \$4.9M request to WSBO Fed Matching Funds
- \$7.4M grant, \$7.4M loan to ReConnect
- Stronger chance of winning than other ReConnect pots
- Available now, completes project
- Keeps us ahead of growing competition
- Adds recurring revenue sooner, improving long term cash position
- Low interest loan covered by recurring revenue

Project Areas	E DISCO BAY	Olympic Fiber Corridor	Jefferson North	PT Business Fiber (Loan	SE Jefferson County	Total
FUNDER	PWB <i>awarded awaiting contract</i>	NTIA/WSBO <i>awarded awaiting contract</i>	WSBO <i>awarded contract signed</i>	PWB <i>awarded contract signed</i>	USDA RUS <i>Due Nov 2nd</i>	
Residential Passings	74	1,646	1,071	0	1,755	4,546
Business Passings	0	37	6	375	0	413
Take Rate	70%	60%	60%	60%	60%	
Customers	52	1,010	646	225	1,229	3,162
Miles of Fiber	8.3	240	100	47	181	472.3
State/Fed Grant	\$1,096,046	\$10,406,153	\$9,718,934	0	\$7,374,356	\$28,595,489
NonPUD Match	0	\$1,156,239	\$750,000	0	\$4,916,712	\$6,822,951
Loan				\$1,839,295	\$7,374,356	\$9,213,651
PUD Cash	0	\$147,840	\$965,106	\$204,366	0	\$1,317,312
Total Funding	\$1,096,046	\$11,710,232	\$11,434,040	\$2,043,661	\$19,664,950	\$45,948,929



# Yearly vs Cumulative EBITDA (grants/loans)

## Earnings Before Interest, Taxes, Depreciation, Amortization





# Alternative Options

- Go for \$200M ReConnect 100% grant
- Break up project into smaller chunks, apply for multiple separate grants over time
- Wait for state administered BEAD funds
- Suggestions?

# Additional Projects in Consideration

- Quil- Gardiner RDOF area matching grant
- N Jefferson Additional Customers small grant
- Hadlock and Port Ludlow Business Districts PWB loan

# Jefferson County PUD No. 1

## 2023 Preliminary 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)**

	<b>2023</b>
<b>Revenues</b>	<b>Budget</b>
Sales	46,009,532
Other	31,442
Interest	4,902
Customer Contributions	1,539,542
Grant/Loan Proceeds	0
	<u>47,585,418</u>

<b>Expenses</b>	
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	5,972,713
Capital	4,241,000
	<u>47,395,525</u>

**Net Change in Op. Reserves**      \$ 189,893

**Broadband Summary (cash basis)**

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

<b>Expenses</b>	
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)**

	<b>2023</b>
<b>Revenues</b>	<b>Budget</b>
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>

<b>Expenses</b>	
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)**

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

<b>Expenses</b>	
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	2,285,158	182,692	0	10
Interest Expense--Other	0	0	0	
Other Deductions	0	0	0	
<b>Total Operating Expenses</b>	<b>\$45,072,607</b>	<b>\$4,559,401</b>	<b>\$1,978,557</b>	11,12,13,14
<b>Net Operating Margins (Loss)</b>	\$936,925	\$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>\$2,512,811</b>	<b>\$1,075,175</b>	<b>(\$345,487)</b>	
<b>Cash Flow Budget</b>				
Construction Projects	\$3,744,500	\$3,477,419	\$0	16,17
General Plant Purchases	496,500	110,000	15,172,062	18,19
Principal on Long Term Debt	3,687,555	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	0	(2,577,016)	(15,879,366)	
<b>Total Cash Expenditures/Cash Outflow</b>	<b>\$2,322,918</b>	<b>\$841,785</b>	<b>(\$319,910)</b>	23
<b>Net Cash Inflow/(Outflow)</b>	<b>\$189,893</b>	<b>\$233,390</b>	<b>(\$25,577)</b>	
Net TIER (Minimum of 1.25)	2.10			
Net DSC (Minimum of 1.25)	1.74			

**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	\$2,285,158	(\$435,662)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$42,818,067</b>	<b>\$45,072,607</b>	<b>\$2,254,540</b>
<b>Net Operating Margins (Loss)</b>	<b>(\$2,723,468)</b>	<b>\$936,925</b>	<b>\$3,660,393</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>\$2,512,811</b>	<b>\$3,147,392</b>
<b>Cash Flow Budget</b>			
Construction Projects	\$3,595,500	\$3,744,500	\$149,000
General Plant Purchases	\$3,111,550	\$496,500	(\$2,615,050)
Principal on Long Term Debt	\$3,474,557	\$3,687,555	\$212,998
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	\$0	(\$2,577,016)
<b>Total Cash Expenditures/Cash Outflow</b>	<b>\$4,633,408</b>	<b>\$2,322,918</b>	<b>(\$2,310,490)</b>
<b>Net Cash Inflow/(Outflow)</b>	<b>(\$5,267,989)</b>	<b>\$189,893</b>	<b>\$5,457,882</b>
Net TIER (Minimum of 1.25)	0.77	2.10	1.33
Net DSC (Minimum of 1.25)	1.23	1.74	0.51

