

HANDOUTS - 4 pgs.

ITEM 8.1



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MEMO

To: Special Purpose Districts
From: Rose Ann Carroll, Jefferson County Auditor
Date: August 1, 2016
Subj: 2017 District Budgets

OFFICIAL NOTICE

Your 2017 district budget must be filed with the Jefferson County Commissioners on or before **November 30, 2016**, in accordance with RCW 84.52.020.

If you have any questions, please call us. Your cooperation in meeting the scheduled deadline and responding to requests for additional information will be appreciated by all.

C: Board of County Commissioners

RCW 54.16.080**Levy and collection of taxes—Tax anticipation warrants.**

A district may raise revenue by the levy of an annual tax on all taxable property within the district, not exceeding forty-five cents per thousand dollars of assessed value in any one year, exclusive of interest and redemption for general obligation bonds. The commission shall prepare a proposed budget of the contemplated financial transactions for the ensuing year and file it in its records, on or before the first Monday in September. Notice of the filing of the proposed budget and the date and place of hearing thereon shall be published for at least two consecutive weeks in a newspaper printed and of general circulation in the county. On the first Monday in October, the commission shall hold a public hearing on the proposed budget at which any taxpayer may appear and be heard against the whole or any part thereof. Upon the conclusion of the hearing, the commission shall, by resolution, adopt the budget as finally determined, and fix the final amount of expenditures for the ensuing year. Taxes levied by the commission shall be certified to and collected by the proper officer of the county in which the district is located in the same manner as provided for the certification and collection of port district taxes. The commission may, prior to the receipt of taxes raised by levy, borrow money or issue warrants of the district in anticipation of the revenue to be derived from the levy or taxes for district purposes, and the warrants shall be redeemed from the first money available from such taxes. The warrants shall not exceed the anticipated revenue of one year, and shall bear interest at a rate determined by the commission.

[**1981 c 156 § 18; 1973 1st ex.s. c 195 § 60; 1955 c 390 § 9.** Prior: 1945 c 143 § 1(g); 1931 c 1 § 6(g); Rem. Supp. 1945 § 11610(g).]

NOTES:

Severability—Effective dates and termination dates—Construction—1973 1st ex.s. c 195: See notes following RCW **84.52.043**.

*Application of one percentum levy limitation to public utility district: State Constitution Art. 7 § 2 and RCW **84.52.050**.*

*Collection of taxes by port districts: RCW **53.36.020**.*

Public Utility District #1

Of Jefferson County

August 30, 2016

Board of Commissioners
Barney Burke, District 1
Kenneth Collins, District 2
Wayne G. King, District 3

MEMO FOR RECORD

James G. Parker, Manager

SUBJECT: Rate and Budget Hearings

1. The purpose of this memo is to request that the PT Leader publish notice of the PUD's Budget Hearing in the legal advertisements on the 21st and 28th of September 2016.
2. In accordance with RCW 54.16.080 "Levy and collection of taxes – tax anticipation warrants", the PUD must advertise two consecutive weeks in a local paper the fact that the District's budget is on file at the PUD and the budget hearing will be the 1st Monday in October.
3. Please print following Notice:

PUD#1 of Jefferson County draft budget for 2017 is on file at the PUD for review and comment. The PUD will hold a budget and rate hearing at 5 pm on the 3th of October 2016 at the PUD's office at 230 Chimacum Road in Port Hadlock. The PUD's regular meeting will follow immediately after. Persons with disabilities who require accommodations or alternative means for communication of program information should contact Annette Johnson 385-8351 at least eight (8) days in advance of this meeting. The draft budget can be viewed on the PUD's website www.jeffpud.org.
4. POC this memo is the undersigned

