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**2016  
3<sup>rd</sup> REVIEW OF THE ECONOMICS  
OF RESTORING HYDROPOWER AT ENLOE DAM  
ON THE SIMILKAMEEN RIVER**

**ANALYSIS OF THE PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN  
COUNTY'S FINAL LICENSE APPLICATION FOR  
FEDERAL ENERGY REGULATORY COMMISSION PROJECT NO. 12569**

Prepared for

Columbia River Bioregional Education Project  
Columbiana

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## EXECUTIVE SUMMARY

Enloe Dam is located on the Similkameen River in north-central Washington, approximately four miles upriver from the town of Oroville. The dam was completed in the early 1920's, and produced hydropower until the project was decommissioned in 1958.<sup>1</sup> Since that time, the dam and its related power-generating facilities have sat dormant, although the owner of the dam, the Okanogan Public Utility District (OPUD), has attempted to re-energize Enloe four times over the years. OPUD began its most recent effort to update and repower the project in 2005 with a proposal to modify and upgrade the dam. OPUD submitted a Final License Application for re-energizing Enloe Dam on August 22, 2008, and the Federal Energy Regulatory Commission (FERC) issued a new license for the project on July 8, 2013. OPUD proposes to increase the annual generation at Enloe to 45,000 MWH, up from its original annual output of 22,500 MWH.

In its 2008 Final License Application, OPUD estimated that it would cost \$31 million to construct the project. In 2011 Rocky Mountain Econometrics (RME) reviewed OPUD's FERC application, and noted that OPUD had failed 1) to predict the sharp downturn and lower long-term open market energy prices, and 2) to recognize the aesthetic value of Similkameen Falls, which are located immediately downstream of the dam. OPUD's omission of these issues meant that the cost of power generated by the proposed project would be more expensive than anticipated. While OPUD initially estimated that power from Enloe would be \$9.79 / MWH cheaper than power on the open market, RME's 2011 review showed that the cost of power generated by the proposed project would actually be \$31.16 / MWH more than power purchased on the open market.

In 2014, RME reviewed the Enloe project a second time, and reported that inflation would drive the cost of the project up to about \$38 million. And, contrary to OPUD predictions, the price of open market power at MID-C (OPUD's least cost alternative) had decreased by fifty percent or more. Not only had open market prices precipitously declined, they were showing no signs of a major upturn.

In 2014, RME also detailed the impact of the uncertainty surrounding Enloe's ultimate level of energy production. The Department of Ecology (DOE) has set initial flows at 10/30 cfs. The actual flows required for aesthetic purposes will be determined by the DOE after studying three years of power house operations.

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<sup>1</sup> *Federal Energy Regulatory Commission, Notice of Availability of Final Environmental Assessment Environmental Assessment, Public Utility District No. 1 of Okanogan County, Washington, Project No. P-12569, p. viii, (August 31, 2011) (FERC eLibrary Accession No. 20110831-3040)*

Even if the aesthetic flows were only 10-30 cfs, construction cost increases would drive the cost electricity produced at Enloe to about \$47 / MWH more than energy purchased on the open market. If aesthetic flows in excess of the 10-30 cfs were required, Enloe production costs per MWH would be higher still. At an aesthetic flow of 300 cfs, the cost of power from Enloe would reach \$102 / MWH, which is more than double the cost of open market power.

RME's 2016 analysis shows the cost of constructing Enloe Dam has continued to increase since the 2014 review. OPUD submitted a revised estimate of construction costs in their November 17, 2014 Enloe Power Point presentation. OPUD estimated the cost of the proposed power house at between \$39 million and \$45 million.

In addition to this new and increased cost of construction, OPUD also revealed that it had invested \$13 million from general revenues towards the project between 2010 and 2015.

OPUD's budget for 2016 proposes an additional \$1.3 million of general funds be spent on Enloe, bringing total pre-construction spending on the project by the end of 2016 to \$14.4 million.<sup>2</sup> OPUD refers to these additional, pre-construction costs as "sunk costs." When taking these costs into account, total spending on Enloe would be at least \$53.4 million, and could easily reach \$59.4 million or more.

There are three possible future cost scenarios for the project. The least restrictive future for Enloe Dam assumes that the cost of construction is \$39 million ignores pre-construction "sunk cost" spending, and assumes that aesthetic flow requirements will be as lenient as possible. Under this scenario, power produced by Enloe Dam will cost about \$83 / MWH. This is more than double the price of power on the open market.

The next scenario assumes that the cost of construction remains \$39 million, includes a 10/30 cfs aesthetic flow and \$14.4 million in preconstruction "sunk cost" spending by the end of 2016. Under this scenario, the cost to produce power at Enloe Dam will be about \$110 / MWH. If this scenario proves accurate OPUD ratepayers will be paying close to three times the cost of open market power.

The worst-case scenario assumes that total cost will be \$59.9 million. This includes construction costs of \$45 million, \$14.4 million in preconstruction "sunk cost" spending, and assumes the highest possible aesthetic flow of 300 cfs. Under this scenario, the cost to produce power at Enloe Dam will be about \$149 / MWH. If this alternative comes to pass, OPUD ratepayers will be paying nearly four times as much for Enloe energy than power purchased on the open market.

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<sup>2</sup> See Appendix 3.

The issues that RME outlined in our 2011 and 2014 reports remain today. These include:

- Inflation has driven up the cost of Enloe Dam construction.
- The cost of acquiring power on the open market has not inflated.
- There is still no determination regarding the amount of water that would be required for aesthetic flows, and it remains uncertain how much power Enloe would ultimately produce.
- The total costs for the project are ballooning to as much as \$59 million, which is about double the original cost estimate. The ratepayers will be responsible for paying these costs.

## ENLOE DAM ENERGY PRODUCTION COST ESTIMATE

OPUD's application to FERC lists the cost of constructing Enloe as \$31 million.<sup>3</sup> In 2014 RME estimated that inflation would increase the cost of the project to about \$38 million. In November of 2014 OPUD reviewed the project and concluded that inflation would drive the cost of the project even higher, to about \$39 million.<sup>4</sup>

2014 brought the awareness that the \$39 million estimate was only for a portion of the project. As much as one-third of the cost of the project was, and is, being funded via yearly cash flow distributions as high as \$3.1 million. The cost of Enloe, once thought to be \$31 million, now appears to be headed for nearly double that amount, perhaps more.

None of the FERC application documents mention that OPUD intended to finance a large portion of the project from annual cash flows. Consistent with the FERC application, RME assumed OPUD's annual spending on Enloe was a part of, rather than an addition to, the \$31 million FERC estimated cost. OPUD's 2014 PowerPoint presentation<sup>5</sup> showed RME's assumption to be invalid.

The first mention that OPUD was spending significant amounts of money on Enloe above and beyond the \$31 million construction cost estimate was in a 2014 PowerPoint presentation to the OPUD Board of Commissioners. In that presentation total cost for Enloe is listed as \$50.2 million, with the cost to complete the project listed as \$39.1 million. Inflation can only account for the increase in cost from the original \$31 million to the \$39.1 million cost to complete. Sunk Costs are listed as \$11.1 million

It is normal and customary for utilities to spend a portion of their administrative costs investigating and maintaining plans for servicing future load growth. These activities are usually called something like Integrated Resource Plans (IRPs). And, it is not unusual for IRPs to delve superficially into the specifics of potential future resources.

In the event that a particular new generation project is identified as needed and the decision is made to pursue said project, it is appropriate to establish an account for the project and direct all costs associated with the project towards that account. This includes all consulting, planning and permitting costs as well as the ultimate brick and mortar construction costs. The planning and permitting costs are a component of the ultimate capital cost of a project the same way that the cost of an engineering drawing is an essential part of the fabrication of a generator or a turbine.

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<sup>3</sup> 144 FERC ¶ 62,018 ,UNITED STATES OF AMERICA, FEDERAL ENERGY REGULATORY COMMISSION Public Utility District No. 1 of Okanogan County, Washington, Project No. 12569-001, ORDER ISSUING NEW LICENSE, (July 9, 2013).

<sup>4</sup> Board of Commissioners Meeting, Enloe Hydroelectric Project, Public Utility District No. 1 of Okanogan County, November 17, 2014

<sup>5</sup> Ibid.

**Table1, Enloe Dam Production Cost Possibilities**

| Scenarios |   | OPUD Scenarios <sup>6</sup> |  |  | RME Scenarios <sup>7</sup>           |                                    |                                    |                                    |
|-----------|---|-----------------------------|--|--|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|           |   | 1                           | 2  | 3  | 4                                    | 5                                  | 6                                  | 7                                  |
| Notes     | Title / Description                       | Enloe 2014<br>(Minus Sunk)  | Enloe 2014<br>Adverse Cost<br>(Minus Sunk) | Enloe 2014<br>Adverse Cost<br>(w / Sunk) | RME 10-30<br>(w / Sunk<br>Thru 2016) | RME 100<br>(w / Sunk<br>Thru 2016) | RME 300<br>(w / Sunk<br>Thru 2016) | RME 300<br>(w / Sunk<br>Thru 2016) |
|           | Date of Estimate                          | 2014                        | 2014                                       | 2014                                     | 2016                                 | 2016                               | 2016                               | 2016                               |
|           | Capital Cost (\$1,000)                    | \$39,100                    | \$45,500                                   | \$56,560                                 | \$53,500                             | \$53,500                           | \$53,500                           | \$59,900                           |
|           | 1 Levelized Ann. Operating Cost (\$1,000) | \$3,684                     | \$4,236                                    | \$5,190                                  | \$4,926                              | \$4,926                            | \$4,926                            | \$5,478                            |
|           | 2 Est. Avgas Ann. MWH                     | 44,963                      | 44,963                                     | 44,963                                   | 44,963                               | 42,246                             | 36,705                             | 36,705                             |
|           | 3 Operating Cost (\$/MWH)                 | \$81.93                     | \$94.21                                    | \$115.43                                 | \$109.56                             | \$116.61                           | \$134.21                           | \$149.25                           |

Table 1, above, presents 7 production cost scenarios for Enloe dam. Scenarios 1 – 3 are taken almost verbatim from OPUD’s 2014 PowerPoint presentation. They show the cost of construction ranging from \$39.1 million without sunk costs to as much as \$56.6 million with potential cost overruns and the inclusion of sunk costs. These construction costs will result, respectively, in annual operating costs ranging from a low of \$3.7 to \$5.2 million. Under the least restrictive esthetic flow requirement, the 10-30 alternative, the project will generate about 45,000 aMwh of energy. Dividing the annual operating costs by the annual generation results in the potential energy from Enloe costing somewhere between \$82 and \$115 per MWH. To reiterate, these three scenarios close reproductions of OPUD’s analysis.

Scenarios 4 – 7 are RME scenarios. These scenarios build on the cost estimates provided in OPUD’s 2014 PowerPoint presentation. They also incorporate the effect of reduced levels of generation as a result of pending determinations regarding required esthetic flow requirements.

Scenarios 4 – 6 each use total capital cost of \$53.5 million as a starting point. This is based on \$39.1 million construction cost plus \$14.4 sunk costs through the end of 2016. These construction costs will result in annual operating costs of \$4.9 million. Under the least restrictive esthetic flow requirement, the 10-30 alternative, the project will generate about 44,963 aMwh of energy. Under the most restrictive scenario, the requirement for 300 cfs esthetic flows will limit energy output to 36,705 aMwh. Dividing the annual operating costs by the annual generation results in the potential energy from Enloe costing somewhere between \$109 and \$134 per MWH.

Scenario 7 presents a worst-worst production cost scenario. In this case, OPUD’s adverse cost estimate of \$45.5 million is added to sunk costs of \$14.4 through 2016 for a total cost of \$59.9

<sup>6</sup> Ibid.

<sup>7</sup> Source, OPUD and RME.

million. This generates an annual operating cost of \$5.5 million. Under the most restrictive, 300 cfs, flow alternative there will be only 36,705 aMW to absorb annual costs resulting in Enloe energy costing \$149 / MWH.

To summarize, it appears that the \$31 million cost estimate in the FERC application only refers to the brick and mortar portion of Enloe dam. Inflation since 2007 has driven this cost up to about \$39 million and potentially more. Off budget spending on Enloe beginning in about 2010 now totals in excess of \$13 million. The budget for 2016 proposes an additional \$1.3 million to be spent on Enloe, bringing total cash flow spending on the project at the end of 2016 to about \$14.4.<sup>8</sup> Adding the latter amount to the brick and mortar portion brings the total potential cost of the project to at least \$53 million. Under the least stringent esthetic flow scenario, the 10-30 cfs option, the cost to produce Enloe power will be about \$110 / MWH.

A worst-worst scenario that includes the cost over-runs documented in the 2014 PowerPoint by OPUD, the \$14.4 cash flow spending from budgets 2010 – 2016, and the 300 cfs esthetic flow restrictions, will result in power produced by Enloe Dam costing about \$149 / MWH.

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<sup>8</sup> See Appendix 1



## LEAST COST ALTERNATIVE POWER - OPEN MARKET ENERGY

In this section RME will show that open market energy is a cheap and reliable source for the equivalent amount of energy that Enloe would produce.

### Pacific Northwest Power Resources

Table 2, below, illustrates total annual average northwest energy portfolio of 28,900 aMW.

**Table 2, Pacific Northwest Energy Supply Sources<sup>9</sup>**

| <b>Resource</b>                       | <b>Pacific NW Regional<br/>Annual Energy<br/>Resources (aMwh)</b> | <b>Percent of Total</b> |
|---------------------------------------|---|-------------------------|
| Hydro                                 | 11,862  | 41.0%                   |
| Large Thermal and Combustion Turbines | 11,851  | 41.0%                   |
| Cogeneration and Renewables           | 4,418   | 15.3%                   |
| Imports, Small Thermal & Misc.        | 769   | 2.7%                    |
| Total PW Regional Resources           | 28,900  | 100.0%                  |

Source White Book 2014 pp. 43

In 2016, the Pacific Northwest will use about 84 percent of its energy generating potential.

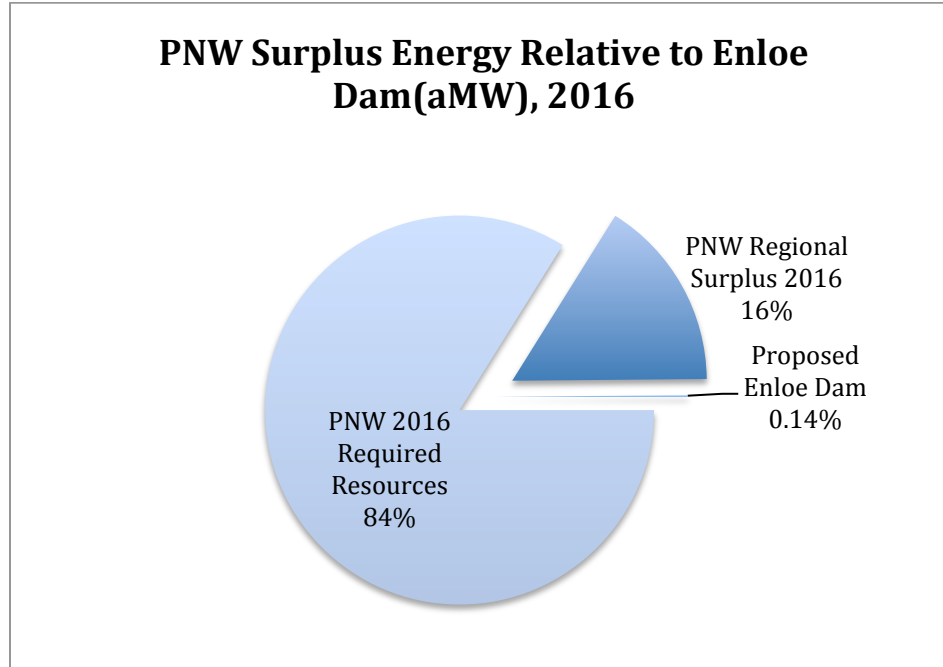
**Table 3, Pacific Northwest Energy Surplus Quantities<sup>10</sup>**

| <b>Enloe v Surplus Energy</b> | <b>2016</b> | <b>%</b> |
|-------------------------------|-------------|----------|
| PW Regional Surplus 2016      | 4,616       | 15.97%   |
| Proposed Enloe Dam            | 40          | 0.14%    |
| PNW 2016 Required Resources   | 24,244      | 83.89%   |
| Total PNW Regional Resources  | 28,900      |          |

<sup>9</sup> Source: Bonneville Power Administration, 2014 Pacific Northwest Loads and Resources Study, January 2015, Table 1-6, PNW Regional Resources, OY 2016, 1937-Critical Water Conditions, pp.12, and RME.

<sup>10</sup> Source White Book 2014 pp. 43

**Chart 1, Pacific Northwest Energy Surplus**



At roughly 40 aMW of generation on a good year, Enloe dam would amount to less than two-tenths of one percent of total northwest capacity. If built, the dam would only amount to 0.87% of northwest surplus generation.

More simply, Enloe Dam relative to either the generating capacity of the rest of the northwest, or to the more limited surplus capacity in the northwest, is simply too small to have any measureable impact. In calculations relative to sourcing Enloe amounts of energy via the open market, Enloe is a non-factor.

### **Open Market Price Expectations**

The six year span from 2002 to 2008 saw western open market prices slightly more than double from about \$30 / MWH to about \$70 / MWH in 2008, the year of the crash.

The rate at which open market energy prices inflated was extreme by historical standards but not as extreme as the rate at which they deflated during the recession.

While it took 6 years for open market energy prices to increase from \$30 to \$70, it only took one year for them to drop all the way back down. The recession undoubtedly deserves much of the credit for the price decline, but other factors came into play as well. In addition to static or even declining demand, significant new amounts of wind generation, solar generation and other resources in the NW also get credit. The addition of significant amounts of wind and solar is important in this context because they have very low, perhaps zero, marginal

generation cost. This is in addition to the pre-existing situation whereby the west in general and the northwest in particular are hydropower intensive. Similar to wind and solar, hydropower also has minimal marginal production cost.

The issue of zero, or near zero, marginal production cost is important. Energy markets such as MIDC or NP15 are open markets, similar to auctions. Prices in these markets are based on marginal costs and unlike regulated utilities the price of energy in these markets is not required to recover fixed costs.

In these markets willing sellers offer energy to willing buyers at whatever price the parties agree. If prices are too low for a seller to recoup their variable costs, things like fuel costs, they will usually not put their power for sale on the market. If prices are high enough that a seller can cover their variable costs, and at least some of their overhead, they will offer their power in this market. They obviously would prefer to sell at higher prices than at lower prices. However, selling at prices that cover all their variable costs and at least some of their overhead is better than not selling anything at all. Without the requirement of cover fixed costs energy in these markets routinely sells in the teens or low single digits.

On average, in the northwest, energy supply exceeds demand by about 16 percent. That number is higher most nights, and substantially higher in the spring when rivers are at peak runoff. During those times utilities flood the market with their surplus power at bargain basement prices. There is less surplus energy available during peak hours, particularly during late summer when river flows are lower. However, there is ample surplus energy to supply the minor amounts of energy we are talking about for OPUD. And on average, energy prices remain low.

**Chart 2, Price History Comparison, FERC and Open Market**



Sources: CAISO<sup>11</sup>, FERC<sup>12</sup>, and RME.

<sup>11</sup> <http://oasis.caiso.com/mrioasis/logon.do>

In 2008, NP15 prices were above 100 / MWH for the month of June, and averaged 70.43 / MWH for the entire year. By 2011 prices at NP15 had dropped to 30 / MWH and it appeared they would continue even lower.

Since RME’s review of this subject in 2014, prices have been as high as the mid \$40s, and as low as \$28 for full years. The price of energy at NP15 in 2015, at \$32.45 / MWH, was the fourth lowest in the past 14 years.

For a working number for this analysis RME looked at the average for the past 14 years, the trend for the past 14 years, and the trend for the post recession years, 2009-2015.

Open market NP15 day ahead energy prices were \$26.39 / MWH in 2002. Six years later prices had escalated to \$70.44 for 2008, before crashing back down to \$35.11 the following year. Since then, price variations have stayed in a much narrower range, between \$28.32 in 2012 and \$40.70 in 2014. The average for the full 14 year period is \$40.88 / MWH.

If we look at the trend line associated with NP15 prices since 2002 we see a downward sloping line with a value of \$39.19 / MWH in 2015. RME is an admitted proponent of open market energy for utilities with modest means. At the same time, RME is hesitant to hang its hat on long term downward sloping price curves.

**Table 4, Price History Comparison, FERC and Open Market**

| Year | NP 15 Avg. Ann. Price | Trend 2009 - 2015 | Trend 2002 - 2015 | FERC Price Est. |
|------|-----------------------|-------------------|-------------------|-----------------|
| 2002 | 26.39                 |                   | 42.58             |                 |
| 2003 | 35.02                 |                   | 42.32             |                 |
| 2004 | 38.54                 |                   | 42.06             |                 |
| 2005 | 54.74                 |                   | 41.80             |                 |
| 2006 | 43.47                 |                   | 41.54             |                 |
| 2007 | 54.79                 |                   | 41.27             | 66.00           |
| 2008 | 70.44                 |                   | 41.01             | 67.00           |
| 2009 | 35.11                 | 32.95             | 40.75             | 68.00           |
| 2010 | 35.78                 | 33.82             | 40.49             | 69.00           |
| 2011 | 30.01                 | 34.70             | 40.23             | 70.00           |
| 2012 | 28.32                 | 35.57             | 39.97             | 71.00           |
| 2013 | 40.60                 | 36.44             | 39.71             | 72.00           |
| 2014 | 46.70                 | 37.31             | 39.45             | 73.00           |
| 2015 | 32.45                 | 38.19             | 39.19             | 74.00           |

Average 40.883  
Sources: CAISO,<sup>13</sup> FERC<sup>14</sup>, RME.

<sup>12</sup> Op. Cit. 1.

<sup>13</sup> Op. Cit. 20.

<sup>14</sup> Op. Cit. 1.

In effort to separate post economic crash numbers from the longer price curve RME looked at the price trend beginning in 2009. For the seven-year period 2009 through 2015 the NP15 price curve is upward sloping and gains about 2.65 percent per year. In other words, open market energy prices have increased at about the same rate as inflation for the past 7 years.

RME finds it interesting that three separate statistical approaches arrive at a range of prices separated by only \$2.69 / MWH. With a high of \$40.88 and a low of \$38.19, for the purposes of this analysis, RME took a middle point of \$40.00 / MWH to use as the alternative energy cost to compare against the various Enloe Dam Scenarios.

To summarize, RME admits that open market prices are more volatile than the known price of a fixed investment such as Enloe. However, the most optimistic estimate for the cost of Enloe power is worse than the worst full year average of open market prices in the past 14 years.

## ENLOE DAM – PROFIT (LOSS) ESTIMATION

Table 4 below reprises Table 1 on page 6 and adds additional rows at the bottom for the purpose of comparing estimated Enloe production costs to open market prices.

Looking at the three OPUD scenarios on the left, Enloe Dam production cost is estimated to range from a low of \$81.93 to a high of \$115.43. With open market alternative power costing only \$40 / MWH, Enloe, under these three scenarios, will lose between \$42 and \$75 on each MWH of energy it produces. On an annual basis under these three scenarios, if Enloe is built, OPUD will be spending between \$1.9 million and \$3.4 million more for energy than if they sourced the same amount of power on the open market.

**Table 5, Enloe Dam Production Cost Estimates**

| Scenarios   |   | OPUD Scenarios             |  |  | RME Scenarios                        |                                    |                                    |                                    |
|---|---|----------------------------|--|--|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|   |   | 1                          | 2  | 3  | 4                                    | 5                                  | 6                                  | 7                                  |
| Notes   | Title / Description                       | Enloe 2014<br>(Minus Sunk) | Enloe 2014<br>Adverse Cost<br>(Minus Sunk) | Enloe 2014<br>Adverse Cost<br>(w / Sunk) | RME 10-30<br>(w / Sunk<br>Thru 2016) | RME 100<br>(w / Sunk<br>Thru 2016) | RME 300<br>(w / Sunk<br>Thru 2016) | RME 300<br>(w / Sunk<br>Thru 2016) |
|   | Date of Estimate                          | 2014                       | 2014                                       | 2014                                     | 2016                                 | 2016                               | 2016                               | 2016                               |
|   | Capital Cost (\$1,000)                    | \$39,100                   | \$45,500                                   | \$56,560                                 | \$53,500                             | \$53,500                           | \$53,500                           | \$59,900                           |
|   | 1 Levelized Ann. Operating Cost (\$1,000) | \$3,684                    | \$4,236                                    | \$5,190                                  | \$4,926                              | \$4,926                            | \$4,926                            | \$5,478                            |
|   | 2 Est. Avgas Ann. MWH                     | 44,963                     | 44,963                                     | 44,963                                   | 44,963                               | 42,246                             | 36,705                             | 36,705                             |
|   | 3 Operating Cost (\$/MWH)                 | \$81.93                    | \$94.21                                    | \$115.43                                 | \$109.56                             | \$116.61                           | \$134.21                           | \$149.25                           |
|   | 4 Open Market Price for Power (\$/MWH)    | \$40.00                    | \$40.00                                    | \$40.00                                  | \$40.00                              | \$40.00                            | \$40.00                            | \$40.00                            |
| 5 Value of Enloe Power Production (\$1,000)               | \$1,799                                   | \$1,799                    | \$1,799                                    | \$1,799                                  | \$1,690                              | \$1,468                            | \$1,468                            |                                    |
| 6 Profit (Loss) (Relative to Alternative Power) (\$1,000) | \$(1,885)                                 | \$(2,437)                  | \$(3,391)                                  | \$(3,128)                                | \$(3,236)                            | \$(3,458)                          | \$(4,010)                          |                                    |
| 7 Profit (Loss) (\$/MWH)                                  | \$(42)                                    | \$(54)                     | \$(75)                                     | \$(70)                                   | \$(77)                               | \$(94)                             | \$(109)                            |                                    |

Looking at the four RME scenarios on the right, production cost is estimated to range from a low of \$109.56 to a high of \$149.25. With open market alternative power costing \$40 / MWH, Enloe will lose between \$70 and \$109 on each MWH of energy it produces. On an annual basis under these four scenarios, if Enloe is built, OPUD will be spending between \$3.1 million and \$4 million more for energy, every year for 40 years, than if they sourced the same amount of power on the open market.

**Chart 3, Enloe Dam Operating Cost vs. FERC Thermal and Open Market Energy**

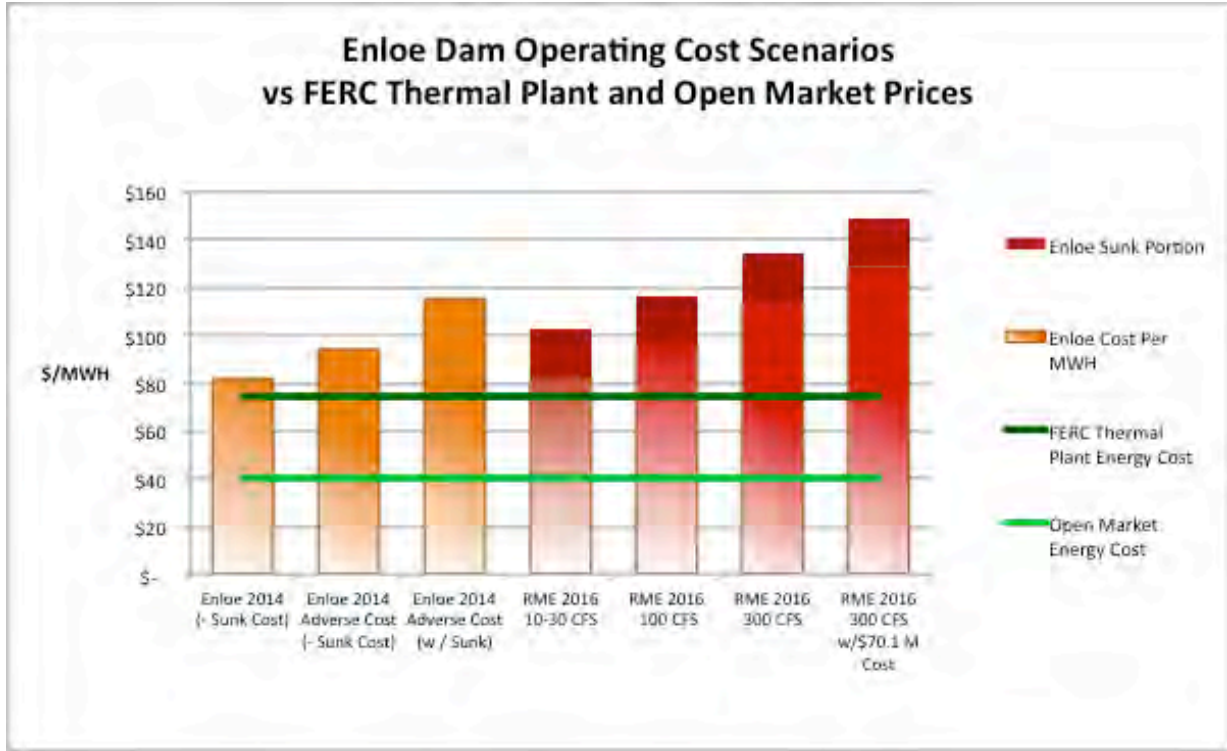


Chart 3 above graphically presents the finding in Table 5 on the previous page. Additionally this chart also shows both the open market and FERC price hurdles Enloe energy needs to stay under for Enloe to be deemed a desirable investment.

If we ignore sunk costs, and the possibility of a substantial requirement for esthetic flows over the falls, Enloe power will cost about \$83 / MWH. That is what Enloe power will cost, every year for the next 40 years. At that level, it is reasonably close to the FERC's alternative cost of \$79 per MWH. However, at \$83 / MWH, best case Enloe will be more than double the average cost of open market power. It will even be higher, by \$13 / MWH, than the worst-case open market power in the last 14 years at \$70 / MWH.

At the right hand end of the list of scenarios, the worst-worst case shows Enloe energy costing \$149 / MWH. If built, that will mean Enloe power will come in at 270% higher than energy readily available on the open market.

## APPENDIXES

### **Appendix 1, Could OPUD run Enloe at a loss while the construction debt is being retired and then become profitable in later years?**

This is a common belief among energy developers, particularly hydroelectric developers.

The issue, in economic terms, is whether or not the developer can ever get “in front” of the interest on the original debt.

The general idea is that, if a developer can build a project, and can hang on until the construction debt is retired, decades into the future, the project will then be much cheaper to operate and will then become sufficiently profitable that it makes up for all the previous year’s losses.

The concept is technically possible but in practice the occurrence is rare. The reason is that the debt from each succeeding year gets stacked on top of the debt from all the preceding years, in addition to all the interest on all the debt from all the preceding years. As time marches on the pile of debt gets bigger and bigger to the point where the accumulated debt becomes bigger, much bigger than the original investment.

For a project to successfully follow this path the interest rate has to be low, the annual losses have to be minimal, the time period of initial losses has to be short (usually less than 5 years) and the post-debt-payoff profitability has to be high. Enloe fails on every factor except the interest rates.

Anyone who has looked at an annuity knows how this works. If you put a sum of money in a savings account each year for decades at a time, the accumulated total, plus interest will result in a surprisingly large amount after the passing of three or four decades. The same is true in reverse. If the losses are incurred each year, for decades at a time, the resulting pile of debt, plus interest, will be disturbingly large after the passing of several decades.

The example presented in Table 7 below illustrates the problem. This example assumes the project produces 44,409 MWH of energy. In the first year of operation the avoided cost price of power (NP 15 Open Market Power) is \$40 / MWH, and revenues are \$2.1 million per year. The Capital cost of the plant is \$39.1 million that, at 4.5% interest for 40 years, requires an annual payment of \$2.125 million. Insurance, taxes, M&O, etc. bring total year one operating costs to \$3.3 million. This results in a net loss in the first year of operation, relative to open market prices, of \$1.5 million. In following years all costs and all prices, with the exception of the fixed construction loan and the loan for environmental features, are inflated at 3% per year. The loans for construction and environmental features remain fixed for the life of the loans.

Another simplifying assumption, in Enloe’s favor, is that there will be no need for additional capital expenditures for such things as repair and replacement of control gates, turbines, substations, etc., ever.



The question becomes one of how to handle the annual losses. Strictly speaking, OPUD can raise rates and cover the cost. However, that does not alter the fact that their ratepayers would be paying more than would be the case if OPUD acquired the same amount of power at NP15. For the purpose of this example RME rolls each year's losses into the equivalent of a running line of credit with a 20-year amortization schedule at 5.5% interest.

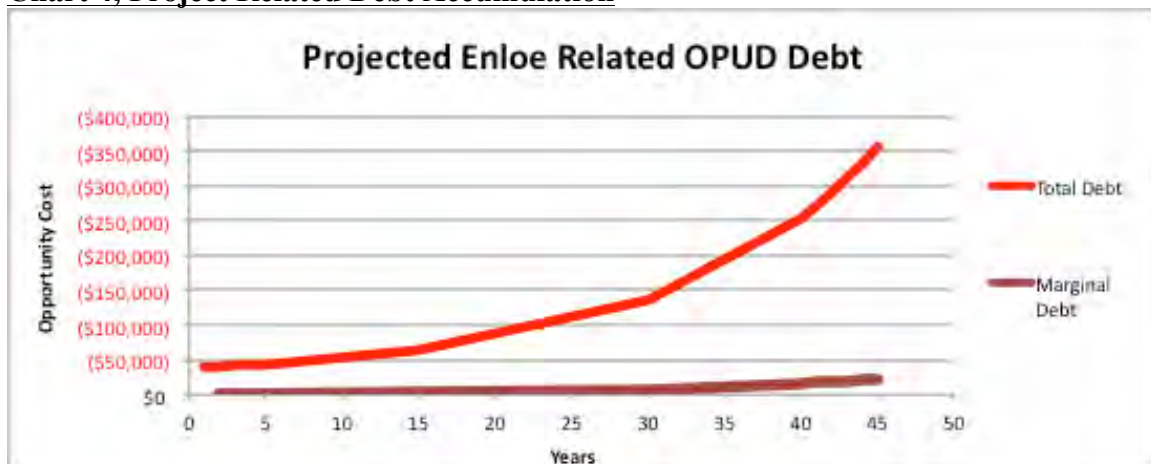
In the first few years of the project, the problem does not appear to be too severe. Losses in year one are \$1.5 million. In years two through five the annual losses continue to get a little bigger but they still seem manageable. Total debt in the line of credit in year 5 is has grown to \$6.4 million.

The problem starts to become more evident out around year 15. At that point, even though the annual losses are only up to the \$2.5 million range, the year after year accumulation, plus interest, is starting to pile up. In year 15 the line of credit is up to \$31.4 million, within 20 percent of the construction cost of the dam.

By year 30 it is clear things are have gotten out of hand for OPUD ratepayers. In year 30 the annual accumulation of debt, and interest on the debt, has driven debt in the line of credit account to \$118 million, more than triple the cost of the project. At that point the cost of servicing the original debt, plus the cost of servicing the line of credit, drives annual losses up to \$9.6 million, roughly 6 times the annual losses in year one.

Fast forward to year 42 of the project. The original loan for the project will be paid off at the end of year 40, or the beginning of year 41. That is the good news. That means the annual debt service associated with that debt, \$2.1 million per year would cease. The bad news is the debt in the line of credit account will have risen to \$273 million, which is more than 7 times the original construction cost. At that point the project will be losing about \$20 million per year and the amount will keep going up until the line of credit devours OPUD. The result is presented graphically in Chart 4 below.

**Chart 4, Project Related Debt Accumulation**



Again, these are not literal losses to OPUD, the company. They will not, strictly speaking drive OPUD bankrupt. However, they are literal losses to OPUD Ratepayers. These numbers represent real losses to ratepayers who have a reasonable expectation for OPUD to provide power in a least cost fashion.

**Table 6, OPUD Dept. Accumulation Example - Original Debt Payoff in 40 Years**

| Year  |       | 1              | 2            | 5              | 15             | 30              | 40              | 41              | 42              | 43              | 44              |
|---|-------|----------------|--------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Annual Generation (MWH)                             |       | 45,000         | 45,000       | 45,000         | 45,000         | 45,000          | 45,000          | 45,000          | 45,000          | 45,000          | 45,000          |
| Open Market Price                                   |       | \$0.04         | \$0.04       | \$0.05         | \$0.06         | \$0.09          | \$0.13          | \$0.13          | \$0.13          | \$0.14          | \$0.14          |
| "Revenue"   |       | \$1,800        | \$1,854      | \$2,026        | \$2,723        | \$4,242         | \$5,701         | \$5,872         | \$6,048         | \$6,229         | \$6,416         |
| <b>Plant Investment</b>                             |       |                |              |                |                |                 |                 |                 |                 |                 |                 |
| Plant Investment Debt                               |       | \$39,100       | \$38,735     | \$37,537       | \$32,184       | \$18,122        | \$2,033         |                 |                 |                 |                 |
| <b>Annual Cost</b>                                  |       |                |              |                |                |                 |                 |                 |                 |                 |                 |
| I. Construction Debt Service                        |       |                |              |                |                |                 |                 |                 |                 |                 |                 |
| a. Interest on Capital                              | 4.5%  | \$1,760        | \$1,743      | \$1,689        | \$1,448        | \$816           | \$91            |                 |                 |                 |                 |
| b. Capital recovery cost (40yr, 4.5%)               | 0.93% | \$365          | \$382        | \$436          | \$677          | \$1,309         | \$2,033         |                 |                 |                 |                 |
| Total Plant Debt Service                            |       | \$2,125        | \$2,125      | \$2,125        | \$2,125        | \$2,125         | \$2,125         |                 |                 |                 |                 |
|   |       |                | \$747        | \$1,999        | \$7,593        | \$22,287        | \$39,100        |                 |                 |                 |                 |
| Line of Credit - Operating Debt                     |       |                |              |                |                |                 |                 |                 |                 |                 |                 |
| Total Operating Debt                                |       |                | 1,453        | 6,379          | 31,415         | 118,901         | 253,421         | 272,824         | 291,526         | 311,597         | 333,140         |
| a. Interest on Capital                              | 4.5%  |                | 65           | 287            | 1,414          | 5,351           | 11,404          | 12,277          | 13,119          | 14,022          | 14,991          |
| b. Capital recovery cost (20yr, 5.5%)               |       |                | 46           | 203            | 1,001          | 3,790           | 8,078           | 8,697           | 9,293           | 9,933           | 10,619          |
| Total Op. Debt Service                              |       |                | 112          | 490            | 2,415          | 9,141           | 19,482          | 20,974          | 22,411          | 23,954          | 25,611          |
| II. Insurance                                       | 0.2%  | \$76           | \$78         | \$86           | \$115          | \$179           | \$241           | \$248           | \$256           | \$263           | \$271           |
| III. Taxes - Privilege Tax (% of first 4 mills/kWh) | 5.4%  | \$10           | \$10         | \$11           | \$15           | \$23            | \$30            | \$31            | \$32            | \$33            | \$34            |
| IV. Operation and Maintenance (1.9% of Invest Cost) |       | \$737          | \$759        | \$830          | \$1,115        | \$1,737         | \$2,335         | \$2,405         | \$2,477         | \$2,551         | \$2,628         |
| V. Environmental Measures (40yr, 4.5%)              |       | \$35           | \$35         | \$35           | \$35           | \$35            | \$35            | \$35            | \$35            | \$35            | \$35            |
| VI. Administrative and General/Contingency          | 35.5% | \$270          | \$278        | \$304          | \$409          | \$637           | \$856           | \$881           | \$908           | \$935           | \$963           |
| <b>Total Generation Cost</b>                        |       |                |              |                |                |                 |                 |                 |                 |                 |                 |
|   |       | <b>\$3,253</b> | <b>3,397</b> | <b>\$3,880</b> | <b>\$6,228</b> | <b>\$13,876</b> | <b>\$25,103</b> | <b>\$24,574</b> | <b>\$26,119</b> | <b>\$27,772</b> | <b>\$29,542</b> |
| <b>Profit (Loss)</b>                                |       | \$(1,453)      | \$(1,543)    | \$(1,854)      | \$(3,505)      | \$(9,634)       | \$(19,403)      | \$(18,702)      | \$(20,071)      | \$(21,543)      | \$(23,126)      |
| <b>CPI (Inflation Rate)</b>                         |       | 3%             | 3%           | 3%             | 3%             | 3%              | 3%              | 3%              | 3%              | 3%              | 3%              |

**Appendix 2, Could OPUD sell Enloe production as “green” power and receive premium prices? Alternately, could Enloe provide extra value, and receive higher prices as a backstop to wind or solar projects?**

A. It appears unlikely that OPUD could try to sell Enloe power as green power. Green-e, the green power certifying agency, remains skeptical of conventional hydro projects like Enloe. Green-e rules exclude projects that, “... increase water storage capacity or the head of an existing water reservoir,” which would exclude Enloe.<sup>15</sup>

B. In the unlikely event Enloe managed to qualify as green power the next question is whether or not the premium would be enough to cover Enloe’s losses. Referring back to Table 5, Enloe, as currently configured, would lose between \$70 and \$109 per MWH of production depending on the required level of esthetic flow. For green power premiums to move Enloe into the realm of profitability, green power premiums would have to be high enough to cover those losses. The highest green power premium on record is \$60 / MWH for a solar plant in California. The average premium in Washington and neighboring states is much lower, at \$16.45 / MWH. Given those numbers, it is very unlikely that a green power premium would be sufficient to make Enloe profitable.

Table 6, below, presents a sampling of green power premiums in western states.

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<sup>15</sup> [http://www.green-e.org/docs/energy/Appendix%20D\\_Green-e%20Energy%20National%20Standard.pdf](http://www.green-e.org/docs/energy/Appendix%20D_Green-e%20Energy%20National%20Standard.pdf), pp. 2 – 3.