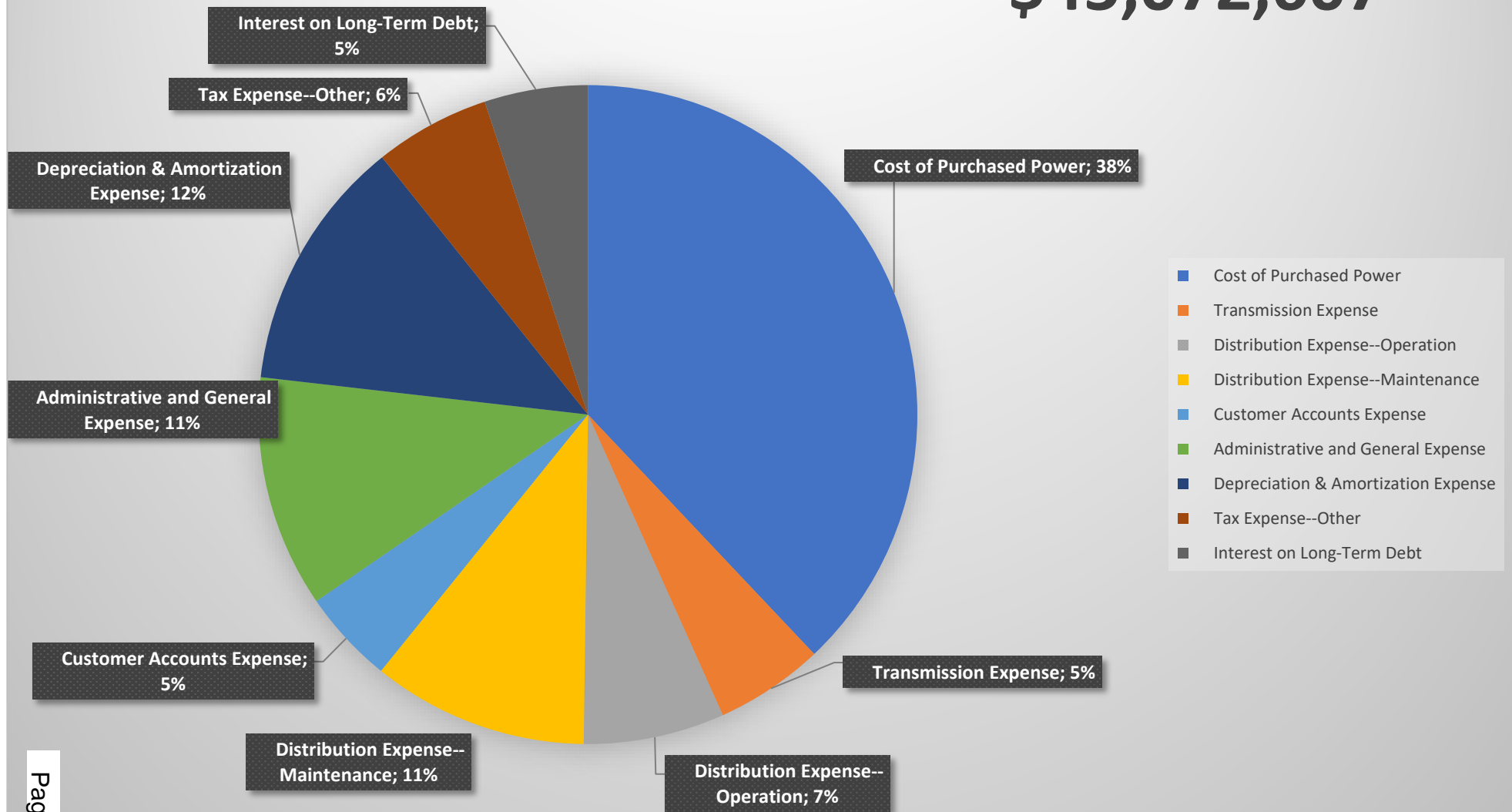


**Water Utility  
Expense Changes  
2022 Budget to 2023 Budget**

	<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>	<b>(\$1,109,505)</b>	<b>\$355,650</b>	<b>\$1,465,155</b>
<b>Non-Operating Margins (Loss)</b>	<b>\$247,535</b>	<b>\$719,525</b>	<b>\$471,990</b>
<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>

