

**PUBLIC UTILITY DISTRICT NO. 1
OF
JEFFERSON COUNTY, WASHINGTON**

RESOLUTION NO. 2017-22

A RESOLUTION Adopting a Budget for the Calendar Year 2018

WHEREAS, in accordance with RCW 54.16.070 and RCW 84.52.020, the Board of Commissioners of Public Utility District No.1 of Jefferson County, Washington has prepared a budget for the projected financial transactions of the District for the calendar year 2018 the PUD; and

WHEREAS, the Board of Commissioners of the District approved a PUD financial policy establishing planning goals for the PUD; and

WHEREAS, the PUD is in the process of completing a new Costs of Service and Rate Study; and

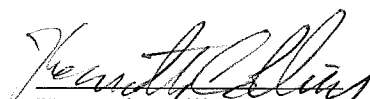
WHEREAS, the Board of Commissioners of the District met on Monday, 2 October 2017 and held a Public Hearing on the proposed 2018 budget starting at 5:00 p.m.at Jefferson County Transit; and


WHEREAS, the Public Hearing was continued and reconvened at the subsequent regularly scheduled PUD BOC meetings, as announced publicly by the Board of Commissioners; and

WHEREAS, the Public Hearing was continued and closed by the PUD Board of Commissioners on the 21st of November 2017; and

NOW, THEREFORE, BE IT RESOLVED that the Commission, after taking public testimony and consideration of all the evidence and information provided by the staff, hereby adopts the budget identified on attached Exhibit "A"

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington, at a regular open public meeting held this 21st day of November 2017.


Kenneth Collins
President


Jeff Randall
Vice President

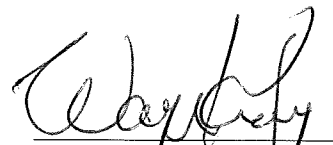

Wayne King
Secretary

EXHIBIT A
2018 PUD GENERAL FUND BUDGET

2018

Operating Revenues

| | |
|------------------------|------------------|
| Real Property Taxes | \$549,000 |
| Timber Harvest Tax | 5,541 |
| Leaseholder Excise Tax | 19,558 |
| Interest Income | 15,256 |
| Miscellaneous Revenues | 312 |
| | \$589,667 |

Total Operating Revenues **\$589,667**

Operating Expenses

| | |
|-----------------------------------|------------------|
| Wages (BOC) | \$0 |
| Employee taxes and benefits (BOC) | 0 |
| State Auditor | 0 |
| Interest Expense | 64,068 |
| Telecom System Support | 137,456 |
| Repair/ Remodel PUD Admin Office | 50,000 |
| | \$251,524 |

Total General Fund Expenditures **\$251,524**

Revenues in Excess of Expenditures **\$338,143**

| | |
|-----------------------------------|------------------|
| Less: Principal on Long Term Debt | \$107,876 |
| Provision for New Facilities | 0 |
| | \$230,267 |

Net Cash Inflow/(Outflow) **\$230,267**

PUD 2018 Budget

EXHIBIT A
2018 PUD Electric and Water Utility Budgets

| | <u>Electrical</u> <u>Utility</u> | <u>Water</u> <u>Utility</u> |
|---|-------------------------------------|--------------------------------|
| Operating Revenues | | |
| Operating Revenues | \$35,554,562 | \$2,228,100 |
| Operating Expenses | | |
| Cost of Purchased Power | \$15,290,490 | \$123,177 |
| Transmission Expense | 1,576,116 | 0 |
| Distribution Expense - Operation | 1,083,500 | 604,309 |
| Distribution Expense - Maintenance | 2,216,670 | 290,069 |
| Customer Accounts Expense | 1,242,201 | 176,475 |
| Customer Service and Informational Expense | 145,609 | 29,010 |
| Administrative and General Expense | 2,375,087 | 527,361 |
| Depreciation & Amortization Expense | 4,919,728 | 720,419 |
| Tax Expense - Other | 2,097,711 | 118,650 |
| Interest on Long-Term Debt | 2,856,970 | 233,319 |
| Other Deductions (low income) | 0 | 0 |
| Total Operating Expenses | <u>\$33,804,082</u> | <u>\$2,822,788</u> |
| Net Operating Margins (Loss) | \$1,750,480 | (\$594,688) |
| Non-Operating Margins (Loss) | <u>\$858,336</u> | <u>\$637,284</u> |
| Net Margins (Loss) | \$2,608,816 | \$42,596 |
| <i>Cash Flow Budget</i> | | |
| Less Construction Projects | \$4,285,402 | \$460,000 |
| Less General Plant Purchases | 897,000 | 80,000 |
| Less Principal on Long Term Debt | 3,247,109 | 664,000 |
| Add'l Interest Paid on Long Term Debt | 0 | 7,635 |
| Add Depreciation (non-cash) | (4,919,728) | (720,419) |
| Principal & Interest Received on LUDs | 0 | (442,966) |
| Total Cash Expenditures/Cash Outflow | <u>\$3,509,783</u> | <u>\$48,250</u> |

Net Cash Inflow/(Outflow)

(\$900,967)

(\$5,654)

NET TIER (Goal of 1.25)

1.91

NET DSC (Goal of 1.25)

1.70

PUD 2018 Budget