**Table 7, Green Power Premiums<sup>16</sup>**

| <b>State</b> | <b>Type</b>                          | <b>\$ / MWH</b> | <b>Statistical Measure</b> | <b>Green Power (Hydro) Premium (\$ / MWH)</b> |
|--------------|--------------------------------------|-----------------|----------------------------|---|
| CA           | wind, solar                          | 15.00           | Avg.                       | 16.45   |
| CA           | various renewables                   | 20.00           | Med                        | 15.00   |
| CA           | wind, hydro and PV                   | 30.00           | Mode                       | 15.00   |
| CA           | 100% renewable                       | 10.00           | Max                        | 60.00   |
| CA           | 100% local solar                     | 60.00           | Min                        | 0.90  |
| CA           | wind, PV                             | 15.00           |                            |   |
| ID           | wind, solar and biomass              | 3.50            |                            |   |
| ID           | wind                                 | 19.50           |                            |   |
| MT           | wind, PV                             | 20.00           |                            |   |
| MT           | various renewables                   | 0.90            |                            |   |
| MT           | wind, hydro                          | 12.50           |                            |   |
| MT           | wind                                 | 11.00           |                            |   |
| OR           | PV, wind                             | 20.00           |                            |   |
| OR           | wind                                 | 15.00           |                            |   |
| OR           | wind and landfill gas                | 8               |                            |   |
| OR           | various renewables                   | 12.5            |                            |   |
| OR           | wind                                 | 15.00           |                            |   |
| OR           | landfill gas                         | 19.00           |                            |   |
| OR           | wind, landfill gas, low-impact hydro | 8.00            |                            |   |
| OR           | wind                                 | 3.00            |                            |   |
| OR           | various                              | 10.00           |                            |   |
| WA           | wind, solar and biomass              | 3.50            |                            |   |
| WA           | landfill gas                         | 17.00           |                            |   |
| WA           | PV, wind                             | 15.00           |                            |   |
| WA           | wind, PV                             | 8.00            |                            |   |
| WA           | wind                                 | 20.00           |                            |   |
| WA           | wind, hydro                          | 40.00           |                            |   |
| WA           | landfill gas                         | 10.50           |                            |   |
| WA           | wind                                 | 15.00           |                            |   |
| WA           | wind, hydro, biogas, solar           | 12.50           |                            |   |
| WA           | geothermal, biomass, wind, hydro     | 15.00           |                            |   |

<sup>16</sup> <http://apps3.eere.energy.gov/greenpower/markets/pricing.shtml>, Source: National Renewable Energy Laboratory, Golden, Colorado., Notes: Utility green pricing programs may only be available to customers located in the utility's service territory.

The current minimum premium for hydro green power is \$0.90 / MWH in Montana. The average premium, \$16.45 / MWH, the Median premium, \$15 / MWH, and the most common premium, \$15.00 / MWH, are all too low to move Enloe into profitable territory relative to open market prices of \$40 / MWH

C. What about the potential for Enloe to provide backup reserve capacity for wind or solar projects and thus get higher prices?

The concise answer is that this is not a good fit for Enloe. For hydro to be a good symbiotic fit with wind the project has to be able to increase production, often for days at a time to cover for wind turbines when winds are calm, and then throttle back production to recharge the reservoir when the wind is blowing. Similarly for solar, Enloe would have to be able to ramp up production at night and when it is cloudy, again for days at a time, and then throttle back production to refill the reservoir during sunny periods.

As a small project with a small reservoir the length of time Enloe can throttle the project up or down is extremely limited. And, at 9 MW, Enloe will be smaller than most state of the art wind farms, so Enloe cannot be of much help there.

According to OPUD, “The mean hydraulic residence time is estimated to be about 2.4 hours for the mean annual flow. It reduces to just 45 minutes at the mean annual peak flow of 16,100 cfs, and increases to 7.3 hours at the mean September flow of 596 cfs. Residence time would exceed 20 hours at flows less than 200 cfs.<sup>17</sup>

In other words, in all but the driest months, even if OPUD wanted to operate the project in a dispatchable fashion, they can usually only do so for, at most, a few hours at a time.

The bigger point is that Enloe, as currently proposed and licensed, is not dispatchable. In the application OPUD proposed to operate the project in a run-of-river fashion.<sup>18</sup> In FERC’s license they require OPUD to provide detailed descriptions of how the licensee will document compliance with run-of-river operation.<sup>19</sup>

Since the project will not be dispatchable, it cannot provide backup for intermittent wind and solar projects and thus it cannot demand premium pricing in that context.

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<sup>17</sup> pp. A-13

<sup>18</sup> pp. B-18

<sup>19</sup> Project No. 12569-001, pp. 53

### Appendix 3, Enloe Dam Detail in OPUD Budgets, 2010 – 2016<sup>20</sup>

#### OPUD Treatment of Enloe Dam in Budgets 2010 - 2016

| Budget Year | Detail  | Amount      | Total Year  | Notes  |
|-------------|---|-------------|-------------|--|
| 2010        |   |             | \$2,160,000 | Enloe expenditures not mentioned in the summary. Total in the detail section is \$2,160,000. |
|             | Misc. Contractual Services                      |             |             |  |
|             | PUD Enloe Emergency Action Plan                 | \$80,000    |             |  |
|             | Enloe PM&Es (water rights, etc.)                | \$200,000   |             |  |
|             | Enloe Road Repair                               | \$200,000   |             |  |
|             | Capital - Contractual Services                  |             |             |  |
|             | Enloe Dam - Entrix and Others                   | \$1,600,000 |             |  |
|             | Capital - Materials and Supplies                |             |             |  |
|             | Enloe Dam - EAP                                 | \$50,000    |             |  |
|             | Enloe Dam - EAP Equipment                       | \$30,000    |             |  |
| 2011        |   |             | \$2,010,000 | Enloe listed at \$1.9 million. The detail comes in a little bigger at about \$2.01 million.  |
|             | Misc. Contractual Services                      |             |             |  |
|             | PUD Enloe Emergency Action Plan                 | \$30,000    |             |  |
|             | Enloe Maintenance and Repair                    | \$200,000   |             |  |
|             | Capital - Contractual Services                  |             |             |  |
|             | Enloe Dam - Engineering and Design              | \$500,000   |             |  |
|             | Enloe Dam - License/Compliance/Permitting/Legal | \$750,000   |             |  |
|             | Enloe Dam - Construction                        | \$500,000   |             |  |
|             | Capital - Materials and Supplies                |             |             |  |
|             | Enloe Dam - EAP                                 | \$30,000    |             |  |

<sup>20</sup> Source, OPUD Budgets, 2010 – 2016.

| <b>Budget Year</b> | <b>Detail</b>                           | <b>Amount</b> | <b>Total Year</b> | <b>Notes</b>  |
|--------------------|---|---------------|-------------------|---|
| 2012               | Enloe Dam                               | \$1,300,000   | \$1,300,000       | Enloe appears in the summary, but not in the detail   |
| 2013               | Enloe Dam                               | \$3,100,000   | \$3,100,000       | Enloe appears in the summary, but not in the detail   |
| 2014               | Enloe Dam                               | \$2,750,000   | \$2,750,000       | Enloe appears in the summary, but not in the detail   |
| 2015               | Enloe Dam \$1,764,000.                  | \$1,764,000   | \$1,764,000       | Enloe in summary. Only about \$30,000 shows up in detail.                                     |
| 2016               | Misc. Contractual Services              |               | \$1,338,000       | Amount listed in summary is \$1.056 million, roughly \$300,000 less than mentioned in detail. |
|                    | Enloe Dam Dewatering                    | \$1,000,000   |                   |   |
|                    | Enloe Dam Inspection                    | \$38,000      |                   |   |
|                    | Capital - Contractual Services          |               |                   |   |
|                    | Enloe Dam - On Call Engineering Support | \$300,000     |                   |   |
| Total, 2010 - 2016 |   |               | \$14,422,000      |   |



## Appendix 4, Sunk Cost Discussion

There is a tendency to ignore sunk costs on the grounds that, since they are not recoverable, it is just as well to ignore them.

1. This is inappropriate because when a company has spent, and is continuing to spend money on a project, even if the spending is not recoverable, it represents real money being spent on behalf of ratepayers. OPUD rates could be lower if the money were not being spent.
2. If the spending is being dedicated to a given project, in this case Enloe Dam, it is more transparent to book it as such. In that manner both management and ratepayers can more easily focus on the degree to which the project is or is not desirable. It is only fair for ratepayers to know how much is going to be spent in this fashion. It seems reasonable that ratepayers should have been informed of the magnitude of off-budget cash flows that were, and are, being dedicated to Enloe. It would have been prudent to inform ratepayers that management was committing the utility to a power source that might result power costing at least \$83 / MWH and perhaps as much \$149 / MWH energy.
3. There is a tendency, after some poorly defined point in time, to use sunk costs as justification for going forward with projects. In the case of Enloe Dam, at this moment in time, this would be poor reasoning. As an analogy, a rafter may float for years down a river headed towards a waterfall and certain death. Regardless of the amount of time invested upstream, it always makes sense to get out of the river before the falls, even if it is only inches before the falls. In the case of Enloe, something in excess of \$11 million has already been spent. Spending by the end of 2016 looks to be in excess of \$14 million. Spending another \$39 million, or more, on the physical structure would amount to throwing good money after bad. The debt service on just the \$39 million portion will result in Enloe power costing \$83.04 / MWH. That is more than double the price of readily available open market power.

**ATTACHMENTS, OPUD BUDGETS 2010 - 2016**

**RESOLUTION NUMBER 1494**

**A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Okanogan County, Washington, Adopting the Final Budget for the Year 2010.**

**WHEREAS**, in conformity with Section 54.16.080, Revised Code of Washington, this Commission prepared a proposed budget of the contemplated financial transactions of the District for the ensuing year 2010, and filed the same in the records of the Commission on October 6, 2009, and proof was made that notice of the hearing on said proposed budget was given publication in the OMAK CHRONICLE once a week for two consecutive weeks.

**WHEREAS**, the Commission of said District met this day in the office of the District in Okanogan, Washington, at 1:30 p.m. being the time and place designated for approval of the final budget for the year 2010;

**WHEREAS**, the Commission deems it to be in the best interest of the District that the budget for the year 2010 be finally determined and adopted;

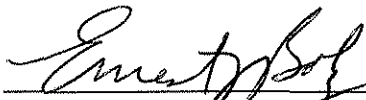
**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of Public Utility District No. 1 of Okanogan County hereby adopt the budget as finally determined, and fix the final amount of expenditures for the ensuing year as set forth in the budget summary as attached to this Resolution, and by this reference made a part of this Resolution as fully as though set out at length herein.

**PASSED AND APPROVED** this 15th day of December, 2009.

  
\_\_\_\_\_  
Trish Butler, President

  
\_\_\_\_\_  
David Womack, Vice President

ATTEST:

  
\_\_\_\_\_  
Ernest J. Bolz, Secretary

APPROVED:

  
\_\_\_\_\_  
Michael D. Howe

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2010 ADOPTED BUDGET - DECEMBER 1, 2009**  
**BUDGET SUMMARY**

| <u>Description</u>                 | <u>Electric</u>     | <u>Wholesale<br/>Telecom</u> | <u>Total</u>        |
|------------------------------------|---------------------|------------------------------|---------------------|
| <b><u>REVENUE</u></b>              |                     |                              |                     |
| Sales - Retail                     | 33,337,000          |                              | 33,337,000          |
| Sales - Wholesale                  | 4,937,000           | 1,900,000                    | 6,837,000           |
| Interest                           | 262,000             |                              | 262,000             |
| Miscellaneous                      | 531,000             |                              | 531,000             |
| Rental Income                      | 118,000             |                              | 118,000             |
| Construction Contribution          | 542,000             |                              | 542,000             |
| <b>Total Revenue</b>               | <b>39,727,000</b>   | <b>1,900,000</b>             | <b>41,627,000</b>   |
| <b><u>EXPENDITURES</u></b>         |                     |                              |                     |
| Wages                              | 7,261,600           | 220,900                      | 7,482,500           |
| Benefits                           | 2,541,600           | 77,300                       | 2,618,900           |
| Travel                             | 232,200             | 12,500                       | 244,700             |
| Training, Tuition and Meeting Fees | 183,500             | 12,500                       | 196,000             |
| Transportation                     | 737,500             | 19,500                       | 757,000             |
| Insurance                          | 320,500             |                              | 320,500             |
| Utilities                          | 75,600              |                              | 75,600              |
| Postage, Printing and Stationary   | 117,200             |                              | 117,200             |
| Advertising                        | 31,500              |                              | 31,500              |
| Conservation Expenditures          | 276,000             |                              | 276,000             |
| Misc. Contractual Services         | 2,915,200           | 79,200                       | 2,994,400           |
| Legal Services                     | 359,100             | 5,000                        | 364,100             |
| Maintenance Contracts              | 130,600             | 26,800                       | 157,400             |
| Software Licenses and Support      | 244,500             | 20,000                       | 264,500             |
| Permits and Fees                   | 18,400              | 86,000                       | 104,400             |
| Rents and Leases                   | 54,600              | 93,700                       | 148,300             |
| Materials and Supplies             | 860,500             | 71,500                       | 932,000             |
| Small Tools (under \$1,000)        | 68,300              | 1,000                        | 69,300              |
| Miscellaneous                      | 101,000             |                              | 101,000             |
| Purchased Power                    | 24,158,000          |                              | 24,158,000          |
| Taxes                              | 2,008,900           | 11,300                       | 2,020,200           |
| <b>Total Expenditures</b>          | <b>42,696,300</b>   | <b>737,200</b>               | <b>43,433,500</b>   |
| <b><u>CAPITAL OUTLAY</u></b>       |                     |                              |                     |
| Capital - Contractual Services     | 11,208,000          |                              | 11,208,000          |
| Capital - Materials and Supplies   | 8,489,000           | 307,000                      | 8,796,000           |
| Capital - Meter Purchases          | 1,500,000           |                              | 1,500,000           |
| Capital - Transformer Purchases    | 500,000             |                              | 500,000             |
| Capital - Tools and Equipment      | 13,500              |                              | 13,500              |
| Capital - Buildings                | 3,094,000           |                              | 3,094,000           |
| Capital - Equipment (Over \$2,000) | 1,447,800           | 10,000                       | 1,457,800           |
| Capital - Vehicles                 | (175,000)           |                              | (175,000)           |
| Capital - Personal Computers       | 70,600              |                              | 70,600              |
| Unforeseen Contingencies           | 100,000             |                              | 100,000             |
| <b>Total Capital Outlay</b>        | <b>26,247,900</b>   | <b>317,000</b>               | <b>26,564,900</b>   |
| <b><u>DEBT SERVICE</u></b>         |                     |                              |                     |
| Debt Service - Principal           | 715,000             | 155,000                      | 870,000             |
| Debt Service - Interest            | 421,300             | 262,800                      | 684,100             |
| <b>Total Debt Service</b>          | <b>1,136,300</b>    | <b>417,800</b>               | <b>1,554,100</b>    |
| <b>Total Use of Resources</b>      | <b>70,080,500</b>   | <b>1,472,000</b>             | <b>71,552,500</b>   |
| <b>TRANSFER TO/(FROM) RESERVES</b> | <b>(30,353,500)</b> | <b>428,000</b>               | <b>(29,925,500)</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2009 ADOPTED BUDGET COMPARED TO 2010 ADOPTED BUDGET**  
**DECEMBER 15, 2009**

|                                    | <b>Electric System</b> |                       |                     |                                       | <b>Wholesale Telecommunications</b> |                       |                     |                                       | <b>Total</b>        |                       |                     |                                       |
|------------------------------------|------------------------|-----------------------|---------------------|---------------------------------------|-------------------------------------|-----------------------|---------------------|---------------------------------------|---------------------|-----------------------|---------------------|---------------------------------------|
| <b>REVENUE</b>                     | <b>Adopted 2009</b>    | <b>Projected 2009</b> | <b>Adopted 2010</b> | <b>2009 Adopted/<br/>2010 Adopted</b> | <b>Adopted 2009</b>                 | <b>Projected 2009</b> | <b>Adopted 2010</b> | <b>2009 Adopted/<br/>2010 Adopted</b> | <b>Adopted 2009</b> | <b>Projected 2009</b> | <b>Adopted 2010</b> | <b>2009 Adopted/<br/>2010 Adopted</b> |
| Sales - Retail                     | 31,290,700             | 30,399,700            | 33,337,000          | 2,046,300                             |                                     |                       |                     | 0                                     | 31,290,700          | 30,399,700            | 33,337,000          | 2,046,300                             |
| Sales - Wholesale                  | 7,489,500              | 3,464,000             | 4,937,000           | (2,552,500)                           | 1,168,200                           | 1,754,200             | 1,900,000           | 731,800                               | 8,657,700           | 5,218,200             | 6,837,000           | (1,820,700)                           |
| Interest                           | 1,246,000              | 1,031,500             | 282,000             | (984,000)                             |                                     |                       |                     | 0                                     | 1,246,000           | 1,031,500             | 282,000             | (984,000)                             |
| Miscellaneous                      | 746,700                | 546,100               | 531,000             | (215,700)                             |                                     |                       |                     | 0                                     | 746,700             | 546,100               | 531,000             | (215,700)                             |
| Rental Income                      | 118,000                | 117,000               | 118,000             | 0                                     |                                     |                       |                     | 0                                     | 118,000             | 117,000               | 118,000             | 0                                     |
| Construction Contribution          | 1,600,000              | 719,800               | 542,000             | (1,058,000)                           |                                     |                       |                     | 0                                     | 1,600,000           | 719,800               | 542,000             | (1,058,000)                           |
| <b>Total Revenue</b>               | <b>42,490,900</b>      | <b>36,278,100</b>     | <b>39,727,000</b>   | <b>(2,763,900)</b>                    | <b>1,168,200</b>                    | <b>1,754,200</b>      | <b>1,900,000</b>    | <b>731,800</b>                        | <b>43,659,100</b>   | <b>38,032,300</b>     | <b>41,627,000</b>   | <b>(2,032,100)</b>                    |
| <b>EXPENDITURES</b>                |                        |                       |                     |                                       |                                     |                       |                     |                                       |                     |                       |                     |                                       |
| Wages                              | 6,979,900              | 5,929,600             | 7,261,600           | 281,700                               | 197,900                             | 253,400               | 220,900             | 23,000                                | 7,177,800           | 6,183,000             | 7,482,500           | 304,700                               |
| Benefits                           | 2,303,300              | 2,447,000             | 2,541,600           | 238,300                               | 65,300                              | 85,100                | 77,300              | 12,000                                | 2,368,600           | 2,532,100             | 2,618,900           | 250,300                               |
| Travel                             | 255,100                | 118,200               | 232,200             | (22,900)                              | 12,500                              | 4,000                 | 12,500              | 0                                     | 267,600             | 122,200               | 244,700             | (22,900)                              |
| Training, Tuition and Meeting Fees | 168,300                | 80,500                | 183,500             | 15,200                                | 11,000                              | 1,900                 | 12,500              | 1,500                                 | 179,300             | 82,400                | 196,000             | 16,700                                |
| Transportation                     | 681,300                | 737,100               | 737,500             | 56,200                                | 14,100                              | 16,800                | 19,500              | 5,400                                 | 695,400             | 753,900               | 757,000             | 61,600                                |
| Insurance                          | 219,300                | 293,700               | 320,500             | 101,200                               |                                     |                       |                     | 0                                     | 219,300             | 293,700               | 320,500             | 101,200                               |
| Utilities                          | 73,100                 | 74,400                | 75,600              | 2,500                                 |                                     |                       |                     | 0                                     | 73,100              | 74,400                | 75,600              | 2,500                                 |
| Postage, Printing and Stationary   | 122,700                | 111,500               | 117,200             | (5,500)                               |                                     | 100                   |                     | 0                                     | 122,700             | 111,600               | 117,200             | (5,500)                               |
| Advertising                        | 28,500                 | 27,600                | 31,500              | 3,000                                 |                                     |                       |                     | 0                                     | 28,500              | 27,600                | 31,500              | 3,000                                 |
| Conservation Expenditures          | 203,700                | 247,000               | 276,000             | 72,300                                |                                     |                       |                     | 0                                     | 203,700             | 247,000               | 276,000             | 72,300                                |
| Misc. Contractual Services         | 2,281,800              | 1,964,300             | 2,915,200           | 633,400                               | 68,400                              | 70,200                | 79,200              | 10,800                                | 2,350,200           | 2,034,500             | 2,994,400           | 644,200                               |
| Legal Services                     | 373,300                | 274,600               | 359,100             | (14,200)                              | 1,500                               | 4,000                 | 5,000               | 3,500                                 | 374,800             | 278,600               | 364,100             | (10,700)                              |
| Maintenance Contracts              | 92,600                 | 46,900                | 130,600             | 38,000                                | 34,500                              | 27,500                | 26,800              | (7,700)                               | 127,100             | 74,400                | 157,400             | 30,300                                |
| Software Licenses and Support      | 187,700                | 182,700               | 244,500             | 56,800                                |                                     | 8,200                 | 20,000              | 20,000                                | 187,700             | 190,900               | 264,500             | 76,800                                |
| Permits and Fees                   | 14,300                 | 14,300                | 18,400              | 4,100                                 | 102,100                             | 99,800                | 86,000              | (16,100)                              | 116,400             | 114,100               | 104,400             | (12,000)                              |
| Rents and Leases                   | 59,700                 | 62,300                | 54,600              | (5,100)                               | 94,700                              | 94,700                | 93,700              | (1,000)                               | 154,400             | 157,000               | 148,300             | (6,100)                               |
| Materials and Supplies             | 682,100                | 672,700               | 880,500             | 178,400                               | 38,300                              | 104,000               | 71,500              | 33,200                                | 720,400             | 776,700               | 932,000             | 211,600                               |
| Small Tools (under \$1,000)        | 43,300                 | 63,000                | 68,300              | 25,000                                | 1,000                               | 1,000                 | 1,000               | 0                                     | 44,300              | 64,000                | 69,300              | 25,000                                |
| Miscellaneous                      | 64,000                 | 56,900                | 101,000             | 37,000                                |                                     |                       |                     | 0                                     | 64,000              | 56,900                | 101,000             | 37,000                                |
| Purchased Power                    | 21,213,700             | 21,213,700            | 24,158,000          | 2,944,300                             |                                     |                       |                     | 0                                     | 21,213,700          | 21,213,700            | 24,158,000          | 2,944,300                             |
| Taxes                              | 1,920,900              | 1,849,000             | 2,008,900           | 88,000                                | 6,100                               | 12,100                | 11,300              | 5,200                                 | 1,927,000           | 1,861,100             | 2,020,200           | 93,200                                |
| <b>Total Expenditures</b>          | <b>37,968,600</b>      | <b>36,467,000</b>     | <b>42,696,300</b>   | <b>4,727,700</b>                      | <b>647,400</b>                      | <b>782,800</b>        | <b>737,200</b>      | <b>89,800</b>                         | <b>38,616,000</b>   | <b>37,249,800</b>     | <b>43,433,500</b>   | <b>4,817,500</b>                      |
| <b>CAPITAL OUTLAY</b>              |                        |                       |                     |                                       |                                     |                       |                     |                                       |                     |                       |                     |                                       |
| Capital - Contractual Services     | 10,158,000             | 2,237,000             | 11,208,000          | 1,050,000                             |                                     |                       |                     | 0                                     | 10,158,000          | 2,237,000             | 11,208,000          | 1,050,000                             |
| Capital - Materials and Supplies   | 9,064,000              | 5,827,100             | 8,489,000           | (575,000)                             | 262,100                             | 417,100               | 307,000             | 44,900                                | 9,326,100           | 6,244,200             | 8,796,000           | (530,100)                             |
| Capital - Meter Purchases          | 595,000                | 259,000               | 1,500,000           | 905,000                               |                                     |                       |                     | 0                                     | 595,000             | 259,000               | 1,500,000           | 905,000                               |
| Capital - Transformer Purchases    | 1,166,000              | 522,000               | 500,000             | (666,000)                             |                                     |                       |                     | 0                                     | 1,166,000           | 522,000               | 500,000             | (666,000)                             |
| Capital - Tools and Equipment      | 10,200                 | 10,200                | 13,500              | 3,300                                 |                                     |                       |                     | 0                                     | 10,200              | 10,200                | 13,500              | 3,300                                 |
| Capital - Buildings                | 6,984,500              | 3,504,500             | 3,094,000           | (3,890,500)                           |                                     |                       |                     | 0                                     | 6,984,500           | 3,504,500             | 3,094,000           | (3,890,500)                           |
| Capital - Equipment (Over \$2,000) | 770,100                | 738,600               | 1,447,800           | 677,700                               | 335,000                             | 35,000                | 10,000              | (325,000)                             | 1,105,100           | 773,600               | 1,457,800           | 352,700                               |
| Capital - Vehicles                 | 351,000                | 351,000               | (175,000)           | (526,000)                             |                                     |                       |                     | 0                                     | 351,000             | 351,000               | (175,000)           | (526,000)                             |
| Capital - Personal Computers       | 58,600                 | 51,600                | 70,600              | 12,000                                |                                     |                       |                     | 0                                     | 58,600              | 51,600                | 70,600              | 12,000                                |
| Unforeseen Contingencies           | 100,000                | 42,000                | 100,000             | 0                                     |                                     | 8,000                 |                     | 0                                     | 100,000             | 50,000                | 100,000             | 0                                     |
| <b>Total Capital Outlay</b>        | <b>29,257,400</b>      | <b>13,543,000</b>     | <b>26,247,900</b>   | <b>(3,009,500)</b>                    | <b>597,100</b>                      | <b>460,100</b>        | <b>317,000</b>      | <b>(280,100)</b>                      | <b>29,854,500</b>   | <b>14,003,100</b>     | <b>26,584,900</b>   | <b>(3,289,600)</b>                    |
| <b>DEBT SERVICE</b>                |                        |                       |                     |                                       |                                     |                       |                     |                                       |                     |                       |                     |                                       |
| Debt Service - Principal           | 680,000                | 680,000               | 715,000             | 35,000                                | 155,000                             | 155,100               | 155,000             | 0                                     | 835,000             | 835,100               | 870,000             | 35,000                                |
| Debt Service - Interest            | 459,800                | 493,600               | 421,300             | (38,500)                              | 262,800                             | 277,100               | 262,800             | 0                                     | 722,600             | 770,700               | 684,100             | (38,500)                              |
| <b>Total Debt Service</b>          | <b>1,139,800</b>       | <b>1,173,600</b>      | <b>1,136,300</b>    | <b>(3,500)</b>                        | <b>417,800</b>                      | <b>432,200</b>        | <b>417,800</b>      | <b>0</b>                              | <b>1,557,600</b>    | <b>1,605,800</b>      | <b>1,554,100</b>    | <b>(3,500)</b>                        |
| <b>Total Use of Resources</b>      | <b>68,365,800</b>      | <b>51,183,600</b>     | <b>70,080,500</b>   | <b>1,714,700</b>                      | <b>1,662,300</b>                    | <b>1,675,100</b>      | <b>1,472,000</b>    | <b>(190,300)</b>                      | <b>70,028,100</b>   | <b>52,858,700</b>     | <b>71,552,500</b>   | <b>1,524,400</b>                      |
| <b>TRANSFER TO/(FROM) RESERVES</b> | <b>(25,874,900)</b>    | <b>(14,905,500)</b>   | <b>(30,353,500)</b> | <b>(4,478,600)</b>                    | <b>(494,100)</b>                    | <b>79,100</b>         | <b>428,000</b>      | <b>922,100</b>                        | <b>(26,369,000)</b> | <b>(14,826,400)</b>   | <b>(29,925,500)</b> | <b>(3,556,500)</b>                    |

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET - DECEMBER 15, 2009  
EXPENDITURE SUMMARY BY DEPARTMENT

| Description                            | Generation       | Power Supply      | Engineering      | Operations        | Environmental  | Customer Service | Conservation   | General Administration | Information Systems | Commissioners  | Wholesale Telecom | Internal Communications | Total             |
|--|------------------|-------------------|------------------|-------------------|----------------|------------------|----------------|------------------------|---------------------|----------------|-------------------|-------------------------|-------------------|
| <b>EXPENDITURES</b>                    |                  |                   |                  |                   |                |                  |                |                        |                     |                |                   |                         |                   |
| 010 Wages                              | 111,300          | 112,000           | 831,100          | 3,426,200         | 113,500        | 805,500          | 116,200        | 1,240,700              | 278,600             | 81,200         | 220,900           | 145,300                 | 7,482,500         |
| 011 Benefits                           | 39,000           | 39,200            | 290,900          | 1,199,200         | 39,700         | 281,900          | 40,700         | 434,200                | 97,500              | 28,400         | 77,300            | 50,900                  | 2,618,900         |
| 020 Travel                             | 18,500           | 25,000            | 26,600           | 30,000            | 13,300         | 10,200           | 15,000         | 42,300                 | 10,300              | 31,000         | 12,500            | 10,000                  | 244,700           |
| 021 Training, Tuition and Meeting Fees | 9,600            | 7,500             | 19,200           | 42,000            | 8,000          | 6,800            | 4,000          | 34,400                 | 33,000              | 2,800          | 12,500            | 16,200                  | 196,000           |
| 030 Transportation                     | 6,600            | 1,400             | 32,800           | 618,700           | 1,500          | 58,300           | 6,600          | 3,500                  | 2,000               |                | 19,500            | 6,100                   | 757,000           |
| 040 Insurance                          |                  |                   |                  |                   |                |                  |                | 320,500                |                     |                |                   |                         | 320,500           |
| 050 Utilities                          |                  |                   |                  |                   |                |                  |                | 75,600                 |                     |                |                   |                         | 75,600            |
| 060 Postage, Printing and Stationary   |                  |                   | 1,600            | 1,700             | 200            | 100,100          | 7,800          | 5,500                  |                     |                |                   | 300                     | 117,200           |
| 070 Advertising                        | 2,500            |                   | 2,000            | 6,200             | 1,000          | 800              | 18,000         | 1,000                  |                     |                |                   |                         | 31,500            |
| 071 Conservation Expenditures          |                  |                   |                  |                   |                |                  | 276,000        |                        |                     |                |                   |                         | 276,000           |
| 080 Misc. Contractual Services         | 564,500          | 828,000           | 10,400           | 973,200           | 5,400          | 65,600           | 18,500         | 435,800                | 13,800              |                | 79,200            |                         | 2,994,400         |
| 081 Legal Services                     |                  |                   |                  |                   |                |                  |                | 359,100                |                     |                | 5,000             |                         | 364,100           |
| 082 Maintenance Contracts              |                  |                   |                  | 53,000            |                |                  |                | 11,700                 | 27,900              |                | 26,800            | 38,000                  | 157,400           |
| 083 Software Licenses and Support      | 2,500            | 3,000             | 67,600           | 44,100            | 2,000          |                  |                |                        | 117,100             |                | 20,000            | 8,200                   | 264,500           |
| 084 Permits and Fees                   | 2,000            |                   | 1,000            | 11,100            |                | 200              |                | 1,100                  |                     |                | 86,000            | 3,000                   | 104,400           |
| 085 Rents and Leases                   | 7,200            |                   |                  | 900               |                | 4,800            |                | 19,800                 | 13,800              |                | 93,700            | 8,100                   | 148,300           |
| 090 Materials and Supplies             | 3,000            | 1,000             | 20,600           | 682,000           | 2,000          | 38,800           | 7,500          | 48,200                 | 5,000               | 1,400          | 71,500            | 51,000                  | 932,000           |
| 091 Small Tools (under \$1,000)        |                  |                   | 2,500            | 54,500            |                | 2,500            |                | 2,300                  | 5,500               |                | 1,000             | 1,000                   | 69,300            |
| 092 Miscellaneous                      |                  |                   |                  | 5,800             |                | 32,500           | 300            | 61,100                 |                     | 1,300          |                   |                         | 101,000           |
| 120 Purchased Power                    |                  | 24,158,000        |                  |                   |                |                  |                |                        |                     |                |                   |                         | 24,158,000        |
| 210 Taxes                              |                  |                   |                  |                   |                |                  |                | 2,008,900              |                     |                | 11,300            |                         | 2,020,200         |
| <b>Total Expenditures</b>              | <b>766,700</b>   | <b>25,175,100</b> | <b>1,306,300</b> | <b>7,148,600</b>  | <b>186,600</b> | <b>1,408,000</b> | <b>510,600</b> | <b>5,105,700</b>       | <b>604,500</b>      | <b>146,100</b> | <b>737,200</b>    | <b>338,100</b>          | <b>43,433,500</b> |
| <b>CAPITAL OUTLAY</b>                  |                  |                   |                  |                   |                |                  |                |                        |                     |                |                   |                         |                   |
| 581 Capital - Contractual Services     | 3,600,000        |                   |                  | 7,525,000         |                |                  |                |                        |                     |                |                   | 83,000                  | 11,208,000        |
| 591 Capital - Materials and Supplies   | 100,000          |                   |                  | 8,304,000         |                |                  |                |                        |                     |                | 307,000           | 85,000                  | 8,796,000         |
| 592 Capital - Meter Purchases          |                  |                   |                  | 1,500,000         |                |                  |                |                        |                     |                |                   |                         | 1,500,000         |
| 593 Capital - Transformer Purchases    |                  |                   |                  | 500,000           |                |                  |                |                        |                     |                |                   |                         | 500,000           |
| 710 Capital - Tools and Equipment      |                  |                   |                  | 11,500            |                |                  |                | 2,000                  |                     |                |                   |                         | 13,500            |
| 711 Capital - Buildings                |                  |                   |                  | 94,000            |                |                  |                | 3,000,000              |                     |                |                   |                         | 3,094,000         |
| 712 Capital - Equipment (Over \$2,000) |                  |                   | 71,000           | 147,500           |                |                  |                | 625,000                | 155,300             |                | 10,000            | 449,000                 | 1,457,800         |
| 713 Capital - Vehicles                 |                  |                   |                  | (175,000)         |                |                  |                |                        |                     |                |                   |                         | (175,000)         |
| 714 Capital - Personal Computers       |                  |                   |                  |                   |                |                  |                |                        | 70,600              |                |                   |                         | 70,600            |
| 901 Unforeseen Contingencies           |                  |                   |                  |                   |                |                  |                | 100,000                |                     |                |                   |                         | 100,000           |
| <b>Total Capital Outlay</b>            | <b>3,700,000</b> | <b>0</b>          | <b>71,000</b>    | <b>17,907,000</b> | <b>0</b>       | <b>0</b>         | <b>0</b>       | <b>3,727,000</b>       | <b>225,900</b>      | <b>0</b>       | <b>317,000</b>    | <b>617,000</b>          | <b>26,564,900</b> |
| <b>DEBT SERVICE</b>                    |                  |                   |                  |                   |                |                  |                |                        |                     |                |                   |                         |                   |
| 810 Debt Service - Principal           |                  |                   |                  |                   |                |                  |                | 715,000                |                     |                | 155,000           |                         | 870,000           |
| 811 Debt Service - Interest            |                  |                   |                  |                   |                |                  |                | 421,300                |                     |                | 262,800           |                         | 684,100           |
| <b>Total Debt Service</b>              | <b>0</b>         | <b>0</b>          | <b>0</b>         | <b>0</b>          | <b>0</b>       | <b>0</b>         | <b>0</b>       | <b>1,136,300</b>       | <b>0</b>            | <b>0</b>       | <b>417,800</b>    | <b>0</b>                | <b>1,554,100</b>  |
| <b>Total Use of Resources</b>          | <b>4,466,700</b> | <b>25,175,100</b> | <b>1,377,300</b> | <b>25,055,600</b> | <b>186,600</b> | <b>1,408,000</b> | <b>510,600</b> | <b>9,969,000</b>       | <b>830,400</b>      | <b>146,100</b> | <b>1,472,000</b>  | <b>955,100</b>          | <b>71,552,500</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET - DECEMBER 15, 2009  
REVENUE DETAIL**