James G. Parker
Manager

2017 GENERAL FUND BUDGET

| | 2014 | 2015 | 2016 | 2017 | delta |
|-------------------------------------|--------|--------|--------|---------|---|
| Operating Revenues | | | | | |
| Real Property taxes | 555000 | 530000 | 505000 | 500,000 | (5,000) PUD BOC decision |
| Timber Harvest Tax | 22000 | 20000 | 15000 | 20,000 | 5,000 Estimate from County |
| Leaseholder excise tax | | | | 13,000 | 13,000 |
| Interest income | | | | 5,924 | 5,924 |
| Miscellaneous Revenues | | | | 204 | |
| total Operating Revenues | 577000 | 550000 | 520000 | 539,128 | 19,128 |
| Operating Expenses | | | | | |
| Wages (BOC) | 79920 | 117180 | 117180 | | (117,180) Note: PUD Board moved to Operational |
| Employee taxes and benefits (BOC) | 24853 | 61000 | 53708 | | (53,708) Note: PUD Board moved to Operational |
| County IT Services | 84000 | 0 | 0 | | 0 No longer contracted with County |
| State Auditor | 20000 | 30000 | 29100 | 70000 | 40,900 SAO estimated 50,000; Moss/Adams and others |
| Communicaitons - Phones,network | 52298 | 5000 | 25000 | | (25,000) Out reach; public information |
| Debt & principle Service | 81818 | 175000 | 175000 | 175000 | 0 Peterson Lake principle and interest |
| capital outlay - computer equipment | 41000 | | | | 0 moved to under operations |
| Telecom system support | | 32000 | 0 | 220000 | 220,000 management of PUD role in Telecom |
| PUD Dues, Memberships | | 129820 | 115000 | | (115,000) PUDA, PCC, clearing up,NWPPA,NWPWA |
| Preliminary Work for new PUD office | | | 5012 | 25000 | 19,988 Hire architech; preliminary design work, start permits |
| Repair/ Remodel PUD Admin Office | | | | 35000 | 35,000 Outside inside repaint/ roof /carpet / change rooms |
| Board Minutes | | | | 14,000 | 14,000 Cost of minute taker |
| total operating expenditures | 383889 | 550000 | 520000 | 539000 | |
| Revenues in Excess of Expenditures | 193111 | 0 | 0 | 128 | |

**Jefferson County PUD No. 1
Income Statement**

| | Actual Jan - July 2016 | Budgeted Aug - Dec 2016 | 2016 Estimated | 2016 Budget | 2017 Budget |
|---|---------------------------|----------------------------|-------------------|----------------|----------------|
| COMBINED | | | | | |
| 1. Operating Revenue | 20,645,117 | 12,956,281 | 33,601,398 | 33,087,981 | 34,240,392 |
| 3. Cost of Purchased Power/Water | 7,893,765 | 5,663,872 | 13,557,637 | 14,193,681 | 14,882,786 |
| 4. Transmission Expense | 1,137,621 | 16,329 | 1,153,950 | 1,552,428 | 1,741,665 |
| 6. Distribution Expense - Operation | 788,845 | 557,563 | 1,346,408 | 3,220,540 | 1,837,114 |
| 7. Distribution Expense - Maintenance | 1,759,203 | 955,202 | 2,714,405 | 2,428,899 | 3,851,003 |
| 8. Customer Accounts Expense | 889,795 | 659,655 | 1,549,450 | 648,528 | 2,094,365 |
| 9. Customer Service and Informational Expense | 10,707 | 24,000 | 34,707 | 1,138,667 | 81,918 |
| 11. Administrative and General Expense | 1,500,325 | 1,005,687 | 2,506,012 | 1,160,652 | 2,818,997 |
| 13. Depreciation & Amortization Expense | 3,061,291 | 2,150,400 | 5,211,691 | 0 | 5,306,655 |
| 15. Tax Expense - Other | 1,220,438 | 764,549 | 1,984,987 | 2,638,673 | 2,026,933 |
| 16. Interest on Long-Term Debt | 2,007,682 | 1,369,022 | 3,376,704 | 6,438,556 | 3,302,046 |
| 19. Other Deductions | 4,065 | (4,065) | 0 | 0 | 0 |
| 20. Total Cost of Utility Service | 20,273,737 | 13,162,214 | 33,435,951 | 33,420,624 | 37,943,482 |
| 21. Operating Margins (Loss) | 371,380 | (205,933) | 165,447 | (332,643) | (3,703,090) |
| 25. Operating Margins (Loss) | 1,777,693 | 317,000 | 2,094,693 | 598,613 | 1,124,284 |
| 29. Net Margins (Loss) | 2,149,073 | 111,067 | 2,260,140 | 265,970 | (2,578,806) |
| Less Construction Projects | | | 0 | 1,757,000 | 2,872,283 |
| Less Principal on Long Term Debt | | | 5,202,756 | 175,000 | 3,981,419 |
| Add'l Interest Paid on Long Term Debt | | | 12,305 | | 3,162 |
| Add Depreciation (non-cash) | | | (5,211,691) | | (5,306,655) |
| Total Other Expenditures | | | 3,370 | 1,932,000 | 1,550,209 |
| Borrowing | | | 0 | 0 | 0 |
| Net Cash Inflow/(Outflow) | | | 2,256,770 | (1,666,030) | (4,129,015) |