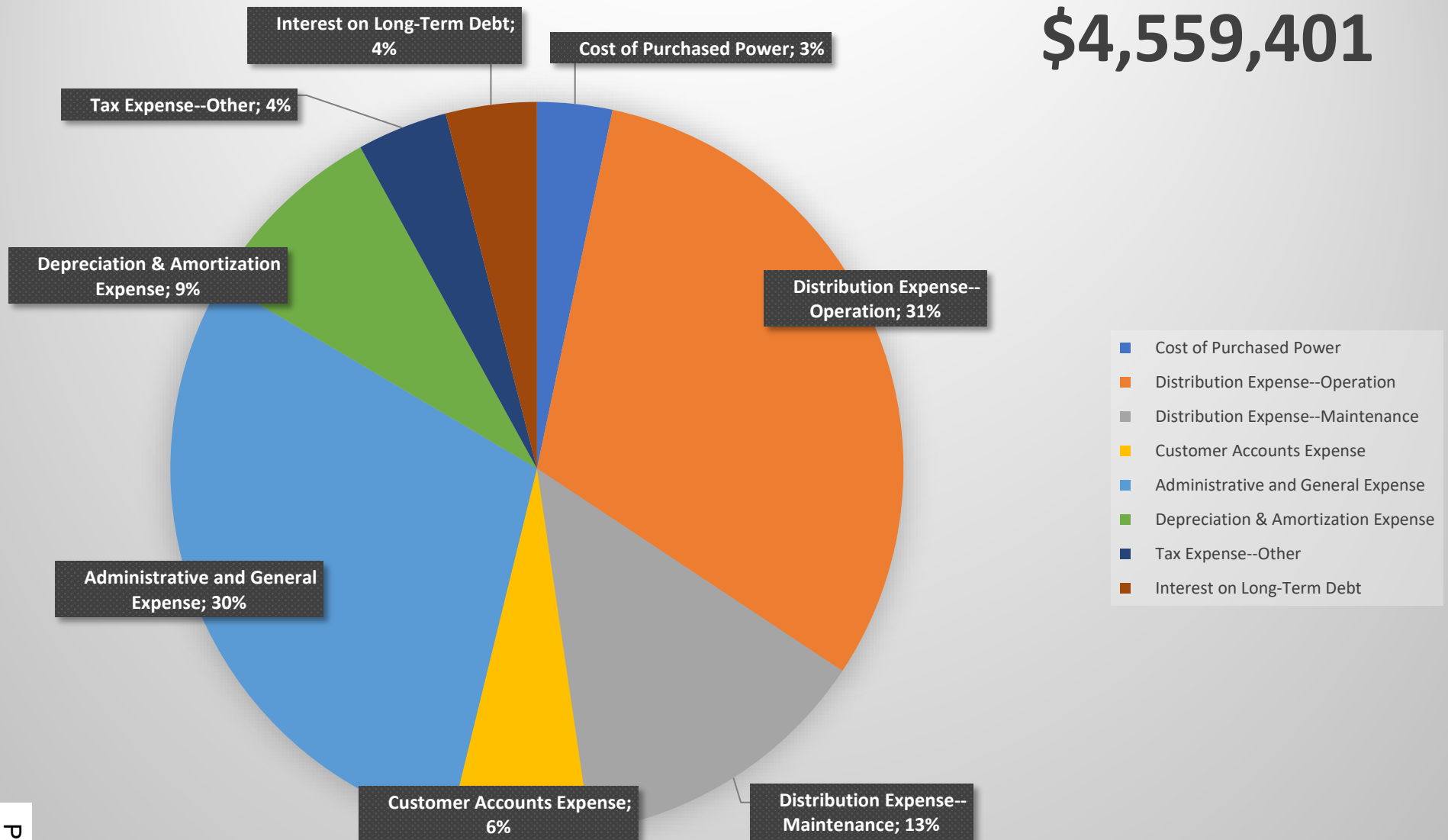
# Electric Expenses

## \$45,072,607



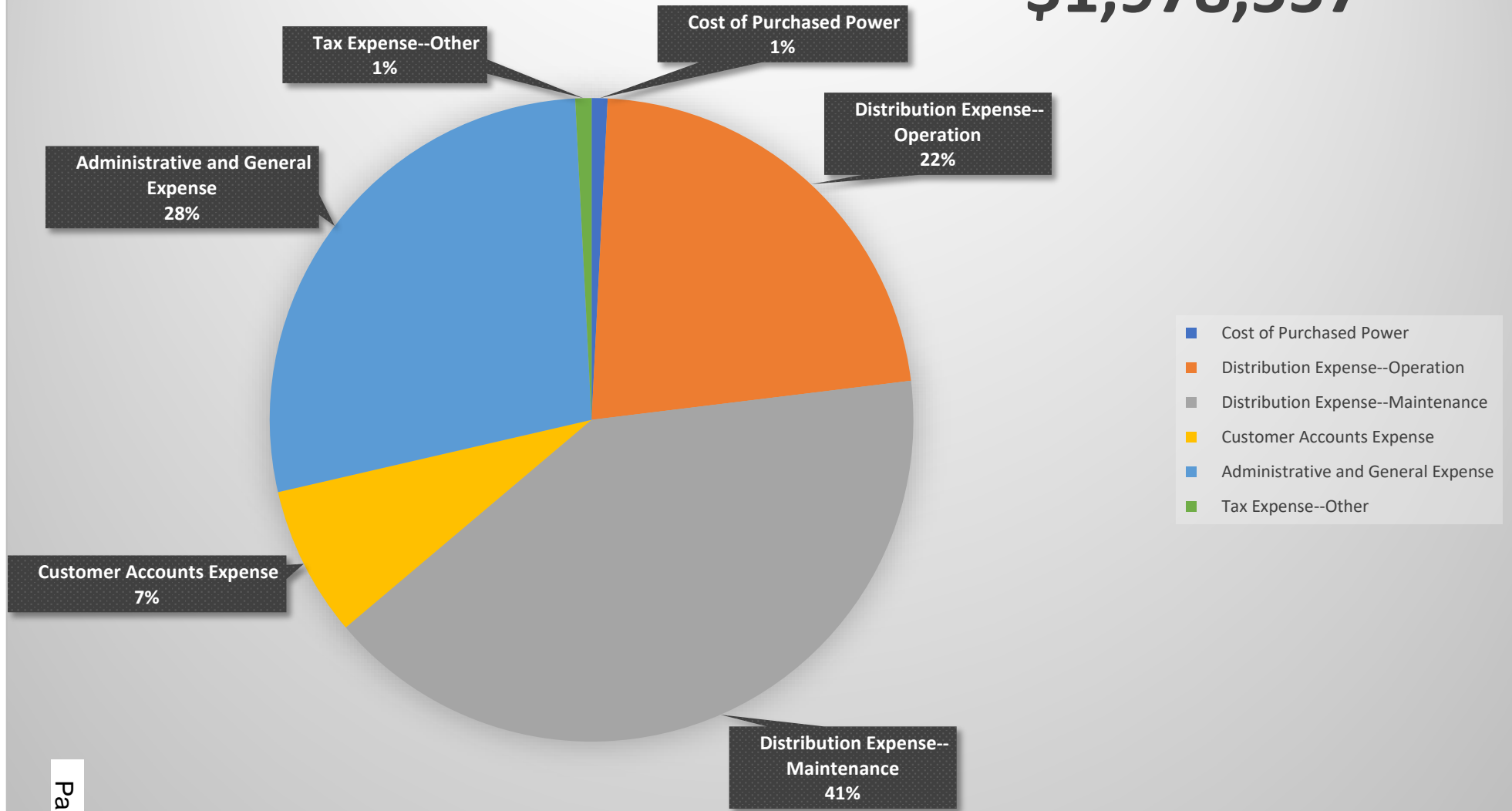
# Water Expenses

## \$4,559,401



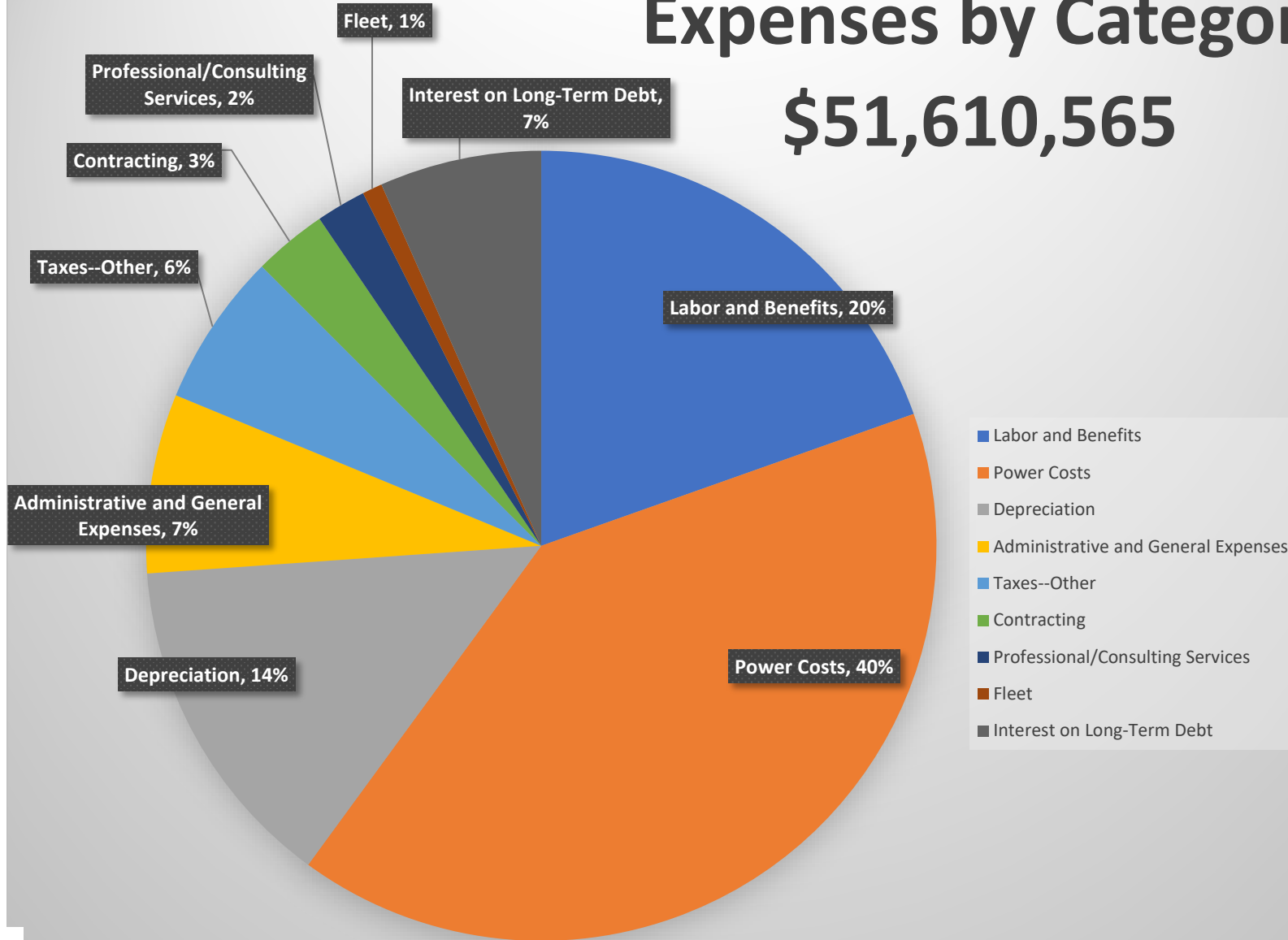
# Broadband Expenses

## \$1,978,557



# Expenses by Category

## \$51,610,565



## 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	\$2,467,850	5%
<b>Total</b>	<b>\$51,610,565</b>	<b>100%</b>

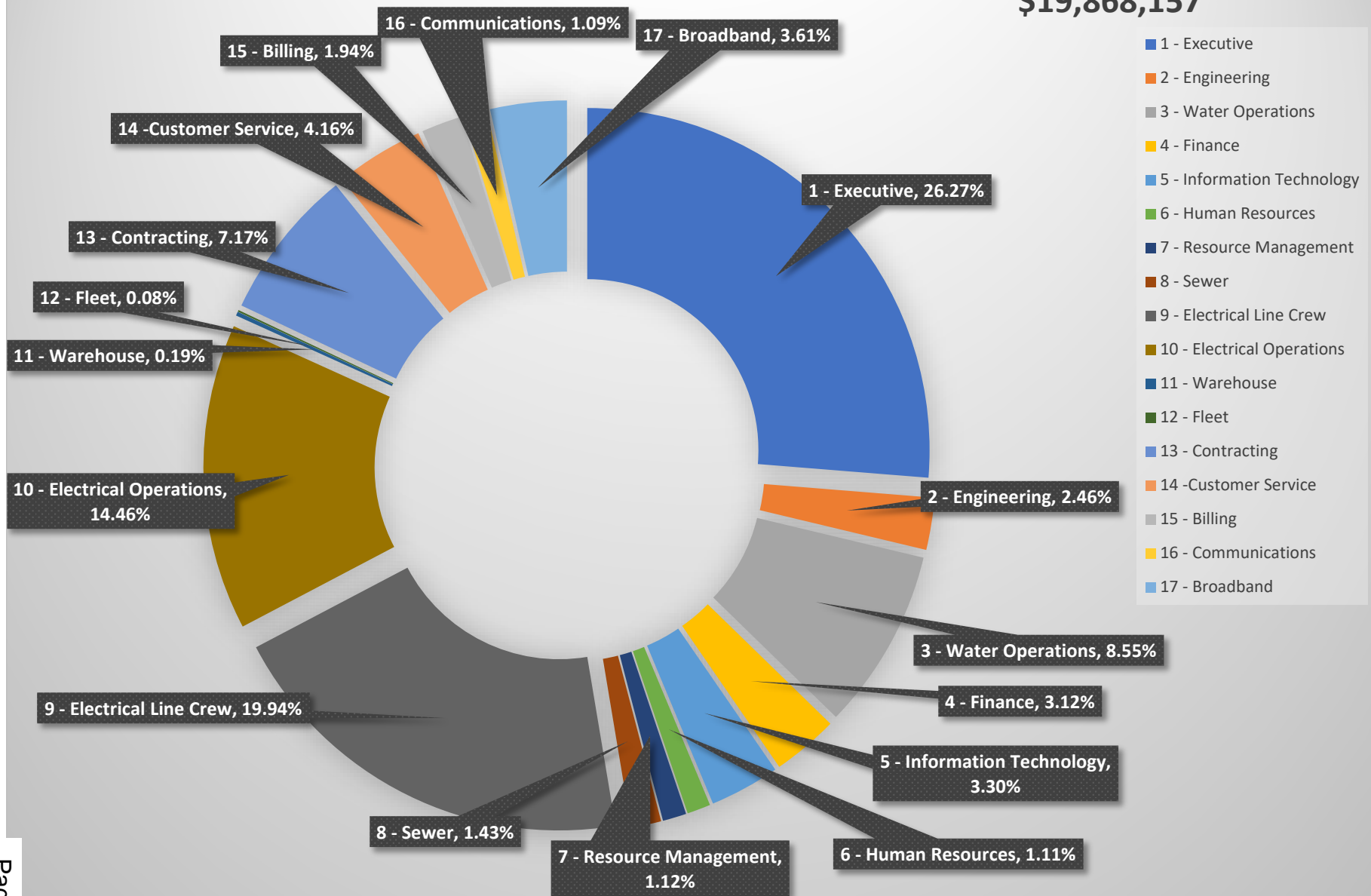