| <u>Div.</u> | <u>Activity</u>          | <u>Description</u>         | <u>Budget<br/>Amount</u> |
|-------------|--------------------------|----------------------------|--------------------------|
| 1           | <b>Electric</b>          |                            | <b>39,727,000</b>        |
|             | 001                      | Sales - Retail             | 33,337,000               |
|             | 002                      | Sales - Wholesale          | 4,937,000                |
|             | 003                      | Interest                   | 262,000                  |
|             | 004                      | Miscellaneous              | 531,000                  |
|             | 005                      | Rental Income              | 118,000                  |
|             | 006                      | Construction Contributions | 542,000                  |
| 2           | <b>Wholesale Telecom</b> |                            | <b>1,900,000</b>         |
|             | 002                      | Sales - Wholesale          | 1,900,000                |
|             | 004                      | Miscellaneous              | 0                        |
|             | 006                      | Construction Contributions | 0                        |
|             |                          | <b>TOTAL REVENUE</b>       | <b>41,627,000</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET - DECEMBER 15, 2009  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                             | <u>Description</u> | <u>Budget<br/>Amount</u> |
|-------------|--------------|---|--------------------|--------------------------|
| 1           | 10           | <b>Generation</b>                           |                    | <b>4,466,700</b>         |
|             | 010          | Wages                                       |                    | 111,300                  |
|             | 011          | Benefits                                    |                    | 39,000                   |
|             | 020          | Travel                                      |                    | 18,500                   |
|             | 021          | Training, Tuition and Meeting Fees          |                    | 9,600                    |
|             | 030          | Transportation                              |                    | 6,600                    |
|             | 070          | Advertising                                 |                    | 2,500                    |
|             | 080          | Misc. Contractual Service                   |                    | 564,500                  |
|             |              | BLM Fencing and Signs                       | 30,000             |                          |
|             |              | <b>PUD Enloe Emergency Action Plan</b>      | <b>80,000</b>      |                          |
|             |              | <b>Enloe PM&amp;Es (water rights, etc.)</b> | <b>200,000</b>     |                          |
|             |              | <b>Enloe Road Repair</b>                    | <b>200,000</b>     |                          |
|             |              | NWHA (Hydro)                                | 1,500              |                          |
|             |              | Van Rentals (tours)                         | 3,000              |                          |
|             |              | Other Misc.                                 | 50,000             |                          |
|             | 083          | Software License and Support                |                    | 2,500                    |
|             |              | Stella Systems                              | 2,500              |                          |
|             | 084          | Permits and Fees                            |                    | 2,000                    |
|             |              | Dam Inspection Fees and ROW                 | 2,000              |                          |
|             | 085          | Rent and Leases                             |                    | 7,200                    |
|             |              | Ophir Site Lease                            | 7,200              |                          |
|             | 090          | Materials and Supplies                      |                    | 3,000                    |
|             | 581          | Capital - Contractual Services              |                    | 3,600,000                |
|             |              | <b>Enloe Dam - Entrix and Others</b>        | <b>1,600,000</b>   |                          |
|             |              | Shankers Feasibility Study                  | 2,000,000          |                          |
|             | 591          | Capital - Materials and Supplies            |                    | 100,000                  |
|             |              | <b>Enloe Dam - EAP</b>                      | <b>50,000</b>      |                          |
|             |              | <b>Enloe Dam - EAP Equipment</b>            | <b>30,000</b>      |                          |
|             |              | Unforeseen Materials and Supplies           | 20,000             |                          |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2010 ADOPTED BUDGET - DECEMBER 15, 2009**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                     | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|-------------------------------------|--------------------|----------------------|
| 1           | 11           | <b>Power Supply</b>                 |                    | <b>25,175,100</b>    |
|             | 010          | Wages                               |                    | 112,000              |
|             | 011          | Benefits                            |                    | 39,200               |
|             | 020          | Travel                              |                    | 25,000               |
|             |              | Power Resources                     | 22,800             |                      |
|             |              | Leadership                          | 2,200              |                      |
|             | 021          | Training, Tuition and Meeting Fees  |                    | 7,500                |
|             |              | Power Resources                     | 5,700              |                      |
|             |              | Leadership                          | 1,800              |                      |
|             | 030          | Transportation                      |                    | 1,400                |
|             | 080          | Misc. Contractual Services          |                    | 828,000              |
|             |              | Douglas County PUD                  | 344,500            |                      |
|             |              | Slice Implementation Services       | 400,000            |                      |
|             |              | PNGC (Slice Audit/Legal Fees)       | 3,500              |                      |
|             |              | The Energy Authority                | 3,500              |                      |
|             |              | Miscellaneous Professional Services | 50,000             |                      |
|             |              | Annual Dow Jones Subscription       | 1,500              |                      |
|             |              | Central Washington Power Authority  | 25,000             |                      |
|             | 083          | Software Licenses and Support       |                    | 3,000                |
|             |              | Support Fee COP Monitor             | 3,000              |                      |
|             | 090          | Materials and Supplies              |                    | 1,000                |
|             | 120          | Purchased Power                     |                    | 24,158,000           |
|             |              | Other                               | 0                  |                      |
|             |              | BPA - Slice                         | 10,827,000         |                      |
|             |              | BPA - Block                         | 4,864,000          |                      |
|             |              | BPA - Transmission                  | 2,071,000          |                      |
|             |              | Wells                               | 3,765,000          |                      |
|             |              | Nine Canyon                         | 2,631,000          |                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2010 ADOPTED BUDGET - DECEMBER 15, 2009**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                     | <u>Description</u> | <u>Budget<br/>Amount</u> |
|-------------|--------------|-------------------------------------|--------------------|--------------------------|
| 1           | 20           | <b>Engineering</b>                  |                    | <b>1,377,300</b>         |
|             | 010          | Wages                               |                    | 831,100                  |
|             | 011          | Benefits                            |                    | 290,900                  |
|             | 020          | Travel                              |                    | 26,600                   |
|             |              | Engineering                         | 21,600             |                          |
|             |              | Leadership                          | 5,000              |                          |
|             | 021          | Training, Tuition and Meeting Fees  |                    | 19,200                   |
|             |              | Engineering                         | 15,000             |                          |
|             |              | Leadership                          | 4,200              |                          |
|             | 030          | Transportation                      |                    | 32,800                   |
|             | 060          | Postage, Printing and Stationary    |                    | 1,600                    |
|             | 070          | Advertising                         |                    | 2,000                    |
|             | 080          | Misc. Contractual Services          |                    | 10,400                   |
|             |              | Janitorial Services                 | 10,400             |                          |
|             | 083          | Software Licenses and Support       |                    | 67,600                   |
|             |              | AutoCad                             | 2,000              |                          |
|             |              | ESRI                                | 5,000              |                          |
|             |              | Futura                              | 14,700             |                          |
|             |              | GeoNav                              | 3,000              |                          |
|             |              | Sag10 ver 3.10                      | 4,500              |                          |
|             |              | Staker                              | 29,400             |                          |
|             |              | SynerGee                            | 4,000              |                          |
|             |              | TL-PRO Design Studio                | 5,000              |                          |
|             | 084          | Permits and Fees                    |                    | 1,000                    |
|             |              | City Franchises                     | 900                |                          |
|             |              | Miscellaneous                       | 100                |                          |
|             | 090          | Materials and Supplies              |                    | 20,600                   |
|             | 091          | Small Tools (under \$1,000)         |                    | 2,500                    |
|             |              | Misc.                               | 2,500              |                          |
|             | 712          | Capital - Equipment (Over \$2,000)  |                    | 71,000                   |
|             |              | Milsoft Engineering Analysis System | 61,000             |                          |
|             |              | Misc.                               | 10,000             |                          |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2010 ADOPTED BUDGET - DECEMBER 15, 2009**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                            | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|--|--------------------|----------------------|
| 1           | 21           | <b>Operations</b>                          |                    | <b>25,055,600</b>    |
|             | 010          | Wages                                      |                    | 3,426,200            |
|             | 011          | Benefits                                   |                    | 1,199,200            |
|             | 020          | Travel                                     |                    | 30,000               |
|             |              | Operations                                 | 22,500             |                      |
|             |              | Leadership                                 | 7,500              |                      |
|             | 021          | Training, Tuition and Meeting Fees         |                    | 42,000               |
|             |              | Operations                                 | 35,700             |                      |
|             |              | Leadership                                 | 6,300              |                      |
|             | 030          | Transportation                             |                    | 618,700              |
|             | 060          | Postage, Printing and Stationary           |                    | 1,700                |
|             | 070          | Advertising                                |                    | 6,200                |
|             | 080          | Misc. Contractual Services                 |                    | 973,200              |
|             |              | CDL Testing Program                        | 4,500              |                      |
|             |              | Employee Dispatch                          | 9,600              |                      |
|             |              | Oroville Office Paint and Window           | 7,500              |                      |
|             |              | Osrose Exacter System Review               | 15,000             |                      |
|             |              | Pole Testing                               | 250,000            |                      |
|             |              | Safety Training                            | 55,000             |                      |
|             |              | Tree Trimming                              | 600,000            |                      |
|             |              | Underground Locate Service                 | 1,500              |                      |
|             |              | Vehicle Tracking Activation                | 600                |                      |
|             |              | Vehicle Tracking Annual Fee                | 8,500              |                      |
|             |              | Weed Control                               | 20,000             |                      |
|             |              | Miscellaneous                              | 1,000              |                      |
|             | 082          | Maintenance Contracts                      |                    | 53,000               |
|             |              | Landscape Maintenance/Sweeping/Snowplowing | 3,000              |                      |
|             |              | Regulator and Oil Circuit Breaker          | 50,000             |                      |
|             | 083          | Software Licenses and Support              |                    | 44,100               |
|             |              | Mechanics Diagnostic Software Upgrade      | 1,300              |                      |
|             |              | OSI  | 14,000             |                      |
|             |              | TWACS Handheld Support                     | 28,800             |                      |
|             | 084          | Permits and Fees                           |                    | 11,100               |
|             |              | Railroad Licenses                          | 7,800              |                      |
|             |              | Right of Ways - USFS/Dept. of Int.         | 3,100              |                      |
|             |              | Miscellaneous                              | 200                |                      |
|             | 085          | Rents and Leases                           |                    | 900                  |
|             |              | Pole Contacts                              | 900                |                      |
|             | 090          | Materials and Supplies                     |                    | 682,000              |
|             |              | General                                    | 600,000            |                      |
|             |              | Special Projects - Meter Bases             | 50,000             |                      |
|             |              | Fire Resistant Clothing                    | 16,000             |                      |
|             |              | Wild Fire Clothing                         | 16,000             |                      |
|             |              | PPE for Wild Fires                         |                    |                      |
|             | 091          | Small Tools (under \$1,000)                |                    | 54,500               |
|             |              | Brewster                                   | 10,000             |                      |
|             |              | Okanogan                                   | 30,000             |                      |
|             |              | Oroville                                   | 10,000             |                      |
|             |              | Mechanics Specialty Tool Replacement       | 4,500              |                      |
|             | 092          | Miscellaneous                              |                    | 5,800                |
|             |              | Lineman Rodeo (Fees, Travel and Supplies)  | 5,500              |                      |
|             |              | Safety Meeting Refreshments                | 300                |                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2010 ADOPTED BUDGET - DECEMBER 15, 2009**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u>                                 | <u>Budget</u><br><u>Amount</u> |
|-------------|--------------|--|--|--------------------------------|
|             | 581          | Capital - Contractual Services                   |  | 7,525,000                      |
|             |              |  | AMI Implementation Labor (trenching at subs)       | 100,000                        |
|             |              |  | Brewster Substation Modifications (Carryover)      | 20,000                         |
|             |              |  | Contract Labor - Large System Projects             | 500,000                        |
|             |              |  | Engineering - Large System Projects                | 250,000                        |
|             |              |  | Gold Creek Sub Construction                        | 505,000                        |
|             |              |  | MTP Line Construction                              | 4,560,000                      |
|             |              |  | MTP Mitigation/Roads                               | 550,000                        |
|             |              |  | MTP Permits, Tetra Tech, Training, etc.            | 140,000                        |
|             |              |  | MTP ROW/Easements                                  | 400,000                        |
|             |              |  | Pole Replacements                                  | 200,000                        |
|             |              |  | Underground Replacements                           | 250,000                        |
|             |              |  | Okanogan 115 Dirtwork                              | 50,000                         |
|             | 591          | Capital - Materials and Supplies                 |  | 8,304,000                      |
|             |              |  | Normal Replacements and Extensions                 | 2,500,000                      |
|             |              |  | AMI Equipment                                      | 1,000,000                      |
|             |              |  | Gold Creek Substation Materials                    | 820,000                        |
|             |              |  | MTP Transmission and Distribution Materials        | 2,270,000                      |
|             |              |  | OCB, Regulators, Switches, etc.                    | 220,000                        |
|             |              |  | Sandfiat Substation Materials (steel for new bay)  | 150,000                        |
|             |              |  | SCADA Equipment                                    | 140,000                        |
|             |              |  | Loup Loup Substation                               | 60,000                         |
|             |              |  | Whitestone Substation                              | 11,000                         |
|             |              |  | Ellisforde Substation                              | 48,000                         |
|             |              |  | Pinecreek Substation                               | 1,000,000                      |
|             |              |  | Power Transformer Retrofill                        | 70,000                         |
|             |              |  | Omak Substation Fencing                            | 15,000                         |
|             | 592          | Capital - Meter Purchases                        |  | 1,500,000                      |
|             |              |  | TWACS Meter Replacements                           | 1,500,000                      |
|             | 593          | Capital - Transformer Purchases                  |  | 500,000                        |
|             |              |  | Normal Additions/Replacements                      | 500,000                        |
|             | 710          | Capital - Tools & Equipment (\$1,000 to \$2,000) |  | 11,500                         |
|             | 711          | Capital - Buildings                              |  | 94,000                         |
|             |              |  | Materials Storage Building (Carryover)             | 60,000                         |
|             |              |  | Oroville Equipment Storage Completion              | 25,000                         |
|             |              |  | Mechanics Storage Racks                            | 1,000                          |
|             |              |  | Lockers for Line Room                              | 6,000                          |
|             |              |  | Drying Rack for Boots and Gloves                   | 2,000                          |
|             | 712          | Capital - Equipment (Over \$2,000)               |  | 147,500                        |
|             |              |  | Trailer - SF6 Gas Trailer (Carryover)              | 21,000                         |
|             |              |  | Trailer - Replace Wire Pulling Trailer (Carryover) | 70,000                         |
|             |              |  | Warehouse Sweeper (Carryover)                      | 30,000                         |
|             |              |  | Dielectric Tester                                  | 9,000                          |
|             |              |  | Grounds Tester                                     | 2,500                          |
|             |              |  | Vehicle Tracking GPS/Cell                          | 9,000                          |
|             |              |  | Fair Trailer Completion                            | 6,000                          |
|             | 713          | Capital - Vehicles                               |  | -175,000                       |
|             |              |  | Flatbed Truck - Replace (1)                        | 40,000                         |
|             |              |  | Meterman Truck - Replace (1)                       | 40,000                         |
|             |              |  | Bucket Truck Rebuild                               | 33,000                         |
|             |              |  | Less: Transportation System Depreciation           | (288,000)                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET - DECEMBER 15, 2009  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                    | <u>Description</u> | <u>Budget<br/>Amount</u> |
|-------------|--------------|------------------------------------|--------------------|--------------------------|
| 1           | 22           | <b>Environmental</b>               |                    | <b>186,600</b>           |
|             | 010          | Wages                              |                    | 113,500                  |
|             | 011          | Benefits                           |                    | 39,700                   |
|             | 020          | Travel                             |                    | 13,300                   |
|             |              | Environmental Leadership           | 10,300             |                          |
|             |              | Leadership                         | 3,000              |                          |
|             | 021          | Training, Tuition and Meeting Fees |                    | 8,000                    |
|             |              | Environmental Leadership           | 5,500              |                          |
|             |              | Leadership                         | 2,500              |                          |
|             | 030          | Transportation                     |                    | 1,500                    |
|             | 060          | Postage, Printing and Stationary   |                    | 200                      |
|             | 070          | Advertising                        |                    | 1,000                    |
|             | 080          | Misc. Contractual Services         |                    | 5,400                    |
|             |              | Miscellaneous                      | 700                |                          |
|             |              | Environmental Consulting           | 4,700              |                          |
|             | 083          | Software Licenses and Support      |                    | 2,000                    |
|             | 090          | Materials and Supplies             |                    | 2,000                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2010 ADOPTED BUDGET - DECEMBER 15, 2009**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                    | <u>Description</u>                  | <u>Budget<br/>Amount</u> |
|-------------|--------------|------------------------------------|-------------------------------------|--------------------------|
| 1           | 30           | <b>Customer Service</b>            |                                     | <b>1,408,000</b>         |
|             | 010          | Wages                              |                                     | 805,500                  |
|             | 011          | Benefits                           |                                     | 281,900                  |
|             | 020          | Travel                             |                                     | 10,200                   |
|             |              |                                    | Customer Service                    | 8,000                    |
|             |              |                                    | Leadership                          | 2,200                    |
|             | 021          | Training, Tuition and Meeting Fees |                                     | 6,800                    |
|             |              |                                    | Customer Service                    | 5,000                    |
|             |              |                                    | Leadership                          | 1,800                    |
|             | 030          | Transportation                     |                                     | 58,300                   |
|             | 060          | Postage, Printing and Stationary   |                                     | 100,100                  |
|             |              |                                    | Postage                             | 80,100                   |
|             |              |                                    | Printing                            | 10,000                   |
|             |              |                                    | Stationary                          | 10,000                   |
|             | 070          | Advertising                        |                                     | 800                      |
|             | 080          | Misc. Contractual Services         |                                     | 65,600                   |
|             |              |                                    | Collection Service Credit Bureau    | 3,500                    |
|             |              |                                    | Credit Reporting Agency             | 8,300                    |
|             |              |                                    | Electronic Payments Fees            | 20,000                   |
|             |              |                                    | NISC Bill Print Fees                | 33,800                   |
|             | 084          | Permits and Fees                   |                                     | 200                      |
|             |              |                                    | Miscellaneous Fees (Notaries, etc.) | 200                      |
|             | 085          | Rents and Leases                   |                                     | 4,800                    |
|             |              |                                    | Office Rent MVCC                    | 4,500                    |
|             |              |                                    | Miscellaneous (PO Boxes, etc.)      | 300                      |
|             | 090          | Materials and Supplies             |                                     | 38,800                   |
|             |              |                                    | General                             | 36,800                   |
|             |              |                                    | Fire Resistant Clothing             | 2,000                    |
|             | 091          | Small Tools (under \$1,000)        |                                     | 2,500                    |
|             |              |                                    | Unforeseen                          | 2,500                    |
|             | 092          | Miscellaneous                      |                                     | 32,500                   |
|             |              |                                    | Miscellaneous Expenses              | 600                      |
|             |              |                                    | Net Account Receivable Writeoffs    | 31,900                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET - DECEMBER 15, 2009  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                       | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
| 1           | 35           |                 | <b>Conservation/Consumer Information</b> | <b>510,600</b>           |
|             |              | 010             | Wages                                    | 116,200                  |
|             |              | 011             | Benefits                                 | 40,700                   |
|             |              | 020             | Travel                                   | 15,000                   |
|             |              | 021             | Training, Tuition and Meeting Fees       | 4,000                    |
|             |              | 030             | Transportation                           | 6,600                    |
|             |              | 060             | Postage, Printing and Stationary         | 7,800                    |
|             |              | 070             | Advertising                              | 18,000                   |
|             |              | 071             | Conservation Expenditures                | 276,000                  |
|             |              |                 | CRC Program                              | 271,000                  |
|             |              |                 | CRC Renewables                           | 5,000                    |
|             |              | 080             | Misc. Contractual Services               | 18,500                   |
|             |              |                 | Electric Education Programs              | 18,500                   |
|             |              | 090             | Materials and Supplies                   | 7,500                    |
|             |              | 092             | Miscellaneous                            | 300                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2010 ADOPTED BUDGET - DECEMBER 15, 2009**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                              | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|--|--------------------|----------------------|
| 1           | 40           | <b>General Administration</b>                |                    | <b>9,969,000</b>     |
|             | 010          | Wages  |                    | 1,240,700            |
|             | 011          | Benefits                                     |                    | 434,200              |
|             | 020          | Travel                                       |                    | 42,300               |
|             |              | General                                      | 24,500             |                      |
|             |              | Accounting and Finance                       | 11,200             |                      |
|             |              | Human Resource                               | 2,200              |                      |
|             |              | Leadership                                   | 4,400              |                      |
|             | 021          | Training, Tuition and Meeting Fees           |                    | 34,400               |
|             |              | General                                      | 9,600              |                      |
|             |              | Accounting and Finance                       | 6,600              |                      |
|             |              | Human Resource                               | 4,600              |                      |
|             |              | Leadership                                   | 3,600              |                      |
|             |              | Education Reimbursement Program              | 10,000             |                      |
|             | 030          | Transportation                               |                    | 3,500                |
|             | 040          | Insurance (Property/Liability)               |                    | 320,500              |
|             | 050          | Utilities                                    |                    | 75,600               |
|             |              | Cell Phone Service                           | 6,900              |                      |
|             |              | Electrical Service                           | 3,900              |                      |
|             |              | Telephone Service                            | 45,900             |                      |
|             |              | Water/Sewer/Garbage                          | 18,900             |                      |
|             | 060          | Postage, Printing and Stationary             |                    | 5,500                |
|             | 070          | Advertising                                  |                    | 1,000                |
|             | 080          | Misc. Contractual Services                   |                    | 435,800              |
|             |              | APPA Dues                                    | 10,700             |                      |
|             |              | Audit Costs                                  | 70,000             |                      |
|             |              | Banking Fees                                 | 11,700             |                      |
|             |              | Benefits Administration                      | 6,000              |                      |
|             |              | Bond Admin Fee                               | 1,000              |                      |
|             |              | Bond Counsel and Insurance Costs             | 25,000             |                      |
|             |              | Chamber Dues                                 | 1,000              |                      |
|             |              | CWPU/UIP Expenses                            | 33,000             |                      |
|             |              | Document Destruction                         | 1,600              |                      |
|             |              | Economic Alliance                            | 6,000              |                      |
|             |              | Employee Assistance Program                  | 3,500              |                      |
|             |              | Equity Management Plan and Financial Studies | 25,000             |                      |
|             |              | Cost of Service Update                       | 25,000             |                      |
|             |              | Foundation for Water and Energy              | 2,000              |                      |
|             |              | Janitorial Services                          | 28,000             |                      |
|             |              | Legislative Consultant                       | 26,000             |                      |
|             |              | Misc. Services/Consulting                    | 17,000             |                      |
|             |              | NW Public Power Assoc. Dues/NW Wage & Hour   | 28,200             |                      |
|             |              | Public Power Council Dues                    | 25,100             |                      |
|             |              | PPC - NW River Partners                      | 12,200             |                      |
|             |              | Standard and Poors                           | 7,800              |                      |
|             |              | WA PUD Association Dues                      | 65,000             |                      |
|             |              | WA PUD Miscellaneous Surveys/Studies         | 5,000              |                      |
|             | 081          | Legal Services                               |                    | 359,100              |
|             |              | General Counsel                              | 234,100            |                      |
|             |              | Misc. Attorney Fees                          | 125,000            |                      |
|             | 082          | Maintenance Contracts                        |                    | 11,700               |
|             |              | Copier Maintenance                           | 6,400              |                      |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2010 ADOPTED BUDGET - DECEMBER 15, 2009**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u>                         |           | <u>Budget<br/>Amount</u> |
|-------------|--------------|--|--|-----------|--------------------------|
|             |              |  | Landscape Maintenance/Sweeping/Snowplowing | 5,300     |                          |
| 084         |              | Permits and Fees                                 |  |           | 1,100                    |
|             |              |  | WA State Purchasing Coop                   | 600       |                          |
|             |              |  | WA State L&I Right to Know                 | 300       |                          |
|             |              |  | Business Licenses                          | 200       |                          |
| 085         |              | Rents and Leases                                 |  |           | 19,800                   |
|             |              |  | Copier Lease                               | 5,100     |                          |
|             |              |  | Modular Building Rent                      | 13,000    |                          |
|             |              |  | P.O. Box Rent                              | 400       |                          |
|             |              |  | Storage                                    | 1,300     |                          |
| 090         |              | Materials and Supplies                           |  |           | 48,200                   |
| 091         |              | Small Tools (under \$1,000)                      |  |           | 2,300                    |
| 092         |              | Miscellaneous                                    |  |           | 61,100                   |
|             |              |  | Clothing for Identification                | 1,500     |                          |
|             |              |  | Deductibles/Damage Claims                  | 13,300    |                          |
|             |              |  | Election Costs                             | 6,200     |                          |
|             |              |  | Employee Day                               | 2,400     |                          |
|             |              |  | Interview/New Employee Expenses            | 15,000    |                          |
|             |              |  | Meeting Expenses                           | 6,200     |                          |
|             |              |  | Recycling/Disposal Office Materials        | 5,000     |                          |
|             |              |  | Service Awards and Costs                   | 1,500     |                          |
|             |              |  | Wellness Program Expenses                  | 10,000    |                          |
| 210         |              | Taxes  |  |           | 2,008,900                |
| 710         |              | Capital - Tools & Equipment (\$1,000 to \$2,000) |  |           | 2,000                    |
| 711         |              | Capital - Buildings                              |  |           | 3,000,000                |
|             |              |  | Headquarters Building - Completion         | 3,000,000 |                          |
| 712         |              | Capital - Equipment (Over \$2,000)               |  |           | 625,000                  |
|             |              |  | Headquarters Building - Furniture          | 625,000   |                          |
| 810         |              | Debt Service - Principal                         |  |           | 715,000                  |
| 811         |              | Debt Service - Interest                          |  |           | 421,300                  |
| 901         |              | Unforeseen Contingencies                         |  |           | 100,000                  |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2010 ADOPTED BUDGET - DECEMBER 15, 2009**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|--|--------------------|----------------------|
| 1           | 41           | <b>Information Systems</b>                     |                    | <b>830,400</b>       |
|             | 010          | Wages  |                    | 278,600              |
|             | 011          | Benefits                                       |                    | 97,500               |
|             | 020          | Travel   |                    | 10,300               |
|             |              | Information Systems                            | 9,500              |                      |
|             |              | Leadership                                     | 800                |                      |
|             | 021          | Training, Tuition and Meeting Fees             |                    | 33,000               |
|             |              | Training                                       | 20,000             |                      |
|             |              | NISC ABS Upgrade Training                      | 12,000             |                      |
|             |              | Leadership                                     | 1,000              |                      |
|             | 030          | Transportation                                 |                    | 2,000                |
|             | 080          | Misc. Contractual Services                     |                    | 13,800               |
|             |              | Neopost Postal Rate Change                     | 1,200              |                      |
|             |              | Network Consulting                             | 10,000             |                      |
|             |              | RDS  | 500                |                      |
|             |              | Security System Monitoring                     | 2,100              |                      |
|             | 082          | Maintenance Contracts                          |                    | 27,900               |
|             |              | BlackBerry Support                             | 1,000              |                      |
|             |              | GWAVA  | 1,200              |                      |
|             |              | Itron  | 4,800              |                      |
|             |              | NetApp SAN Hardware/Software                   | 8,500              |                      |
|             |              | SCADA Server Maintenance                       | 3,000              |                      |
|             |              | SonicWall                                      | 1,700              |                      |
|             |              | Symantec                                       | 4,000              |                      |
|             |              | Veritas Backup Exec                            | 500                |                      |
|             |              | VMWare Software                                | 3,200              |                      |
|             | 083          | Software Licenses and Support                  |                    | 117,100              |
|             |              | M+RFM Bundle (Spam & Archive)                  | 2,200              |                      |
|             |              | NISC   | 105,100            |                      |
|             |              | PC Software                                    | 9,800              |                      |
|             | 085          | Rents and Leases                               |                    | 13,800               |
|             |              | Axis Capital Lease                             | 11,100             |                      |
|             |              | Neopost Lease                                  | 2,700              |                      |
|             | 090          | Materials and Supplies                         |                    | 5,000                |
|             | 091          | Small Tools (under \$1,000)                    |                    | 5,500                |
|             |              | Digi Servers                                   | 2,500              |                      |
|             |              | Small Printers                                 | 3,000              |                      |
|             | 712          | Capital - Equipment (Over \$2,000)             |                    | 155,300              |
|             |              | Upgrade Network for High Availability          | 100,000            |                      |
|             |              | Servers, Software, Configuration & Data Backup | 33,800             |                      |
|             |              | Firewall Hardware                              | 10,000             |                      |
|             |              | Software Update - NISC ABS                     | 7,500              |                      |
|             |              | Printer  | 4,000              |                      |
|             | 714          | Capital - Personal Computers                   |                    | 70,600               |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET - DECEMBER 15, 2009  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|
| 1           | 50           |                 | <b>Commissioners</b>               | <b>146,100</b>           |
|             |              | 010             | Wages                              | 81,200                   |
|             |              | 011             | Benefits                           | 28,400                   |
|             |              | 020             | Travel                             | 31,000                   |
|             |              | 021             | Training, Tuition and Meeting Fees | 2,800                    |
|             |              | 090             | Materials and Supplies             | 1,400                    |
|             |              | 092             | Miscellaneous                      | 1,300                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2010 ADOPTED BUDGET - DECEMBER 15, 2009**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                      | <u>Budget Amount</u> |
|-------------|--------------|-----------------|---|----------------------|
| 2           | 60           |                 | <b>Wholesale Telecommunications</b>     | <b>1,472,000</b>     |
|             |              | 010             | Wages                                   | 220,900              |
|             |              | 011             | Benefits                                | 77,300               |
|             |              | 020             | Travel                                  | 12,500               |
|             |              | 021             | Training, Tuition and Meeting Fees      | 12,500               |
|             |              | 030             | Transportation                          | 19,500               |
|             |              | 080             | Misc. Contractual Services              | 79,200               |
|             |              |                 | Consulting - Stimulus Fund Application  | 75,000               |
|             |              |                 | NoaNet Calea Services                   | 4,200                |
|             |              | 081             | Legal Services                          | 5,000                |
|             |              | 082             | Maintenance Contracts                   | 26,800               |
|             |              |                 | Eaton Powerware UPS                     | 1,800                |
|             |              |                 | Cisco Smartnet                          | 5,400                |
|             |              |                 | WWP Lightning Edge Devices              | 15,000               |
|             |              |                 | RADcare (Optimux and IPMux)             | 2,600                |
|             |              |                 | Motorola Canopy Hardware/Software       | 2,000                |
|             |              | 083             | Software Licenses and Support           | 20,000               |
|             |              |                 | Ciena Element Management Software       | 15,000               |
|             |              |                 | Solar Winds IP Monitor Software Support | 5,000                |
|             |              | 084             | Permits and Fees                        | 86,000               |
|             |              |                 | Internet Fees - NoaNet                  | 81,000               |
|             |              |                 | ARIN ASN & IP Address Allocation        | 5,000                |
|             |              | 085             | Rents and Leases                        | 93,700               |
|             |              |                 | DCPUD Lit Services Ethernet             | 3,000                |
|             |              |                 | DCPUD Dark Fiber Lease                  | 34,600               |
|             |              |                 | NoaNet Dark Fiber Lease                 | 32,100               |
|             |              |                 | CenturyTel Dark Fiber Lease             | 0                    |
|             |              |                 | Wireless Site Lease                     | 24,000               |
|             |              | 090             | Materials and Supplies                  | 71,500               |
|             |              |                 | Misc. Switch/Network HW Upgrades        | 10,000               |
|             |              |                 | Fiber Plant Maintenance - Wholesale     | 50,000               |
|             |              |                 | Battery Maintenance & Replacement       | 6,500                |
|             |              |                 | UPS/Rectifier Replacement               | 5,000                |
|             |              | 091             | Small Tools (under \$1,000)             | 1,000                |
|             |              | 210             | Taxes                                   | 11,300               |
|             |              | 591             | Capital - Material and Supplies         | 307,000              |
|             |              |                 | Rackmount Servers                       | 10,000               |
|             |              |                 | Replace Switches (End of Life)          | 75,000               |
|             |              |                 | Fiber Distribution Builds               | 25,000               |
|             |              |                 | New Ethernet Node                       | 25,000               |
|             |              |                 | Wireless Towers                         | 75,000               |
|             |              |                 | Wireless Subscriber Units               | 97,000               |
|             |              | 712             | Capital - Equipment (Over \$2,000)      | 10,000               |
|             |              |                 | Test Equipment                          | 5,000                |
|             |              |                 | Tools                                   | 5,000                |
|             |              | 810             | Debt Service - Principal                | 155,000              |
|             |              | 811             | Debt Service - Interest                 | 262,800              |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET - DECEMBER 15, 2009  
EXPENDITURE DETAIL**

| <u>Div.</u>                                  | <u>Dept.</u> | <u>Activity</u>                            | <u>Description</u> | <u>Budget<br/>Amount</u> |
|--|--------------|--|--------------------|--------------------------|
| 1  | 61           | <b>Internal Communications</b>             |                    | <b>955,100</b>           |
|  | 010          | Wages                                      |                    | 145,300                  |
|  | 011          | Benefits                                   |                    | 50,900                   |
|  | 020          | Travel                                     |                    | 10,000                   |
|  |              | Communications                             | 7,000              |                          |
|  |              | Leadership                                 | 3,000              |                          |
|  | 021          | Training, Tuition and Meeting Fees         |                    | 16,200                   |
|  |              | Communications                             | 12,000             |                          |
|  |              | Leadership                                 | 4,200              |                          |
|  | 030          | Transportation                             |                    | 6,100                    |
|  | 060          | Postage, Printing and Stationary           |                    | 300                      |
|  | 082          | Maintenance Contracts                      |                    | 38,000                   |
|  |              | Fire Alarm System                          | 2,000              |                          |
|  |              | Landscape Maintenance/Sweeping             | 6,000              |                          |
|  |              | UHF Radio System                           | 19,000             |                          |
|  |              | Telephone System - Shortel                 | 7,500              |                          |
|  |              | UPS Okanogan and Omak                      | 3,500              |                          |
|  | 083          | Software Licenses and Support              |                    | 8,200                    |
|  |              | Cisco Smartnet                             | 700                |                          |
|  |              | MapInfo Software                           | 1,000              |                          |
|  |              | Fiber Mapping Software                     | 4,500              |                          |
|  |              | Lenel OnGuard Software                     | 2,000              |                          |
|  | 084          | Permits and Fees                           |                    | 3,000                    |
|  |              | Right of Way - USFS, DOT, etc.             | 3,000              |                          |
|  | 085          | Rents and Leases                           |                    | 8,100                    |
|  |              | UHF Site Lease - Little Buck Mtn.          | 2,500              |                          |
|  |              | UHF Site Lease - Aeneas Mtn.               | 2,500              |                          |
|  |              | UHF Site Lease - Goat Mtn.                 | 600                |                          |
|  |              | UHF Site Lease - Omak Mtn.                 | 2,500              |                          |
|  | 090          | Materials and Supplies                     |                    | 51,000                   |
|  |              | General Materials and Supplies             | 50,000             |                          |
|  |              | Dell Powerconnect 3448P - Stock Spare (2)  | 1,000              |                          |
|  | 091          | Small Tools (under \$1,000)                |                    | 1,000                    |
|  | 581          | Capital - Contractual Service              |                    | 83,000                   |
|  |              | NoaNet Assessments                         | 83,000             |                          |
|  | 591          | Capital - Material and Supplies            |                    | 85,000                   |
|  |              | Fiber Rework - Eastside Node               | 15,000             |                          |
|  |              | Fiber Rework - Armory Node                 | 15,000             |                          |
|  |              | Fiber Rework - 3rd Street Node Okanogan    | 15,000             |                          |
|  |              | Fiber Rework - 1st and 2nd Avenue Okanogan | 15,000             |                          |
|  |              | Fiber Build - New HQ Office Building       | 15,000             |                          |
|  |              | Miscellaneous                              | 10,000             |                          |
|  | 712          | Capital - Equipment (Over \$2,000)         |                    | 449,000                  |
|  |              | UHF Radio System Overhaul                  | 406,000            |                          |
|  |              | Shoretel Shoregear 120/24 - Stock Spare    | 4,500              |                          |
|  |              | Miscellaneous Contingencies                | 38,500             |                          |
| <b>TOTAL EXPENDITURES AND CAPITAL OUTLAY</b> |              |  |                    | <b>71,552,500</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET - DECEMBER 15, 2009  
LABOR AND PERSONNEL (WAGES ONLY)**

| <u>Department</u>   | <u>Title</u>                          | <u>12/31/2009</u> |
|---------------------|---------------------------------------|-------------------|
| <b>Generation</b>   | Overtime                              | 0                 |
|                     | Sub-Total                             | 0                 |
| <b>Power Supply</b> | Power Resource Manager                | 87,360            |
|                     | WECC Compliance Officer               | 62,000            |
|                     | Sub-Total                             | 149,360           |
| <b>Engineering</b>  | Chief Engineer                        | 113,261           |
|                     | Distribution Engineer                 | 49,698            |
|                     | Distribution Engineer                 | 67,074            |
|                     | Distribution Engineer                 | 49,640            |
|                     | Distribution Engineer                 | 65,728            |
|                     | Distribution Engineer                 | 59,575            |
|                     | Systems Engineer                      | 83,088            |
|                     | Systems Engineer                      | 82,371            |
|                     | Systems Engineer                      | 66,076            |
|                     | GIS Technician                        | 59,630            |
|                     | Engineering Aid                       | 43,536            |
|                     | Temporary Engineer                    | 15,000            |
|                     | On Call Compensation                  | 31,200            |
|                     | Sub-Total                             | 785,877           |
| <b>Operations</b>   | Construction Superintendent           | 91,956            |
|                     | Area Manager                          | 86,412            |
|                     | Area Manager                          | 93,472            |
|                     | Purchasing Agent/Facilities Manager   | 74,799            |
|                     | Right of Way Superintendent           | 61,119            |
|                     | Assistant Construction Superintendent | 79,475            |
|                     | Serviceman                            | 72,696            |
|                     | Serviceman                            | 72,696            |
|                     | Serviceman                            | 72,696            |
|                     | Serviceman                            | 72,696            |
|                     | Foreman                               | 81,702            |
|                     | Journeyman Lineman                    | 72,696            |
|                     | Journeyman Lineman                    | 72,696            |
|                     | Journeyman Lineman                    | 72,696            |
|                     | Foreman                               | 81,702            |
|                     | Journeyman Lineman                    | 72,696            |
|                     | Journeyman Lineman                    | 72,696            |
|                     | Apprentice Lineman                    | 60,507            |
|                     | Foreman                               | 81,702            |
|                     | Journeyman Lineman                    | 72,696            |
|                     | Apprentice Lineman                    | 64,938            |
|                     | Apprentice Trainee                    | 46,550            |
|                     | Foreman                               | 81,702            |
|                     | Journeyman Lineman                    | 72,696            |
|                     | Journeyman Lineman                    | 72,696            |
|                     | Apprentice Trainee                    | 43,202            |
|                     | Journeyman Lineman/Locator            | 72,696            |
| Wireman Foreman     | 81,702                                |                   |
| Wireman             | 72,696                                |                   |
| Apprentice Wireman  | 64,938                                |                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET - DECEMBER 15, 2009  
LABOR AND PERSONNEL (WAGES ONLY)**

| <u>Department</u>             | <u>Title</u>                                     | <u>12/31/2009</u> |
|-------------------------------|--|-------------------|
|                               | Journeyman Meterman                              | 72,696            |
|                               | Apprentice Meterman                              | 61,776            |
|                               | LA Meter Replacement Specialist                  | 51,709            |
|                               | HazMat Specialist                                | 56,098            |
|                               | Facilities Maintenance Worker                    | 58,053            |
|                               | Facilities Maintenance Worker                    | 38,334            |
|                               | Shop Foreman                                     | 65,312            |
|                               | Mechanic   | 54,122            |
|                               | Limited Assignment Mechanic                      | 54,122            |
|                               | Warehouseman                                     | 49,275            |
|                               | Warehouseman                                     | 53,435            |
|                               | Temporary Labor Lineman                          | 30,000            |
|                               | Temporary Labor Groundman                        | 20,000            |
|                               | Part-time Student Labor                          | 27,000            |
|                               | On Call Compensation                             | 18,720            |
|                               | Overtime   | 350,000           |
|                               | Sub-Total  | <u>3,254,274</u>  |
| <b>Environmental</b>          | Director of Regulatory and Environmental Affairs | 96,487            |
|                               | Environmental Coordinator                        | 56,677            |
|                               | Environmental Coordinator                        | 58,787            |
|                               | Sub-Total  | <u>211,951</u>    |
| <b>Customer Service</b>       | Customer Service Supervisor                      | 81,391            |
|                               | Customer Records Coordinator                     | 54,035            |
|                               | Credit/Collections Specialist                    | 43,715            |
|                               | Account Clerk                                    | 41,122            |
|                               | Account Clerk                                    | 41,122            |
|                               | Account Clerk                                    | 41,122            |
|                               | Account Clerk                                    | 25,896            |
|                               | Account Clerk                                    | 41,122            |
|                               | Account Clerk                                    | 36,275            |
|                               | Account Clerk                                    | 41,122            |
|                               | Account Clerk                                    | 41,122            |
|                               | Meter Reader                                     | 44,970            |
|                               | Meter Reader                                     | 44,970            |
|                               | Meter Reader                                     | 44,970            |
|                               | Fulltime Relief Account Clerk                    | 41,122            |
|                               | Fulltime Relief Account Clerk                    | 36,275            |
|                               | Fulltime Relief Account Clerk                    | 33,696            |
|                               | Overtime   | 23,000            |
|                               | Sub-Total  | <u>757,047</u>    |
| <b>Conservation</b>           | Energy Services Coordinator                      | 54,811            |
|                               | Energy Services Coordinator                      | 54,811            |
|                               | Sub-Total  | <u>109,622</u>    |
| <b>General Administration</b> | General Manager                                  | 165,000           |
|                               | Operations Manager                               | 131,800           |
|                               | Director of Finance/Auditor                      | 115,911           |
|                               | Administrative/Executive Assistant               | 53,860            |
|                               | Administrative Assistant                         | 53,684            |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET - DECEMBER 15, 2009  
LABOR AND PERSONNEL (WAGES ONLY)**

| <u>Department</u>          | <u>Title</u>                             | <u>12/31/2009</u> |
|----------------------------|--|-------------------|
|                            | Human Resource Director                  | 92,776            |
|                            | Communications Director                  | 99,467            |
|                            | Chief Accountant/Deputy Treasurer        | 82,353            |
|                            | Treasurer/Accountant                     | 76,698            |
|                            | Financial Analyst                        | 59,658            |
|                            | Accountant                               | 55,630            |
|                            | Accountant                               | 61,338            |
|                            | Payroll/Employee Records Coordinator     | 46,534            |
|                            | Secretary/Bookkeeper                     | 40,348            |
|                            | Project Manager                          | 36,400            |
|                            | Overtime                                 | 1,300             |
|                            | Sub-Total                                | <u>1,172,757</u>  |
| <b>Information Systems</b> | Information Systems Supervisor           | 88,285            |
|                            | Information Systems Technician           | 62,045            |
|                            | Information Systems Technician           | 55,000            |
|                            | Information Systems Technician           | 57,494            |
|                            | Sub-Total                                | <u>262,824</u>    |
| <b>Commissioners</b>       | Commissioner                             | 26,600            |
|                            | Commissioner                             | 26,600            |
|                            | Commissioner                             | 28,000            |
|                            | Sub-Total                                | <u>81,200</u>     |
| <b>Telecommunications</b>  | Network Engineer                         | 87,965            |
|                            | Telecommunications Technicians           | 61,714            |
|                            | Telecommunications Technicians           | 61,714            |
|                            | Telecommunications Technicians           | 61,714            |
|                            | Overtime                                 | 35,000            |
|                            | Sub-Total                                | <u>308,107</u>    |
|                            | Wage Increases (Step and Cost of Living) | <u>389,481</u>    |
|                            | <b>Total Labor Costs</b>                 | <b>7,482,500</b>  |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2011 FINAL BUDGET - NOVEMBER 16, 2010**  
**OVERVIEW**

**HIGHLIGHTS**

- 1) \$22.4 million transfer from reserves, which is an decrease of \$7.5 million over the 2010 adopted budget.
- 2) Revenues do not cover operating expenses by \$600,000, an improvement over the 2010 adopted budget's \$1.8 million.
- 3) Retail Electric Sales increase of \$1.7 million - predicting a 1% load growth, less mild weather and reflects the previously approved rate adjustments. Similar assumptions were used in the 2010 adopted budget.
- 4) Wholesale Electric Sales increase of \$553,000 - predicting 3/4 to median water and prices based on the last two market prices.
- 5) Miscellaneous Income increased by \$218,000 - revenues that previously were netted against expenses are now being categorized as revenue (green tag sales, Nine Canyon Wind transmission, operating reserves, etc.).
- 6) Construction Contributions increased \$278,000 - contributions continue to beat expectations.
- 7) Misc. Contractual Services decreased \$486,000 - primary driver behind the decrease is a reduction in tree trimming and pole testing budgets.
- 8) Permits and Fees increased \$264,000 - increases include: **Enloe ROW \$200,000**, railroad licenses \$28,000 and increase in wholesale telecommunications internet costs of \$34,000.
- 9) Purchased Power - the largest operating expenditure in the budget increased over \$1.2 million to \$25.4 million. The 2011 proposed budget reflects expected cost increases for Wells and BPA power purchases.
- 10) Capital Outlays account for \$18.3 million - see a summary of capital projects below.
- 11) Debt Service increased \$1.9 million - reflects the issuance of the 2010 Bonds.

**REVENUES of \$44.4 million - Assumptions Used**

- **Retail Electric Sales:** Estimated using 1% load growth, less mild weather conditions and previously approved rate adj.
- **Wholesale Electric:** Sales based on a 3/4 to median water year and previous two years average market pricing,
- **Wholesale Telecommunications:** Based on updated revenue forecasts, which reflect stable revenues.
- **Interest:** Return of .5% on investments expected to mature in 2011.
- **Miscellaneous:** Previous twelve months revenue adjusted for netted power transactions and no grant revenue.
- **Rental Income:** Same as previous year with no growth.
- **Construction Contributions:** Estimated using 2010 year to date with a proration for the remaining of the year.

**EXPENDITURES \$45.0 million - Assumptions Used**

- **Wages:** Four less fulltime employees than the 2010 adopted budget and overall average wage increase of 2.7%. The overall average wage increase includes current bargaining agreement step increases.
- **Benefits:** Based on July 2009 thru June 2010 actual percentage of wages. Methodology changed to allocate costs more appropriately by estimating costs by department with a percentage range of 30 to 46% (33.1% average).
- **Purchased Power:** Wells Project costs effective September 2010 and BPA's new contract effective October 2011.
- **Other Expenditures:** Other expenses are based on known 2011 costs, if costs are not specifically known a 3% increase was estimated, except transportation which a 5% estimate was used.

**CAPITAL OUTLAY \$18.3 million - Summary Listing**

- Methow transmission line and substation \$9.4 million.
- Operations normal replacements and line extensions of \$1.9 million.
- **Enloe Dam Permitting and EAP \$1.9 million.**
- AMI implementation \$870,000.
- Pinecreek Substation Construction \$250,000.
- Upgrade/Expand UHF radio system \$590,000.
- Wholesale Telecommunications capital of \$542,000.
- Regulator and switch purchases \$220,000.
- Bucket Truck Replacement \$210,000.
- SCADA implementation continuation \$137,000.
- Virtual environment hardware and software \$105,000.
- Large system project engineering \$100,000.
- Contract Labor \$100,000.
- Underground replacements \$100,000 (trenching costs).
- Cutout replacements \$100,000.
- Other capital Items \$476,000.