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**Jefferson County PUD No. 1
Income Statement**

| | Actual Jan - July 2016 | Budgeted Aug - Dec 2016 | 2016 Estimated | 2016 Budget | 2017 Budget |
|---|---------------------------|----------------------------|-------------------|----------------|----------------|
| ELECTRIC | | | | | |
| 1. Operating Revenue | 19,469,515 | 12,074,665 | 31,544,180 | 30,991,403 | 32,085,310 |
| 3. Cost of Purchased Power | 7,815,756 | 5,582,683 | 13,398,439 | 14,185,681 | 14,763,015 |
| 4. Transmission Expense | 1,137,621 | 16,329 | 1,153,950 | 1,552,428 | 1,741,665 |
| 6. Distribution Expense - Operation | 472,856 | 333,566 | 806,422 | 2,791,962 | 1,365,001 |
| 7. Distribution Expense - Maintenance | 1,582,490 | 827,171 | 2,409,661 | 2,003,899 | 3,611,351 |
| 8. Customer Accounts Expense | 791,328 | 598,319 | 1,389,647 | 538,278 | 1,880,431 |
| 9. Customer Service and Informational Expense | 10,697 | 24,000 | 34,697 | 945,094 | 81,918 |
| 11. Administrative and General Expense | 1,108,455 | 741,198 | 1,849,653 | 612,844 | 2,083,771 |
| 13. Depreciation & Amortization Expense | 2,675,070 | 1,874,550 | 4,549,620 | 0 | 4,638,989 |
| 15. Tax Expense - Other | 1,161,502 | 720,344 | 1,881,846 | 2,535,855 | 1,918,186 |
| 16. Interest on Long-Term Debt | 1,777,828 | 1,288,646 | 3,066,474 | 5,986,760 | 2,950,620 |
| 19. Other Deductions | 4,065 | (4,065) | 0 | 0 | 0 |
| 20. Total Cost of Electric Service | 18,537,668 | 12,002,741 | 30,540,409 | 31,152,801 | 35,034,947 |
| 21. Operating Margins (Loss) | 931,847 | 71,924 | 1,003,771 | (161,398) | (2,949,637) |
| 25. Non-Operating Margins (Loss) | 19,794 | 314,000 | 33,794 | 0 | 371,244 |
| 29. Net Electric Margins (Loss) | 951,641 | 385,924 | 1,037,565 | (161,398) | (2,578,393) |
| Less Construction Projects | | | 0 | 1,757,000 | 2,809,152 |
| Less Principal on Long Term Debt | | | 3,045,069 | | 3,157,438 |
| Add'l Interest Paid on Long Term Debt | | | (1) | | 1 |
| Add Depreciation (non-cash) | | | (4,549,620) | | (4,638,989) |
| Total Other Expenditures | | | (1,504,552) | 1,757,000 | 1,327,602 |
| Borrowing | | | 0 | | 0 |
| Net Cash Inflow/(Outflow) | | | 2,542,117 | (1,918,398) | (3,905,995) |
| TIER | | | 1.34 | 0.97 | 0.13 |
| DSC | | | 1.42 | (0.03) | 0.82 |