# Expense Allocation By Department

Department	Labor and Benefits	Administrative and		Professional and		Total	Percentage
		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%
Totals	\$12,787,059	\$3,552,367	\$1,904,458	\$901,447	\$722,826	\$19,868,157	



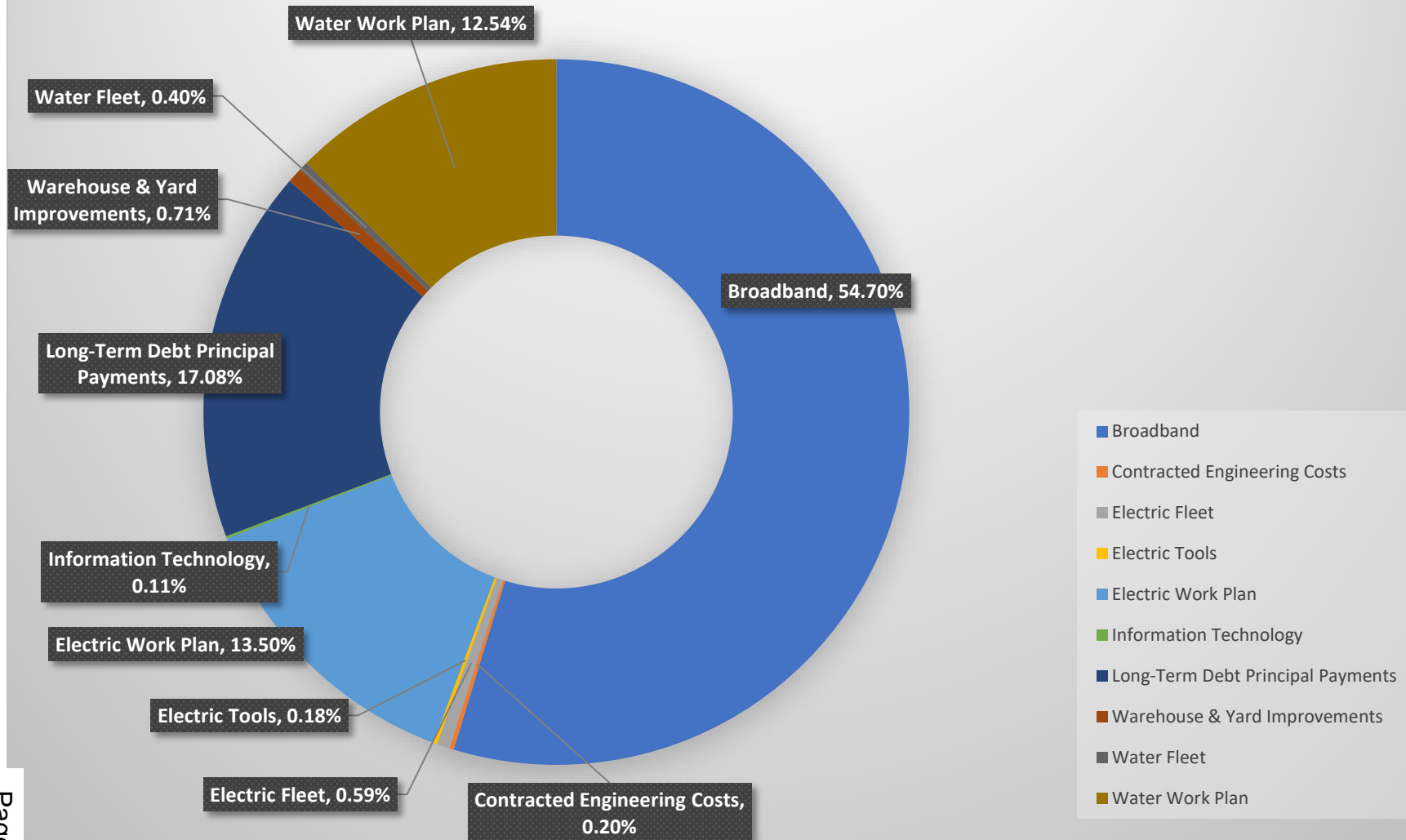
## Expense Allocation By Department

**\$19,868,157**



# Capital and Debt Principal Costs

## \$27,737,791



## Capital and Debt Principal Costs By Category

Cost Group	Amount	Percentage
Broadband	\$15,172,062	54.70%
Contracted Engineering Costs	\$55,000	0.20%
Electric Fleet	\$164,000	0.59%
Electric Tools	\$50,000	0.18%
Electric Work Plan	\$3,744,500	13.50%
Information Technology	\$30,000	0.11%
Long-Term Debt Principal Payments	\$4,737,310	17.08%
Warehouse & Yard Improvements	\$197,500	0.71%
Water Fleet	\$110,000	0.40%
Water Work Plan	\$3,477,419	12.54%
<b>Total</b>	<b>\$27,737,791</b>	<b>100%</b>