**DEBT SERVICE \$3.4 million**

- **Principal and Interest:** Per debt service schedules.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2011 FINAL BUDGET - NOVEMBER 16, 2010**  
**BUDGET SUMMARY**

| <u>Description</u>                 | <u>Electric</u>     | <u>Wholesale<br/>Telecom</u> | <u>Total</u>        |
|------------------------------------|---------------------|------------------------------|---------------------|
| <b>REVENUE</b>                     |                     |                              |                     |
| Sales - Retail                     | 35,001,000          |                              | 35,001,000          |
| Sales - Wholesale                  | 5,490,000           | 2,000,000                    | 7,490,000           |
| Interest                           | 207,000             |                              | 207,000             |
| Miscellaneous                      | 749,000             |                              | 749,000             |
| Rental Income                      | 118,000             |                              | 118,000             |
| Construction Contribution          | 820,000             |                              | 820,000             |
| <b>Total Revenue</b>               | <b>42,385,000</b>   | <b>2,000,000</b>             | <b>44,385,000</b>   |
| <b>EXPENDITURES</b>                |                     |                              |                     |
| Wages                              | 7,474,800           | 222,000                      | 7,696,800           |
| Benefits                           | 2,477,300           | 67,300                       | 2,544,600           |
| Travel                             | 173,400             | 12,500                       | 185,900             |
| Training, Tuition and Meeting Fees | 123,400             | 12,500                       | 135,900             |
| Transportation                     | 887,500             | 16,000                       | 903,500             |
| Insurance                          | 310,000             |                              | 310,000             |
| Utilities                          | 97,200              |                              | 97,200              |
| Postage, Printing and Stationary   | 198,400             |                              | 198,400             |
| Advertising                        | 37,700              |                              | 37,700              |
| Conservation Expenditures          | 372,800             |                              | 372,800             |
| Misc. Contractual Services         | 2,364,400           | 144,200                      | 2,508,600           |
| Legal Services                     | 309,100             | 5,000                        | 314,100             |
| Maintenance Contracts              | 152,100             | 25,500                       | 177,600             |
| Software Licenses and Support      | 282,400             | 35,000                       | 317,400             |
| Permits and Fees                   | 248,300             | 120,000                      | 368,300             |
| Rents and Leases                   | 63,900              | 221,200                      | 285,100             |
| Materials and Supplies             | 828,900             | 101,500                      | 930,400             |
| Small Tools (under \$1,000)        | 67,800              | 1,000                        | 68,800              |
| Miscellaneous                      | 74,100              |                              | 74,100              |
| Purchased Power                    | 25,373,000          |                              | 25,373,000          |
| Taxes                              | 2,108,300           | 10,700                       | 2,119,000           |
| <b>Total Expenditures</b>          | <b>44,024,800</b>   | <b>994,400</b>               | <b>45,019,200</b>   |
| <b>CAPITAL OUTLAY</b>              |                     |                              |                     |
| Capital - Contractual Services     | 10,500,000          |                              | 10,500,000          |
| Capital - Materials and Supplies   | 5,104,700           | 532,000                      | 5,636,700           |
| Capital - Meter Purchases          | 440,000             |                              | 440,000             |
| Capital - Transformer Purchases    | 500,000             |                              | 500,000             |
| Capital - Tools and Equipment      | 13,200              |                              | 13,200              |
| Capital - Buildings                | 42,000              |                              | 42,000              |
| Capital - Equipment (Over \$2,000) | 989,600             | 10,000                       | 999,600             |
| Capital - Vehicles                 | 30,000              |                              | 30,000              |
| Capital - Personal Computers       | 57,300              |                              | 57,300              |
| Unforeseen Contingencies           | 100,000             |                              | 100,000             |
| <b>Total Capital Outlay</b>        | <b>17,776,800</b>   | <b>542,000</b>               | <b>18,318,800</b>   |
| <b>DEBT SERVICE</b>                |                     |                              |                     |
| Debt Service - Principal           | 1,035,000           | 155,000                      | 1,190,000           |
| Debt Service - Interest            | 1,978,300           | 262,800                      | 2,241,100           |
| <b>Total Debt Service</b>          | <b>3,013,300</b>    | <b>417,800</b>               | <b>3,431,100</b>    |
| <b>Total Use of Resources</b>      | <b>64,814,900</b>   | <b>1,954,200</b>             | <b>66,769,100</b>   |
| <b>TRANSFER TO/(FROM) RESERVES</b> | <b>(22,429,900)</b> | <b>45,800</b>                | <b>(22,384,100)</b> |

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2010 ADOPTED BUDGET COMPARED TO 2011 FINAL BUDGET  
NOVEMBER 16, 2010

|                                    | Electric System     |                     |                     |                             | Wholesale Telecommunications |                  |                  |                             | Total               |                     |                     |                             |
|------------------------------------|---------------------|---------------------|---------------------|-----------------------------|------------------------------|------------------|------------------|-----------------------------|---------------------|---------------------|---------------------|-----------------------------|
|                                    | Adopted 2010        | Projected 2010      | Final 2011          | 2010 Adopted/<br>2011 Final | Adopted 2010                 | Projected 2010   | Final 2011       | 2010 Adopted/<br>2011 Final | Adopted 2010        | Projected 2010      | Final 2011          | 2010 Adopted/<br>2011 Final |
| <b>REVENUE</b>                     |                     |                     |                     |                             |                              |                  |                  |                             |                     |                     |                     |                             |
| Sales - Retail                     | 33,337,000          | 31,632,000          | 35,001,000          | 1,664,000                   |                              |                  |                  | 0                           | 33,337,000          | 31,632,000          | 35,001,000          | 1,664,000                   |
| Sales - Wholesale                  | 4,937,000           | 5,074,000           | 5,490,000           | 553,000                     | 1,900,000                    | 1,900,000        | 2,000,000        | 100,000                     | 6,837,000           | 6,974,000           | 7,490,000           | 653,000                     |
| Interest                           | 262,000             | 201,000             | 207,000             | (55,000)                    |                              |                  |                  | 0                           | 262,000             | 201,000             | 207,000             | (55,000)                    |
| Miscellaneous                      | 531,000             | 531,000             | 749,000             | 218,000                     |                              | 1,000            |                  | 0                           | 531,000             | 532,000             | 749,000             | 218,000                     |
| Rental Income                      | 118,000             | 118,000             | 118,000             | 0                           |                              |                  |                  | 0                           | 118,000             | 118,000             | 118,000             | 0                           |
| Construction Contribution          | 542,000             | 828,000             | 820,000             | 278,000                     |                              |                  |                  | 0                           | 542,000             | 828,000             | 820,000             | 278,000                     |
| <b>Total Revenue</b>               | <b>39,727,000</b>   | <b>38,384,000</b>   | <b>42,385,000</b>   | <b>2,658,000</b>            | <b>1,900,000</b>             | <b>1,901,000</b> | <b>2,000,000</b> | <b>100,000</b>              | <b>41,627,000</b>   | <b>40,285,000</b>   | <b>44,385,000</b>   | <b>2,758,000</b>            |
| <b>EXPENDITURES</b>                |                     |                     |                     |                             |                              |                  |                  |                             |                     |                     |                     |                             |
| Wages                              | 7,261,600           | 6,858,600           | 7,474,800           | 213,200                     | 220,900                      | 224,000          | 222,000          | 1,100                       | 7,482,500           | 7,082,600           | 7,696,800           | 214,300                     |
| Benefits                           | 2,541,600           | 2,401,000           | 2,477,300           | (64,300)                    | 77,300                       | 71,000           | 67,300           | (10,000)                    | 2,618,900           | 2,472,000           | 2,544,600           | (74,300)                    |
| Travel                             | 232,200             | 95,000              | 173,400             | (58,800)                    | 12,500                       | 12,500           | 12,500           | 0                           | 244,700             | 107,500             | 185,900             | (58,800)                    |
| Training, Tuition and Meeting Fees | 183,500             | 66,000              | 123,400             | (60,100)                    | 12,500                       | 12,500           | 12,500           | 0                           | 196,000             | 78,500              | 135,900             | (60,100)                    |
| Transportation                     | 737,500             | 891,000             | 887,500             | 150,000                     | 19,500                       | 16,000           | 16,000           | (3,500)                     | 757,000             | 907,000             | 903,500             | 146,500                     |
| Insurance                          | 320,500             | 274,000             | 310,000             | (10,500)                    |                              |                  |                  | 0                           | 320,500             | 274,000             | 310,000             | (10,500)                    |
| Utilities                          | 75,600              | 82,000              | 97,200              | 21,600                      |                              |                  |                  | 0                           | 75,600              | 82,000              | 97,200              | 21,600                      |
| Postage, Printing and Stationary   | 117,200             | 92,000              | 198,400             | 81,200                      |                              |                  |                  | 0                           | 117,200             | 92,000              | 198,400             | 81,200                      |
| Advertising                        | 31,500              | 21,000              | 37,700              | 6,200                       |                              |                  |                  | 0                           | 31,500              | 21,000              | 37,700              | 6,200                       |
| Conservation Expenditures          | 276,000             | 375,000             | 372,800             | 96,800                      |                              |                  |                  | 0                           | 276,000             | 375,000             | 372,800             | 96,800                      |
| Misc. Contractual Services         | 2,915,200           | 1,961,500           | 2,364,400           | (550,800)                   | 79,200                       | 95,000           | 144,200          | 65,000                      | 2,994,400           | 2,056,500           | 2,508,600           | (485,800)                   |
| Legal Services                     | 359,100             | 234,100             | 309,100             | (50,000)                    | 5,000                        | 2,000            | 5,000            | 0                           | 364,100             | 236,100             | 314,100             | (50,000)                    |
| Maintenance Contracts              | 130,600             | 80,600              | 152,100             | 21,500                      | 26,800                       | 13,000           | 25,500           | (1,300)                     | 157,400             | 93,600              | 177,600             | 20,200                      |
| Software Licenses and Support      | 244,500             | 224,500             | 282,400             | 37,900                      | 20,000                       | 1,000            | 35,000           | 15,000                      | 264,500             | 225,500             | 317,400             | 52,900                      |
| Permits and Fees                   | 18,400              | 12,000              | 248,300             | 229,900                     | 86,000                       | 71,000           | 120,000          | 34,000                      | 104,400             | 83,000              | 368,300             | 263,900                     |
| Rents and Leases                   | 54,600              | 57,000              | 63,900              | 9,300                       | 93,700                       | 102,000          | 221,200          | 127,500                     | 148,300             | 159,000             | 285,100             | 136,800                     |
| Materials and Supplies             | 860,500             | 751,000             | 828,900             | (31,600)                    | 71,500                       | 110,000          | 101,500          | 30,000                      | 932,000             | 861,000             | 930,400             | (1,600)                     |
| Small Tools (under \$1,000)        | 68,300              | 43,300              | 67,800              | (500)                       | 1,000                        | 7,000            | 1,000            | 0                           | 69,300              | 50,300              | 68,800              | (500)                       |
| Miscellaneous                      | 101,000             | 76,000              | 74,100              | (26,900)                    |                              |                  |                  | 0                           | 101,000             | 76,000              | 74,100              | (26,900)                    |
| Purchased Power                    | 24,158,000          | 24,158,000          | 25,373,000          | 1,215,000                   |                              |                  |                  | 0                           | 24,158,000          | 24,158,000          | 25,373,000          | 1,215,000                   |
| Taxes                              | 2,008,900           | 1,932,000           | 2,108,300           | 99,400                      | 11,300                       | 11,000           | 10,700           | (600)                       | 2,020,200           | 1,943,000           | 2,119,000           | 98,800                      |
| <b>Total Expenditures</b>          | <b>42,696,300</b>   | <b>40,685,600</b>   | <b>44,024,800</b>   | <b>1,328,500</b>            | <b>737,200</b>               | <b>748,000</b>   | <b>994,400</b>   | <b>257,200</b>              | <b>43,433,500</b>   | <b>41,433,600</b>   | <b>45,019,200</b>   | <b>1,585,700</b>            |
| <b>CAPITAL OUTLAY</b>              |                     |                     |                     |                             |                              |                  |                  |                             |                     |                     |                     |                             |
| Capital - Contractual Services     | 11,208,000          | 3,208,000           | 10,500,000          | (708,000)                   |                              |                  |                  | 0                           | 11,208,000          | 3,208,000           | 10,500,000          | (708,000)                   |
| Capital - Materials and Supplies   | 8,489,000           | 5,889,000           | 5,104,700           | (3,384,300)                 | 307,000                      | 307,000          | 532,000          | 225,000                     | 8,796,000           | 6,196,000           | 5,636,700           | (3,159,300)                 |
| Capital - Meter Purchases          | 1,500,000           | 500,000             | 440,000             | (1,060,000)                 |                              |                  |                  | 0                           | 1,500,000           | 500,000             | 440,000             | (1,060,000)                 |
| Capital - Transformer Purchases    | 500,000             | 375,000             | 500,000             | 0                           |                              |                  |                  | 0                           | 500,000             | 375,000             | 500,000             | 0                           |
| Capital - Tools and Equipment      | 13,500              | 13,500              | 13,200              | (300)                       |                              |                  |                  | 0                           | 13,500              | 13,500              | 13,200              | (300)                       |
| Capital - Buildings                | 3,094,000           | 4,194,000           | 42,000              | (3,052,000)                 |                              |                  |                  | 0                           | 3,094,000           | 4,194,000           | 42,000              | (3,052,000)                 |
| Capital - Equipment (Over \$2,000) | 1,447,800           | 1,447,800           | 989,600             | (458,200)                   | 10,000                       | 10,000           | 10,000           | 0                           | 1,457,800           | 1,457,800           | 999,600             | (458,200)                   |
| Capital - Vehicles                 | (175,000)           | (175,000)           | 30,000              | 205,000                     |                              |                  |                  | 0                           | (175,000)           | (175,000)           | 30,000              | 205,000                     |
| Capital - Personal Computers       | 70,600              | 70,600              | 57,300              | (13,300)                    |                              |                  |                  | 0                           | 70,600              | 70,600              | 57,300              | (13,300)                    |
| Unforeseen Contingencies           | 100,000             | 100,000             | 100,000             | 0                           |                              |                  |                  | 0                           | 100,000             | 100,000             | 100,000             | 0                           |
| <b>Total Capital Outlay</b>        | <b>26,247,900</b>   | <b>15,622,900</b>   | <b>17,776,800</b>   | <b>(8,471,100)</b>          | <b>317,000</b>               | <b>317,000</b>   | <b>542,000</b>   | <b>225,000</b>              | <b>26,564,900</b>   | <b>15,939,900</b>   | <b>18,318,800</b>   | <b>(8,246,100)</b>          |
| <b>DEBT SERVICE</b>                |                     |                     |                     |                             |                              |                  |                  |                             |                     |                     |                     |                             |
| Debt Service - Principal           | 715,000             | 715,000             | 1,035,000           | 320,000                     | 155,000                      | 155,000          | 155,000          | 0                           | 870,000             | 870,000             | 1,190,000           | 320,000                     |
| Debt Service - Interest            | 421,300             | 295,600             | 1,978,300           | 1,557,000                   | 262,800                      | 262,800          | 262,800          | 0                           | 684,100             | 558,400             | 2,241,100           | 1,557,000                   |
| <b>Total Debt Service</b>          | <b>1,136,300</b>    | <b>1,010,600</b>    | <b>3,013,300</b>    | <b>1,877,000</b>            | <b>417,800</b>               | <b>417,800</b>   | <b>417,800</b>   | <b>0</b>                    | <b>1,554,100</b>    | <b>1,428,400</b>    | <b>3,431,100</b>    | <b>1,877,000</b>            |
| <b>Total Use of Resources</b>      | <b>70,080,500</b>   | <b>57,319,100</b>   | <b>64,814,900</b>   | <b>(5,265,600)</b>          | <b>1,472,000</b>             | <b>1,482,800</b> | <b>1,954,200</b> | <b>482,200</b>              | <b>71,552,500</b>   | <b>58,801,900</b>   | <b>66,769,100</b>   | <b>(4,783,400)</b>          |
| <b>TRANSFER TO/(FROM) RESERVES</b> | <b>(30,353,500)</b> | <b>(18,935,100)</b> | <b>(22,429,900)</b> | <b>7,923,600</b>            | <b>428,000</b>               | <b>418,200</b>   | <b>45,800</b>    | <b>(382,200)</b>            | <b>(29,925,500)</b> | <b>(18,516,900)</b> | <b>(22,384,100)</b> | <b>7,541,400</b>            |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2011 FINAL BUDGET - NOVEMBER 16, 2010**  
**EXPENDITURE SUMMARY BY DEPARTMENT**

| Description                            | Generation       | Power Supply      | Engineering      | Operations        | Environmental  | Customer Service | Conservation   | General Administration | Information Systems | Commissioners  | Wholesale Telecom | Internal Communications | Total             |
|--|------------------|-------------------|------------------|-------------------|----------------|------------------|----------------|------------------------|---------------------|----------------|-------------------|-------------------------|-------------------|
| <b>EXPENDITURES</b>                    |                  |                   |                  |                   |                |                  |                |                        |                     |                |                   |                         |                   |
| 010 Wages                              | 117,600          | 99,300            | 865,400          | 3,669,300         | 120,200        | 763,500          | 126,800        | 1,196,100              | 282,200             | 87,000         | 222,000           | 147,400                 | 7,696,800         |
| 011 Benefits                           | 41,200           | 30,900            | 283,900          | 1,130,100         | 41,800         | 330,600          | 45,900         | 387,500                | 91,700              | 39,900         | 67,300            | 53,800                  | 2,544,600         |
| 020 Travel                             | 12,000           | 25,000            | 13,500           | 17,500            | 7,000          | 5,100            | 15,000         | 31,500                 | 12,500              | 24,300         | 12,500            | 10,000                  | 185,900           |
| 021 Training, Tuition and Meeting Fees | 5,000            | 7,500             | 9,500            | 22,500            | 4,500          | 3,400            | 4,000          | 28,000                 | 20,000              | 2,800          | 12,500            | 16,200                  | 135,900           |
| 030 Transportation                     | 6,200            | 2,300             | 36,700           | 762,600           | 4,200          | 47,500           | 9,600          | 8,300                  | 2,000               |                | 16,000            | 8,100                   | 903,500           |
| 040 Insurance                          |                  |                   |                  |                   |                |                  |                | 310,000                |                     |                |                   |                         | 310,000           |
| 050 Utilities                          |                  |                   |                  |                   |                |                  |                | 97,200                 |                     |                |                   |                         | 97,200            |
| 060 Postage, Printing and Stationary   |                  |                   | 1,600            | 1,700             | 200            | 177,200          | 10,000         | 7,400                  |                     |                |                   | 300                     | 198,400           |
| 070 Advertising                        |                  |                   | 2,000            | 6,200             | 1,000          | 800              |                | 25,000                 | 2,700               |                |                   |                         | 37,700            |
| 071 Conservation Expenditures          |                  |                   |                  |                   |                |                  | 372,800        |                        |                     |                |                   |                         | 372,800           |
| 080 Misc. Contractual Services         | 331,500          | 843,000           | 8,500            | 500,600           | 5,000          | 33,300           | 19,400         | 508,700                | 14,400              |                | 144,200           | 100,000                 | 2,508,600         |
| 081 Legal Services                     |                  |                   |                  |                   |                |                  |                | 309,100                |                     |                | 5,000             |                         | 314,100           |
| 082 Maintenance Contracts              |                  |                   |                  | 54,800            |                |                  |                | 18,500                 |                     |                | 25,500            | 50,500                  | 177,600           |
| 083 Software Licenses and Support      |                  | 3,000             | 64,300           | 33,400            | 2,000          |                  |                |                        | 171,000             |                | 35,000            | 8,700                   | 317,400           |
| 084 Permits and Fees                   | 202,000          |                   | 1,000            | 39,000            |                | 600              |                | 2,700                  |                     |                | 120,000           | 3,000                   | 368,300           |
| 085 Rents and Leases                   | 7,900            |                   |                  | 900               |                | 5,000            |                | 8,200                  | 16,100              |                | 221,200           | 25,800                  | 285,100           |
| 090 Materials and Supplies             | 3,000            | 1,000             | 20,800           | 649,800           | 2,000          | 29,800           | 15,000         | 46,200                 | 10,000              | 1,300          | 101,500           | 50,000                  | 930,400           |
| 091 Small Tools (under \$1,000)        |                  |                   | 2,500            | 33,000            |                | 2,500            |                | 2,300                  | 25,500              |                | 1,000             | 2,000                   | 68,800            |
| 092 Miscellaneous                      |                  |                   |                  | 6,300             |                | 17,900           | 500            | 48,000                 |                     | 1,400          |                   |                         | 74,100            |
| 120 Purchased Power                    |                  | 25,373,000        |                  |                   |                |                  |                |                        |                     |                |                   |                         | 25,373,000        |
| 210 Taxes                              |                  |                   |                  |                   |                |                  |                | 2,108,300              |                     |                | 10,700            |                         | 2,119,000         |
| <b>Total Expenditures</b>              | <b>726,400</b>   | <b>26,385,000</b> | <b>1,309,700</b> | <b>6,927,700</b>  | <b>187,900</b> | <b>1,417,200</b> | <b>644,000</b> | <b>5,120,700</b>       | <b>673,700</b>      | <b>156,700</b> | <b>994,400</b>    | <b>475,800</b>          | <b>45,019,200</b> |
| <b>CAPITAL OUTLAY</b>                  |                  |                   |                  |                   |                |                  |                |                        |                     |                |                   |                         |                   |
| 581 Capital - Contractual Services     | 1,850,000        |                   |                  | 8,650,000         |                |                  |                |                        |                     |                |                   |                         | 10,500,000        |
| 591 Capital - Materials and Supplies   | 50,000           |                   |                  | 5,022,200         |                |                  |                |                        |                     |                | 532,000           | 32,500                  | 5,636,700         |
| 592 Capital - Meter Purchases          |                  |                   |                  | 440,000           |                |                  |                |                        |                     |                |                   |                         | 440,000           |
| 593 Capital - Transformer Purchases    |                  |                   |                  | 500,000           |                |                  |                |                        |                     |                |                   |                         | 500,000           |
| 710 Capital - Tools and Equipment      |                  |                   |                  | 10,000            |                |                  |                | 2,000                  | 1,200               |                |                   |                         | 13,200            |
| 711 Capital - Buildings                |                  |                   |                  | 20,000            |                |                  |                | 22,000                 |                     |                |                   |                         | 42,000            |
| 712 Capital - Equipment (Over \$2,000) |                  |                   | 105,000          | 94,600            |                |                  |                | 0                      | 140,000             |                | 10,000            | 650,000                 | 999,600           |
| 713 Capital - Vehicles                 |                  |                   |                  | 30,000            |                |                  |                |                        |                     |                |                   |                         | 30,000            |
| 714 Capital - Personal Computers       |                  |                   |                  |                   |                |                  |                |                        | 57,300              |                |                   |                         | 57,300            |
| 901 Unforeseen Contingencies           |                  |                   |                  |                   |                |                  |                | 100,000                |                     |                |                   |                         | 100,000           |
| <b>Total Capital Outlay</b>            | <b>1,900,000</b> | <b>0</b>          | <b>105,000</b>   | <b>14,766,800</b> | <b>0</b>       | <b>0</b>         | <b>0</b>       | <b>124,000</b>         | <b>198,500</b>      | <b>0</b>       | <b>542,000</b>    | <b>682,500</b>          | <b>18,318,800</b> |
| <b>DEBT SERVICE</b>                    |                  |                   |                  |                   |                |                  |                |                        |                     |                |                   |                         |                   |
| 810 Debt Service - Principal           |                  |                   |                  |                   |                |                  |                | 1,035,000              |                     |                | 155,000           |                         | 1,190,000         |
| 811 Debt Service - Interest            |                  |                   |                  |                   |                |                  |                | 1,978,300              |                     |                | 262,800           |                         | 2,241,100         |
| <b>Total Debt Service</b>              | <b>0</b>         | <b>0</b>          | <b>0</b>         | <b>0</b>          | <b>0</b>       | <b>0</b>         | <b>0</b>       | <b>3,013,300</b>       | <b>0</b>            | <b>0</b>       | <b>417,800</b>    | <b>0</b>                | <b>3,431,100</b>  |
| <b>Total Use of Resources</b>          | <b>2,626,400</b> | <b>26,385,000</b> | <b>1,414,700</b> | <b>21,694,500</b> | <b>187,900</b> | <b>1,417,200</b> | <b>644,000</b> | <b>8,258,000</b>       | <b>872,200</b>      | <b>156,700</b> | <b>1,954,200</b>  | <b>1,158,300</b>        | <b>66,769,100</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
REVENUE DETAIL**

| <u>Div.</u> | <u>Activity</u>          | <u>Description</u>         | <u>Budget<br/>Amount</u> |
|-------------|--------------------------|----------------------------|--------------------------|
| 1           | <b>Electric</b>          |                            | <b>42,385,000</b>        |
|             | 001                      | Sales - Retail             | 35,001,000               |
|             | 002                      | Sales - Wholesale          | 5,490,000                |
|             | 003                      | Interest                   | 207,000                  |
|             | 004                      | Miscellaneous              | 749,000                  |
|             | 005                      | Rental Income              | 118,000                  |
|             | 006                      | Construction Contributions | 820,000                  |
| 2           | <b>Wholesale Telecom</b> |                            | <b>2,000,000</b>         |
|             | 002                      | Sales - Wholesale          | 2,000,000                |
|             | 004                      | Miscellaneous              | 0                        |
|             | 006                      | Construction Contributions | 0                        |
|             |                          | <b>TOTAL REVENUE</b>       | <b>44,385,000</b>        |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>   | <u>Description</u>                              | <u>Budget<br/>Amount</u> |
|-------------|--------------|-------------------|---|--------------------------|
| 1           | 10           | <b>Generation</b> |   | <b>2,626,400</b>         |
|             |              | 010               | Wages   | 117,600                  |
|             |              | 011               | Benefits  | 41,200                   |
|             |              | 020               | Travel  | 12,000                   |
|             |              | 021               | Training, Tuition and Meeting Fees              | 5,000                    |
|             |              | 030               | Transportation                                  | 6,200                    |
|             |              | 080               | Misc. Contractual Service                       | 331,500                  |
|             |              |                   | PUD Enloe Emergency Action Plan                 | 30,000                   |
|             |              |                   | Enloe Maintenance and Repair                    | 200,000                  |
|             |              |                   | NWA (Hydro)                                     | 1,500                    |
|             |              |                   | Other Misc.                                     | 100,000                  |
|             |              | 084               | Permits and Fees                                | 202,000                  |
|             |              |                   | ROW and Agency Processing                       | 200,000                  |
|             |              |                   | Dam Inspection Fees and ROW                     | 2,000                    |
|             |              | 085               | Rent and Leases                                 | 7,900                    |
|             |              |                   | Ophir Site Lease                                | 7,900                    |
|             |              | 090               | Materials and Supplies                          | 3,000                    |
|             |              | 581               | Capital - Contractual Services                  | 1,850,000                |
|             |              |                   | Enloe Dam - Engineering and Design              | 500,000                  |
|             |              |                   | Enloe Dam - License/Compliance/Permitting/Legal | 750,000                  |
|             |              |                   | Enloe Dam - Construction                        | 500,000                  |
|             |              |                   | Misc. and Unforeseen                            | 100,000                  |
|             |              | 591               | Capital - Materials and Supplies                | 50,000                   |
|             |              |                   | Enloe Dam - EAP                                 | 30,000                   |
|             |              |                   | Unforeseen Materials and Supplies               | 20,000                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                         | <u>Description</u> | <u>Budget<br/>Amount</u> |
|-------------|--------------|---|--------------------|--------------------------|
| 1           | 11           | <b>Power Supply</b>                     |                    | <b>26,385,000</b>        |
|             | 010          | Wages                                   |                    | 99,300                   |
|             | 011          | Benefits                                |                    | 30,900                   |
|             | 020          | Travel                                  |                    | 25,000                   |
|             | 021          | Training, Tuition and Meeting Fees      |                    | 7,500                    |
|             | 030          | Transportation                          |                    | 2,300                    |
|             | 080          | Misc. Contractual Services              |                    | 843,000                  |
|             |              | Douglas County PUD                      | 351,500            |                          |
|             |              | PNGC (Slice Audit/Legal Fees)           | 3,500              |                          |
|             |              | The Energy Authority                    | 3,500              |                          |
|             |              | Miscellaneous Professional Services     | 31,000             |                          |
|             |              | Annual Dow Jones Subscription           | 1,500              |                          |
|             |              | Central Washington Power Authority      | 5,000              |                          |
|             |              | Aces Power Marketing                    | 297,000            |                          |
|             |              | Lands Energy - New Slice Implementation | 150,000            |                          |
|             | 083          | Software Licenses and Support           |                    | 3,000                    |
|             |              | Support Fee COP Monitor                 | 3,000              |                          |
|             | 090          | Materials and Supplies                  |                    | 1,000                    |
|             | 120          | Purchased Power                         |                    | 25,373,000               |
|             |              | Other                                   | 0                  |                          |
|             |              | BPA - Slice                             | 10,657,000         |                          |
|             |              | BPA - Block                             | 5,884,000          |                          |
|             |              | BPA - Transmission                      | 2,071,000          |                          |
|             |              | Wells                                   | 3,975,000          |                          |
|             |              | Nine Canyon                             | 2,786,000          |                          |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2011 FINAL BUDGET - NOVEMBER 16, 2010**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                     | <u>Description</u> | <u>Budget<br/>Amount</u> |
|-------------|--------------|-------------------------------------|--------------------|--------------------------|
| 1           | 20           | <b>Engineering</b>                  |                    | <b>1,414,700</b>         |
|             | 010          | Wages                               |                    | 865,400                  |
|             | 011          | Benefits                            |                    | 283,900                  |
|             | 020          | Travel                              |                    | 13,500                   |
|             |              | Engineering                         | 11,000             |                          |
|             |              | Leadership                          | 2,500              |                          |
|             | 021          | Training, Tuition and Meeting Fees  |                    | 9,500                    |
|             |              | Engineering                         | 7,500              |                          |
|             |              | Leadership                          | 2,000              |                          |
|             | 030          | Transportation                      |                    | 36,700                   |
|             | 060          | Postage, Printing and Stationary    |                    | 1,600                    |
|             | 070          | Advertising                         |                    | 2,000                    |
|             | 080          | Misc. Contractual Services          |                    | 8,500                    |
|             |              | Janitorial Services                 | 8,500              |                          |
|             | 083          | Software Licenses and Support       |                    | 64,300                   |
|             |              | AutoCad                             | 2,000              |                          |
|             |              | ESRI                                | 5,000              |                          |
|             |              | Futura                              | 14,800             |                          |
|             |              | GeoNav                              | 3,000              |                          |
|             |              | Sag10 ver 3.10                      | 4,500              |                          |
|             |              | Staker                              | 30,000             |                          |
|             |              | TL-PRO Design Studio                | 5,000              |                          |
|             | 084          | Permits and Fees                    |                    | 1,000                    |
|             |              | City Franchises                     | 900                |                          |
|             |              | Miscellaneous                       | 100                |                          |
|             | 090          | Materials and Supplies              |                    | 20,800                   |
|             | 091          | Small Tools (under \$1,000)         |                    | 2,500                    |
|             |              | Misc.                               | 2,500              |                          |
|             | 712          | Capital - Equipment (Over \$2,000)  |                    | 105,000                  |
|             |              | Milsoft Engineering Analysis System | 15,000             |                          |
|             |              | Futura/Itron Interface and Upgrade  | 25,000             |                          |
|             |              | SCADA - Server/Software Upgrade     | 55,000             |                          |
|             |              | Misc.                               | 10,000             |                          |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2011 FINAL BUDGET - NOVEMBER 16, 2010**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                              | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|--|--------------------|----------------------|
| 1           | 21           | <b>Operations</b>                            |                    | <b>21,694,500</b>    |
|             | 010          | Wages  |                    | 3,669,300            |
|             | 011          | Benefits                                     |                    | 1,130,100            |
|             | 020          | Travel                                       |                    | 17,500               |
|             |              | Operations                                   | 15,000             |                      |
|             |              | Leadership                                   | 2,500              |                      |
|             | 021          | Training, Tuition and Meeting Fees           |                    | 22,500               |
|             |              | Operations                                   | 20,000             |                      |
|             |              | Leadership                                   | 2,500              |                      |
|             | 030          | Transportation                               |                    | 762,600              |
|             | 060          | Postage, Printing and Stationary             |                    | 1,700                |
|             | 070          | Advertising                                  |                    | 6,200                |
|             | 080          | Misc. Contractual Services                   |                    | 500,600              |
|             |              | CDL Testing Program                          | 4,500              |                      |
|             |              | Employee Dispatch                            | 9,600              |                      |
|             |              | Safety Training                              | 55,000             |                      |
|             |              | Tree Trimming                                | 400,000            |                      |
|             |              | Underground Locate Service                   | 1,500              |                      |
|             |              | Vehicle Tracking Annual Fee                  | 9,000              |                      |
|             |              | Weed Control                                 | 20,000             |                      |
|             |              | Miscellaneous                                | 1,000              |                      |
|             | 082          | Maintenance Contracts                        |                    | 54,800               |
|             |              | Landscape Maintenance                        | 1,800              |                      |
|             |              | Snowplowing and Sweeping                     | 3,000              |                      |
|             |              | Regulator and Oil Circuit Breaker            | 50,000             |                      |
|             | 083          | Software Licenses and Support                |                    | 33,400               |
|             |              | OSI  | 14,000             |                      |
|             |              | TWACS Handheld Support                       | 5,000              |                      |
|             |              | ACLARA/TWACS/Enhanced Level of Support       | 13,000             |                      |
|             |              | Cummins Tool Software                        | 1,400              |                      |
|             | 084          | Permits and Fees                             |                    | 39,000               |
|             |              | Railroad Licenses                            | 36,000             |                      |
|             |              | Right of Ways - USFS/Dept. of Int.           | 2,800              |                      |
|             |              | Miscellaneous                                | 200                |                      |
|             | 085          | Rents and Leases                             |                    | 900                  |
|             |              | Pole Contacts                                | 900                |                      |
|             | 090          | Materials and Supplies                       |                    | 649,800              |
|             |              | General                                      | 559,800            |                      |
|             |              | Special Projects - Meter Bases               | 70,000             |                      |
|             |              | Fire Resistant Clothing                      | 20,000             |                      |
|             | 091          | Small Tools (under \$1,000)                  |                    | 33,000               |
|             |              | Brewster                                     | 5,000              |                      |
|             |              | Okanogan                                     | 20,000             |                      |
|             |              | Oroville                                     | 5,000              |                      |
|             |              | Mechanics Specialty Tool Replacement         | 3,000              |                      |
|             | 092          | Miscellaneous                                |                    | 6,300                |
|             |              | Lineman Rodeo (Fees, Travel and Supplies)    | 6,000              |                      |
|             |              | Safety Meeting Refreshments                  | 300                |                      |
|             | 581          | Capital - Contractual Services               |                    | 8,650,000            |
|             |              | AMI Implementation Labor (trenching at subs) | 20,000             |                      |
|             |              | AMI/Fiber to Ellisforde and Whitestone Subs  | 500,000            |                      |
|             |              | Contract Labor                               | 100,000            |                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2011 FINAL BUDGET - NOVEMBER 16, 2010**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u>                                |           | <u>Budget<br/>Amount</u> |
|-------------|--------------|--|---|-----------|--------------------------|
|             |              |  | Engineering - Large System Projects               | 100,000   |                          |
|             |              |  | Gold Creek Sub Construction                       | 505,000   |                          |
|             |              |  | MTP Line Construction                             | 6,000,000 |                          |
|             |              |  | MTP Mitigation/Roads                              | 650,000   |                          |
|             |              |  | MTP Permits, Tetra Tech, Training, etc.           | 175,000   |                          |
|             |              |  | MTP ROW/Easements                                 | 500,000   |                          |
|             |              |  | Underground Replacements                          | 100,000   |                          |
| 591         |              | Capital - Materials and Supplies                 |   |           | 5,022,200                |
|             |              |  | Normal Replacements and Extensions                | 2,500,000 |                          |
|             |              |  | AMI Equipment                                     | 150,000   |                          |
|             |              |  | Gold Creek Substation Materials                   | 320,000   |                          |
|             |              |  | MTP Transmission and Distribution Materials       | 1,250,000 |                          |
|             |              |  | OCB, Regulators, Switches, etc.                   | 220,000   |                          |
|             |              |  | Sandflat Substation Materials (steel for new bay) | 25,000    |                          |
|             |              |  | SCADA Equipment                                   | 137,200   |                          |
|             |              |  | Pinecreek Substation/Includes AMI Equipment       | 250,000   |                          |
|             |              |  | Power Transformer Retrofill                       | 70,000    |                          |
|             |              |  | Cutout Replacement                                | 100,000   |                          |
| 592         |              | Capital - Meter Purchases                        |   |           | 440,000                  |
|             |              |  | AMI Meters to Complete Project                    | 200,000   |                          |
|             |              |  | Metering Special Projects                         | 70,000    |                          |
|             |              |  | Normal Meter Replacements                         | 170,000   |                          |
| 593         |              | Capital - Transformer Purchases                  |   |           | 500,000                  |
|             |              |  | Normal Additions/Replacements                     | 500,000   |                          |
| 710         |              | Capital - Tools & Equipment (\$1,000 to \$2,000) |   |           | 10,000                   |
| 711         |              | Capital - Buildings                              |   |           | 20,000                   |
|             |              |  | Vehicle Shop - Energy Efficient Lighting          | 12,500    |                          |
|             |              |  | Warehouse - Dock Ramp (Sweeper/Forklift)          | 7,500     |                          |
| 712         |              | Capital - Equipment (Over \$2,000)               |   |           | 94,600                   |
|             |              |  | Complete Safety Demo Trailer                      | 5,000     |                          |
|             |              |  | Tools and Supplies Vending Machine                | 4,500     |                          |
|             |              |  | Gas Powered Jack Hammer                           | 5,000     |                          |
|             |              |  | Meter Test Board                                  | 38,000    |                          |
|             |              |  | Travelers   | 4,800     |                          |
|             |              |  | Hot Arms  | 9,800     |                          |
|             |              |  | Hydraulic Torque Wrench                           | 10,000    |                          |
|             |              |  | Parts Washer                                      | 13,000    |                          |
|             |              |  | Fresh Air Welding Helmets and Air Unit            | 4,500     |                          |
| 713         |              | Capital - Vehicles                               |   |           | 30,000                   |
|             |              |  | Bucket Truck - Replacement                        | 210,000   |                          |
|             |              |  | Service Truck - Replacement                       | 45,000    |                          |
|             |              |  | Telecommunications Truck                          | 70,000    |                          |
|             |              |  | Less: Transportation System Depreciation          | (295,000) |                          |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>      | <u>Description</u>                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|----------------------|------------------------------------|--------------------------|
| 1           | 22           | <b>Environmental</b> |                                    | <b>187,900</b>           |
|             |              | 010                  | Wages                              | 120,200                  |
|             |              | 011                  | Benefits                           | 41,800                   |
|             |              | 020                  | Travel                             | 7,000                    |
|             |              |                      | Environmental                      | 5,000                    |
|             |              |                      | Leadership                         | 2,000                    |
|             |              | 021                  | Training, Tuition and Meeting Fees | 4,500                    |
|             |              |                      | Environmental                      | 3,000                    |
|             |              |                      | Leadership                         | 1,500                    |
|             |              | 030                  | Transportation                     | 4,200                    |
|             |              | 060                  | Postage, Printing and Stationary   | 200                      |
|             |              | 070                  | Advertising                        | 1,000                    |
|             |              | 080                  | Misc. Contractual Services         | 5,000                    |
|             |              |                      | Miscellaneous                      | 5,000                    |
|             |              | 083                  | Software Licenses and Support      | 2,000                    |
|             |              | 090                  | Materials and Supplies             | 2,000                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                     | <u>Description</u> | <u>Budget<br/>Amount</u> |
|-------------|--------------|-------------------------------------|--------------------|--------------------------|
| 1           | 30           | <b>Customer Service</b>             |                    | <b>1,417,200</b>         |
|             | 010          | Wages                               |                    | 763,500                  |
|             | 011          | Benefits                            |                    | 330,600                  |
|             | 020          | Travel                              |                    | 5,100                    |
|             |              | Customer Service                    | 4,000              |                          |
|             |              | Leadership                          | 1,100              |                          |
|             | 021          | Training, Tuition and Meeting Fees  |                    | 3,400                    |
|             |              | Customer Service                    | 2,500              |                          |
|             |              | Leadership                          | 900                |                          |
|             | 030          | Transportation                      |                    | 47,500                   |
|             | 060          | Postage, Printing and Stationary    |                    | 177,200                  |
|             |              | Postage - NISC                      | 78,000             |                          |
|             |              | Postage - PUD                       | 30,700             |                          |
|             |              | Printing - Bill Print               | 48,800             |                          |
|             |              | Printing - Customer Packets         | 10,000             |                          |
|             |              | Printing - Misc.                    | 9,700              |                          |
|             | 070          | Advertising                         |                    | 800                      |
|             | 080          | Misc. Contractual Services          |                    | 33,300                   |
|             |              | Collection Service Credit Bureau    | 5,000              |                          |
|             |              | Credit Reporting Agency             | 8,300              |                          |
|             |              | Electronic Payments Fees            | 20,000             |                          |
|             | 084          | Permits and Fees                    |                    | 600                      |
|             |              | Miscellaneous Fees (Notaries, etc.) | 600                |                          |
|             | 085          | Rents and Leases                    |                    | 5,000                    |
|             |              | Office Rent MVCC                    | 4,800              |                          |
|             |              | Miscellaneous                       | 200                |                          |
|             | 090          | Materials and Supplies              |                    | 29,800                   |
|             |              | General                             | 28,800             |                          |
|             |              | Fire Resistant Clothing             | 1,000              |                          |
|             | 091          | Small Tools (under \$1,000)         |                    | 2,500                    |
|             |              | Unforeseen                          | 2,500              |                          |
|             | 092          | Miscellaneous                       |                    | 17,900                   |
|             |              | Miscellaneous Expenses              | 600                |                          |
|             |              | Net Account Receivable Writeoffs    | 17,300             |                          |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                       | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
| 1           | 35           |                 | <b>Conservation/Consumer Information</b> | <b>644,000</b>           |
|             |              | 010             | Wages                                    | 126,800                  |
|             |              | 011             | Benefits                                 | 45,900                   |
|             |              | 020             | Travel                                   | 15,000                   |
|             |              | 021             | Training, Tuition and Meeting Fees       | 4,000                    |
|             |              | 030             | Transportation                           | 9,600                    |
|             |              | 060             | Postage, Printing and Stationary         | 10,000                   |
|             |              | 070             | Advertising                              | 25,000                   |
|             |              | 071             | Conservation Expenditures                | 372,800                  |
|             |              |                 | CRC Program                              | 271,000                  |
|             |              |                 | Energy Conservation Agreement            | 100,000                  |
|             |              |                 | CRC Renewables                           | 1,800                    |
|             |              | 080             | Misc. Contractual Services               | 19,400                   |
|             |              |                 | Electric Education Programs              | 19,400                   |
|             |              | 090             | Materials and Supplies                   | 15,000                   |
|             |              | 092             | Miscellaneous                            | 500                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2011 FINAL BUDGET - NOVEMBER 16, 2010**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                            | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|--|--------------------|----------------------|
| 1           | 40           | <b>General Administration</b>              |                    | <b>8,258,000</b>     |
|             | 010          | Wages                                      |                    | 1,196,100            |
|             | 011          | Benefits                                   |                    | 387,500              |
|             | 020          | Travel                                     |                    | 31,500               |
|             |              | General                                    | 20,300             |                      |
|             |              | Accounting and Finance                     | 5,400              |                      |
|             |              | Human Resource                             | 2,500              |                      |
|             |              | Leadership                                 | 3,300              |                      |
|             | 021          | Training, Tuition and Meeting Fees         |                    | 28,000               |
|             |              | General                                    | 5,900              |                      |
|             |              | Accounting and Finance                     | 2,900              |                      |
|             |              | Human Resource                             | 6,500              |                      |
|             |              | Leadership                                 | 2,700              |                      |
|             |              | Education Reimbursement Program            | 10,000             |                      |
|             | 030          | Transportation                             |                    | 8,300                |
|             | 040          | Insurance (Property/Liability)             |                    | 310,000              |
|             | 050          | Utilities                                  |                    | 97,200               |
|             |              | Cell Phone Service                         | 8,200              |                      |
|             |              | Electrical Service                         | 7,800              |                      |
|             |              | Telephone Service                          | 44,200             |                      |
|             |              | Water/Sewer/Garbage                        | 37,000             |                      |
|             | 060          | Postage, Printing and Stationary           |                    | 7,400                |
|             | 070          | Advertising                                |                    | 2,700                |
|             | 080          | Misc. Contractual Services                 |                    | 508,700              |
|             |              | APPA Dues                                  | 11,400             |                      |
|             |              | Audit Costs                                | 85,000             |                      |
|             |              | Banking Fees                               | 52,400             |                      |
|             |              | Benefits Administration                    | 6,000              |                      |
|             |              | Bond Admin Fee                             | 2,000              |                      |
|             |              | Chamber Dues                               | 700                |                      |
|             |              | CWPU/UIP Expenses                          | 24,000             |                      |
|             |              | Economic Alliance                          | 6,000              |                      |
|             |              | Financial Studies                          | 50,000             |                      |
|             |              | Fire Alarm Monitoring                      | 400                |                      |
|             |              | Foundation for Water and Energy            | 2,000              |                      |
|             |              | Janitorial Services                        | 53,500             |                      |
|             |              | Legislative Consultant                     | 36,000             |                      |
|             |              | Misc. Services/Consulting                  | 29,400             |                      |
|             |              | NW Public Power Assoc. Dues/NW Wage & Hour | 28,800             |                      |
|             |              | PPC - Dues                                 | 25,100             |                      |
|             |              | PPC - NW River Partners                    | 12,600             |                      |
|             |              | Standard and Poors                         | 7,800              |                      |
|             |              | WA PUD Association Dues                    | 71,000             |                      |
|             |              | WA PUD Miscellaneous Surveys/Studies       | 4,600              |                      |
|             | 081          | Legal Services                             |                    | 309,100              |
|             |              | General Counsel                            | 234,100            |                      |
|             |              | Misc. Attorney Fees                        | 75,000             |                      |
|             | 082          | Maintenance Contracts                      |                    | 18,500               |
|             |              | Copier Maintenance                         | 5,800              |                      |
|             |              | Elevator Maintenance                       | 3,300              |                      |
|             |              | Landscape Maintenance/Sweeping/Snowplowing | 9,400              |                      |
|             | 084          | Permits and Fees                           |                    | 2,700                |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u>                              |        | <u>Budget<br/>Amount</u> |
|-------------|--------------|--|---|--------|--------------------------|
|             |              |  | WA State Purchasing Coop                        | 2,000  |                          |
|             |              |  | WA State L&I Right to Know                      | 300    |                          |
|             |              |  | Misc.   | 400    |                          |
| 085         |              | Rents and Leases                                 |   |        | 8,200                    |
|             |              |  | Copier Lease                                    | 6,600  |                          |
|             |              |  | P.O. Box Rent                                   | 300    |                          |
|             |              |  | Storage   | 1,300  |                          |
| 090         |              | Materials and Supplies                           |   |        | 46,200                   |
| 091         |              | Small Tools (under \$1,000)                      |   |        | 2,300                    |
| 092         |              | Miscellaneous                                    |   |        | 48,000                   |
|             |              |  | Clothing for Identification                     | 1,500  |                          |
|             |              |  | Deductibles/Damage Claims                       | 2,600  |                          |
|             |              |  | Election Costs                                  | 0      |                          |
|             |              |  | Employee Day                                    | 2,000  |                          |
|             |              |  | Interview/New Employee Expenses                 | 20,000 |                          |
|             |              |  | Meeting Expenses                                | 4,800  |                          |
|             |              |  | Misc. Expenses                                  | 300    |                          |
|             |              |  | Recycling/Disposal/Destruction Office Materials | 5,000  |                          |
|             |              |  | Service Awards and Costs                        | 1,800  |                          |
|             |              |  | Wellness Program Expenses                       | 10,000 |                          |
| 210         |              | Taxes  |   |        | 2,108,300                |
| 710         |              | Capital - Tools & Equipment (\$1,000 to \$2,000) |   |        | 2,000                    |
| 711         |              | Capital - Buildings                              |   |        | 22,000                   |
|             |              |  | HQ Building - 2nd Avenue Signage                | 10,000 |                          |
|             |              |  | HQ Facilities - Gate Card Readers and Fencing   | 12,000 |                          |
| 712         |              | Capital - Equipment (Over \$2,000)               |   |        | 0                        |
| 810         |              | Debt Service - Principal                         |   |        | 1,035,000                |
| 811         |              | Debt Service - Interest                          |   |        | 1,978,300                |
| 901         |              | Unforeseen Contingencies                         |   |        | 100,000                  |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2011 FINAL BUDGET - NOVEMBER 16, 2010**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>            | <u>Description</u>                               | <u>Budget<br/>Amount</u> |
|-------------|--------------|----------------------------|--|--------------------------|
| 1           | 41           | <b>Information Systems</b> |  | <b>872,200</b>           |
|             |              | 010                        | Wages  | 282,200                  |
|             |              | 011                        | Benefits   | 91,700                   |
|             |              | 020                        | Travel   | 12,500                   |
|             |              | 021                        | Training, Tuition and Meeting Fees               | 20,000                   |
|             |              | 030                        | Transportation                                   | 2,000                    |
|             |              | 080                        | Misc. Contractual Services                       | 14,400                   |
|             |              |                            | Neopost Postal Rate Change                       | 1,200                    |
|             |              |                            | Network Consulting                               | 10,000                   |
|             |              |                            | RDS  | 500                      |
|             |              |                            | Security System Monitoring                       | 2,700                    |
|             |              | 082                        | Maintenance Contracts                            | 28,300                   |
|             |              |                            | Itron  | 3,600                    |
|             |              |                            | Key Card System                                  | 5,000                    |
|             |              |                            | M+RFM Bundle (Spam & Archive)                    | 3,000                    |
|             |              |                            | NetApp SAN Hardware/Software                     | 9,000                    |
|             |              |                            | SonicWall  | 2,500                    |
|             |              |                            | Symantec   | 1,200                    |
|             |              |                            | VMWare Software                                  | 4,000                    |
|             |              | 083                        | Software Licenses and Support                    | 171,000                  |
|             |              |                            | NISC   | 109,400                  |
|             |              |                            | AV Licenses                                      | 800                      |
|             |              |                            | Backup Exec                                      | 1,200                    |
|             |              |                            | Exchange Server                                  | 2,100                    |
|             |              |                            | MS Server  | 1,000                    |
|             |              |                            | PC Software                                      | 8,500                    |
|             |              |                            | Remote Agents                                    | 3,000                    |
|             |              |                            | SharePoint                                       | 45,000                   |
|             |              | 085                        | Rents and Leases                                 | 16,100                   |
|             |              |                            | Mailing Equipment Lease                          | 11,100                   |
|             |              |                            | Postage Machine Leases - Branch Offices          | 3,000                    |
|             |              |                            | Postage Meter Rental - Okanogan                  | 2,000                    |
|             |              | 090                        | Materials and Supplies                           | 10,000                   |
|             |              | 091                        | Small Tools (under \$1,000)                      | 25,500                   |
|             |              |                            | Misc. Peripherals                                | 20,000                   |
|             |              |                            | Small Tools                                      | 5,500                    |
|             |              | 710                        | Capital - Tools & Equipment (\$1,000 to \$2,000) | 1,200                    |
|             |              | 712                        | Capital - Equipment (Over \$2,000)               | 140,000                  |
|             |              |                            | eBill Server                                     | 5,000                    |
|             |              |                            | Video Conferencing - Okanogan                    | 7,000                    |
|             |              |                            | Video Surveillance - Branch Offices and Subs     | 18,000                   |
|             |              |                            | Virtual Environment                              | 105,000                  |
|             |              |                            | VPN Appliance                                    | 5,000                    |
|             |              | 714                        | Capital - Personal Computers                     | 57,300                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|
| 1           | 50           |                 | <b>Commissioners</b>               | <b>156,700</b>           |
|             |              | 010             | Wages                              | 87,000                   |
|             |              | 011             | Benefits                           | 39,900                   |
|             |              | 020             | Travel                             | 24,300                   |
|             |              | 021             | Training, Tuition and Meeting Fees | 2,800                    |
|             |              | 090             | Materials and Supplies             | 1,300                    |
|             |              | 092             | Miscellaneous                      | 1,400                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2011 FINAL BUDGET - NOVEMBER 16, 2010**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                            | <u>Budget Amount</u> |
|-------------|--------------|-----------------|---|----------------------|
| 2           | 60           |                 | <b>Wholesale Telecommunications</b>           | <b>1,954,200</b>     |
|             | 010          |                 | Wages   | 222,000              |
|             | 011          |                 | Benefits                                      | 67,300               |
|             | 020          |                 | Travel  | 12,500               |
|             | 021          |                 | Training, Tuition and Meeting Fees            | 12,500               |
|             | 030          |                 | Transportation                                | 16,000               |
|             | 080          |                 | Misc. Contractual Services                    | 144,200              |
|             |              |                 | NoaNet Calea Services                         | 4,200                |
|             |              |                 | Professional Services - Network Vulnerability | 60,000               |
|             |              |                 | Professional Services - WDM Implementation    | 80,000               |
|             | 081          |                 | Legal Services                                | 5,000                |
|             | 082          |                 | Maintenance Contracts                         | 25,500               |
|             |              |                 | Eaton/Powerware UPS Towers                    | 3,500                |
|             |              |                 | Cisco Smartnet                                | 5,400                |
|             |              |                 | WWP Lightning Edge/Ciena Devices              | 12,000               |
|             |              |                 | RADcare (Optimux and IPMux)                   | 2,600                |
|             |              |                 | Motorola Canopy Hardware/Software             | 2,000                |
|             | 083          |                 | Software Licenses and Support                 | 35,000               |
|             |              |                 | Element Management Software                   | 30,000               |
|             |              |                 | Solar Winds IP Monitor Software Support       | 5,000                |
|             | 084          |                 | Permits and Fees                              | 120,000              |
|             |              |                 | Internet Fees - NoaNet                        | 115,000              |
|             |              |                 | ARIN ASN & IP Address Allocation              | 5,000                |
|             | 085          |                 | Rents and Leases                              | 221,200              |
|             |              |                 | DCPUD Lit Services Lease                      | 3,000                |
|             |              |                 | DCPUD Dark Fiber Lease                        | 58,300               |
|             |              |                 | DCPUD Colocation                              | 1,800                |
|             |              |                 | Protect Path Ring (Canada/Seattle/Wenatchee)  | 102,000              |
|             |              |                 | NoaNet Dark Fiber Lease                       | 32,100               |
|             |              |                 | CenturyTel Dark Fiber Lease                   | 0                    |
|             |              |                 | Wireless Site Lease                           | 24,000               |
|             | 090          |                 | Materials and Supplies                        | 101,500              |
|             |              |                 | Battery Maintenance & Replacement             | 6,500                |
|             |              |                 | Fiber Plant Maintenance - Wholesale           | 50,000               |
|             |              |                 | HVAC Maintenance and Repair                   | 30,000               |
|             |              |                 | Misc. Switch/Network HW Upgrades              | 10,000               |
|             |              |                 | UPS/Rectifier Replacement                     | 5,000                |
|             | 091          |                 | Small Tools (under \$1,000)                   | 1,000                |
|             | 210          |                 | Taxes   | 10,700               |
|             | 591          |                 | Capital - Material and Supplies               | 532,000              |
|             |              |                 | Fiber Buildout                                | 10,000               |
|             |              |                 | Fiber Distribution Builds                     | 50,000               |
|             |              |                 | Network Hardware Replacements                 | 75,000               |
|             |              |                 | New Ethernet Node                             | 25,000               |
|             |              |                 | Rackmount Servers                             | 20,000               |
|             |              |                 | WDM Infrastructure                            | 230,000              |
|             |              |                 | Wireless Remote Subscriber Units              | 97,000               |
|             |              |                 | Wireless Towers                               | 25,000               |
|             | 712          |                 | Capital - Equipment (Over \$2,000)            | 10,000               |
|             |              |                 | Test Equipment                                | 5,000                |
|             |              |                 | Tools   | 5,000                |
|             | 810          |                 | Debt Service - Principal                      | 155,000              |