**Jefferson County PUD No. 1
Income Statement**

| | Actual Jan - July 2016 | Budgeted Aug - Dec 2016 | 2016 Estimated | 2016 Budget | 2017 Budget |
|---|---------------------------|----------------------------|-------------------|----------------|----------------|
| WATER | | | | | |
| 1. Operating Revenue | 1,175,406 | 881,616 | 2,057,022 | 2,096,578 | 2,154,878 |
| 3. Cost of Purchased Water/Production | 78,009 | 81,189 | 93,142 | 8,000 | 119,771 |
| 6. Distribution Expense - Operation | 315,989 | 223,997 | 539,986 | 428,578 | 472,113 |
| 7. Distribution Expense - Maintenance | 176,713 | 128,031 | 304,744 | 425,000 | 239,652 |
| 8. Customer Accounts Expense | 98,467 | 61,336 | 159,803 | 110,250 | 213,934 |
| 9. Customer Service and Informational Expense | 10 | 0 | 10 | 193,573 | 0 |
| 11. Administrative and General Expense | 213,419 | 150,885 | 364,304 | 124,195 | 371,246 |
| 13. Depreciation & Amortization Expense | 386,221 | 275,850 | 662,071 | 0 | 667,666 |
| 15. Tax Expense - Other | 58,936 | 44,205 | 103,141 | 102,818 | 108,747 |
| 16. Interest on Long-Term Debt | 229,854 | 80,376 | 310,230 | 451,796 | 281,091 |
| 20. Total Cost of Water Service | 1,557,618 | 1,045,869 | 2,537,431 | 1,844,210 | 2,474,220 |
| 21. Operating Margins (Loss) | (382,212) | (164,253) | (480,409) | 252,368 | (319,342) |
| 25. Non-Operating Margins (Loss) | 1,435,995 | 35,000 | 1,470,995 | 0 | 214,116 |
| 25. Water Margins (Loss) | 1,053,783 | (129,253) | 990,586 | 252,368 | (105,226) |
| Less Construction Projects | | | 0 | | 63,131 |
| Less Principal on Long Term Debt | | | 2,061,981 | | 722,372 |
| Add'l Interest Paid on Long Term Debt | | | 12,306 | | 3,161 |
| Add Depreciation (non-cash) | | | (662,071) | | (667,666) |
| Total Other Cash Expenditures | | | 1,412,216 | 0 | 120,998 |
| Borrowing | | | 0 | | |
| Net Cash Inflow/(Outflow) | | | (421,630) | 252,368 | (226,224) |

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**Jefferson County PUD No. 1
Income Statement**

| | Actual Jan - July 2016 | Budgeted Aug - Dec 2016 | 2016 Estimated | 2016 Budget | 2017 Budget |
|---|---------------------------|----------------------------|-------------------|----------------|----------------|
| GENERAL FUND | | | | | |
| 1. Operating Revenue | 196 | 0 | 196 | 0 | 204 |
| 11. Administrative and General Expense | 178,451 | 113,604 | 292,055 | 423,613 | 363,980 |
| 13. Depreciation & Amortization Expense | | | | | |
| 15. Tax Expense - Other | | | | | |
| 16. Interest on Long-Term Debt | 0 | 76,238 | 76,238 | 0 | 70,335 |
| 19. Other Deductions | | | | | |
| 20. Total Cost | 178,451 | 189,842 | 368,293 | 423,613 | 434,315 |
| 21. Operating Margins (Loss) | (178,255) | (189,842) | (368,097) | (423,613) | (434,111) |
| 25. Non-Operating Margins (Loss) | 321,904 | 268,000 | 589,904 | 598,613 | 538,924 |
| 29. Net Margins (Loss) | 143,649 | 78,158 | 221,807 | 175,000 | 104,813 |
| Less Principal on Long Term Debt | | | 95,706 | 175,000 | 101,609 |
| Borrowing | | | 0 | | |
| Net Cash Inflow/(Outflow) | | | 126,101 | 0 | 3,204 |

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