### Electric 4 Year Work Plan Capital Costs

Item #	Description	Budget Amount
101	UG Distribution Line Extensions	\$300,000.00
102	OH Distribution Line Extensions	\$175,000.00
103	New Subdivision	\$150,000.00
202	Underground Feeds Out of Irondale Bay 2	\$100,000.00
301	Convert Single Phase to Three Phase	\$150,000.00
303	Convert OH to UG 4 Locations	\$380,000.00
501	Replace Aging Substation Equipment--Hastings	\$235,000.00
503	Replace/Install New Relays	\$120,000.00
505	SCADA System Substation Communications and Devices Upgrades	\$100,000.00
507-2	New Breaker Hastings	\$210,000.00
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	\$180,000.00
604-1	Install four new Three-Phase distribution line reclosers	\$0.00
605-1	Install new line regulators	\$175,000.00
605-2	Regulator replacement of aging units	\$0.00
607	Pole Replacements. 20 per year	\$180,000.00
608	Replace Aging Conductors	\$354,500.00
608-1	Install Single Phase 15kv 1/0 Distribution Line	\$225,000.00
610	Wildlife Protection. X sites	\$25,000.00
701	Security and Street Lighting	\$20,000.00
703	SCADA System Distribution Line Devices Communications and Control Upgrades	\$90,000.00
704	SCADA Communications	\$40,000.00
705-1	Meter Replacement Project	\$0.00
1001	Move Transmission Poles for Easements	\$160,000.00
1002	Install 115kVA Switches	\$125,000.00
1101	Easements and Right-of-Way	\$80,000.00
1201	Fiber Line Extensions	\$0.00
1302	Fencing	\$100,000.00
		<hr/>
		<b>\$3,744,500</b>

### 2023 Water Capital Project Costs

<b>Description</b>	<b>Budget Amount</b>
Quilcene Water Tank	\$2,577,016.00
WSDOT Culvert Replacement Chimacum Creek	\$410,403.00
Brinnon Consolidation Projects--Feasibility Studies	\$180,000.00
Service Line Replacement	\$60,000.00
Well Pump and Motor Replacement	\$40,000.00
Booser Pump Replacements	\$60,000.00
Water Distribution Replacement	\$140,000.00
Wastewater system improvements	\$10,000.00
<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 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.	\$130,000.00
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
Install fencing around Oil containment with two 8' gates.	\$7,500.00
<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
<hr/>	
<b>Total IT Capital Costs</b>	<b>\$30,000</b>

### 2023 Electric Fleet Capital Costs

<b>Description</b>	<b>Budget Amount</b>	
Electric Vehicle	\$50,000.00	On order
Ford Ranger	\$32,000.00	On order
Ford Ranger	\$32,000.00	On order
Administration SUV	\$50,000.00	
<b>Total Electric Fleet Capital Costs</b>	<b>\$164,000</b>	

### 2022 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	\$50,000
<b>Total Electric Tools &amp; PPE Capital Costs</b>	<b>\$50,000</b>

### 2023 Contracted Engineering Capital Costs

<b>Description</b>	<b>Budget Amount</b>
Contracted Electric Engineering	\$25,000.00
Contract Water Engineering	\$30,000.00
<b>Total Contracted Engineering Capital Costs</b>	<b>\$55,000</b>

## 2023 Cash Summary

Cash-Operating Depository	\$ 368,316
Cash-Jeff Co Treasurer General	127,433
Cash-Payroll Clearing-1st Security Payroll Clearing	18
Working Funds	2,000
Cash-1996 Bond LUD #6	9,209
Cash-1996 Bond LUD #8	31,644
Temp Invest JeffCo Treasurer Gen	163,303
Tax Revenue Fund	4,092,563
Tax Revenue Fund Investment	1,925,000
Operating Account - Jefferson Co. Treasurer	<u>\$ (120,184)</u>
<b>2022 Ending Unrestricted Cash</b>	<b>\$ 6,599,302</b>
2023 Net Cash Outflow	<u>397,706</u>
<b>2023 Ending Unrestricted Cash</b>	<b>\$ 6,997,008</b>

### Restricted Cash

Other Special Funds	\$ 250
Tri Area Bond Reserve	0
Tri Area Bond Investment	164,817
Capital Reserves	100,000
Cash-2009 Bond LUD #14	1,292
Cash-2008 Bond LUD #15	292
Cash-1999 Bond LUD #11	2,190
LUD #14 Bond Investment	1,011,161
LUD #15 Bond Investment	<u>370,643</u>
<b>2023 Ending Restricted Cash</b>	<b>\$ 1,650,645</b>

# 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	\$2,285,158	(\$435,662)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$42,818,067</b>	<b>\$45,072,607</b>	<b>\$2,254,540</b>
<b>Net Operating Margins (Loss)</b>	<b>(\$2,723,468)</b>	<b>\$936,925</b>	<b>\$3,660,393</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>\$2,512,811</b>	<b>\$3,147,392</b>
<b>Cash Flow Budget</b>			
Construction Projects	\$3,595,500	\$3,744,500	\$149,000
General Plant Purchases	\$3,111,550	\$496,500	(\$2,615,050)
Principal on Long Term Debt	\$3,474,557	\$3,687,555	\$212,998
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	\$0	\$0
<b>Total Cash Expenditures/Cash Outflow</b>	<b>\$4,633,408</b>	<b>\$2,322,918</b>	<b>(\$2,310,490)</b>
<b>Net Cash Inflow/(Outflow)</b>	<b>(\$5,267,989)</b>	<b>\$189,893</b>	<b>\$5,457,882</b>
Net TIER (Minimum of 1.25)	0.77	2.10	1.33
Net DSC (Minimum of 1.25)	1.23	1.74	0.51