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
EXPENDITURE DETAIL

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>      | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|-------------------------|--------------------------|
|             |              | 811             | Debt Service - Interest | 262,800                  |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                         | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
| 1           | 61           |                 | <b>Internal Communications</b>             | <b>1,158,300</b>         |
|             |              | 010             | Wages                                      | 147,400                  |
|             |              | 011             | Benefits                                   | 53,800                   |
|             |              | 020             | Travel                                     | 10,000                   |
|             |              |                 | Communications                             | 7,000                    |
|             |              |                 | Leadership                                 | 3,000                    |
|             |              | 021             | Training, Tuition and Meeting Fees         | 16,200                   |
|             |              |                 | Communications                             | 12,000                   |
|             |              |                 | Leadership                                 | 4,200                    |
|             |              | 030             | Transportation                             | 8,100                    |
|             |              | 060             | Postage, Printing and Stationary           | 300                      |
|             |              | 080             | Misc. Contractual Services                 | 100,000                  |
|             |              |                 | UHF System Re-Design                       | 50,000                   |
|             |              |                 | NoaNet Assessments                         | 50,000                   |
|             |              | 082             | Maintenance Contracts                      | 50,500                   |
|             |              |                 | Fire Alarm System                          | 2,000                    |
|             |              |                 | Landscape Maintenance/Sweeping             | 6,000                    |
|             |              |                 | UHF Radio System                           | 19,000                   |
|             |              |                 | Telephone System                           | 10,000                   |
|             |              |                 | UPS Maintenance                            | 13,500                   |
|             |              | 083             | Software Licenses and Support              | 8,700                    |
|             |              |                 | Cisco Smartnet                             | 200                      |
|             |              |                 | MapInfo Software                           | 1,500                    |
|             |              |                 | Fiber Mapping Software                     | 7,000                    |
|             |              | 084             | Permits and Fees                           | 3,000                    |
|             |              |                 | Right of Way - USFS, DOT, etc.             | 3,000                    |
|             |              | 085             | Rents and Leases                           | 25,800                   |
|             |              |                 | UHF Site Lease - Little Buck Mtn.          | 2,500                    |
|             |              |                 | UHF Site Lease - Aeneas Mtn.               | 2,500                    |
|             |              |                 | UHF Site Lease - Goat Mtn.                 | 600                      |
|             |              |                 | UHF Site Lease - Omak Mtn.                 | 2,500                    |
|             |              |                 | Dark Fiber Lease - Brewster to Wells Dam   | 17,700                   |
|             |              | 090             | Materials and Supplies                     | 50,000                   |
|             |              |                 | General Materials and Supplies             | 50,000                   |
|             |              | 091             | Small Tools (under \$1,000)                | 2,000                    |
|             |              | 591             | Capital - Material and Supplies            | 32,500                   |
|             |              |                 | Fiber Rework - 1st and 2nd Avenue Okanogan | 15,000                   |
|             |              |                 | Fiber Build - Okanogan County Fairgrounds  | 7,500                    |
|             |              |                 | Miscellaneous                              | 10,000                   |
|             |              | 712             | Capital - Equipment (Over \$2,000)         | 650,000                  |
|             |              |                 | UHF Radio System Overhaul                  | 590,000                  |
|             |              |                 | Miscellaneous Contingencies                | 60,000                   |

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
EXPENDITURE DETAIL

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                           | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
|             |              |                 | <b>TOTAL EXPENDITURES AND CAPITAL OUTLAY</b> | <b>66,769,100</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
LABOR AND PERSONNEL (WAGES ONLY)**

| <u>Department</u>   | <u>Title</u>                          | <u>12/31/2010</u> |
|---------------------|---------------------------------------|-------------------|
| <b>Generation</b>   | Overtime                              | 0                 |
|                     | Sub-Total                             | 0                 |
| <b>Power Supply</b> | Power Resource Manager                | 96,096            |
|                     | WECC Compliance/Power Analyst         | 46,300            |
|                     | Sub-Total                             | 142,396           |
| <b>Engineering</b>  | Chief Engineer                        | 118,924           |
|                     | Distribution Engineer                 | 51,686            |
|                     | Distribution Engineer                 | 51,626            |
|                     | Sr. Distribution Engineer             | 69,422            |
|                     | Sr. Distribution Engineer             | 68,357            |
|                     | Sr. Distribution Engineer             | 61,660            |
|                     | Systems Engineer                      | 86,412            |
|                     | Systems Engineer                      | 85,665            |
|                     | Systems Engineer                      | 72,155            |
|                     | GIS Technician                        | 59,629            |
|                     | Engineering Aid                       | 45,277            |
|                     | Intern Engineer                       | 20,000            |
|                     | On Call Compensation                  | 41,600            |
|                     | Overtime                              | 10,000            |
|                     | Sub-Total                             | 842,413           |
| <b>Operations</b>   | Construction Superintendent           | 96,554            |
|                     | Area Manager                          | 89,436            |
|                     | Area Manager                          | 98,145            |
|                     | Purchasing Agent/Facilities Manager   | 77,790            |
|                     | Right of Way Superintendent           | 63,563            |
|                     | Assistant Construction Superintendent | 82,653            |
|                     | Serviceman                            | 75,234            |
|                     | Serviceman                            | 75,234            |
|                     | Serviceman                            | 75,234            |
|                     | Serviceman                            | 75,234            |
|                     | Foreman                               | 84,552            |
|                     | Journeyman Lineman                    | 75,234            |
|                     | Journeyman Lineman                    | 75,234            |
|                     | Journeyman Lineman                    | 75,234            |
|                     | Foreman                               | 84,552            |
|                     | Journeyman Lineman                    | 75,234            |
|                     | Journeyman Lineman                    | 75,234            |
|                     | Apprentice Lineman                    | 67,205            |
|                     | Foreman                               | 84,552            |
|                     | Journeyman Lineman                    | 75,234            |
|                     | Lineman                               | 75,234            |
|                     | Apprentice Lineman                    | 60,507            |
|                     | Foreman                               | 84,552            |
|                     | Journeyman Lineman                    | 75,234            |
|                     | Journeyman Lineman                    | 75,234            |
| Apprentice Lineman  | 63,939                                |                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
LABOR AND PERSONNEL (WAGES ONLY)**

| <u>Department</u>       | <u>Title</u>                                   | <u>12/31/2010</u> |
|-------------------------|--|-------------------|
|                         | Journeyman Lineman/Locator                     | 75,234            |
|                         | Wireman Foreman                                | 84,552            |
|                         | Wireman  | 75,234            |
|                         | Wireman  | 75,234            |
|                         | Journeyman Meterman                            | 75,234            |
|                         | Journeyman Meterman                            | 75,234            |
|                         | LA Meter Replacement Specialist                | 53,518            |
|                         | HazMat Specialist                              | 58,053            |
|                         | Facilities Maintenance Worker                  | 60,091            |
|                         | Facilities Maintenance Worker                  | 39,686            |
|                         | Shop Foreman                                   | 67,600            |
|                         | Mechanic                                       | 57,990            |
|                         | Mechanic                                       | 57,990            |
|                         | Warehouseman                                   | 55,307            |
|                         | Warehouseman                                   | 55,307            |
|                         | Temporary Labor Lineman                        | 30,000            |
|                         | Temporary Labor Groundman                      | 20,000            |
|                         | Part-time Student Labor                        | 27,000            |
|                         | On Call Compensation                           | 18,720            |
|                         | Overtime - Cutout Changes                      | 150,000           |
|                         | Overtime                                       | 350,000           |
|                         | Sub-Total                                      | <u>3,578,026</u>  |
| <b>Environmental</b>    | Director of Regulatory & Environmental Affairs | 101,311           |
|                         | Environmental Coordinator                      | 58,662            |
|                         | Environmental Coordinator                      | 61,140            |
|                         | Overtime                                       | 10,000            |
|                         | Sub-Total                                      | <u>231,113</u>    |
| <b>Customer Service</b> | Customer Service Supervisor                    | 83,832            |
|                         | Customer Records Coordinator                   | 55,116            |
|                         | Credit/Collections Specialist                  | 45,901            |
|                         | Account Clerk                                  | 42,557            |
|                         | Account Clerk                                  | 42,557            |
|                         | Account Clerk                                  | 42,557            |
|                         | Account Clerk                                  | 32,157            |
|                         | Account Clerk                                  | 42,557            |
|                         | Account Clerk                                  | 42,557            |
|                         | Account Clerk                                  | 42,557            |
|                         | Meter Reader                                   | 46,550            |
|                         | Meter Reader                                   | 46,550            |
|                         | Meter Reader                                   | 46,550            |
|                         | Relief Account Clerk                           | 21,300            |
|                         | Relief Account Clerk                           | 21,300            |
|                         | Relief Account Clerk                           | 18,800            |
|                         | Overtime                                       | 25,000            |
|                         | Sub-Total                                      | <u>740,955</u>    |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2011 FINAL BUDGET - NOVEMBER 16, 2010  
LABOR AND PERSONNEL (WAGES ONLY)**

| <u>Department</u>             | <u>Title</u>                             | <u>12/31/2010</u> |
|-------------------------------|--|-------------------|
| <b>Conservation</b>           | Energy Services Coordinator              | 56,730            |
|                               | Energy Services Coordinator              | 56,730            |
|                               | Overtime                                 | 10,000            |
|                               | Sub-Total                                | <u>123,460</u>    |
| <b>General Administration</b> | General Manager                          | 165,000           |
|                               | Operations Manager                       | 144,899           |
|                               | Director of Finance/Auditor              | 121,705           |
|                               | Administrative/Executive Assistant       | 55,744            |
|                               | Administrative Assistant                 | 55,563            |
|                               | Human Resource Director                  | 97,415            |
|                               | Chief Accountant/Deputy Treasurer        | 84,824            |
|                               | Treasurer/Accountant                     | 78,998            |
|                               | Financial Analyst                        | 61,447            |
|                               | Accountant                               | 57,298            |
|                               | Accountant                               | 61,338            |
|                               | Payroll/Employee Records Coordinator     | 47,929            |
|                               | Accounts Payable Clerk                   | 37,800            |
|                               | LA Project Analyst                       | 90,000            |
|                               | Overtime                                 | 4,000             |
| Sub-Total                     | <u>1,163,960</u>                         |                   |
| <b>Information Systems</b>    | Information Systems Supervisor           | 90,933            |
|                               | Information Systems Technician           | 64,526            |
|                               | Information Systems Technician           | 59,218            |
|                               | Information Systems Technician           | 59,218            |
| Sub-Total                     | <u>273,895</u>                           |                   |
| <b>Commissioners</b>          | Commissioner                             | 29,000            |
|                               | Commissioner                             | 29,000            |
|                               | Commissioner                             | 29,000            |
| Sub-Total                     | <u>87,000</u>                            |                   |
| <b>Telecommunications</b>     | Network Engineer                         | 91,485            |
|                               | Telecommunications Technicians           | 63,877            |
|                               | Telecommunications Technicians           | 63,877            |
|                               | Telecommunications Technicians           | 63,877            |
|                               | Overtime                                 | 28,000            |
| Sub-Total                     | <u>311,116</u>                           |                   |
|                               | Wage Increases (Step and Cost of Living) | <u>202,498</u>    |
|                               | <b>Total Labor Costs</b>                 | <b>7,696,832</b>  |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2012 FINAL BUDGET - DECEMBER 20, 2011**  
**OVERVIEW**

**HIGHLIGHTS**

- \$19.9 million transfer from reserves, which is a \$2.5 million decrease over the 2011 adopted budget.
- Revenues, not including Grant Proceeds, cover operating expenses by \$2.8 million.
- Retail Electric Sales increased \$2.5 million to \$37.5 million.
- Wholesale Electric Sales decreased \$2.7 million - Decrease in electricity available for sale, due to 5.8 mW<sub>a</sub> less power available from BPA.
- Miscellaneous Income budget increased by \$755,000 - Build America Bond reimbursement of almost \$500,000.
- Construction Contributions increased \$239,000 - continues to outperform expectations.
- Grant Proceeds of \$5.4 million - A new category used to account for BPA Conservation & ARRA Project reimbursements.
- Unforeseen Operating Contingency \$100,000 - A new category to be used for improved budget tracking.
- Purchased Power - the largest operating expenditure in the budget decreased over \$2.2 million to \$23.2 million.  
The 2012 proposed budget reflects expected cost decrease driven by less power available from BPA.
- Capital Outlays account for \$24.6 million - see a summary of capital projects below.
- Debt Service Coverage Ratio is estimated at 1.60 times annual debt service payments, bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at .86, District's target is 1.5 times.

**REVENUES of \$50.9 million - Assumptions Used**

- **Retail Electric Sales:** Predicting a 1% load growth, 1.5 mW step up for expansion of several large general service customers and previously approved rate adjustments.
- **Wholesale Electric:** Sales based on a 3/4 to median water year and previous two years average market pricing,
- **Wholesale Telecommunications:** Based on current revenue levels and a slight increase for broadband buildout.
- **Interest:** Return on investments of between .17%(LGIP) and .25%(CDs).
- **Miscellaneous:** Previous twelve months revenue and Build America Bond reimbursement of \$446,000.
- **Rental Income:** Same as previous year with no growth.
- **Construction Contributions:** Estimated using previous two years average.
- **Grant Proceeds:** Anticipated reimbursements of \$460,000 from BPA and \$5.0 million from RUS.

**EXPENDITURES \$42.7 million - Assumptions Used**

- **Wages:** One less employee than the 2011 adopted budget and overall average wage increase of 3.0%.  
The overall average wage increase includes current bargaining agreement step increases.
- **Benefits:** Based on August 2010 thru July 2011 actual percentage of wages. Range of 32.9% through 48.6% (ave. 36%).
- **Purchased Power:** Wells Project costs effective September 2011 and BPA's new contract effective October 2011.
- **Other Expenditures:** Other expenses are based on known 2012 costs, if costs are not specifically known a 2% increase was estimated, except transportation .5%, taxes 3% and postage 4%.

**CAPITAL OUTLAY \$24.6 million - Summary Listing**

- Methow transmission line and substation \$9.4 million.
- ARRA Broadband Project \$8.3 million
- Operations normal replacements and extensions of \$2.0 million.
- **Enloe Dam \$1.3 million.**
- Wholesale Telecommunications capital of \$758,000, non-ARRA.
- Upgrade/Expand UHF radio system \$590,000.
- Information Systems \$274,000 (network, phone, access control and surveillance systems).
- Bucket Truck Replacement \$250,000.
- Warehouse Truck Replacement \$250,000.
- Tonasket to Oroville Fiber Build \$250,000.
- Regulator and switch purchases \$170,000.
- SCADA implementation continuation \$140,000.
- Underground replacements \$200,000.
- Other capital items \$718,000.

**DEBT SERVICE \$3.5 million**

- **Principal and Interest:** Per debt service schedules.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
BUDGET SUMMARY**

| <u>Description</u>                 | <u>Electric</u>     | <u>Wholesale<br/>Telecom</u> | <u>Total</u>        |
|------------------------------------|---------------------|------------------------------|---------------------|
| <b><u>REVENUE</u></b>              |                     |                              |                     |
| Sales - Retail                     | 37,475,000          |                              | 37,475,000          |
| Sales - Wholesale                  | 2,742,000           | 2,500,000                    | 5,242,000           |
| Interest                           | 80,000              |                              | 80,000              |
| Miscellaneous                      | 1,504,000           |                              | 1,504,000           |
| Rental Income                      | 118,000             |                              | 118,000             |
| Construction Contribution          | 1,059,000           |                              | 1,059,000           |
| Grant Proceeds                     | 460,000             | 4,961,000                    | 5,421,000           |
| <b>Total Revenue</b>               | <b>43,438,000</b>   | <b>7,461,000</b>             | <b>50,899,000</b>   |
| <b><u>EXPENDITURES</u></b>         |                     |                              |                     |
| Wages                              | 7,364,100           | 262,900                      | 7,627,000           |
| Benefits                           | 2,626,200           | 90,200                       | 2,716,400           |
| Travel                             | 158,300             | 12,500                       | 170,800             |
| Training, Tuition and Meeting Fees | 116,300             | 12,500                       | 128,800             |
| Transportation                     | 806,500             | 22,800                       | 829,300             |
| Insurance                          | 308,000             |                              | 308,000             |
| Utilities                          | 85,800              |                              | 85,800              |
| Postage, Printing and Stationary   | 193,000             |                              | 193,000             |
| Advertising                        | 22,300              |                              | 22,300              |
| Conservation Expenditures          | 460,000             |                              | 460,000             |
| Misc. Contractual Services         | 2,205,400           | 8,400                        | 2,213,800           |
| Legal Services                     | 309,100             | 10,000                       | 319,100             |
| Maintenance Contracts              | 138,400             | 47,500                       | 185,900             |
| Software Licenses and Support      | 429,500             | 15,700                       | 445,200             |
| Permits and Fees                   | 60,500              | 100,000                      | 160,500             |
| Rents and Leases                   | 66,700              | 213,300                      | 280,000             |
| Materials and Supplies             | 700,500             | 96,500                       | 797,000             |
| Small Tools (under \$1,000)        | 42,300              | 1,000                        | 43,300              |
| Miscellaneous                      | 100,300             |                              | 100,300             |
| Unforeseen Operating Contingency   | 100,000             |                              | 100,000             |
| Purchased Power                    | 23,220,100          |                              | 23,220,100          |
| Taxes                              | 2,286,800           | 11,900                       | 2,298,700           |
| <b>Total Expenditures</b>          | <b>41,800,100</b>   | <b>905,200</b>               | <b>42,705,300</b>   |
| <b><u>CAPITAL OUTLAY</u></b>       |                     |                              |                     |
| Capital - Contractual Services     | 9,593,000           | 93,400                       | 9,686,400           |
| Capital - Materials and Supplies   | 4,024,000           | 9,027,400                    | 13,051,400          |
| Capital - Meter Purchases          | 90,000              |                              | 90,000              |
| Capital - Transformer Purchases    | 225,000             |                              | 225,000             |
| Capital - Tools and Equipment      | 12,000              |                              | 12,000              |
| Capital - Buildings                | 7,500               |                              | 7,500               |
| Capital - Equipment (Over \$2,000) | 1,041,000           | 10,000                       | 1,051,000           |
| Capital - Vehicles                 | 315,300             |                              | 315,300             |
| Capital - Personal Computers       | 48,100              |                              | 48,100              |
| Unforeseen Capital Contingency     | 100,000             |                              | 100,000             |
| <b>Total Capital Outlay</b>        | <b>15,455,900</b>   | <b>9,130,800</b>             | <b>24,586,700</b>   |
| <b><u>DEBT SERVICE</u></b>         |                     |                              |                     |
| Debt Service - Principal           | 1,387,000           | 168,000                      | 1,555,000           |
| Debt Service - Interest            | 1,685,300           | 233,700                      | 1,919,000           |
| <b>Total Debt Service</b>          | <b>3,072,300</b>    | <b>401,700</b>               | <b>3,474,000</b>    |
| <b>Total Use of Resources</b>      | <b>60,328,300</b>   | <b>10,437,700</b>            | <b>70,766,000</b>   |
| <b>TRANSFER TO/(FROM) RESERVES</b> | <b>(16,890,300)</b> | <b>(2,976,700)</b>           | <b>(19,867,000)</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2011 ADOPTED BUDGET COMPARED TO 2012 FINAL BUDGET**  
**DECEMBER 20, 2011**

|                                    | <b>Electric System</b> |                       |                     |                                     | <b>Wholesale Telecommunications</b> |                       |                    |                                     | <b>Total</b>        |                       |                     |                                     |
|------------------------------------|------------------------|-----------------------|---------------------|-------------------------------------|-------------------------------------|-----------------------|--------------------|-------------------------------------|---------------------|-----------------------|---------------------|-------------------------------------|
| <b>REVENUE</b>                     | <b>Adopted 2011</b>    | <b>Projected 2011</b> | <b>Final 2012</b>   | <b>2011 Adopted/<br/>2012 Final</b> | <b>Adopted 2011</b>                 | <b>Projected 2011</b> | <b>Final 2012</b>  | <b>2011 Adopted/<br/>2012 Final</b> | <b>Adopted 2011</b> | <b>Projected 2011</b> | <b>Final 2012</b>   | <b>2011 Adopted/<br/>2012 Final</b> |
| Sales - Retail                     | 35,001,000             | 33,756,000            | 37,475,000          | 2,474,000                           |                                     |                       |                    | 0                                   | 35,001,000          | 33,756,000            | 37,475,000          | 2,474,000                           |
| Sales - Wholesale                  | 5,490,000              | 6,269,000             | 2,742,000           | (2,748,000)                         | 2,000,000                           | 2,253,000             | 2,500,000          | 500,000                             | 7,490,000           | 8,522,000             | 5,242,000           | (2,248,000)                         |
| Interest                           | 207,000                | 101,000               | 80,000              | (127,000)                           |                                     |                       |                    | 0                                   | 207,000             | 101,000               | 80,000              | (127,000)                           |
| Miscellaneous                      | 749,000                | 1,274,000             | 1,504,000           | 755,000                             |                                     |                       |                    | 0                                   | 749,000             | 1,274,000             | 1,504,000           | 755,000                             |
| Rental Income                      | 118,000                | 118,000               | 118,000             | 0                                   |                                     |                       |                    | 0                                   | 118,000             | 118,000               | 118,000             | 0                                   |
| Construction Contribution          | 820,000                | 1,210,000             | 1,059,000           | 239,000                             |                                     |                       |                    | 0                                   | 820,000             | 1,210,000             | 1,059,000           | 239,000                             |
| Grant Proceeds                     | 0                      |                       | 460,000             | 460,000                             |                                     | 900,000               | 4,961,000          | 4,961,000                           | 0                   | 900,000               | 5,421,000           | 5,421,000                           |
| <b>Total Revenue</b>               | <b>42,385,000</b>      | <b>42,728,000</b>     | <b>43,438,000</b>   | <b>1,053,000</b>                    | <b>2,000,000</b>                    | <b>3,153,000</b>      | <b>7,461,000</b>   | <b>5,461,000</b>                    | <b>44,385,000</b>   | <b>45,881,000</b>     | <b>50,899,000</b>   | <b>6,514,000</b>                    |
| <b>EXPENDITURES</b>                |                        |                       |                     |                                     |                                     |                       |                    |                                     |                     |                       |                     |                                     |
| Wages                              | 7,474,800              | 7,037,400             | 7,364,100           | (110,700)                           | 222,000                             | 281,000               | 262,900            | 40,900                              | 7,696,800           | 7,318,400             | 7,627,000           | (69,800)                            |
| Benefits                           | 2,477,300              | 2,533,000             | 2,626,200           | 148,900                             | 67,300                              | 101,000               | 90,200             | 22,900                              | 2,544,600           | 2,634,000             | 2,716,400           | 171,800                             |
| Travel                             | 173,400                | 148,400               | 158,300             | (15,100)                            | 12,500                              | 12,500                | 12,500             | 0                                   | 185,900             | 160,900               | 170,800             | (15,100)                            |
| Training, Tuition and Meeting Fees | 123,400                | 87,800                | 116,300             | (7,100)                             | 12,500                              | 12,500                | 12,500             | 0                                   | 135,900             | 100,300               | 128,800             | (7,100)                             |
| Transportation                     | 887,500                | 801,000               | 806,500             | (81,000)                            | 16,000                              | 28,000                | 22,800             | 6,800                               | 903,500             | 829,000               | 829,300             | (74,200)                            |
| Insurance                          | 310,000                | 310,000               | 308,000             | (2,000)                             |                                     |                       |                    | 0                                   | 310,000             | 310,000               | 308,000             | (2,000)                             |
| Utilities                          | 97,200                 | 86,400                | 85,800              | (11,400)                            |                                     |                       |                    | 0                                   | 97,200              | 86,400                | 85,800              | (11,400)                            |
| Postage, Printing and Stationary   | 198,400                | 159,100               | 193,000             | (5,400)                             |                                     |                       |                    | 0                                   | 198,400             | 159,100               | 193,000             | (5,400)                             |
| Advertising                        | 37,700                 | 22,000                | 22,300              | (15,400)                            |                                     |                       |                    | 0                                   | 37,700              | 22,000                | 22,300              | (15,400)                            |
| Conservation Expenditures          | 372,800                | 410,000               | 460,000             | 87,200                              |                                     |                       |                    | 0                                   | 372,800             | 410,000               | 460,000             | 87,200                              |
| Misc. Contractual Services         | 2,364,400              | 1,814,800             | 2,205,400           | (159,000)                           | 144,200                             | 16,200                | 8,400              | (135,800)                           | 2,508,600           | 1,831,000             | 2,213,800           | (294,800)                           |
| Legal Services                     | 309,100                | 289,100               | 309,100             | 0                                   | 5,000                               | 17,000                | 10,000             | 5,000                               | 314,100             | 306,100               | 319,100             | 5,000                               |
| Maintenance Contracts              | 152,100                | 109,500               | 138,400             | (13,700)                            | 25,500                              | 25,500                | 47,500             | 22,000                              | 177,600             | 135,000               | 185,900             | 8,300                               |
| Software Licenses and Support      | 282,400                | 259,600               | 429,500             | 147,100                             | 35,000                              | 35,000                | 15,700             | (19,300)                            | 317,400             | 294,600               | 445,200             | 127,800                             |
| Permits and Fees                   | 248,300                | 111,400               | 60,500              | (187,800)                           | 120,000                             | 120,000               | 100,000            | (20,000)                            | 368,300             | 231,400               | 160,500             | (207,800)                           |
| Rents and Leases                   | 63,900                 | 63,900                | 66,700              | 2,800                               | 221,200                             | 139,200               | 213,300            | (7,900)                             | 285,100             | 203,100               | 280,000             | (5,100)                             |
| Materials and Supplies             | 828,900                | 718,300               | 700,500             | (128,400)                           | 101,500                             | 101,500               | 96,500             | (5,000)                             | 930,400             | 819,800               | 797,000             | (133,400)                           |
| Small Tools (under \$1,000)        | 67,800                 | 63,300                | 42,300              | (25,500)                            | 1,000                               | 1,000                 | 1,000              | 0                                   | 68,800              | 64,300                | 43,300              | (25,500)                            |
| Miscellaneous                      | 74,100                 | 97,300                | 100,300             | 26,200                              |                                     |                       |                    | 0                                   | 74,100              | 97,300                | 100,300             | 26,200                              |
| Unforeseen Operating Contingency   |                        |                       | 100,000             | 100,000                             |                                     |                       |                    | 0                                   | 0                   | 0                     | 100,000             | 100,000                             |
| Purchased Power                    | 25,373,000             | 25,373,000            | 23,220,100          | (2,152,900)                         |                                     |                       |                    | 0                                   | 25,373,000          | 25,373,000            | 23,220,100          | (2,152,900)                         |
| Taxes                              | 2,108,300              | 2,108,300             | 2,286,800           | 178,500                             | 10,700                              | 10,700                | 11,900             | 1,200                               | 2,119,000           | 2,119,000             | 2,298,700           | 179,700                             |
| <b>Total Expenditures</b>          | <b>44,024,800</b>      | <b>42,603,600</b>     | <b>41,800,100</b>   | <b>(2,224,700)</b>                  | <b>994,400</b>                      | <b>901,100</b>        | <b>905,200</b>     | <b>(89,200)</b>                     | <b>45,019,200</b>   | <b>43,504,700</b>     | <b>42,705,300</b>   | <b>(2,313,900)</b>                  |
| <b>CAPITAL OUTLAY</b>              |                        |                       |                     |                                     |                                     |                       |                    |                                     |                     |                       |                     |                                     |
| Capital - Contractual Services     | 10,500,000             | 1,290,000             | 9,593,000           | (907,000)                           |                                     | 900,000               | 93,400             | 93,400                              | 10,500,000          | 2,190,000             | 9,686,400           | (813,600)                           |
| Capital - Materials and Supplies   | 5,104,700              | 3,411,700             | 4,024,000           | (1,080,700)                         | 532,000                             | 402,000               | 9,027,400          | 8,495,400                           | 5,636,700           | 3,813,700             | 13,051,400          | 7,414,700                           |
| Capital - Meter Purchases          | 440,000                | 380,000               | 90,000              | (350,000)                           |                                     |                       |                    | 0                                   | 440,000             | 380,000               | 90,000              | (350,000)                           |
| Capital - Transformer Purchases    | 500,000                | 425,000               | 225,000             | (275,000)                           |                                     |                       |                    | 0                                   | 500,000             | 425,000               | 225,000             | (275,000)                           |
| Capital - Tools and Equipment      | 13,200                 | 13,200                | 12,000              | (1,200)                             |                                     |                       |                    | 0                                   | 13,200              | 13,200                | 12,000              | (1,200)                             |
| Capital - Buildings                | 42,000                 | 42,000                | 7,500               | (34,500)                            |                                     |                       |                    | 0                                   | 42,000              | 42,000                | 7,500               | (34,500)                            |
| Capital - Equipment (Over \$2,000) | 989,600                | 355,000               | 1,041,000           | 51,400                              | 10,000                              | 10,000                | 10,000             | 0                                   | 999,600             | 365,000               | 1,051,000           | 51,400                              |
| Capital - Vehicles                 | 30,000                 | (196,900)             | 315,300             | 285,300                             |                                     |                       |                    | 0                                   | 30,000              | (196,900)             | 315,300             | 285,300                             |
| Capital - Personal Computers       | 57,300                 | 57,300                | 48,100              | (9,200)                             |                                     |                       |                    | 0                                   | 57,300              | 57,300                | 48,100              | (9,200)                             |
| Unforeseen Capital Contingency     | 100,000                | 100,000               | 100,000             | 0                                   |                                     |                       |                    | 0                                   | 100,000             | 100,000               | 100,000             | 0                                   |
| <b>Total Capital Outlay</b>        | <b>17,776,800</b>      | <b>5,877,300</b>      | <b>15,455,900</b>   | <b>(2,320,900)</b>                  | <b>542,000</b>                      | <b>1,312,000</b>      | <b>9,130,800</b>   | <b>8,588,800</b>                    | <b>18,318,800</b>   | <b>7,189,300</b>      | <b>24,586,700</b>   | <b>6,267,900</b>                    |
| <b>DEBT SERVICE</b>                |                        |                       |                     |                                     |                                     |                       |                    |                                     |                     |                       |                     |                                     |
| Debt Service - Principal           | 1,035,000              | 1,035,000             | 1,387,000           | 352,000                             | 155,000                             | 155,000               | 168,000            | 13,000                              | 1,190,000           | 1,190,000             | 1,555,000           | 365,000                             |
| Debt Service - Interest            | 1,978,300              | 1,978,300             | 1,685,300           | (293,000)                           | 262,800                             | 262,800               | 233,700            | (29,100)                            | 2,241,100           | 2,241,100             | 1,919,000           | (322,100)                           |
| <b>Total Debt Service</b>          | <b>3,013,300</b>       | <b>3,013,300</b>      | <b>3,072,300</b>    | <b>59,000</b>                       | <b>417,800</b>                      | <b>417,800</b>        | <b>401,700</b>     | <b>(16,100)</b>                     | <b>3,431,100</b>    | <b>3,431,100</b>      | <b>3,474,000</b>    | <b>42,900</b>                       |
| <b>Total Use of Resources</b>      | <b>64,814,900</b>      | <b>51,494,200</b>     | <b>60,328,300</b>   | <b>(4,486,600)</b>                  | <b>1,954,200</b>                    | <b>2,630,900</b>      | <b>10,437,700</b>  | <b>8,483,500</b>                    | <b>66,769,100</b>   | <b>54,125,100</b>     | <b>70,766,000</b>   | <b>3,996,900</b>                    |
| <b>TRANSFER TO/(FROM) RESERVES</b> | <b>(22,429,900)</b>    | <b>(8,766,200)</b>    | <b>(16,890,300)</b> | <b>5,539,600</b>                    | <b>45,800</b>                       | <b>522,100</b>        | <b>(2,976,700)</b> | <b>(3,022,500)</b>                  | <b>(22,384,100)</b> | <b>(8,244,100)</b>    | <b>(19,867,000)</b> | <b>2,517,100</b>                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2012 FINAL BUDGET - DECEMBER 20, 2011**  
**EXPENDITURE SUMMARY BY DEPARTMENT**

| <u>Description</u>                     | <u>Generation</u> | <u>Power Supply</u> | <u>Engineering</u> | <u>Operations</u> | <u>Environmental</u> | <u>Customer Service</u> | <u>Conservation</u> | <u>General Administration</u> | <u>Information Systems</u> | <u>Commissioners</u> | <u>Wholesale Telecom</u> | <u>Internal Communications</u> | <u>Total</u>      |
|--|-------------------|---------------------|--------------------|-------------------|----------------------|-------------------------|---------------------|-------------------------------|----------------------------|----------------------|--------------------------|--------------------------------|-------------------|
| <b>EXPENDITURES</b>                    |                   |                     |                    |                   |                      |                         |                     |                               |                            |                      |                          |                                |                   |
| 010 Wages                              | 116,800           | 112,200             | 837,400            | 3,674,000         | 120,000              | 648,100                 | 123,400             | 1,134,300                     | 360,600                    | 85,800               | 262,900                  | 151,500                        | 7,627,000         |
| 011 Benefits                           | 43,300            | 41,400              | 288,900            | 1,241,800         | 42,400               | 287,800                 | 46,900              | 420,800                       | 118,600                    | 41,700               | 90,200                   | 52,600                         | 2,716,400         |
| 020 Travel                             | 10,000            | 12,500              | 12,500             | 17,500            | 8,000                | 5,000                   | 8,000               | 40,500                        | 15,000                     | 24,300               | 12,500                   | 5,000                          | 170,800           |
| 021 Training, Tuition and Meeting Fees | 5,000             | 7,500               | 7,500              | 30,000            | 4,500                | 2,500                   | 5,800               | 25,700                        | 20,000                     | 2,800                | 12,500                   | 5,000                          | 128,800           |
| 030 Transportation                     | 6,200             | 2,100               | 30,000             | 700,000           | 4,200                | 35,700                  | 6,000               | 6,900                         | 1,200                      |                      | 22,800                   | 14,200                         | 829,300           |
| 040 Insurance                          |                   |                     |                    |                   |                      |                         |                     | 308,000                       |                            |                      |                          |                                | 308,000           |
| 050 Utilities                          |                   |                     |                    |                   |                      |                         |                     | 85,800                        |                            |                      |                          |                                | 85,800            |
| 060 Postage, Printing and Stationary   |                   |                     | 1,000              | 1,400             |                      | 174,000                 | 8,000               | 7,800                         |                            | 500                  |                          | 300                            | 193,000           |
| 070 Advertising                        |                   |                     | 500                | 3,000             |                      | 800                     | 15,000              | 3,000                         |                            |                      |                          |                                | 22,300            |
| 071 Conservation Expenditures          |                   |                     |                    |                   |                      |                         | 460,000             |                               |                            |                      |                          |                                | 460,000           |
| 080 Misc. Contractual Services         | 50,000            | 893,500             | 8,500              | 583,100           | 1,000                | 20,000                  | 23,300              | 598,000                       | 28,000                     |                      | 8,400                    |                                | 2,213,800         |
| 081 Legal Services                     |                   |                     |                    |                   |                      |                         |                     | 309,100                       |                            |                      | 10,000                   |                                | 319,100           |
| 082 Maintenance Contracts              |                   |                     |                    | 10,000            |                      | 400                     |                     | 20,000                        | 81,000                     |                      | 47,500                   | 27,000                         | 185,900           |
| 083 Software Licenses and Support      |                   | 50,000              | 60,000             | 27,300            | 4,500                | 12,300                  |                     |                               | 266,000                    |                      | 15,700                   | 9,400                          | 445,200           |
| 084 Permits and Fees                   | 50,000            |                     | 500                | 4,000             |                      | 300                     |                     | 2,700                         |                            |                      | 100,000                  | 3,000                          | 160,500           |
| 085 Rents and Leases                   | 8,200             |                     |                    | 1,000             |                      | 5,200                   |                     | 11,000                        | 15,500                     |                      | 213,300                  | 25,800                         | 280,000           |
| 090 Materials and Supplies             | 3,000             | 1,000               | 15,000             | 520,000           | 22,000               | 30,000                  | 2,000               | 46,200                        | 10,000                     | 1,300                | 96,500                   | 50,000                         | 797,000           |
| 091 Small Tools (under \$1,000)        |                   |                     | 2,000              | 18,000            |                      | 3,000                   |                     | 2,300                         | 15,000                     |                      | 1,000                    | 2,000                          | 43,300            |
| 092 Miscellaneous                      |                   |                     |                    | 10,000            |                      | 38,700                  | 200                 | 50,000                        |                            | 1,400                |                          |                                | 100,300           |
| 099 Unforeseen Operating Contingency   |                   |                     |                    |                   |                      |                         |                     | 100,000                       |                            |                      |                          |                                | 100,000           |
| 120 Purchased Power                    |                   | 23,220,100          |                    |                   |                      |                         |                     |                               |                            |                      |                          |                                | 23,220,100        |
| 210 Taxes                              |                   |                     |                    |                   |                      |                         |                     | 2,286,800                     |                            |                      | 11,900                   |                                | 2,298,700         |
| <b>Total Expenditures</b>              | <b>292,500</b>    | <b>24,340,300</b>   | <b>1,263,800</b>   | <b>6,841,100</b>  | <b>206,600</b>       | <b>1,263,800</b>        | <b>698,600</b>      | <b>5,458,900</b>              | <b>930,900</b>             | <b>157,800</b>       | <b>905,200</b>           | <b>345,800</b>                 | <b>42,705,300</b> |
| <b>CAPITAL OUTLAY</b>                  |                   |                     |                    |                   |                      |                         |                     |                               |                            |                      |                          |                                |                   |
| 581 Capital - Contractual Services     | 1,240,000         |                     |                    | 8,353,000         |                      |                         |                     |                               |                            |                      | 93,400                   |                                | 9,686,400         |
| 591 Capital - Materials and Supplies   | 42,000            |                     |                    | 3,957,000         |                      |                         |                     |                               |                            |                      | 9,027,400                | 25,000                         | 13,051,400        |
| 592 Capital - Meter Purchases          |                   |                     |                    | 90,000            |                      |                         |                     |                               |                            |                      |                          |                                | 90,000            |
| 593 Capital - Transformer Purchases    |                   |                     |                    | 225,000           |                      |                         |                     |                               |                            |                      |                          |                                | 225,000           |
| 710 Capital - Tools and Equipment      |                   |                     |                    | 10,000            |                      |                         |                     | 2,000                         |                            |                      |                          |                                | 12,000            |
| 711 Capital - Buildings                |                   |                     |                    | 7,500             |                      |                         |                     |                               |                            |                      |                          |                                | 7,500             |
| 712 Capital - Equipment (Over \$2,000) |                   |                     | 73,000             | 39,000            |                      | 5,000                   |                     |                               | 274,000                    |                      | 10,000                   | 650,000                        | 1,051,000         |
| 713 Capital - Vehicles                 |                   |                     |                    | 315,300           |                      |                         |                     |                               |                            |                      |                          |                                | 315,300           |
| 714 Capital - Personal Computers       |                   |                     |                    |                   |                      |                         |                     |                               | 48,100                     |                      |                          |                                | 48,100            |
| 901 Unforeseen Capital Contingency     |                   |                     |                    |                   |                      |                         |                     | 100,000                       |                            |                      |                          |                                | 100,000           |
| <b>Total Capital Outlay</b>            | <b>1,282,000</b>  | <b>0</b>            | <b>73,000</b>      | <b>12,996,800</b> | <b>0</b>             | <b>5,000</b>            | <b>0</b>            | <b>102,000</b>                | <b>322,100</b>             | <b>0</b>             | <b>9,130,800</b>         | <b>675,000</b>                 | <b>24,586,700</b> |
| <b>DEBT SERVICE</b>                    |                   |                     |                    |                   |                      |                         |                     |                               |                            |                      |                          |                                |                   |
| 810 Debt Service - Principal           |                   |                     |                    |                   |                      |                         |                     | 1,387,000                     |                            |                      | 168,000                  |                                | 1,555,000         |
| 811 Debt Service - Interest            |                   |                     |                    |                   |                      |                         |                     | 1,685,300                     |                            |                      | 233,700                  |                                | 1,919,000         |
| <b>Total Debt Service</b>              | <b>0</b>          | <b>0</b>            | <b>0</b>           | <b>0</b>          | <b>0</b>             | <b>0</b>                | <b>0</b>            | <b>3,072,300</b>              | <b>0</b>                   | <b>0</b>             | <b>401,700</b>           | <b>0</b>                       | <b>3,474,000</b>  |
| <b>Total Use of Resources</b>          | <b>1,574,500</b>  | <b>24,340,300</b>   | <b>1,336,800</b>   | <b>19,837,900</b> | <b>206,600</b>       | <b>1,268,800</b>        | <b>698,600</b>      | <b>8,633,200</b>              | <b>1,253,000</b>           | <b>157,800</b>       | <b>10,437,700</b>        | <b>1,020,800</b>               | <b>70,766,000</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
REVENUE DETAIL**

| <u>Div.</u> | <u>Activity</u>          | <u>Description</u>         | <u>Budget<br/>Amount</u> |
|-------------|--------------------------|----------------------------|--------------------------|
| 1           | <b>Electric</b>          |                            | <b>43,438,000</b>        |
|             | 001                      | Sales - Retail             | 37,475,000               |
|             | 002                      | Sales - Wholesale          | 2,742,000                |
|             | 003                      | Interest                   | 80,000                   |
|             | 004                      | Miscellaneous              | 1,504,000                |
|             | 005                      | Rental Income              | 118,000                  |
|             | 006                      | Construction Contributions | 1,059,000                |
|             | 007                      | Grant Proceeds             | 460,000                  |
| 2           | <b>Wholesale Telecom</b> |                            | <b>7,461,000</b>         |
|             | 002                      | Sales - Wholesale          | 2,500,000                |
|             | 004                      | Miscellaneous              | 0                        |
|             | 006                      | Construction Contributions | 0                        |
|             | 007                      | Grant Proceeds             | 4,961,000                |
|             |                          | <b>TOTAL REVENUE</b>       | <b>50,899,000</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>   | <u>Description</u>                        | <u>Budget<br/>Amount</u> |
|-------------|--------------|-------------------|---|--------------------------|
| 1           | 10           | <b>Generation</b> |   | <b>1,574,500</b>         |
|             |              | 010               | Wages                                     | 116,800                  |
|             |              | 011               | Benefits                                  | 43,300                   |
|             |              | 020               | Travel                                    | 10,000                   |
|             |              | 021               | Training, Tuition and Meeting Fees        | 5,000                    |
|             |              | 030               | Transportation                            | 6,200                    |
|             |              | 080               | Misc. Contractual Service                 | 50,000                   |
|             |              |                   | Emergency Action Plan (EAP) Yearly Review | 20,000                   |
|             |              |                   | Yearly Dam Inspection                     | 15,000                   |
|             |              |                   | Yearly Monitoring Historical Structures   | 5,000                    |
|             |              |                   | Other Misc.                               | 10,000                   |
|             |              | 084               | Permits and Fees                          | 50,000                   |
|             |              |                   | Other Misc.                               | 50,000                   |
|             |              | 085               | Rent and Leases                           | 8,200                    |
|             |              |                   | Ophir Site Lease                          | 8,200                    |
|             |              | 090               | Materials and Supplies                    | 3,000                    |
|             |              | 581               | Capital - Contractual Services            | 1,240,000                |
|             |              |                   | BLM Cost Recovery Agreement               | 50,000                   |
|             |              |                   | Cardno Entrix                             | 400,000                  |
|             |              |                   | Christensen & Associates                  | 400,000                  |
|             |              |                   | GKRSE - FERC/Federal Legal Council        | 75,000                   |
|             |              |                   | Longview Associates                       | 35,000                   |
|             |              |                   | Other Cost Recovery Agreements            | 50,000                   |
|             |              |                   | PM&E Implementation                       | 200,000                  |
|             |              |                   | WDOE Cost Recovery Agreement              | 30,000                   |
|             |              | 591               | Capital - Materials and Supplies          | 42,000                   |
|             |              |                   | Enloe Dam - EAP                           | 7,000                    |
|             |              |                   | Materials and Supplies                    | 35,000                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>     | <u>Description</u>                  | <u>Budget<br/>Amount</u> |
|-------------|--------------|---------------------|-------------------------------------|--------------------------|
| 1           | 11           | <b>Power Supply</b> |                                     | <b>24,340,300</b>        |
|             |              | 010                 | Wages                               | 112,200                  |
|             |              | 011                 | Benefits                            | 41,400                   |
|             |              | 020                 | Travel                              | 12,500                   |
|             |              | 021                 | Training, Tuition and Meeting Fees  | 7,500                    |
|             |              | 030                 | Transportation                      | 2,100                    |
|             |              | 080                 | Misc. Contractual Services          | 893,500                  |
|             |              |                     | Douglas County PUD                  | 346,000                  |
|             |              |                     | Miscellaneous Professional Services | 31,000                   |
|             |              |                     | Annual Dow Jones Subscription       | 1,500                    |
|             |              |                     | Central Washington Power Authority  | 5,000                    |
|             |              |                     | Slice Scheduling Software           | 500,000                  |
|             |              |                     | Slice Implementation Group          | 10,000                   |
|             |              | 083                 | Software Licenses and Support       | 50,000                   |
|             |              |                     | Software Support Fee                | 50,000                   |
|             |              | 090                 | Materials and Supplies              | 1,000                    |
|             |              | 120                 | Purchased Power                     | 23,220,100               |
|             |              |                     | BPA - Slice                         | 7,909,700                |
|             |              |                     | BPA - Block                         | 6,086,100                |
|             |              |                     | BPA - Transmission                  | 2,337,100                |
|             |              |                     | Wells                               | 4,073,800                |
|             |              |                     | Nine Canyon                         | 2,813,400                |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>    | <u>Description</u>                   | <u>Budget<br/>Amount</u> |
|-------------|--------------|--------------------|--------------------------------------|--------------------------|
| 1           | 20           | <b>Engineering</b> |                                      | <b>1,336,800</b>         |
|             |              | 010                | Wages                                | 837,400                  |
|             |              | 011                | Benefits                             | 288,900                  |
|             |              | 020                | Travel                               | 12,500                   |
|             |              |                    | Engineering                          | 12,500                   |
|             |              | 021                | Training, Tuition and Meeting Fees   | 7,500                    |
|             |              |                    | Engineering                          | 7,500                    |
|             |              | 030                | Transportation                       | 30,000                   |
|             |              | 060                | Postage, Printing and Stationary     | 1,000                    |
|             |              | 070                | Advertising                          | 500                      |
|             |              | 080                | Misc. Contractual Services           | 8,500                    |
|             |              |                    | Janitorial Services (BR, TO, and OR) | 8,500                    |
|             |              | 083                | Software Licenses and Support        | 60,000                   |
|             |              |                    | AutoCad                              | 2,000                    |
|             |              |                    | ESRI                                 | 5,000                    |
|             |              |                    | Futura                               | 15,000                   |
|             |              |                    | GeoNav                               | 3,000                    |
|             |              |                    | Acent GIS (Aerials)                  | 1,200                    |
|             |              |                    | Staker                               | 28,800                   |
|             |              |                    | TL-PRO Design Studio                 | 5,000                    |
|             |              | 084                | Permits and Fees                     | 500                      |
|             |              |                    | Miscellaneous                        | 500                      |
|             |              | 090                | Materials and Supplies               | 15,000                   |
|             |              | 091                | Small Tools (under \$1,000)          | 2,000                    |
|             |              |                    | Misc.                                | 4,000                    |
|             |              | 712                | Capital - Equipment (Over \$2,000)   | 73,000                   |
|             |              |                    | Staker w/ Analysis                   | 65,000                   |
|             |              |                    | CMMS                                 | 8,000                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>   | <u>Description</u>                        | <u>Budget Amount</u> |
|-------------|--------------|-------------------|---|----------------------|
| 1           | 21           | <b>Operations</b> |   | <b>19,837,900</b>    |
|             |              | 010               | Wages                                     | 3,674,000            |
|             |              | 011               | Benefits                                  | 1,241,800            |
|             |              | 020               | Travel                                    | 17,500               |
|             |              |                   | Operations                                | 17,500               |
|             |              | 021               | Training, Tuition and Meeting Fees        | 30,000               |
|             |              |                   | Operations                                | 30,000               |
|             |              | 030               | Transportation                            | 700,000              |
|             |              | 060               | Postage, Printing and Stationary          | 1,400                |
|             |              | 070               | Advertising                               | 3,000                |
|             |              | 080               | Misc. Contractual Services                | 583,100              |
|             |              |                   | CDL Testing Program                       | 4,000                |
|             |              |                   | Employee Dispatch                         | 9,600                |
|             |              |                   | Facility Gates                            | 10,500               |
|             |              |                   | Pole Testing                              | 250,000              |
|             |              |                   | Safety Training                           | 38,000               |
|             |              |                   | Tree Trimming                             | 250,000              |
|             |              |                   | Underground Locate Service                | 2,000                |
|             |              |                   | Weed Control                              | 15,000               |
|             |              |                   | Miscellaneous                             | 4,000                |
|             |              | 082               | Maintenance Contracts                     | 10,000               |
|             |              |                   | Landscape Maintenance                     | 8,000                |
|             |              |                   | Snowplowing and Sweeping                  | 2,000                |
|             |              | 083               | Software Licenses and Support             | 27,300               |
|             |              |                   | Cummins Tool Software                     | 700                  |
|             |              |                   | Fastenal Tool Inventory                   | 1,200                |
|             |              |                   | OSI                                       | 14,300               |
|             |              |                   | Trimble Field Inspector                   | 4,100                |
|             |              |                   | Zonar Vehicle Tracking                    | 7,000                |
|             |              | 084               | Permits and Fees                          | 4,000                |
|             |              |                   | Right of Ways - USFS/Dept. of Int.        | 3,000                |
|             |              |                   | Miscellaneous                             | 1,000                |
|             |              | 085               | Rents and Leases                          | 1,000                |
|             |              |                   | Pole Contacts                             | 1,000                |
|             |              | 090               | Materials and Supplies                    | 520,000              |
|             |              |                   | General                                   | 500,000              |
|             |              |                   | Fire Resistant Clothing                   | 20,000               |
|             |              | 091               | Small Tools (under \$1,000)               | 18,000               |
|             |              |                   | Brewster                                  | 3,200                |
|             |              |                   | Okanogan                                  | 9,600                |
|             |              |                   | Oroville                                  | 3,200                |
|             |              |                   | Mechanics Specialty Tool Replacement      | 2,000                |
|             |              | 092               | Miscellaneous                             | 10,000               |
|             |              |                   | Lineman Rodeo (Fees, Travel and Supplies) | 9,600                |
|             |              |                   | Safety Meeting Refreshments               | 400                  |
|             |              | 581               | Capital - Contractual Services            | 8,353,000            |
|             |              |                   | Contract Labor                            | 100,000              |
|             |              |                   | Engineering - Large System Projects       | 100,000              |
|             |              |                   | Tonasket to Oroville Fiber Construction   | 123,000              |
|             |              |                   | Gold Creek Sub Construction               | 505,000              |
|             |              |                   | MTP Line Construction                     | 6,000,000            |
|             |              |                   | MTP Mitigation/Roads                      | 650,000              |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2012 FINAL BUDGET - DECEMBER 20, 2011**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u>                          |           | <u>Budget<br/>Amount</u> |
|-------------|--------------|--|---|-----------|--------------------------|
|             |              |  | MTP Permits, Tetra Tech, Training, etc.     | 175,000   |                          |
|             |              |  | MTP ROW/Easements                           | 500,000   |                          |
|             |              |  | Underground Replacements                    | 200,000   |                          |
| 591         |              | Capital - Materials and Supplies                 |   |           | 3,957,000                |
|             |              |  | Normal Replacements and Extensions          | 1,800,000 |                          |
|             |              |  | AMI Equipment                               | 50,000    |                          |
|             |              |  | Tonasket to Oroville Fiber Materials        | 127,000   |                          |
|             |              |  | Gold Creek Substation Materials             | 320,000   |                          |
|             |              |  | MTP Transmission and Distribution Materials | 1,250,000 |                          |
|             |              |  | OCB, Regulators, Switches, etc.             | 170,000   |                          |
|             |              |  | SCADA Equipment                             | 140,000   |                          |
|             |              |  | Cutout Replacement                          | 100,000   |                          |
| 592         |              | Capital - Meter Purchases                        |   |           | 90,000                   |
|             |              |  | Metering Special Projects                   | 75,000    |                          |
|             |              |  | Normal Meter Replacements                   | 15,000    |                          |
| 593         |              | Capital - Transformer Purchases                  |   |           | 225,000                  |
|             |              |  | Normal Additions/Replacements               | 225,000   |                          |
| 710         |              | Capital - Tools & Equipment (\$1,000 to \$2,000) |   |           | 10,000                   |
| 711         |              | Capital - Buildings                              |   |           | 7,500                    |
|             |              |  | Warehouse - Emergency Generator             | 7,500     |                          |
| 712         |              | Capital - Equipment (Over \$2,000)               |   |           | 39,000                   |
|             |              |  | Hydraulic Oil Filter Machine                | 11,200    |                          |
|             |              |  | Ironworker                                  | 20,000    |                          |
|             |              |  | Trimble Field Inspector Handheld            | 7,800     |                          |
| 713         |              | Capital - Vehicles                               |   |           | 315,300                  |
|             |              |  | Bucket Truck - Replacement                  | 250,000   |                          |
|             |              |  | Warehouse Truck - Replacement               | 250,000   |                          |
|             |              |  | Dump Trailers                               | 15,000    |                          |
|             |              |  | Used 4x4 Line Truck                         | 80,000    |                          |
|             |              |  | Less: Transportation System Depreciation    | (279,700) |                          |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|
| 1           | 22           |                 | <b>Environmental</b>               | <b>206,600</b>           |
|             |              | 010             | Wages                              | 120,000                  |
|             |              | 011             | Benefits                           | 42,400                   |
|             |              | 020             | Travel                             | 8,000                    |
|             |              |                 | Environmental                      | 8,000                    |
|             |              | 021             | Training, Tuition and Meeting Fees | 4,500                    |
|             |              |                 | Environmental                      | 4,500                    |
|             |              | 030             | Transportation                     | 4,200                    |
|             |              | 080             | Misc. Contractual Services         | 1,000                    |
|             |              |                 | Miscellaneous                      | 1,000                    |
|             |              | 083             | Software Licenses and Support      | 4,500                    |
|             |              | 090             | Materials and Supplies             | 22,000                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>         | <u>Description</u>                               | <u>Budget<br/>Amount</u> |
|-------------|--------------|-------------------------|--|--------------------------|
| 1           | 30           | <b>Customer Service</b> |  | <b>1,268,800</b>         |
|             |              | 010                     | Wages  | 648,100                  |
|             |              | 011                     | Benefits   | 287,800                  |
|             |              | 020                     | Travel   | 5,000                    |
|             |              | 021                     | Training, Tuition and Meeting Fees               | 2,500                    |
|             |              | 030                     | Transportation                                   | 35,700                   |
|             |              | 060                     | Postage, Printing and Stationary                 | 174,000                  |
|             |              |                         | Postage - NISC                                   | 76,400                   |
|             |              |                         | Postage - PUD                                    | 24,500                   |
|             |              |                         | Printing - Bill Print                            | 51,800                   |
|             |              |                         | Printing - Customer Packets                      | 10,000                   |
|             |              |                         | Printing - Misc.                                 | 11,300                   |
|             |              | 070                     | Advertising                                      | 800                      |
|             |              | 080                     | Misc. Contractual Services                       | 20,000                   |
|             |              |                         | CIS Programming                                  | 5,000                    |
|             |              |                         | Collection Service - Credit Bureau               | 2,500                    |
|             |              |                         | Credit Reporting Agency                          | 3,200                    |
|             |              |                         | Electronic Payments Fees                         | 9,300                    |
|             |              | 082                     | Maintenance Contracts                            | 400                      |
|             |              | 083                     | Software Licenses and Support                    | 12,300                   |
|             |              |                         | RemitPlus Check Scanning and Recognition License | 8,000                    |
|             |              |                         | RemitPlus Check Scanning and Recognition Support | 4,300                    |
|             |              | 084                     | Permits and Fees                                 | 300                      |
|             |              |                         | Miscellaneous Fees (Notaries, etc.)              | 300                      |
|             |              | 085                     | Rents and Leases                                 | 5,200                    |
|             |              |                         | Office Rent MVCC                                 | 4,900                    |
|             |              |                         | Miscellaneous                                    | 300                      |
|             |              | 090                     | Materials and Supplies                           | 30,000                   |
|             |              |                         | General  | 30,000                   |
|             |              | 091                     | Small Tools (under \$1,000)                      | 3,000                    |
|             |              |                         | Mini Payment Kiosk - Okanogan                    | 3,000                    |
|             |              |                         | Okanogan Counter 3rd Workstation                 | 0                        |
|             |              | 092                     | Miscellaneous                                    | 38,700                   |
|             |              |                         | Miscellaneous Expenses                           | 600                      |
|             |              |                         | Net Account Receivable Writeoffs                 | 38,100                   |
|             |              | 712                     | Capital - Equipment (Over \$2,000)               | 5,000                    |
|             |              |                         | Check Scanning Hardware                          | 5,000                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                       | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
| 1           | 35           |                 | <b>Conservation/Consumer Information</b> | <b>698,600</b>           |
|             |              | 010             | Wages                                    | 123,400                  |
|             |              | 011             | Benefits                                 | 46,900                   |
|             |              | 020             | Travel                                   | 8,000                    |
|             |              | 021             | Training, Tuition and Meeting Fees       | 5,800                    |
|             |              | 030             | Transportation                           | 6,000                    |
|             |              | 060             | Postage, Printing and Stationary         | 8,000                    |
|             |              | 070             | Advertising                              | 15,000                   |
|             |              | 071             | Conservation Expenditures                | 460,000                  |
|             |              |                 | Conservation Programs                    | 460,000                  |
|             |              | 080             | Misc. Contractual Services               | 23,300                   |
|             |              |                 | Electric Education Programs              | 23,300                   |
|             |              | 090             | Materials and Supplies                   | 2,000                    |
|             |              | 092             | Miscellaneous                            | 200                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2012 FINAL BUDGET - DECEMBER 20, 2011**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                            | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|--|--------------------|----------------------|
| 1           | 40           | <b>General Administration</b>              |                    | <b>8,633,200</b>     |
|             | 010          | Wages                                      |                    | 1,134,300            |
|             | 011          | Benefits                                   |                    | 420,800              |
|             | 020          | Travel                                     |                    | 40,500               |
|             |              | General                                    | 22,500             |                      |
|             |              | Accounting and Finance                     | 8,200              |                      |
|             |              | Human Resource                             | 3,800              |                      |
|             |              | Leadership                                 | 6,000              |                      |
|             | 021          | Training, Tuition and Meeting Fees         |                    | 25,700               |
|             |              | General                                    | 1,900              |                      |
|             |              | Accounting and Finance                     | 2,300              |                      |
|             |              | Human Resource                             | 1,500              |                      |
|             |              | Leadership                                 | 10,000             |                      |
|             |              | Education Reimbursement Program            | 10,000             |                      |
|             | 030          | Transportation                             |                    | 6,900                |
|             | 040          | Insurance (Property/Liability)             |                    | 308,000              |
|             | 050          | Utilities                                  |                    | 85,800               |
|             |              | Cell Phone Service                         | 6,800              |                      |
|             |              | Electrical Service                         | 6,400              |                      |
|             |              | Telephone Service                          | 46,400             |                      |
|             |              | Water/Sewer/Garbage                        | 26,200             |                      |
|             | 060          | Postage, Printing and Stationary           |                    | 7,800                |
|             | 070          | Advertising                                |                    | 3,000                |
|             | 080          | Misc. Contractual Services                 |                    | 598,000              |
|             |              | APPA Dues                                  | 12,600             |                      |
|             |              | Audit Costs                                | 74,200             |                      |
|             |              | Banking Fees                               | 45,000             |                      |
|             |              | Benefits Administration                    | 14,000             |                      |
|             |              | Bond Admin Fee                             | 2,800              |                      |
|             |              | Chamber Dues                               | 800                |                      |
|             |              | CWPU/UIP Expenses                          | 30,000             |                      |
|             |              | Economic Alliance                          | 6,000              |                      |
|             |              | Financial Studies                          | 150,000            |                      |
|             |              | Fire Alarm Monitoring                      | 400                |                      |
|             |              | Foundation for Water and Energy            | 2,000              |                      |
|             |              | Janitorial Services (OK and OM)            | 55,200             |                      |
|             |              | Legislative Consultant                     | 39,700             |                      |
|             |              | Misc. Services/Consulting                  | 20,000             |                      |
|             |              | NW Public Power Assoc. Dues/NW Wage & Hour | 28,400             |                      |
|             |              | PPC - Dues                                 | 24,900             |                      |
|             |              | PPC - NW River Partners                    | 12,400             |                      |
|             |              | Standard and Poors                         | 7,700              |                      |
|             |              | WA PUD Association Dues                    | 71,900             |                      |
|             | 081          | Legal Services                             |                    | 309,100              |
|             |              | General Counsel                            | 234,100            |                      |
|             |              | Misc. Attorney Fees                        | 75,000             |                      |
|             | 082          | Maintenance Contracts                      |                    | 20,000               |
|             |              | Copier Maintenance                         | 11,700             |                      |
|             |              | Elevator Maintenance                       | 700                |                      |
|             |              | Landscape Maintenance/Sweeping/Snowplowing | 7,600              |                      |
|             | 084          | Permits and Fees                           |                    | 2,700                |
|             |              | WA State Purchasing Coop                   | 2,000              |                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2012 FINAL BUDGET - DECEMBER 20, 2011**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u>                                  |        | <u>Budget</u><br><u>Amount</u> |
|-------------|--------------|--|---|--------|--------------------------------|
|             |              |  | WA State L&I Right to Know                          | 300    |                                |
|             |              |  | Misc.   | 400    |                                |
|             | 085          | Rents and Leases                                 |   |        | 11,000                         |
|             |              |  | Copier Lease  | 8,100  |                                |
|             |              |  | P.O. Box Rent                                       | 300    |                                |
|             |              |  | Postage Machine Rent                                | 2,600  |                                |
|             | 090          | Materials and Supplies                           |   |        | 46,200                         |
|             | 091          | Small Tools (under \$1,000)                      |   |        | 2,300                          |
|             | 092          | Miscellaneous                                    |   |        | 50,000                         |
|             |              |  | Clothing for Identification                         | 1,200  |                                |
|             |              |  | Deductibles/Damage Claims                           | 10,000 |                                |
|             |              |  | Election Costs                                      | 4,700  |                                |
|             |              |  | Employee Day  | 3,400  |                                |
|             |              |  | Meeting Expenses                                    | 10,600 |                                |
|             |              |  | Misc. Expenses (Wellness, Interview and Moving Exp) | 17,600 |                                |
|             |              |  | Service Awards and Costs                            | 2,500  |                                |
|             | 099          | Unforeseen Operating Contingency                 |   |        | 100,000                        |
|             | 210          | Taxes  |   |        | 2,286,800                      |
|             | 710          | Capital - Tools & Equipment (\$1,000 to \$2,000) |   |        | 2,000                          |
|             | 810          | Debt Service - Principal                         |   |        | 1,387,000                      |
|             | 811          | Debt Service - Interest                          |   |        | 1,685,300                      |
|             | 901          | Unforeseen Capital Contingency                   |   |        | 100,000                        |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2012 FINAL BUDGET - DECEMBER 20, 2011**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                           | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|---|--------------------|----------------------|
| 1           | 41           | <b>Information Systems</b>                |                    | <b>1,253,000</b>     |
|             | 010          | Wages                                     |                    | 360,600              |
|             | 011          | Benefits                                  |                    | 118,600              |
|             | 020          | Travel                                    |                    | 15,000               |
|             | 021          | Training, Tuition and Meeting Fees        |                    | 20,000               |
|             | 030          | Transportation                            |                    | 1,200                |
|             | 080          | Misc. Contractual Services                |                    | 28,000               |
|             |              | Network Consulting                        | 20,000             |                      |
|             |              | SharePoint and Webpage Consulting         | 5,000              |                      |
|             |              | Security System Monitoring                | 3,000              |                      |
|             | 082          | Maintenance Contracts                     |                    | 81,000               |
|             |              | Eaton Powerware - Datacenter UPS          | 38,000             |                      |
|             |              | Eaton Powerware - Omak Network UPS        | 10,000             |                      |
|             |              | Eaton Powerware - Remote Monitoring       | 5,000              |                      |
|             |              | Key Card System Maintenance               | 5,000              |                      |
|             |              | NetApp SAN Hardware/Software Maintenance  | 18,500             |                      |
|             |              | SonicWall                                 | 2,500              |                      |
|             |              | Server Hardware Maintenance               | 2,000              |                      |
|             | 083          | Software Licenses and Support             |                    | 266,000              |
|             |              | Aclara - TWACS Support                    | 18,000             |                      |
|             |              | Digi Cert for Exchange Server             | 500                |                      |
|             |              | eBill Certificate                         | 600                |                      |
|             |              | Exchange 2010 User Cals                   | 1,400              |                      |
|             |              | Exchange 2010 Server Standard             | 1,200              |                      |
|             |              | LocalTel Phone System Maintenance         | 12,000             |                      |
|             |              | MS Office 2010                            | 8,800              |                      |
|             |              | MS Server 2008 User Cals                  | 600                |                      |
|             |              | MS Server 2008 R2                         | 5,000              |                      |
|             |              | M+RFM Bundle (Spam & Archive)             | 3,000              |                      |
|             |              | NISC Custom Programming                   | 5,000              |                      |
|             |              | NISC Maintenance                          | 120,000            |                      |
|             |              | NISC MDMS                                 | 15,000             |                      |
|             |              | NISC MDMS Annual Fee                      | 13,600             |                      |
|             |              | OCR for RICOH Scanner                     | 40,000             |                      |
|             |              | SharePoint 2010                           | 2,300              |                      |
|             |              | Symantec Software and Support             | 8,200              |                      |
|             |              | Soniclear Recording Software              | 800                |                      |
|             |              | VMWare Software Support (IS)              | 5,000              |                      |
|             |              | VMWare Software Support (Telecom)         | 5,000              |                      |
|             | 085          | Rents and Leases                          |                    | 15,500               |
|             |              | Okanogan Mailing Equipment                | 12,500             |                      |
|             |              | Branch Office Mailing Equipment           | 3,000              |                      |
|             | 090          | Materials and Supplies                    |                    | 10,000               |
|             | 091          | Small Tools (under \$1,000)               |                    | 15,000               |
|             | 712          | Capital - Equipment (Over \$2,000)        |                    | 274,000              |
|             |              | Virtual Server Environment - Hardware     | 47,500             |                      |
|             |              | Virtual Server Environment - Software     | 20,000             |                      |
|             |              | SIEM - Log Management                     | 15,000             |                      |
|             |              | Phone System - Phones and Switch          | 6,500              |                      |
|             |              | Keycard Systems - Backend Server Hardware | 10,000             |                      |
|             |              | Keycard Systems - Readers and Controllers | 50,000             |                      |
|             |              | Video Systems - Backend Server Hardware   | 30,000             |                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>              | <u>Description</u>                                |        | <u>Budget<br/>Amount</u> |
|-------------|--------------|------------------------------|---|--------|--------------------------|
|             |              |                              | Video Surveillance Software                       | 15,000 |                          |
|             |              |                              | Video System Cameras - Subs, Yards and Fence Line | 60,000 |                          |
|             |              |                              | Video System Cameras - Branch Offices             | 10,000 |                          |
|             |              |                              | Video Conferencing                                | 10,000 |                          |
| 714         |              | Capital - Personal Computers |   |        | 48,100                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|
| 1           | 50           |                 | <b>Commissioners</b>               | <b>157,800</b>           |
|             |              | 010             | Wages                              | 85,800                   |
|             |              | 011             | Benefits                           | 41,700                   |
|             |              | 020             | Travel                             | 24,300                   |
|             |              | 021             | Training, Tuition and Meeting Fees | 2,800                    |
|             |              | 060             | Postage, Printing and Stationary   | 500                      |
|             |              | 090             | Materials and Supplies             | 1,300                    |
|             |              | 092             | Miscellaneous                      | 1,400                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                     | <u>Description</u>                                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-------------------------------------|--|--------------------------|
| 2           | 60           | <b>Wholesale Telecommunications</b> |  | <b>10,437,700</b>        |
|             |              | 010                                 | Wages  | 262,900                  |
|             |              | 011                                 | Benefits   | 90,200                   |
|             |              | 020                                 | Travel   | 12,500                   |
|             |              | 021                                 | Training, Tuition and Meeting Fees                 | 12,500                   |
|             |              | 030                                 | Transportation                                     | 22,800                   |
|             |              | 080                                 | Misc. Contractual Services                         | 8,400                    |
|             |              |                                     | NoaNet Calea Services                              | 8,400                    |
|             |              | 081                                 | Legal Services                                     | 10,000                   |
|             |              | 082                                 | Maintenance Contracts                              | 47,500                   |
|             |              |                                     | Cisco Smartnet                                     | 13,500                   |
|             |              |                                     | WWP Lightning Edge/Ciena Devices                   | 27,500                   |
|             |              |                                     | RADcare (Optimux and IPMux)                        | 4,500                    |
|             |              |                                     | Motorola Canopy Hardware/Software                  | 2,000                    |
|             |              | 083                                 | Software Licenses and Support                      | 15,700                   |
|             |              |                                     | NetZoom  | 700                      |
|             |              |                                     | Misc. Software Upgrades                            | 15,000                   |
|             |              | 084                                 | Permits and Fees                                   | 100,000                  |
|             |              |                                     | Internet Fees                                      | 95,000                   |
|             |              |                                     | ARIN ASN & IP Address Allocation                   | 5,000                    |
|             |              | 085                                 | Rents and Leases                                   | 213,300                  |
|             |              |                                     | DCPUD Leases                                       | 79,200                   |
|             |              |                                     | Protect Path Ring                                  | 78,000                   |
|             |              |                                     | NoaNet Dark Fiber Lease                            | 32,100                   |
|             |              |                                     | Wireless Site Lease                                | 24,000                   |
|             |              | 090                                 | Materials and Supplies                             | 96,500                   |
|             |              |                                     | HVAC Maintenance and Repair                        | 15,000                   |
|             |              |                                     | Fiber Trailer Maintenance - HVAC/Floor/Generator   | 10,000                   |
|             |              |                                     | Misc. Switch/Network HW Upgrades                   | 10,000                   |
|             |              |                                     | Fiber Plant Maintenance - Wholesale                | 50,000                   |
|             |              |                                     | Battery Plant - Maintenance and Replacement        | 6,500                    |
|             |              |                                     | UPS/Rectifier - Maintenance and Replacement        | 5,000                    |
|             |              | 091                                 | Small Tools (under \$1,000)                        | 1,000                    |
|             |              | 210                                 | Taxes  | 11,900                   |
|             |              | 581                                 | Capital - Contractual Services                     | 93,400                   |
|             |              |                                     | Fiber Engineering - OKPUD to Robinson Canyon       | 33,800                   |
|             |              |                                     | Fiber Engineering - Johnson Cr. to Greenacres      | 29,600                   |
|             |              |                                     | Site Engineering - Alternative Microwave Back Haul | 30,000                   |
|             |              | 591                                 | Capital - Material and Supplies                    | 9,027,400                |
|             |              |                                     | PAMAL Node Rework                                  | 10,000                   |
|             |              |                                     | BRHSP Node Rework                                  | 10,000                   |
|             |              |                                     | TOUSB Node Rework                                  | 10,000                   |
|             |              |                                     | Fiber Buildout - OKPUD HQ to 3rd Street Node       | 16,000                   |
|             |              |                                     | Wifi Sites - Omak/Okanogan                         | 120,000                  |
|             |              |                                     | Fiber Buildout - OKPUD to Nichols and R. Canyon    | 147,800                  |
|             |              |                                     | Fiber Buildout - Johnson Creek to Greenacres       | 129,400                  |
|             |              |                                     | Alternative Microwave Back Haul                    | 65,000                   |
|             |              |                                     | Network Hardware Replacements - End of Life        | 75,000                   |
|             |              |                                     | Fiber Distribution Builds                          | 50,000                   |
|             |              |                                     | Ethernet Node                                      | 25,000                   |
|             |              |                                     | Wireless Towers                                    | 25,000                   |
|             |              |                                     | Wireless Remote Subscriber Units                   | 75,200                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 |           | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|------------------------------------|-----------|--------------------------|
|             |              |                 | ARRA Broadband Project             | 8,269,000 |                          |
|             | 712          |                 | Capital - Equipment (Over \$2,000) |           | 10,000                   |
|             |              |                 | Test Equipment                     | 5,000     |                          |
|             |              |                 | Tools                              | 5,000     |                          |
|             | 810          |                 | Debt Service - Principal           |           | 168,000                  |
|             | 811          |                 | Debt Service - Interest            |           | 233,700                  |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                | <u>Description</u>                         | <u>Budget<br/>Amount</u> |
|-------------|--------------|--------------------------------|--|--------------------------|
| 1           | 61           | <b>Internal Communications</b> |  | <b>1,020,800</b>         |
|             |              | 010                            | Wages                                      | 151,500                  |
|             |              | 011                            | Benefits                                   | 52,600                   |
|             |              | 020                            | Travel                                     | 5,000                    |
|             |              | 021                            | Training, Tuition and Meeting Fees         | 5,000                    |
|             |              | 030                            | Transportation                             | 14,200                   |
|             |              | 060                            | Postage, Printing and Stationary           | 300                      |
|             |              | 080                            | Misc. Contractual Services                 | 0                        |
|             |              |                                | NoaNet Assessments                         | 0                        |
|             |              | 082                            | Maintenance Contracts                      | 27,000                   |
|             |              |                                | Fire Alarm System                          | 2,000                    |
|             |              |                                | Landscape Maintenance/Sweeping             | 6,000                    |
|             |              |                                | UHF Radio System                           | 19,000                   |
|             |              | 083                            | Software Licenses and Support              | 9,400                    |
|             |              |                                | Cisco Smartnet                             | 900                      |
|             |              |                                | MapInfo Software                           | 1,500                    |
|             |              |                                | Fiber Mapping Software                     | 7,000                    |
|             |              | 084                            | Permits and Fees                           | 3,000                    |
|             |              |                                | Right of Way - USFS, DOT, etc.             | 3,000                    |
|             |              | 085                            | Rents and Leases                           | 25,800                   |
|             |              |                                | UHF Site Lease - Little Buck Mtn.          | 2,500                    |
|             |              |                                | UHF Site Lease - Aeneas Mtn.               | 2,500                    |
|             |              |                                | UHF Site Lease - Goat Mtn.                 | 600                      |
|             |              |                                | UHF Site Lease - Omak Mtn.                 | 2,500                    |
|             |              |                                | Dark Fiber Lease - Brewster to Wells Dam   | 17,700                   |
|             |              | 090                            | Materials and Supplies                     | 50,000                   |
|             |              |                                | General Materials and Supplies             | 50,000                   |
|             |              | 091                            | Small Tools (under \$1,000)                | 2,000                    |
|             |              | 591                            | Capital - Material and Supplies            | 25,000                   |
|             |              |                                | Fiber Rework - 1st and 2nd Avenue Okanogan | 15,000                   |
|             |              |                                | Miscellaneous                              | 10,000                   |
|             |              | 712                            | Capital - Equipment (Over \$2,000)         | 650,000                  |
|             |              |                                | UHF Radio System Overhaul                  | 590,000                  |
|             |              |                                | Miscellaneous Contingencies                | 60,000                   |

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2012 FINAL BUDGET - DECEMBER 20, 2011  
EXPENDITURE DETAIL

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                           | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
|             |              |                 | <b>TOTAL EXPENDITURES AND CAPITAL OUTLAY</b> | <b>70,766,000</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2013 FINAL BUDGET - DECEMBER 18, 2012**  
**OVERVIEW**

**HIGHLIGHTS**

- \$14.7 million transfer from reserves, which is a \$5.2 million decrease over the 2012 adopted budget.
- Revenues, not including Grant Proceeds, cover operating expenses by \$2.6 million.
- Retail Electric Sales increased \$1.4 million to \$38.9 million.
- Wholesale Electric Sales decreased \$382,000 - The decrease in sales is due to lower estimated market pricing than was used when estimating 2012 wholesale sales.
- Miscellaneous Income budget decreased by \$452,000 - Accounting for BPA conservation reimbursement.
- Grant Proceeds decreased \$1.6 million to \$3.8 million - Decrease due to the ARRA project not being finished in 2012.
- Purchased Power - The largest operating expenditure in the budget increased \$157,000 to \$23.4 million.
- Capital Outlays account for \$17.4 million - see a summary of capital projects below.
- Rate Stabilization Fund - The funding for the budget includes a \$1.0 million transfer from the Rate Stabilization Fund.
- Debt Service Coverage Ratio is estimated at 1.85 times annual debt service payments; bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at 1.66, District's target is 1.5 times.