**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	\$2,285,158	(\$306,924)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$39,803,028</b>	<b>\$45,072,607</b>	<b>\$5,269,579</b>
<b>Net Operating Margins (Loss)</b>	<b>\$1,161,518</b>	<b>\$936,925</b>	<b>(\$224,593)</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>\$2,512,811</b>	<b>(\$857,866)</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 Approved</b>	<b>2023 Proposed</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>	<b>(\$1,109,505)</b>	<b>\$355,650</b>	<b>\$1,465,155</b>
<b>Non-Operating Margins (Loss)</b>	<b>\$247,535</b>	<b>\$719,525</b>	<b>\$471,990</b>
<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>	<b>(\$523,183)</b>	<b>\$355,650</b>	<b>\$878,833</b>
<b>Non-Operating Margins (Loss)</b>	<b>\$260,554</b>	<b>\$719,525</b>	<b>\$458,971</b>
<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	\$3,744,500	\$149,000
<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	\$0	(\$310,000)
<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	\$164,000	(\$78,500)
<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>\$23,000,481</b>	<b>\$15,605,326</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	\$2,285,158
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>\$45,072,607</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	\$936,925
<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>\$2,512,811</b>

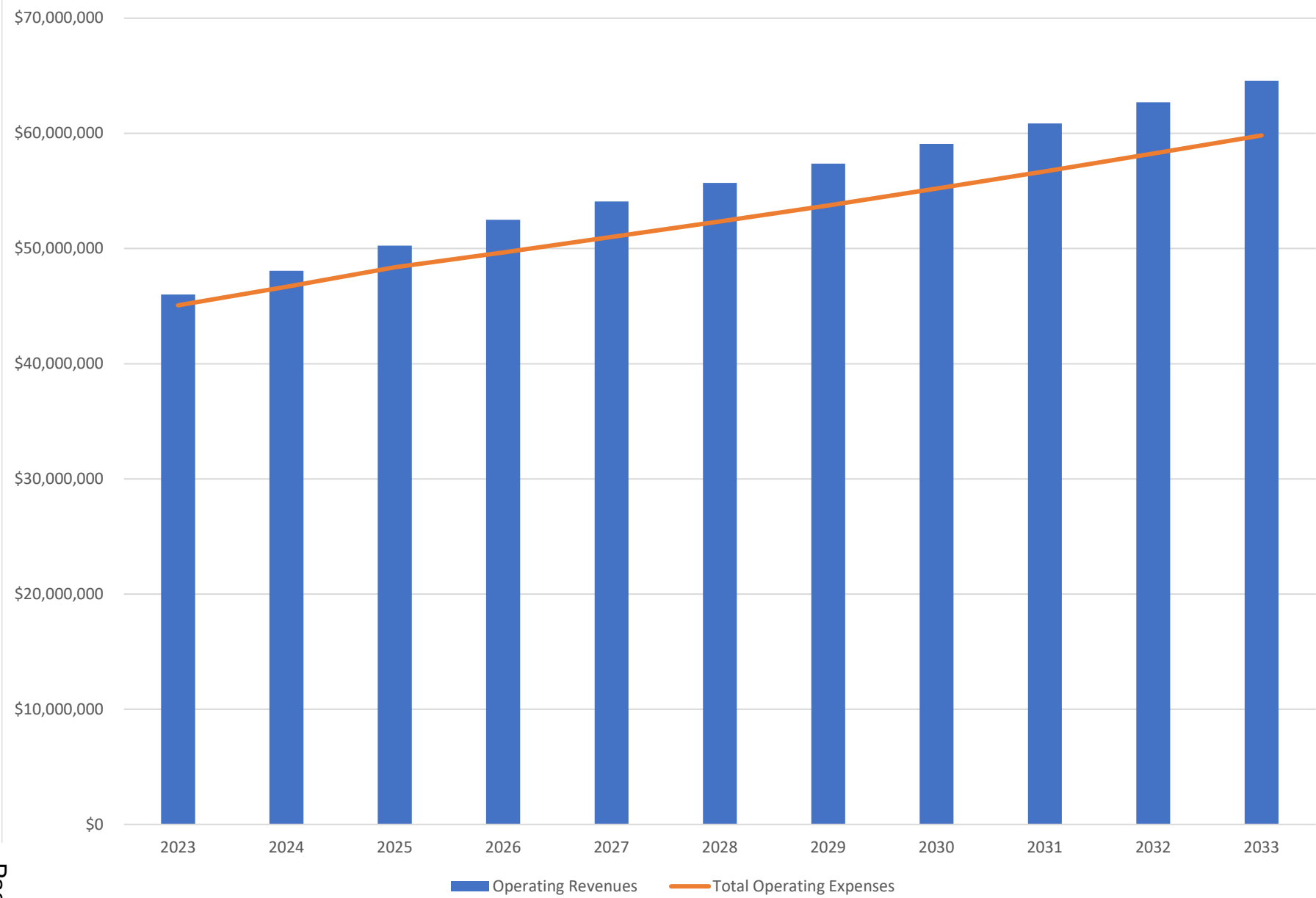
\*\*2022 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.\*\*