**REVENUES of \$49.7 million - Assumptions Used**

- **Retail Electric Sales:** Predicting a 1% load growth, no expected new large general service or industrial customers and previously approved rate adjustments of 3%.
- **Wholesale Electric:** Sales based on a 3/4 to median water year and previous two years average market pricing,
- **Wholesale Telecommunications:** Based on current revenue levels.
- **Interest:** Return on investments of between .18%(LGIP) and .20%(CDs).
- **Miscellaneous:** Previous twelve months revenue and Build America Bond reimbursement of \$443,000.
- **Rental Income:** Same as previous year with no growth.
- **Construction Contributions:** Estimated using previous two years average.
- **Grant Proceeds:** Anticipated reimbursements of \$480,000 from BPA and \$3.4 million from RUS.

**EXPENDITURES \$43.2 million - Assumptions Used**

- **Wages:** One less employee than in the 2012 adopted budget and overall average wage increase of 3.0%.  
The overall average wage increase includes current bargaining agreement step increases.
- **Benefits:** Based on August 2011 thru July 2012 actual percentage of wages. Range of 35.2% through 54.1% (ave. 38.8%).
- **Purchased Power:** Wells Project costs effective September 2012 and year two of BPA rates effective October 2011.
- **Other Expenditures:** Other expenses are based on known 2013 costs. If costs are not specifically known, a 2% increase was estimated, except transportation 5% and postage 3%.

**CAPITAL OUTLAY \$17.4 million - Summary Listing**

- Methow Transmission Line and Substation \$3.0 million.
- ARRA Broadband Project \$4.9 million.
- **Enloe Dam \$3.1 million.**
- Operations Normal Replacements and Line Extensions of \$1.4 million.
- Wholesale Telecommunications Capital of \$916,400, non-ARRA.
- Upgrade/Expand UHF radio system \$600,000.
- Tonasket to Oroville Fiber Build \$500,000.
- Information Systems \$445,000 (network, phone, access control and surveillance systems).
- Covered Storage Okanogan and Sandflat Substations \$400,000
- Regulator and Switch Purchases \$382,000.
- Bucket Truck Replacement \$275,000.
- Warehouse Truck Replacement \$275,000.
- HVAC Replacements \$226,000
- Underground Replacements \$200,000.
- Backyard Machine \$130,000
- Cutout Replacement Program \$120,000.
- Other capital Items \$554,300.

**DEBT SERVICE \$3.7 million**

- **Principal and Interest:** Per debt service schedules and ARRA estimated debt service.



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
BUDGET SUMMARY**

| <u>Description</u>                 | <u>Electric</u>     | <u>Wholesale<br/>Telecom</u> | <u>Total</u>        |
|------------------------------------|---------------------|------------------------------|---------------------|
| <b><u>REVENUE</u></b>              |                     |                              |                     |
| Sales - Retail                     | 38,889,900          |                              | 38,889,900          |
| Sales - Wholesale                  | 2,360,300           | 2,200,000                    | 4,560,300           |
| Interest                           | 68,000              |                              | 68,000              |
| Miscellaneous                      | 1,052,000           |                              | 1,052,000           |
| Rental Income                      | 118,000             |                              | 118,000             |
| Construction Contribution          | 1,104,000           |                              | 1,104,000           |
| Grant Proceeds                     | 480,000             | 3,388,000                    | 3,868,000           |
| <b>Total Revenue</b>               | <b>44,072,200</b>   | <b>5,588,000</b>             | <b>49,660,200</b>   |
| <b><u>EXPENDITURES</u></b>         |                     |                              |                     |
| Wages                              | 7,377,500           | 266,500                      | 7,644,000           |
| Benefits                           | 2,831,700           | 106,300                      | 2,938,000           |
| Travel                             | 141,500             | 12,500                       | 154,000             |
| Training, Tuition and Meeting Fees | 90,700              | 20,000                       | 110,700             |
| Transportation                     | 800,000             | 43,100                       | 843,100             |
| Insurance                          | 312,400             |                              | 312,400             |
| Utilities                          | 88,900              |                              | 88,900              |
| Postage, Printing and Stationery   | 150,800             | 300                          | 151,100             |
| Advertising                        | 23,000              |                              | 23,000              |
| Conservation Expenditures          | 480,000             |                              | 480,000             |
| Misc. Contractual Services         | 1,974,400           | 89,400                       | 2,063,800           |
| Legal Services                     | 319,500             | 10,000                       | 329,500             |
| Maintenance Contracts              | 239,100             | 98,900                       | 338,000             |
| Software Licenses and Support      | 624,400             | 54,500                       | 678,900             |
| Permits and Fees                   | 13,500              | 77,000                       | 90,500              |
| Rents and Leases                   | 86,900              | 185,400                      | 272,300             |
| Materials and Supplies             | 644,400             | 110,000                      | 754,400             |
| Small Tools (under \$1,000)        | 47,300              | 1,000                        | 48,300              |
| Miscellaneous                      | 72,500              |                              | 72,500              |
| Unforeseen Operating Contingency   | 100,000             |                              | 100,000             |
| Purchased Power                    | 23,376,800          |                              | 23,376,800          |
| Taxes                              | 2,360,200           | 10,200                       | 2,370,400           |
| <b>Total Expenditures</b>          | <b>42,155,500</b>   | <b>1,085,100</b>             | <b>43,240,600</b>   |
| <b><u>CAPITAL OUTLAY</u></b>       |                     |                              |                     |
| Capital - Contractual Services     | 6,442,500           | 30,000                       | 6,472,500           |
| Capital - Materials and Supplies   | 2,208,000           | 5,686,400                    | 7,894,400           |
| Capital - Meter Purchases          | 90,000              |                              | 90,000              |
| Capital - Transformer Purchases    | 225,000             |                              | 225,000             |
| Capital - Tools and Equipment      | 9,500               |                              | 9,500               |
| Capital - Buildings                | 685,000             |                              | 685,000             |
| Capital - Equipment (Over \$2,000) | 1,171,100           | 88,000                       | 1,259,100           |
| Capital - Vehicles                 | 634,000             |                              | 634,000             |
| Capital - Personal Computers       | 54,200              |                              | 54,200              |
| Unforeseen Capital Contingency     | 100,000             |                              | 100,000             |
| <b>Total Capital Outlay</b>        | <b>11,619,300</b>   | <b>5,804,400</b>             | <b>17,423,700</b>   |
| <b><u>DEBT SERVICE</u></b>         |                     |                              |                     |
| Debt Service - Principal           | 1,411,600           | 305,400                      | 1,717,000           |
| Debt Service - Interest            | 1,624,200           | 347,700                      | 1,971,900           |
| <b>Total Debt Service</b>          | <b>3,035,800</b>    | <b>653,100</b>               | <b>3,688,900</b>    |
| <b>Total Use of Resources</b>      | <b>56,810,600</b>   | <b>7,542,600</b>             | <b>64,353,200</b>   |
| <b>TRANSFER TO/(FROM) RESERVES</b> | <b>(12,738,400)</b> | <b>(1,954,600)</b>           | <b>(14,693,000)</b> |

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
2012 ADOPTED BUDGET COMPARED TO 2013 ADOPTED BUDGET

| REVENUE                            | Electric System     |                    |                     |                               | Wholesale Telecommunications |                    |                    |                               | Total               |                    |                     |                               |
|------------------------------------|---------------------|--------------------|---------------------|-------------------------------|------------------------------|--------------------|--------------------|-------------------------------|---------------------|--------------------|---------------------|-------------------------------|
|                                    | Adopted 2012        | Projected 2012     | Adopted 2013        | 2012 Adopted/<br>2013 Adopted | Adopted 2012                 | Projected 2012     | Adopted 2013       | 2012 Adopted/<br>2013 Adopted | Adopted 2012        | Projected 2012     | Adopted 2013        | 2012 Adopted/<br>2013 Adopted |
| Sales - Retail                     | 37,475,000          | 35,247,000         | 38,889,900          | 1,414,900                     |                              |                    | 0                  | 0                             | 37,475,000          | 35,247,000         | 38,889,900          | 1,414,900                     |
| Sales - Wholesale                  | 2,742,000           | 2,742,000          | 2,360,300           | (381,700)                     | 2,500,000                    | 2,103,000          | 2,200,000          | (300,000)                     | 5,242,000           | 4,845,000          | 4,560,300           | (681,700)                     |
| Interest                           | 80,000              | 62,000             | 68,000              | (12,000)                      |                              |                    | 0                  | 0                             | 80,000              | 62,000             | 68,000              | (12,000)                      |
| Miscellaneous                      | 1,504,000           | 1,098,000          | 1,052,000           | (452,000)                     |                              |                    | 0                  | 0                             | 1,504,000           | 1,098,000          | 1,052,000           | (452,000)                     |
| Rental Income                      | 118,000             | 118,000            | 118,000             | 0                             |                              |                    | 0                  | 0                             | 118,000             | 118,000            | 118,000             | 0                             |
| Construction Contribution          | 1,059,000           | 1,175,000          | 1,104,000           | 45,000                        |                              |                    | 0                  | 0                             | 1,059,000           | 1,175,000          | 1,104,000           | 45,000                        |
| Grant Proceeds                     | 460,000             | 472,000            | 480,000             | 20,000                        | 4,961,000                    | 1,619,000          | 3,388,000          | (1,573,000)                   | 5,421,000           | 2,091,000          | 3,868,000           | (1,553,000)                   |
| <b>Total Revenue</b>               | <b>43,438,000</b>   | <b>40,914,000</b>  | <b>44,072,200</b>   | <b>634,200</b>                | <b>7,461,000</b>             | <b>3,722,000</b>   | <b>5,588,000</b>   | <b>(1,873,000)</b>            | <b>50,899,000</b>   | <b>44,636,000</b>  | <b>49,660,200</b>   | <b>(1,238,800)</b>            |
| <b>EXPENDITURES</b>                |                     |                    |                     |                               |                              |                    |                    |                               |                     |                    |                     |                               |
| Wages                              | 7,364,100           | 6,837,000          | 7,377,500           | 13,400                        | 262,900                      | 257,000            | 266,500            | 3,600                         | 7,627,000           | 7,094,000          | 7,644,000           | 17,000                        |
| Benefits                           | 2,626,200           | 2,520,000          | 2,831,700           | 205,500                       | 90,200                       | 106,000            | 106,300            | 16,100                        | 2,716,400           | 2,626,000          | 2,938,000           | 221,600                       |
| Travel                             | 158,300             | 105,000            | 141,500             | (16,800)                      | 12,500                       | 6,000              | 12,500             | 0                             | 170,800             | 111,000            | 154,000             | (16,800)                      |
| Training, Tuition and Meeting Fees | 116,300             | 72,000             | 90,700              | (25,600)                      | 12,500                       | 13,000             | 20,000             | 7,500                         | 128,800             | 85,000             | 110,700             | (18,100)                      |
| Transportation                     | 806,500             | 768,000            | 800,000             | (6,500)                       | 22,800                       | 42,000             | 43,100             | 20,300                        | 829,300             | 810,000            | 843,100             | 13,800                        |
| Insurance                          | 308,000             | 307,000            | 312,400             | 4,400                         |                              |                    | 0                  | 0                             | 308,000             | 307,000            | 312,400             | 4,400                         |
| Utilities                          | 85,800              | 86,000             | 88,900              | 3,100                         |                              |                    | 0                  | 0                             | 85,800              | 86,000             | 88,900              | 3,100                         |
| Postage, Printing and Stationery   | 193,000             | 152,000            | 150,800             | (42,200)                      |                              | 1,000              | 300                | 300                           | 193,000             | 153,000            | 151,100             | (41,900)                      |
| Advertising                        | 22,300              | 16,000             | 23,000              | 700                           |                              | 3,000              | 0                  | 0                             | 22,300              | 19,000             | 23,000              | 700                           |
| Conservation Expenditures          | 460,000             | 413,000            | 480,000             | 20,000                        |                              |                    | 0                  | 0                             | 460,000             | 413,000            | 480,000             | 20,000                        |
| Misc. Contractual Services         | 2,205,400           | 1,990,000          | 1,974,400           | (231,000)                     | 8,400                        | 125,000            | 89,400             | 81,000                        | 2,213,800           | 2,115,000          | 2,063,800           | (150,000)                     |
| Legal Services                     | 309,100             | 227,000            | 319,500             | 10,400                        | 10,000                       | 17,000             | 10,000             | 0                             | 319,100             | 244,000            | 329,500             | 10,400                        |
| Maintenance Contracts              | 138,400             | 146,000            | 239,100             | 100,700                       | 47,500                       | 88,000             | 98,900             | 51,400                        | 185,900             | 234,000            | 338,000             | 152,100                       |
| Software Licenses and Support      | 429,500             | 253,000            | 624,400             | 194,900                       | 15,700                       | 23,000             | 54,500             | 38,800                        | 445,200             | 276,000            | 678,900             | 233,700                       |
| Permits and Fees                   | 60,500              | 9,000              | 13,500              | (47,000)                      | 100,000                      | 127,000            | 77,000             | (23,000)                      | 160,500             | 136,000            | 90,500              | (70,000)                      |
| Rents and Leases                   | 66,700              | 47,000             | 86,900              | 20,200                        | 213,300                      | 169,000            | 185,400            | (27,900)                      | 280,000             | 216,000            | 272,300             | (7,700)                       |
| Materials and Supplies             | 700,500             | 672,000            | 644,400             | (56,100)                      | 96,500                       | 60,000             | 110,000            | 13,500                        | 797,000             | 732,000            | 754,400             | (42,600)                      |
| Small Tools (under \$1,000)        | 42,300              | 11,000             | 47,300              | 5,000                         | 1,000                        | 1,000              | 1,000              | 0                             | 43,300              | 12,000             | 48,300              | 5,000                         |
| Miscellaneous                      | 100,300             | 53,000             | 72,500              | (27,800)                      |                              |                    | 0                  | 0                             | 100,300             | 53,000             | 72,500              | (27,800)                      |
| Unforeseen Operating Contingency   | 100,000             | 19,000             | 100,000             | 0                             |                              |                    | 0                  | 0                             | 100,000             | 19,000             | 100,000             | 0                             |
| Purchased Power                    | 23,220,100          | 23,059,000         | 23,376,800          | 156,700                       |                              |                    | 0                  | 0                             | 23,220,100          | 23,059,000         | 23,376,800          | 156,700                       |
| Taxes                              | 2,286,800           | 2,174,000          | 2,360,200           | 73,400                        | 11,900                       | 11,900             | 10,200             | (1,700)                       | 2,298,700           | 2,185,900          | 2,370,400           | 71,700                        |
| <b>Total Expenditures</b>          | <b>41,800,100</b>   | <b>39,936,000</b>  | <b>42,155,500</b>   | <b>355,400</b>                | <b>905,200</b>               | <b>1,049,900</b>   | <b>1,085,100</b>   | <b>179,900</b>                | <b>42,705,300</b>   | <b>40,985,900</b>  | <b>43,240,600</b>   | <b>535,300</b>                |
| <b>CAPITAL OUTLAY</b>              |                     |                    |                     |                               |                              |                    |                    |                               |                     |                    |                     |                               |
| Capital - Contractual Services     | 9,593,000           | 1,273,000          | 6,442,500           | (3,150,500)                   | 93,400                       | 658,000            | 30,000             | (63,400)                      | 9,686,400           | 1,931,000          | 6,472,500           | (3,213,900)                   |
| Capital - Materials and Supplies   | 4,024,000           | 1,419,000          | 2,208,000           | (1,816,000)                   | 9,027,400                    | 3,670,000          | 5,686,400          | (3,341,000)                   | 13,051,400          | 5,089,000          | 7,894,400           | (5,157,000)                   |
| Capital - Meter Purchases          | 90,000              | 0                  | 90,000              | 0                             |                              |                    | 0                  | 0                             | 90,000              | 0                  | 90,000              | 0                             |
| Capital - Transformer Purchases    | 225,000             | 225,000            | 225,000             | 0                             |                              |                    | 0                  | 0                             | 225,000             | 225,000            | 225,000             | 0                             |
| Capital - Tools and Equipment      | 12,000              | 12,000             | 9,500               | (2,500)                       |                              |                    | 0                  | 0                             | 12,000              | 12,000             | 9,500               | (2,500)                       |
| Capital - Buildings                | 7,500               | 7,500              | 685,000             | 677,500                       |                              |                    | 0                  | 0                             | 7,500               | 7,500              | 685,000             | 677,500                       |
| Capital - Equipment (Over \$2,000) | 1,041,000           | 153,300            | 1,171,100           | 130,100                       | 10,000                       | 303,000            | 88,000             | 78,000                        | 1,051,000           | 456,300            | 1,259,100           | 208,100                       |
| Capital - Vehicles                 | 315,300             | (264,700)          | 634,000             | 318,700                       |                              |                    | 0                  | 0                             | 315,300             | (264,700)          | 634,000             | 318,700                       |
| Capital - Personal Computers       | 48,100              | 41,600             | 54,200              | 6,100                         |                              |                    | 0                  | 0                             | 48,100              | 41,600             | 54,200              | 6,100                         |
| Unforeseen Capital Contingency     | 100,000             | 14,000             | 100,000             | 0                             |                              |                    | 0                  | 0                             | 100,000             | 14,000             | 100,000             | 0                             |
| <b>Total Capital Outlay</b>        | <b>15,455,900</b>   | <b>2,880,700</b>   | <b>11,619,300</b>   | <b>(3,836,600)</b>            | <b>9,130,800</b>             | <b>4,631,000</b>   | <b>5,804,400</b>   | <b>(3,326,400)</b>            | <b>24,586,700</b>   | <b>7,511,700</b>   | <b>17,423,700</b>   | <b>(7,163,000)</b>            |
| <b>DEBT SERVICE</b>                |                     |                    |                     |                               |                              |                    |                    |                               |                     |                    |                     |                               |
| Debt Service - Principal           | 1,387,000           | 1,387,000          | 1,411,600           | 24,600                        | 168,000                      | 168,000            | 305,400            | 137,400                       | 1,555,000           | 1,555,000          | 1,717,000           | 162,000                       |
| Debt Service - Interest            | 1,685,300           | 1,685,300          | 1,624,200           | (61,100)                      | 233,700                      | 233,700            | 347,700            | 114,000                       | 1,919,000           | 1,919,000          | 1,971,900           | 52,900                        |
| <b>Total Debt Service</b>          | <b>3,072,300</b>    | <b>3,072,300</b>   | <b>3,035,800</b>    | <b>(36,500)</b>               | <b>401,700</b>               | <b>401,700</b>     | <b>653,100</b>     | <b>251,400</b>                | <b>3,474,000</b>    | <b>3,474,000</b>   | <b>3,688,900</b>    | <b>214,900</b>                |
| <b>Total Use of Resources</b>      | <b>60,328,300</b>   | <b>45,889,000</b>  | <b>56,810,600</b>   | <b>(3,517,700)</b>            | <b>10,437,700</b>            | <b>6,082,600</b>   | <b>7,542,600</b>   | <b>(2,895,100)</b>            | <b>70,766,000</b>   | <b>51,971,600</b>  | <b>64,353,200</b>   | <b>(6,412,800)</b>            |
| <b>TRANSFER TO/(FROM) RESERVES</b> | <b>(16,890,300)</b> | <b>(4,975,000)</b> | <b>(12,738,400)</b> | <b>4,151,900</b>              | <b>(2,976,700)</b>           | <b>(2,360,600)</b> | <b>(1,954,600)</b> | <b>1,022,100</b>              | <b>(19,867,000)</b> | <b>(7,335,600)</b> | <b>(14,693,000)</b> | <b>5,174,000</b>              |

**PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN COUNTY**  
**2013 FINAL BUDGET - DECEMBER 18, 2012**  
**BUDGET COMPARISON 2007 THRU 2013 FINAL**

|                                     | 2007               |                   | 2008               |                    | 2009                |                     | 2010                |                     | 2011                |                    | 2012                |                    | 2013                |
|-------------------------------------|--------------------|-------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
|                                     | Budget             | Actual            | Budget             | Actual             | Budget              | Actual              | Budget              | Actual              | Budget              | Actual             | Budget              | Projected          | Final               |
| <b>REVENUE</b>                      |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |
| Sales - Electric Retail             | 30,904,100         | 31,043,483        | 31,853,400         | 31,952,534         | 31,290,700          | 30,777,098          | 33,337,000          | 29,307,079          | 35,001,000          | 33,605,348         | 37,475,000          | 35,247,000         | 38,889,900          |
| Sales - Electric Wholesale          | 9,110,500          | 12,120,917        | 8,737,000          | 11,263,826         | 7,489,500           | 4,198,884           | 4,937,000           | 5,801,903           | 5,490,000           | 6,741,526          | 2,742,000           | 2,742,000          | 2,360,300           |
| Sales - Broadband Wholesale         | 710,400            | 855,469           | 850,000            | 1,030,980          | 1,168,200           | 1,767,217           | 1,900,000           | 1,944,345           | 2,000,000           | 1,995,657          | 2,500,000           | 2,103,000          | 2,200,000           |
| Interest                            | 1,676,200          | 1,919,000         | 1,738,500          | 1,697,562          | 1,246,000           | 964,500             | 262,000             | 214,509             | 207,000             | 113,944            | 80,000              | 62,000             | 68,000              |
| Miscellaneous                       | 797,900            | 802,336           | 1,250,000          | 727,466            | 746,700             | 1,056,550           | 531,000             | 916,913             | 749,000             | 1,841,914          | 1,504,000           | 1,098,000          | 1,052,000           |
| Rental Income                       | 123,000            | 117,646           | 118,000            | 117,068            | 118,000             | 116,995             | 118,000             | 117,098             | 118,000             | 117,098            | 118,000             | 118,000            | 118,000             |
| Construction Contribution           | 1,325,600          | 1,951,581         | 1,600,000          | 1,795,823          | 1,600,000           | 884,844             | 542,000             | 996,025             | 820,000             | 974,691            | 1,059,000           | 1,175,000          | 1,104,000           |
| Grant Proceeds                      |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    | 5,421,000           | 2,091,000          | 3,868,000           |
| <b>Total Revenue</b>                | <b>44,647,700</b>  | <b>48,810,432</b> | <b>46,146,900</b>  | <b>48,585,259</b>  | <b>43,659,100</b>   | <b>39,766,088</b>   | <b>41,627,000</b>   | <b>39,297,872</b>   | <b>44,385,000</b>   | <b>45,390,178</b>  | <b>50,899,000</b>   | <b>44,636,000</b>  | <b>49,660,200</b>   |
| <b>EXPENDITURES</b>                 |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |
| Wages                               | 5,931,000          | 5,611,848         | 6,675,300          | 5,929,192          | 7,177,800           | 6,311,358           | 7,482,500           | 6,842,404           | 7,696,800           | 6,675,420          | 7,627,000           | 7,094,000          | 7,644,000           |
| Benefits                            | 1,660,700          | 1,854,052         | 2,182,700          | 2,035,454          | 2,368,600           | 2,532,708           | 2,618,900           | 2,373,456           | 2,544,600           | 2,394,707          | 2,716,400           | 2,626,000          | 2,938,000           |
| Travel                              | 112,500            | 106,502           | 125,500            | 140,556            | 267,600             | 124,077             | 244,700             | 124,532             | 185,900             | 122,664            | 170,800             | 111,000            | 154,000             |
| Training, Tuition and Meeting Fees  | 86,200             | 62,923            | 84,900             | 96,332             | 179,300             | 74,206              | 196,000             | 86,633              | 135,900             | 61,871             | 128,800             | 85,000             | 110,700             |
| Transportation                      | 210,800            | 610,114           | 627,300            | 687,840            | 695,400             | 783,135             | 757,000             | 924,761             | 903,500             | 835,496            | 829,300             | 810,000            | 843,100             |
| Insurance                           | 185,600            | 184,663           | 206,600            | 212,096            | 219,300             | 313,815             | 320,500             | 279,268             | 310,000             | 308,777            | 308,000             | 307,000            | 312,400             |
| Utilities                           | 66,700             | 66,087            | 65,900             | 69,183             | 73,100              | 75,014              | 75,600              | 82,874              | 97,200              | 82,874             | 85,800              | 86,000             | 88,900              |
| Postage, Printing and Stationary    | 101,700            | 106,365           | 105,500            | 111,096            | 122,700             | 104,646             | 117,200             | 106,436             | 198,400             | 142,313            | 193,000             | 153,000            | 151,100             |
| Advertising                         | 43,900             | 33,755            | 29,800             | 14,858             | 28,500              | 29,848              | 31,500              | 21,817              | 37,700              | 26,321             | 22,300              | 19,000             | 23,000              |
| Conservation Expenditures           | 221,600            | 232,619           | 274,700            | 286,121            | 203,700             | 340,016             | 276,000             | 430,665             | 372,800             | 294,811            | 460,000             | 413,000            | 480,000             |
| Misc. Contractual Services          | 1,878,300          | 1,505,518         | 2,400,700          | 2,171,518          | 2,350,200           | 2,067,841           | 2,994,400           | 1,908,893           | 2,508,600           | 1,441,439          | 2,213,800           | 2,115,000          | 2,063,800           |
| Legal Services                      | 60,600             | 55,828            | 64,500             | 155,895            | 374,800             | 296,977             | 364,100             | 240,533             | 314,100             | 323,826            | 319,100             | 244,000            | 329,500             |
| Maintenance Contracts               | 171,300            | 76,393            | 223,900            | 136,192            | 127,100             | 90,704              | 157,400             | 102,674             | 177,600             | 126,661            | 185,900             | 234,000            | 338,000             |
| Software Licenses and Support       | 148,000            | 86,569            | 137,200            | 154,785            | 187,700             | 183,255             | 264,500             | 241,644             | 317,400             | 223,978            | 445,200             | 276,000            | 678,900             |
| Permits and Fees                    | 36,700             | 58,946            | 41,300             | 85,420             | 116,400             | 103,281             | 104,400             | 104,237             | 368,300             | 162,253            | 160,500             | 136,000            | 90,500              |
| Rents and Leases                    | 107,000            | 122,428           | 136,000            | 139,093            | 154,400             | 151,378             | 148,300             | 161,484             | 285,100             | 166,823            | 280,000             | 216,000            | 272,300             |
| Materials and Supplies              | 500,200            | 603,415           | 550,000            | 882,014            | 720,400             | 773,077             | 932,000             | 840,196             | 930,400             | 592,470            | 797,000             | 732,000            | 754,400             |
| Small Tools (under \$1,000)         | 41,500             | 44,455            | 43,600             | 38,941             | 44,300              | 60,736              | 69,300              | 25,196              | 68,800              | 25,664             | 43,300              | 12,000             | 48,300              |
| Miscellaneous                       | 19,200             | 81,232            | 83,700             | 81,974             | 64,000              | 48,492              | 101,000             | 45,911              | 74,100              | 105,491            | 100,300             | 53,000             | 72,500              |
| Unforeseen Operating Contingency    |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    | 100,000             | 19,000             | 100,000             |
| Purchased Power                     | 23,454,700         | 24,579,372        | 24,243,700         | 24,686,109         | 21,213,700          | 21,822,349          | 24,158,000          | 23,895,600          | 25,373,000          | 24,060,574         | 23,220,100          | 23,059,000         | 23,376,800          |
| Taxes                               | 1,890,700          | 1,896,453         | 1,947,500          | 1,921,891          | 1,927,000           | 1,876,406           | 2,020,200           | 1,839,337           | 2,119,000           | 2,138,550          | 2,298,700           | 2,185,900          | 2,370,400           |
| <b>Total Expenditures</b>           | <b>36,928,900</b>  | <b>37,979,537</b> | <b>40,250,300</b>  | <b>40,036,560</b>  | <b>38,616,000</b>   | <b>38,163,319</b>   | <b>43,433,500</b>   | <b>40,683,257</b>   | <b>45,019,200</b>   | <b>40,312,983</b>  | <b>42,705,300</b>   | <b>40,985,900</b>  | <b>43,240,600</b>   |
| <b>DEBT SERVICE</b>                 |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |
| Debt Service - Principal            | 775,000            | 777,883           | 810,000            | 812,118            | 835,000             | 837,916             | 870,000             | 873,334             | 1,190,000           | 1,183,749          | 1,555,000           | 1,555,000          | 1,717,000           |
| Debt Service - Interest             | 780,600            | 826,410           | 753,300            | 798,800            | 722,600             | 767,367             | 684,100             | 992,487             | 2,241,100           | 2,068,361          | 1,919,000           | 1,919,000          | 1,971,900           |
| <b>Total Debt Service</b>           | <b>1,555,600</b>   | <b>1,604,293</b>  | <b>1,563,300</b>   | <b>1,610,918</b>   | <b>1,557,600</b>    | <b>1,605,283</b>    | <b>1,554,100</b>    | <b>1,865,821</b>    | <b>3,431,100</b>    | <b>3,252,110</b>   | <b>3,474,000</b>    | <b>3,474,000</b>   | <b>3,688,900</b>    |
| <b>AVAILABLE FOR CAPITAL OUTLAY</b> | <b>6,163,200</b>   | <b>9,226,602</b>  | <b>4,333,300</b>   | <b>6,937,781</b>   | <b>3,485,500</b>    | <b>(2,514)</b>      | <b>(3,360,600)</b>  | <b>(3,251,206)</b>  | <b>(4,065,300)</b>  | <b>1,825,085</b>   | <b>4,719,700</b>    | <b>176,100</b>     | <b>2,730,700</b>    |
| <b>CAPITAL OUTLAY</b>               |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |
| Capital - Contractual Services      | 4,075,100          | 2,036,715         | 3,986,700          | 2,042,651          | 10,158,000          | 1,761,846           | 11,208,000          | 1,759,767           | 10,500,000          | 2,279,483          | 9,686,400           | 1,931,000          | 6,472,500           |
| Capital - Materials and Supplies    | 6,174,600          | 2,679,513         | 4,827,600          | 4,783,802          | 9,326,100           | 5,270,105           | 8,796,000           | 6,189,149           | 5,636,700           | 3,283,116          | 13,051,400          | 5,089,000          | 7,894,400           |
| Capital - Meter Purchases           | 110,000            | 71,960            | 390,000            | 125,857            | 595,000             | 790,778             | 1,500,000           | 252,306             | 440,000             | 369,605            | 90,000              | 0                  | 90,000              |
| Capital - Transformer Purchases     | 2,750,000          | 2,481,491         | 1,200,000          | 1,153,037          | 1,166,000           | 521,218             | 500,000             | 365,288             | 500,000             | 408,995            | 225,000             | 225,000            | 225,000             |
| Capital - Tools and Equipment       | 30,000             | 10,072            | 22,000             | 6,920              | 10,200              | 1,374               | 13,500              | 6,572               | 13,200              | 1,770              | 12,000              | 12,000             | 9,500               |
| Capital - Buildings                 | 665,000            | 637,053           | 778,600            | 240,876            | 6,984,500           | 3,932,356           | 3,094,000           | 4,274,502           | 42,000              | 40,475             | 7,500               | 7,500              | 685,000             |
| Capital - Equipment (Over \$2,000)  | 527,800            | 272,803           | 819,300            | 680,078            | 1,105,100           | 412,738             | 1,457,800           | 1,043,752           | 999,600             | 218,074            | 1,051,000           | 456,300            | 1,259,100           |
| Capital - Vehicles                  | 876,000            | 296,759           | 941,000            | 930,324            | 351,000             | 281,734             | (175,000)           | (219,097)           | 30,000              | (186,718)          | 315,300             | (264,700)          | 634,000             |
| Capital - Personal Computers        | 53,600             | 25,072            | 78,500             | 56,993             | 58,600              | 39,551              | 70,600              | 59,792              | 57,300              | 40,751             | 48,100              | 41,600             | 54,200              |
| Unforeseen Capital Contingencies    | 100,000            | 23,648            | 100,000            | 31,359             | 100,000             | 42,005              | 100,000             | 16,131              | 100,000             | 47,639             | 100,000             | 14,000             | 100,000             |
| <b>Total Capital Outlay</b>         | <b>15,362,100</b>  | <b>8,535,086</b>  | <b>13,143,700</b>  | <b>10,051,897</b>  | <b>29,854,500</b>   | <b>13,053,705</b>   | <b>26,564,900</b>   | <b>13,748,162</b>   | <b>18,318,800</b>   | <b>6,503,190</b>   | <b>24,586,700</b>   | <b>7,511,700</b>   | <b>17,423,700</b>   |
| <b>RESERVES/DEBT</b>                | <b>(9,198,900)</b> | <b>691,516</b>    | <b>(8,810,400)</b> | <b>(3,114,116)</b> | <b>(26,369,000)</b> | <b>(13,056,219)</b> | <b>(29,925,500)</b> | <b>(16,999,368)</b> | <b>(22,384,100)</b> | <b>(4,678,105)</b> | <b>(19,867,000)</b> | <b>(7,335,600)</b> | <b>(14,693,000)</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2013 FINAL BUDGET - DECEMBER 18, 2012**  
**EXPENDITURE SUMMARY BY DEPARTMENT**

| Description                            | Generation       | Power Supply      | Engineering      | Operations        | Environmental  | Customer Service | Conservation   | General Administration | Information Systems | Commissioners  | Wholesale Telecom | Internal Communications | Total             |
|--|------------------|-------------------|------------------|-------------------|----------------|------------------|----------------|------------------------|---------------------|----------------|-------------------|-------------------------|-------------------|
| <b>EXPENDITURES</b>                    |                  |                   |                  |                   |                |                  |                |                        |                     |                |                   |                         |                   |
| 010 Wages                              | 175,100          | 113,300           | 858,900          | 3,688,300         | 62,600         | 664,300          | 124,400        | 1,166,200              | 301,600             | 85,800         | 266,500           | 137,000                 | 7,644,000         |
| 011 Benefits                           | 70,200           | 44,300            | 353,000          | 1,298,300         | 25,400         | 310,900          | 59,100         | 465,300                | 111,300             | 46,400         | 106,300           | 47,500                  | 2,938,000         |
| 020 Travel                             | 19,000           | 12,500            | 10,000           | 17,500            | 4,500          | 4,000            | 3,000          | 40,000                 | 10,000              | 16,000         | 12,500            | 5,000                   | 154,000           |
| 021 Training, Tuition and Meeting Fees | 7,000            | 3,000             | 5,000            | 30,000            | 3,500          | 2,500            | 2,000          | 19,700                 | 10,000              | 3,000          | 20,000            | 5,000                   | 110,700           |
| 030 Transportation                     | 6,000            | 2,700             | 30,000           | 700,000           | 2,000          | 35,700           | 7,000          | 7,100                  | 2,400               |                | 43,100            | 7,100                   | 843,100           |
| 040 Insurance                          |                  |                   |                  |                   |                |                  |                | 312,400                |                     |                |                   |                         | 312,400           |
| 050 Utilities                          |                  |                   |                  | 200               |                |                  |                | 88,700                 |                     |                |                   |                         | 88,900            |
| 060 Postage, Printing and Stationery   |                  |                   | 1,000            | 3,000             |                | 137,600          | 3,000          | 5,900                  |                     |                | 300               | 300                     | 151,100           |
| 070 Advertising                        |                  |                   | 500              | 2,500             |                |                  | 17,000         | 3,000                  |                     |                |                   |                         | 23,000            |
| 071 Conservation Expenditures          |                  |                   |                  |                   |                |                  | 480,000        |                        |                     |                |                   |                         | 480,000           |
| 080 Misc. Contractual Services         | 32,000           | 367,500           | 133,500          | 678,600           | 6,500          | 42,700           | 18,600         | 585,500                | 34,500              |                | 89,400            | 75,000                  | 2,063,800         |
| 081 Legal Services                     |                  |                   |                  |                   |                |                  |                | 319,500                |                     |                | 10,000            |                         | 329,500           |
| 082 Maintenance Contracts              |                  |                   |                  | 144,500           |                | 500              |                | 14,600                 | 58,500              |                | 98,900            | 21,000                  | 338,000           |
| 083 Software Licenses and Support      |                  | 195,000           |                  | 2,200             | 1,000          | 4,700            |                |                        | 410,200             |                | 54,500            | 11,300                  | 678,900           |
| 084 Permits and Fees                   | 2,500            |                   | 1,000            | 4,000             |                | 300              |                | 2,700                  |                     |                | 77,000            | 3,000                   | 90,500            |
| 085 Rents and Leases                   | 8,000            |                   |                  | 1,000             |                | 5,200            |                | 9,800                  | 37,100              |                | 185,400           | 25,800                  | 272,300           |
| 090 Materials and Supplies             | 5,500            | 500               | 20,000           | 500,000           | 1,500          | 28,400           | 1,500          | 61,000                 | 15,000              | 1,000          | 110,000           | 10,000                  | 754,400           |
| 091 Small Tools (under \$1,000)        |                  |                   | 5,000            | 15,000            |                | 3,000            |                | 2,300                  | 20,000              |                | 1,000             | 2,000                   | 48,300            |
| 092 Miscellaneous                      | 500              |                   | 500              | 10,000            |                | 34,500           | 200            | 26,500                 |                     | 300            |                   |                         | 72,500            |
| 099 Unforeseen Operating Contingency   |                  |                   |                  |                   |                |                  |                | 100,000                |                     |                |                   |                         | 100,000           |
| 120 Purchased Power                    |                  | 23,376,800        |                  |                   |                |                  |                |                        |                     |                |                   |                         | 23,376,800        |
| 210 Taxes                              |                  |                   |                  |                   |                |                  |                | 2,360,200              |                     |                | 10,200            |                         | 2,370,400         |
| <b>Total Expenditures</b>              | <b>325,800</b>   | <b>24,115,600</b> | <b>1,418,400</b> | <b>7,095,100</b>  | <b>107,000</b> | <b>1,274,300</b> | <b>715,800</b> | <b>5,590,400</b>       | <b>1,010,600</b>    | <b>152,500</b> | <b>1,085,100</b>  | <b>350,000</b>          | <b>43,240,600</b> |
| <b>CAPITAL OUTLAY</b>                  |                  |                   |                  |                   |                |                  |                |                        |                     |                |                   |                         |                   |
| 581 Capital - Contractual Services     | 3,009,500        |                   |                  | 3,433,000         |                |                  |                |                        |                     |                | 30,000            |                         | 6,472,500         |
| 591 Capital - Materials and Supplies   | 40,000           |                   |                  | 2,143,000         |                |                  |                |                        |                     |                | 5,686,400         | 25,000                  | 7,894,400         |
| 592 Capital - Meter Purchases          |                  |                   |                  | 90,000            |                |                  |                |                        |                     |                |                   |                         | 90,000            |
| 593 Capital - Transformer Purchases    |                  |                   |                  | 225,000           |                |                  |                |                        |                     |                |                   |                         | 225,000           |
| 710 Capital - Tools and Equipment      |                  |                   |                  | 7,500             |                |                  |                | 2,000                  |                     |                |                   |                         | 9,500             |
| 711 Capital - Buildings                |                  |                   |                  | 685,000           |                |                  |                |                        |                     |                |                   |                         | 685,000           |
| 712 Capital - Equipment (Over \$2,000) |                  |                   |                  | 76,400            |                |                  |                |                        | 444,700             |                | 88,000            | 650,000                 | 1,259,100         |
| 713 Capital - Vehicles                 |                  |                   |                  | 634,000           |                |                  |                |                        |                     |                |                   |                         | 634,000           |
| 714 Capital - Personal Computers       |                  |                   |                  |                   |                |                  |                |                        | 54,200              |                |                   |                         | 54,200            |
| 901 Unforeseen Capital Contingency     |                  |                   |                  |                   |                |                  |                | 100,000                |                     |                |                   |                         | 100,000           |
| <b>Total Capital Outlay</b>            | <b>3,049,500</b> | <b>0</b>          | <b>0</b>         | <b>7,293,900</b>  | <b>0</b>       | <b>0</b>         | <b>0</b>       | <b>102,000</b>         | <b>498,900</b>      | <b>0</b>       | <b>5,804,400</b>  | <b>675,000</b>          | <b>17,423,700</b> |
| <b>DEBT SERVICE</b>                    |                  |                   |                  |                   |                |                  |                |                        |                     |                |                   |                         |                   |
| 810 Debt Service - Principal           |                  |                   |                  |                   |                |                  |                | 1,411,600              |                     |                | 305,400           |                         | 1,717,000         |
| 811 Debt Service - Interest            |                  |                   |                  |                   |                |                  |                | 1,624,200              |                     |                | 347,700           |                         | 1,971,900         |
| <b>Total Debt Service</b>              | <b>0</b>         | <b>0</b>          | <b>0</b>         | <b>0</b>          | <b>0</b>       | <b>0</b>         | <b>0</b>       | <b>3,035,800</b>       | <b>0</b>            | <b>0</b>       | <b>653,100</b>    | <b>0</b>                | <b>3,688,900</b>  |
| <b>Total Use of Resources</b>          | <b>3,375,300</b> | <b>24,115,600</b> | <b>1,418,400</b> | <b>14,389,000</b> | <b>107,000</b> | <b>1,274,300</b> | <b>715,800</b> | <b>8,728,200</b>       | <b>1,509,500</b>    | <b>152,500</b> | <b>7,542,600</b>  | <b>1,025,000</b>        | <b>64,353,200</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
REVENUE DETAIL**