**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

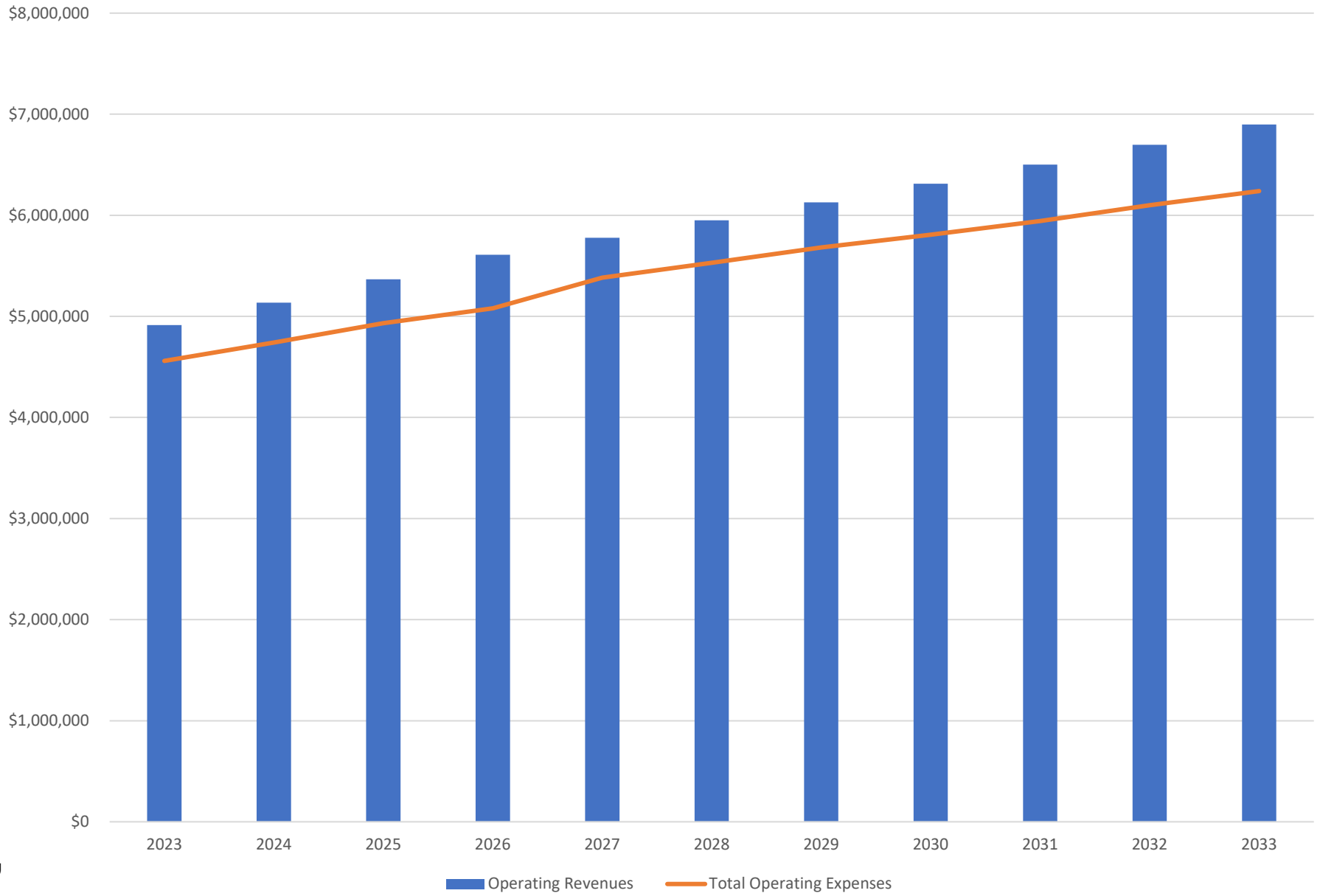




**Electric Utility  
10-Year Forecast  
2023 - 2033**

	<b>2023 Proposed</b>	<b>2024 Forecast</b>	<b>2025 Forecast</b>	<b>2026 Forecast</b>	<b>2027 Forecast</b>	<b>2028 Forecast</b>	<b>2029 Forecast</b>	<b>2030 Forecast</b>	<b>2031 Forecast</b>	<b>2032 Forecast</b>	<b>2033 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	\$2,285,158	\$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>\$45,072,607</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>	<b>\$936,925</b>	<b>\$1,398,037</b>	<b>\$1,869,405</b>	<b>\$2,844,097</b>	<b>\$3,078,849</b>	<b>\$3,355,945</b>	<b>\$3,624,122</b>	<b>\$3,886,969</b>	<b>\$4,166,784</b>	<b>\$4,443,699</b>	<b>\$4,750,801</b>
<b>Non-Operating Margins (Loss)</b>	<b>\$1,575,886</b>	<b>\$1,607,404</b>	<b>\$1,639,552</b>	<b>\$1,672,343</b>	<b>\$1,705,790</b>	<b>\$1,739,905</b>	<b>\$1,774,704</b>	<b>\$1,810,198</b>	<b>\$1,846,402</b>	<b>\$1,883,330</b>	<b>\$1,920,996</b>
<b>Net Margins (Loss)</b>	<b>\$2,512,811</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	\$3,744,500	\$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	\$496,500	\$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	\$3,687,555	\$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								
<b>Total Cash Expenditures/Cash Outflow</b>	<b>\$2,322,918</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>\$189,893</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 TIF ^ (Minimum of 1.25)	2.10	2.38	2.67	3.27	3.51	3.87	4.25	4.66	5.17	5.75	6.57
Net DS (Minimum of 1.25)	1.74	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 Proposed</b>	<b>2024 Forecast</b>	<b>2025 Forecast</b>	<b>2026 Forecast</b>	<b>2027 Forecast</b>	<b>2028 Forecast</b>	<b>2029 Forecast</b>	<b>2030 Forecast</b>	<b>2031 Forecast</b>	<b>2032 Forecast</b>	<b>2033 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)										
<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**

<b>Project/Capital Purchase</b>	<b>Amount</b>
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 Cover Water Storage Tank	\$6,500,000
Sparling Well Treatment Plant	\$2,500,000
<b>Total</b>	<b>\$31,250,000</b>