| <u>Div.</u> | <u>Activity</u>          | <u>Description</u>         | <u>Budget<br/>Amount</u> |
|-------------|--------------------------|----------------------------|--------------------------|
| 1           | <b>Electric</b>          |                            | <b>44,072,200</b>        |
|             | 001                      | Sales - Retail             | 38,889,900               |
|             | 002                      | Sales - Wholesale          | 2,360,300                |
|             | 003                      | Interest                   | 68,000                   |
|             | 004                      | Miscellaneous              | 1,052,000                |
|             | 005                      | Rental Income              | 118,000                  |
|             | 006                      | Construction Contributions | 1,104,000                |
|             | 007                      | Grant Proceeds             | 480,000                  |
| 2           | <b>Wholesale Telecom</b> |                            | <b>5,588,000</b>         |
|             | 002                      | Sales - Wholesale          | 2,200,000                |
|             | 004                      | Miscellaneous              | 0                        |
|             | 006                      | Construction Contributions | 0                        |
|             | 007                      | Grant Proceeds             | 3,388,000                |
|             |                          | <b>TOTAL REVENUE</b>       | <b>49,660,200</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>   | <u>Description</u>                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-------------------|------------------------------------|--------------------------|
| 1           | 10           | <b>Generation</b> |                                    | <b>3,375,300</b>         |
|             |              | 010               | Wages                              | 175,100                  |
|             |              | 011               | Benefits                           | 70,200                   |
|             |              | 020               | Travel                             | 19,000                   |
|             |              | 021               | Training, Tuition and Meeting Fees | 7,000                    |
|             |              | 030               | Transportation                     | 6,000                    |
|             |              | 080               | Misc. Contractual Service          | 32,000                   |
|             |              | 084               | Permits and Fees                   | 2,500                    |
|             |              | 085               | Rent and Leases                    | 8,000                    |
|             |              |                   | Ophir Site Lease                   | 8,000                    |
|             |              | 090               | Materials and Supplies             | 5,500                    |
|             |              | 092               | Miscellaneous                      | 500                      |
|             |              | 581               | Capital - Contractual Services     | 3,009,500                |
|             |              | 591               | Capital - Materials and Supplies   | 40,000                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>     | <u>Description</u>                            | <u>Budget<br/>Amount</u> |
|-------------|--------------|---------------------|---|--------------------------|
| 1           | 11           | <b>Power Supply</b> |   | <b>24,115,600</b>        |
|             |              | 010                 | Wages   | 113,300                  |
|             |              | 011                 | Benefits                                      | 44,300                   |
|             |              | 020                 | Travel  | 12,500                   |
|             |              | 021                 | Training, Tuition and Meeting Fees            | 3,000                    |
|             |              | 030                 | Transportation                                | 2,700                    |
|             |              | 080                 | Misc. Contractual Services                    | 367,500                  |
|             |              |                     | Douglas County PUD                            | 351,500                  |
|             |              |                     | Professional Services (compliance/scheduling) | 5,000                    |
|             |              |                     | Central Washington Power Authority            | 1,000                    |
|             |              |                     | Slice Implementation Group                    | 10,000                   |
|             |              | 083                 | Software Licenses and Support                 | 195,000                  |
|             |              |                     | Slice Software Support Fee                    | 195,000                  |
|             |              | 090                 | Materials and Supplies                        | 500                      |
|             |              | 120                 | Purchased Power                               | 23,376,800               |
|             |              |                     | BPA - Slice                                   | 7,973,300                |
|             |              |                     | BPA - Block                                   | 6,144,000                |
|             |              |                     | BPA - Transmission                            | 2,353,900                |
|             |              |                     | Wells   | 4,142,800                |
|             |              |                     | Nine Canyon                                   | 2,762,800                |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>    | <u>Description</u>                             | <u>Budget<br/>Amount</u> |
|-------------|--------------|--------------------|--|--------------------------|
| 1           | 20           | <b>Engineering</b> |  | <b>1,418,400</b>         |
|             |              | 010                | Wages  | 858,900                  |
|             |              | 011                | Benefits                                       | 353,000                  |
|             |              | 020                | Travel   | 10,000                   |
|             |              | 021                | Training, Tuition and Meeting Fees             | 5,000                    |
|             |              | 030                | Transportation                                 | 30,000                   |
|             |              | 060                | Postage, Printing and Stationery               | 1,000                    |
|             |              | 070                | Advertising                                    | 500                      |
|             |              | 080                | Misc. Contractual Services                     | 133,500                  |
|             |              |                    | Janitorial Services (BR, TO, and OR)           | 8,500                    |
|             |              |                    | WECC Requirement - Transmission Line Clearance | 125,000                  |
|             |              | 084                | Permits and Fees                               | 1,000                    |
|             |              |                    | Miscellaneous                                  | 1,000                    |
|             |              | 090                | Materials and Supplies                         | 20,000                   |
|             |              | 091                | Small Tools (under \$1,000)                    | 5,000                    |
|             |              | 092                | Miscellaneous                                  | 500                      |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2013 FINAL BUDGET - DECEMBER 18, 2012**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>   | <u>Description</u>                             | <u>Budget Amount</u> |
|-------------|--------------|-------------------|--|----------------------|
| 1           | 21           | <b>Operations</b> |  | <b>14,389,000</b>    |
|             |              | 010               | Wages  | 3,688,300            |
|             |              | 011               | Benefits                                       | 1,298,300            |
|             |              | 020               | Travel   | 17,500               |
|             |              |                   | Operations                                     | 17,500               |
|             |              | 021               | Training, Tuition and Meeting Fees             | 30,000               |
|             |              |                   | Operations                                     | 30,000               |
|             |              | 030               | Transportation                                 | 700,000              |
|             |              | 050               | Utilities                                      | 200                  |
|             |              | 060               | Postage, Printing and Stationery               | 3,000                |
|             |              | 070               | Advertising                                    | 2,500                |
|             |              | 080               | Misc. Contractual Services                     | 678,600              |
|             |              |                   | CDL Testing Program                            | 4,000                |
|             |              |                   | Employee Dispatch                              | 9,600                |
|             |              |                   | Pole Testing                                   | 100,000              |
|             |              |                   | Safety Training                                | 39,000               |
|             |              |                   | Tree Trimming                                  | 510,000              |
|             |              |                   | Underground Locate Service                     | 2,000                |
|             |              |                   | Weed Control                                   | 10,000               |
|             |              |                   | Miscellaneous                                  | 4,000                |
|             |              | 082               | Maintenance Contracts                          | 144,500              |
|             |              |                   | HVAC Maintenance                               | 30,000               |
|             |              |                   | Landscape Maintenance                          | 10,000               |
|             |              |                   | Snowplowing and Sweeping                       | 15,000               |
|             |              |                   | Oroville Warehouse - Doors\Windows\Flashing    | 5,000                |
|             |              |                   | Oroville Office and Warehouse - Exterior Paint | 11,500               |
|             |              |                   | Brewster Office - Exterior Repair and Paint    | 8,000                |
|             |              |                   | Warehouse/Truck Shop and Omak - Asphalt Repair | 45,000               |
|             |              |                   | Battery Testing (NERC Compliance)              | 20,000               |
|             |              | 083               | Software Licenses and Support                  | 2,200                |
|             |              |                   | Electronic Material Safety Data Sheets         | 2,200                |
|             |              | 084               | Permits and Fees                               | 4,000                |
|             |              |                   | Right of Ways - USFS/Dept. of Int.             | 3,000                |
|             |              |                   | Miscellaneous                                  | 1,000                |
|             |              | 085               | Rents and Leases                               | 1,000                |
|             |              |                   | Pole Contacts                                  | 1,000                |
|             |              | 090               | Materials and Supplies                         | 500,000              |
|             |              |                   | General  | 497,500              |
|             |              |                   | Fire Resistant Clothing                        | 2,500                |
|             |              | 091               | Small Tools (under \$1,000)                    | 15,000               |
|             |              |                   | Brewster                                       | 2,600                |
|             |              |                   | Okanogan                                       | 8,000                |
|             |              |                   | Oroville                                       | 2,600                |
|             |              |                   | Mechanics Specialty Tool Replacement           | 1,800                |
|             |              | 092               | Miscellaneous                                  | 10,000               |
|             |              |                   | Lineman Rodeo (Fees, Travel and Supplies)      | 9,600                |
|             |              |                   | Safety Meeting Refreshments                    | 400                  |
|             |              | 581               | Capital - Contractual Services                 | 3,433,000            |
|             |              |                   | Contract Labor                                 | 100,000              |
|             |              |                   | Engineering - Large System Projects            | 100,000              |
|             |              |                   | Tonasket to Oroville Fiber Construction        | 500,000              |
|             |              |                   | Underground Replacements                       | 200,000              |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2013 FINAL BUDGET - DECEMBER 18, 2012**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u>                              |           | <u>Budget<br/>Amount</u> |
|-------------|--------------|--|---|-----------|--------------------------|
|             |              |  | Gold Creek Sub Construction                     | 505,000   |                          |
|             |              |  | PT Line Construction                            | 703,000   |                          |
|             |              |  | PT Mitigation/Roads                             | 650,000   |                          |
|             |              |  | PT Permits, Tetra Tech, Training, etc.          | 175,000   |                          |
|             |              |  | PT ROW/Easements                                | 500,000   |                          |
| 591         |              | Capital - Materials and Supplies                 |   |           | 2,143,000                |
|             |              |  | Normal Replacements and Extensions              | 1,100,000 |                          |
|             |              |  | OVS Battery Replancement                        | 15,000    |                          |
|             |              |  | OKS Bus Diff Relay                              | 19,000    |                          |
|             |              |  | OCB, Regulators, Switches, Cap Banks, Reclosers | 382,000   |                          |
|             |              |  | SCADA Equipment                                 | 40,000    |                          |
|             |              |  | Cutout Replacement                              | 120,000   |                          |
|             |              |  | Gold Creek Substation Materials                 | 320,000   |                          |
|             |              |  | PT Transmission and Distribution Materials      | 147,000   |                          |
| 592         |              | Capital - Meter Purchases                        |   |           | 90,000                   |
|             |              |  | Metering Special Projects                       | 40,000    |                          |
|             |              |  | PME Meter Replacements                          | 50,000    |                          |
| 593         |              | Capital - Transformer Purchases                  |   |           | 225,000                  |
|             |              |  | Normal Additions/Replacements                   | 225,000   |                          |
| 710         |              | Capital - Tools & Equipment (\$1,000 to \$2,000) |   |           | 7,500                    |
| 711         |              | Capital - Buildings                              |   |           | 685,000                  |
|             |              |  | Headquarters - Emergency Generator Loadbank     | 8,000     |                          |
|             |              |  | Warehouse - HVAC Replacement                    | 125,000   |                          |
|             |              |  | Vehicle Shop - HVAC Replacement                 | 80,000    |                          |
|             |              |  | Omak - HVAC Replacement                         | 21,000    |                          |
|             |              |  | Okanogan and Sandflat Subs - Cover Storage      | 400,000   |                          |
|             |              |  | Headquarters - Hardwater System                 | 6,000     |                          |
|             |              |  | Warehouse - Lights                              | 45,000    |                          |
| 712         |              | Capital - Equipment (Over \$2,000)               |   |           | 76,400                   |
|             |              |  | Hydraulic Oil Filter Machine                    | 11,000    |                          |
|             |              |  | Ironworker                                      | 20,000    |                          |
|             |              |  | Trimble Field Inspector Handheld (2)            | 8,400     |                          |
|             |              |  | Electric Shop - Lockers                         | 3,000     |                          |
|             |              |  | Electric Shop - Conduit Bender                  | 9,000     |                          |
|             |              |  | Vehicle Shop - Air Compressor                   | 15,000    |                          |
|             |              |  | Phase ID Equipment                              | 10,000    |                          |
| 713         |              | Capital - Vehicles                               |   |           | 634,000                  |
|             |              |  | Bucket Truck - Replacement                      | 275,000   |                          |
|             |              |  | Warehouse Truck - Replacement                   | 275,000   |                          |
|             |              |  | Backhoe Trailer - Replacement                   | 30,000    |                          |
|             |              |  | Service Trucks (2) - Replacements               | 90,000    |                          |
|             |              |  | Backyard Machine                                | 130,000   |                          |
|             |              |  | Foreman Truck - Replacement                     | 90,000    |                          |
|             |              |  | Pickup Truck - Replacement                      | 25,000    |                          |
|             |              |  | Less: Transportation System Depreciation        | (281,000) |                          |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|
| 1           | 22           |                 | <b>Environmental</b>               | <b>107,000</b>           |
|             |              | 010             | Wages                              | 62,600                   |
|             |              | 011             | Benefits                           | 25,400                   |
|             |              | 020             | Travel                             | 4,500                    |
|             |              | 021             | Training, Tuition and Meeting Fees | 3,500                    |
|             |              | 030             | Transportation                     | 2,000                    |
|             |              | 080             | Misc. Contractual Services         | 6,500                    |
|             |              |                 | Miscellaneous                      | 6,500                    |
|             |              | 083             | Software Licenses and Support      | 1,000                    |
|             |              | 090             | Materials and Supplies             | 1,500                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>         | <u>Description</u>                               | <u>Budget<br/>Amount</u> |
|-------------|--------------|-------------------------|--|--------------------------|
| 1           | 30           | <b>Customer Service</b> |  | <b>1,274,300</b>         |
|             |              | 010                     | Wages  | 664,300                  |
|             |              | 011                     | Benefits   | 310,900                  |
|             |              | 020                     | Travel   | 4,000                    |
|             |              | 021                     | Training, Tuition and Meeting Fees               | 2,500                    |
|             |              | 030                     | Transportation                                   | 35,700                   |
|             |              | 060                     | Postage, Printing and Stationery                 | 137,600                  |
|             |              |                         | Postage and Printing - NISC                      | 108,800                  |
|             |              |                         | Postage - PUD                                    | 19,200                   |
|             |              |                         | Printing - Misc.                                 | 9,600                    |
|             |              | 080                     | Misc. Contractual Services                       | 42,700                   |
|             |              |                         | CIS Programming                                  | 5,000                    |
|             |              |                         | Collection Service - Credit Bureau               | 4,000                    |
|             |              |                         | Credit Reporting Agency                          | 3,200                    |
|             |              |                         | Electronic Payments Fees                         | 30,500                   |
|             |              | 082                     | Maintenance Contracts                            | 500                      |
|             |              | 083                     | Software Licenses and Support                    | 4,700                    |
|             |              |                         | RemitPlus Check Scanning and Recognition Support | 4,700                    |
|             |              | 084                     | Permits and Fees                                 | 300                      |
|             |              |                         | Miscellaneous Fees (Notaries, etc.)              | 300                      |
|             |              | 085                     | Rents and Leases                                 | 5,200                    |
|             |              |                         | Office Rent MVCC                                 | 4,900                    |
|             |              |                         | Miscellaneous                                    | 300                      |
|             |              | 090                     | Materials and Supplies                           | 28,400                   |
|             |              |                         | General  | 28,400                   |
|             |              | 091                     | Small Tools (under \$1,000)                      | 3,000                    |
|             |              | 092                     | Miscellaneous                                    | 34,500                   |
|             |              |                         | Miscellaneous Expenses                           | 600                      |
|             |              |                         | Net Account Receivable Writeoffs                 | 33,900                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                       | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
| 1           | 35           |                 | <b>Conservation/Consumer Information</b> | <b>715,800</b>           |
|             |              | 010             | Wages                                    | 124,400                  |
|             |              | 011             | Benefits                                 | 59,100                   |
|             |              | 020             | Travel                                   | 3,000                    |
|             |              | 021             | Training, Tuition and Meeting Fees       | 2,000                    |
|             |              | 030             | Transportation                           | 7,000                    |
|             |              | 060             | Postage, Printing and Stationery         | 3,000                    |
|             |              |                 | Miscellaneous                            | 3,000                    |
|             |              | 070             | Advertising                              | 17,000                   |
|             |              | 071             | Conservation Expenditures                | 480,000                  |
|             |              |                 | District Conservation Programs           | 480,000                  |
|             |              | 080             | Misc. Contractual Services               | 18,600                   |
|             |              |                 | Electric Education Programs              | 18,600                   |
|             |              | 090             | Materials and Supplies                   | 1,500                    |
|             |              | 092             | Miscellaneous                            | 200                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2013 FINAL BUDGET - DECEMBER 18, 2012**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                            | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|--|--------------------|----------------------|
| 1           | 40           | <b>General Administration</b>              |                    | <b>8,728,200</b>     |
|             | 010          | Wages                                      |                    | 1,166,200            |
|             | 011          | Benefits                                   |                    | 465,300              |
|             | 020          | Travel                                     |                    | 40,000               |
|             |              | General                                    | 25,400             |                      |
|             |              | Accounting and Finance                     | 7,700              |                      |
|             |              | Human Resource                             | 3,900              |                      |
|             |              | Leadership                                 | 3,000              |                      |
|             | 021          | Training, Tuition and Meeting Fees         |                    | 19,700               |
|             |              | General                                    | 8,100              |                      |
|             |              | Accounting and Finance                     | 5,000              |                      |
|             |              | Human Resource                             | 1,600              |                      |
|             |              | Leadership                                 | 5,000              |                      |
|             | 030          | Transportation                             |                    | 7,100                |
|             | 040          | Insurance (Property/Liability)             |                    | 312,400              |
|             | 050          | Utilities                                  |                    | 88,700               |
|             |              | Cell Phone Service                         | 8,000              |                      |
|             |              | Electrical Service                         | 4,200              |                      |
|             |              | Telephone Service                          | 47,600             |                      |
|             |              | Water/Sewer/Garbage                        | 28,900             |                      |
|             | 060          | Postage, Printing and Stationery           |                    | 5,900                |
|             | 070          | Advertising                                |                    | 3,000                |
|             | 080          | Misc. Contractual Services                 |                    | 585,500              |
|             |              | APPA Dues                                  | 13,900             |                      |
|             |              | Audit Costs                                | 78,600             |                      |
|             |              | Banking Fees                               | 53,900             |                      |
|             |              | Benefits Administration                    | 4,200              |                      |
|             |              | Bond Admin Fee                             | 1,900              |                      |
|             |              | Chamber Dues                               | 700                |                      |
|             |              | CWPU/UIP Expenses                          | 20,600             |                      |
|             |              | Economic Alliance                          | 6,000              |                      |
|             |              | Financial Studies                          | 150,000            |                      |
|             |              | Fire Alarm Monitoring                      | 400                |                      |
|             |              | Foundation for Water and Energy            | 2,000              |                      |
|             |              | Janitorial Services (OK and OM)            | 56,500             |                      |
|             |              | Legislative Consultant                     | 37,200             |                      |
|             |              | Misc. Services/Consulting                  | 3,900              |                      |
|             |              | NW Public Power Assoc. Dues/NW Wage & Hour | 26,100             |                      |
|             |              | PPC - Dues                                 | 25,900             |                      |
|             |              | PPC - NW River Partners                    | 12,200             |                      |
|             |              | PPC - NW River Partners Additional         | 10,400             |                      |
|             |              | Standard and Poors                         | 7,700              |                      |
|             |              | WA PUD Association Dues                    | 73,400             |                      |
|             | 081          | Legal Services                             |                    | 319,500              |
|             |              | General Counsel                            | 244,500            |                      |
|             |              | Misc. Attorney Fees                        | 75,000             |                      |
|             | 082          | Maintenance Contracts                      |                    | 14,600               |
|             |              | Copier Maintenance                         | 10,900             |                      |
|             |              | Elevator Maintenance                       | 3,700              |                      |
|             | 084          | Permits and Fees                           |                    | 2,700                |
|             |              | WA State Purchasing Coop                   | 2,000              |                      |
|             |              | WA State L&I Right to Know                 | 300                |                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2013 FINAL BUDGET - DECEMBER 18, 2012**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u>                                  |        | <u>Budget<br/>Amount</u> |
|-------------|--------------|--|---|--------|--------------------------|
|             |              |  | Misc.   | 400    |                          |
|             | 085          | Rents and Leases                                 |   |        | 9,800                    |
|             |              |  | Copier Lease  | 9,400  |                          |
|             |              |  | P.O. Box Rent                                       | 400    |                          |
|             | 090          | Materials and Supplies                           |   |        | 61,000                   |
|             | 091          | Small Tools (under \$1,000)                      |   |        | 2,300                    |
|             | 092          | Miscellaneous                                    |   |        | 26,500                   |
|             |              |  | Clothing for Identification                         | 1,200  |                          |
|             |              |  | Deductibles/Damage Claims                           | 4,000  |                          |
|             |              |  | Election Costs                                      | 0      |                          |
|             |              |  | Employee Day  | 3,400  |                          |
|             |              |  | Meeting Expenses                                    | 1,900  |                          |
|             |              |  | Misc. Expenses (Wellness, Interview and Moving Exp) | 12,600 |                          |
|             |              |  | Service Awards and Costs                            | 3,400  |                          |
|             | 099          | Unforeseen Operating Contingency                 |   |        | 100,000                  |
|             | 210          | Taxes  |   |        | 2,360,200                |
|             | 710          | Capital - Tools & Equipment (\$1,000 to \$2,000) |   |        | 2,000                    |
|             | 810          | Debt Service - Principal                         |   |        | 1,411,600                |
|             | 811          | Debt Service - Interest                          |   |        | 1,624,200                |
|             | 901          | Unforeseen Capital Contingency                   |   |        | 100,000                  |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2013 FINAL BUDGET - DECEMBER 18, 2012**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>            | <u>Description</u>                            | <u>Budget Amount</u> |
|-------------|--------------|----------------------------|---|----------------------|
| 1           | 41           | <b>Information Systems</b> |   | <b>1,509,500</b>     |
|             |              | 010                        | Wages   | 301,600              |
|             |              | 011                        | Benefits                                      | 111,300              |
|             |              | 020                        | Travel  | 10,000               |
|             |              | 021                        | Training, Tuition and Meeting Fees            | 10,000               |
|             |              | 030                        | Transportation                                | 2,400                |
|             |              | 080                        | Misc. Contractual Services                    | 34,500               |
|             |              |                            | Network Consulting                            | 20,000               |
|             |              |                            | SharePoint Consulting                         | 5,000                |
|             |              |                            | Webpage Consulting                            | 5,000                |
|             |              |                            | Security System Monitoring                    | 3,000                |
|             |              |                            | Phone Server Migration                        | 1,500                |
|             |              | 082                        | Maintenance Contracts                         | 58,500               |
|             |              |                            | Eaton Powerware - Datacenter UPS & Monitoring | 0                    |
|             |              |                            | Eaton Powerware - Omak Network UPS            | 8,000                |
|             |              |                            | Key Card System Maintenance                   | 5,000                |
|             |              |                            | Liebert Units in Datacenter                   | 13,000               |
|             |              |                            | NetApp SAN Hardware/Software Maintenance      | 25,000               |
|             |              |                            | SonicWall                                     | 2,500                |
|             |              |                            | Server Hardware Maintenance                   | 5,000                |
|             |              | 083                        | Software Licenses and Support                 | 410,200              |
|             |              |                            | Aclara - TWACS Support                        | 18,000               |
|             |              |                            | Aclara - Migration to new servers             | 7,500                |
|             |              |                            | Aclara - Upgrade to new platform              | 10,000               |
|             |              |                            | Certs SSL                                     | 700                  |
|             |              |                            | LocalTel Phone System Maintenance             | 13,500               |
|             |              |                            | Microsoft Software                            | 29,900               |
|             |              |                            | NISC Custom Programming                       | 5,000                |
|             |              |                            | NISC Maintenance                              | 125,000              |
|             |              |                            | NISC MDMS Implementation                      | 30,000               |
|             |              |                            | NISC MDMS Annual Fee                          | 19,300               |
|             |              |                            | OCR for RICOH Scanner                         | 40,000               |
|             |              |                            | Secure - Remote PC Management                 | 3,000                |
|             |              |                            | Spam Filter                                   | 3,000                |
|             |              |                            | Symantec Software and Support                 | 9,700                |
|             |              |                            | VMWare Software Support (IS)                  | 5,000                |
|             |              |                            | AutoCad                                       | 2,000                |
|             |              |                            | ESRI  | 5,000                |
|             |              |                            | Futura  | 15,000               |
|             |              |                            | GeoNav  | 3,000                |
|             |              |                            | Acent GIS                                     | 1,200                |
|             |              |                            | Staker  | 19,000               |
|             |              |                            | Staker Reporting                              | 10,000               |
|             |              |                            | TL-PRO Design Studio                          | 5,000                |
|             |              |                            | Cummins Tool Software                         | 700                  |
|             |              |                            | Fastenal Tool Inventory                       | 1,200                |
|             |              |                            | Max Force                                     | 3,000                |
|             |              |                            | OSI   | 17,000               |
|             |              |                            | Trimble Field Inspector                       | 1,300                |
|             |              |                            | Zonar Vehicle Tracking                        | 7,200                |
|             |              | 085                        | Rents and Leases                              | 37,100               |
|             |              |                            | Okanogan Mailing Equipment                    | 12,500               |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                    | <u>Description</u>                                |         | <u>Budget<br/>Amount</u> |
|-------------|--------------|------------------------------------|---|---------|--------------------------|
|             |              |                                    | Branch Office Mailing Equipment                   | 3,000   |                          |
|             |              |                                    | Branch Office MFP                                 | 21,600  |                          |
| 090         |              | Materials and Supplies             |   |         | 15,000                   |
| 091         |              | Small Tools (under \$1,000)        |   |         | 20,000                   |
| 712         |              | Capital - Equipment (Over \$2,000) |   |         | 444,700                  |
|             |              |                                    | Physical Server Environment - Hardware            | 32,500  |                          |
|             |              |                                    | Firewall  | 25,000  |                          |
|             |              |                                    | Mail Relay  | 5,000   |                          |
|             |              |                                    | Archive Solution                                  | 100,000 |                          |
|             |              |                                    | Network Switches                                  | 62,000  |                          |
|             |              |                                    | SIEM - Log Management                             | 15,000  |                          |
|             |              |                                    | Printers  | 10,100  |                          |
|             |              |                                    | Phone System                                      | 10,100  |                          |
|             |              |                                    | Keycard Systems - Backend Server Hardware         | 10,000  |                          |
|             |              |                                    | Keycard Systems - Readers and Controllers         | 50,000  |                          |
|             |              |                                    | Video Systems - Backend Server Hardware           | 30,000  |                          |
|             |              |                                    | Video Surveillance Software                       | 15,000  |                          |
|             |              |                                    | Video System Cameras - Subs, Yards and Fence Line | 60,000  |                          |
|             |              |                                    | Video System Cameras - Branch Offices             | 10,000  |                          |
|             |              |                                    | Video Conferencing                                | 10,000  |                          |
| 714         |              | Capital - Personal Computers       |   |         | 54,200                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|
| 1           | 50           |                 | <b>Commissioners</b>               | <b>152,500</b>           |
|             |              | 010             | Wages                              | 85,800                   |
|             |              | 011             | Benefits                           | 46,400                   |
|             |              | 020             | Travel                             | 16,000                   |
|             |              | 021             | Training, Tuition and Meeting Fees | 3,000                    |
|             |              | 090             | Materials and Supplies             | 1,000                    |
|             |              | 092             | Miscellaneous                      | 300                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
| 2           | 60           |                 | <b>Wholesale Telecommunications</b>                | <b>7,542,600</b>         |
|             |              | 010             | Wages  | 266,500                  |
|             |              | 011             | Benefits   | 106,300                  |
|             |              | 020             | Travel   | 12,500                   |
|             |              | 021             | Training, Tuition and Meeting Fees                 | 20,000                   |
|             |              | 030             | Transportation                                     | 43,100                   |
|             |              | 060             | Postage, Printing and Stationery                   | 300                      |
|             |              | 080             | Misc. Contractual Services                         | 89,400                   |
|             |              |                 | NoaNet Calea Services                              | 8,400                    |
|             |              |                 | Network Consulting                                 | 75,000                   |
|             |              |                 | Installation of ADVA WDM Tonasket Sub              | 6,000                    |
|             |              | 081             | Legal Services                                     | 10,000                   |
|             |              | 082             | Maintenance Contracts                              | 98,900                   |
|             |              |                 | Cisco Smartnet                                     | 9,200                    |
|             |              |                 | WWP Lightning Edge/Ciena Devices                   | 67,200                   |
|             |              |                 | ADVA Optical                                       | 16,000                   |
|             |              |                 | RADcare (Optimux + IPMux)                          | 4,500                    |
|             |              |                 | Motorola Canopy Hardware/Software                  | 2,000                    |
|             |              | 083             | Software Licenses and Support                      | 54,500                   |
|             |              |                 | NetZoom  | 1,400                    |
|             |              |                 | Microsoft Software                                 | 8,300                    |
|             |              |                 | Symantec Software and Support                      | 14,000                   |
|             |              |                 | VMWare   | 12,000                   |
|             |              |                 | Solar Winds  | 8,300                    |
|             |              |                 | MapInfo Professional                               | 3,000                    |
|             |              |                 | Server License and Software Upgrades               | 7,500                    |
|             |              | 084             | Permits and Fees                                   | 77,000                   |
|             |              |                 | Upstream Internet Bandwidth                        | 72,000                   |
|             |              |                 | ARIN ASN & IP Address Allocation                   | 5,000                    |
|             |              | 085             | Rents and Leases                                   | 185,400                  |
|             |              |                 | DCPUD Lit Services Leases                          | 3,300                    |
|             |              |                 | DCPUD Dark Fiber Leases                            | 30,000                   |
|             |              |                 | DCPUD Co-location                                  | 5,600                    |
|             |              |                 | Protect Path Ring                                  | 90,400                   |
|             |              |                 | NoaNet Dark Fiber Lease                            | 32,100                   |
|             |              |                 | Wireless Site Lease                                | 24,000                   |
|             |              | 090             | Materials and Supplies                             | 110,000                  |
|             |              |                 | HVAC Maintenance and Repair                        | 15,000                   |
|             |              |                 | Switch/Network HW Upgrades                         | 10,000                   |
|             |              |                 | Fiber Plant Maintenance - Wholesale                | 50,000                   |
|             |              |                 | Battery Plant - Maintenance and Replacement        | 15,000                   |
|             |              |                 | UPS/Rectifier - Maintenance and Replacement        | 15,000                   |
|             |              |                 | Server Memory Upgrade                              | 2,500                    |
|             |              |                 | Equipment Calibration/Repair                       | 2,500                    |
|             |              | 091             | Small Tools (under \$1,000)                        | 1,000                    |
|             |              | 092             | Miscellaneous                                      | 0                        |
|             |              | 210             | Taxes  | 10,200                   |
|             |              | 581             | Capital - Contractual Services                     | 30,000                   |
|             |              |                 | Site Engineering - Alternative Microwave Back Haul | 30,000                   |
|             |              | 591             | Capital - Material and Supplies                    | 5,686,400                |
|             |              |                 | Malott Sub Ethernet Node                           | 10,000                   |
|             |              |                 | TOSUB Comm Hut Entrance                            | 10,000                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                    | <u>Description</u>                              |           | <u>Budget<br/>Amount</u> |
|-------------|--------------|------------------------------------|---|-----------|--------------------------|
|             |              |                                    | Fiber Buildout - OKPUD HQ to 3rd Street Node    | 16,000    |                          |
|             |              |                                    | Wifi Sites (8) - Omak/Okanogan                  | 120,000   |                          |
|             |              |                                    | Fiber Buildout - OKPUD to Nichols and R. Canyon | 169,000   |                          |
|             |              |                                    | Fiber Buildout - Johnson Creek to Greenacres    | 147,900   |                          |
|             |              |                                    | Alternative Microwave Back Haul                 | 65,000    |                          |
|             |              |                                    | Network Hardware Replacements - End of Life     | 49,400    |                          |
|             |              |                                    | 10G Optics                                      | 32,000    |                          |
|             |              |                                    | ADVA WDM for TOSUB                              | 55,000    |                          |
|             |              |                                    | Fiber Distribution Builds                       | 50,000    |                          |
|             |              |                                    | Ethernet Node                                   | 25,000    |                          |
|             |              |                                    | Wireless Tower Augmentation                     | 33,600    |                          |
|             |              |                                    | Wireless Remote Subscriber Units                | 15,500    |                          |
|             |              |                                    | ARRA Broadband Project                          | 4,888,000 |                          |
| 712         |              | Capital - Equipment (Over \$2,000) |   |           | 88,000                   |
|             |              |                                    | Tools   | 5,000     |                          |
|             |              |                                    | Test Equipment                                  | 75,000    |                          |
|             |              |                                    | Server Hardware Upgrades/Replacements           | 8,000     |                          |
| 810         |              | Debt Service - Principal           |   |           | 305,400                  |
|             |              |                                    | Loan - Electric                                 | 188,400   |                          |
|             |              |                                    | Operating Line - Electric                       | 0         |                          |
|             |              |                                    | Loan - ARRA                                     | 117,000   |                          |
| 811         |              | Debt Service - Interest            |   |           | 347,700                  |
|             |              |                                    | Loan - Electric                                 | 90,000    |                          |
|             |              |                                    | Operating Line - Electric                       | 160,700   |                          |
|             |              |                                    | Loan - ARRA                                     | 97,000    |                          |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                | <u>Description</u>                         | <u>Budget<br/>Amount</u> |
|-------------|--------------|--------------------------------|--|--------------------------|
| 1           | 61           | <b>Internal Communications</b> |  | <b>1,025,000</b>         |
|             |              | 010                            | Wages                                      | 137,000                  |
|             |              | 011                            | Benefits                                   | 47,500                   |
|             |              | 020                            | Travel                                     | 5,000                    |
|             |              | 021                            | Training, Tuition and Meeting Fees         | 5,000                    |
|             |              | 030                            | Transportation                             | 7,100                    |
|             |              | 060                            | Postage, Printing and Stationery           | 300                      |
|             |              | 080                            | Misc. Contractual Services                 | 75,000                   |
|             |              |                                | Radio System Coverage Analysis             | 75,000                   |
|             |              | 082                            | Maintenance Contracts                      | 21,000                   |
|             |              |                                | Fire Alarm System                          | 2,000                    |
|             |              |                                | UHF Radio System                           | 19,000                   |
|             |              | 083                            | Software Licenses and Support              | 11,300                   |
|             |              |                                | Cisco Smartnet                             | 300                      |
|             |              |                                | MapInfo Software Support                   | 3,000                    |
|             |              |                                | Fiber Mapping Software Support             | 8,000                    |
|             |              | 084                            | Permits and Fees                           | 3,000                    |
|             |              |                                | Right of Way - USFS, DOT, etc.             | 3,000                    |
|             |              | 085                            | Rents and Leases                           | 25,800                   |
|             |              |                                | UHF Site Lease - Little Buck Mtn.          | 2,500                    |
|             |              |                                | UHF Site Lease - Aeneas Mtn.               | 2,500                    |
|             |              |                                | UHF Site Lease - Goat Mtn.                 | 600                      |
|             |              |                                | UHF Site Lease - Omak Mtn.                 | 2,500                    |
|             |              |                                | Dark Fiber Lease - Brewster to Wells Dam   | 17,700                   |
|             |              | 090                            | Materials and Supplies                     | 10,000                   |
|             |              |                                | General Materials and Supplies             | 10,000                   |
|             |              | 091                            | Small Tools (under \$1,000)                | 2,000                    |
|             |              | 591                            | Capital - Material and Supplies            | 25,000                   |
|             |              |                                | Fiber Rework - 1st and 2nd Avenue Okanogan | 15,000                   |
|             |              |                                | Miscellaneous                              | 10,000                   |
|             |              | 712                            | Capital - Equipment (Over \$2,000)         | 650,000                  |
|             |              |                                | UHF Radio System Overhaul                  | 600,000                  |
|             |              |                                | Miscellaneous Contingencies                | 50,000                   |

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2013 FINAL BUDGET - DECEMBER 18, 2012  
EXPENDITURE DETAIL

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                           | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
|             |              |                 | <b>TOTAL EXPENDITURES AND CAPITAL OUTLAY</b> | <b>64,353,200</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2014 ADOPTED BUDGET - DECEMBER 10, 2013**  
**OVERVIEW**

**HIGHLIGHTS**

- \$14.2 million transfer from reserves, which is a \$463,800 decrease over the 2013 adopted budget.
- Revenues, not including Grant Proceeds, cover debt service and operating expenses by \$3.6 million.
- Retail Electric Sales increased \$3.6 million to \$42.5 million.
- Wholesale Electric Sales increased \$474,900 - The increase in sales is due to a higher estimated market pricing than was used when estimating 2013 Wholesale Sales.
- Grant Proceeds decreased \$3.4 million to \$472,400 - Decrease due to the ARRA Project ending in 2013.
- Purchased Power - The largest operating expenditure in the budget decreased \$149,500 to \$23.2 million.
- Capital Outlays account for \$17.8 million - see a summary of Capital Projects below.
- Rate Stabilization Fund - The funding for the budget includes a \$1.1 million transfer from the Rate Stabilization Fund.
- Debt Service Coverage Ratio is estimated at 2.99 times annual debt service payments; bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at 5.91; District's target is 1.5 times.


**REVENUES of \$50.2 million - Assumptions Used**

- **Retail Electric Sales:** Predicting a 0% load growth, 1 Mwa for new industrial customer and no rate adjustments in 2014.
- **Wholesale Electric:** Sales based on a 3/4 to median water year, ten year average wind and previous three years' average market pricing.
- **Wholesale Telecommunications:** Based on current revenue levels.
- **Interest:** Return on investments of between .12%(LGIP) and .20%(CDs).
- **Miscellaneous:** Previous twelve months revenue and Build America Bond reimbursement of \$439,500.
- **Rental Income:** Based on current revenue levels.
- **Construction Contributions:** Estimated using previous two years' average.
- **Grant Proceeds:** Anticipated reimbursements of \$472,400 from BPA and no grant revenue from RUS relating to ARRA.

**EXPENDITURES \$42.8 million - Assumptions Used**

- **Wages:** Two less employees than in the 2013 adopted budget and overall average wage increase of 0.6%. The average wage increase only includes current bargaining agreement step increases and no general wage increase.
- **Benefits:** Based on August 2012 thru July 2013 actual percentage of wages. Range of 39% through 50.5% (ave. 42.1%). Includes a 2% increase in employer PERS contributions rates effective July 2013.
- **Purchased Power:** Wells Project costs effective September 2013 and BPA rates effective October 2013.
- **Other Expenditures:** Other expenses are based on known 2014 costs. If costs are not specifically known, a 2% increase was estimated.

**DEBT SERVICE \$3.8 million**

- **Principal and Interest:** Per debt service schedules and ARR  timated debt service.

**CAPITAL OUTLAY \$17.8 million - Summary Listing**

- Methow Transmission Line and Substation \$9.4 million.
- **Enloe Dam \$2.75 million.**
- Operations Normal Replacements and Line Extensions of \$2.025 million.
- Line Truck Replacement \$375,000.
- Warehouse Truck Replacement \$375,000.
- Regulator and Switch Purchases \$320,000.
- Information Systems \$307,900 (network, phone, access control and surveillance systems).
- Bucket Truck Replacement \$300,000.
- Wholesale Telecommunications Capital of \$296,900.
- Twisp Substation Modifications \$250,000.
- Covered Storage Okanogan or Sandflat Substations \$200,000
- Engineering - Large System Projects \$150,000.
- Cutout Replacement Program \$125,000.
- Pickup Truck Replacements (4) \$120,000.
- Other capital Items \$825,000.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
BUDGET SUMMARY**

| <u>Description</u>                  | <u>Electric</u>     | <u>Broadband</u> | <u>Total</u>        |
|-------------------------------------|---------------------|------------------|---------------------|
| <b><u>REVENUE</u></b>               |                     |                  |                     |
| Sales - Retail                      | 42,501,700          |                  | 42,501,700          |
| Sales - Wholesale                   | 2,835,200           | 2,200,000        | 5,035,200           |
| Interest                            | 50,000              |                  | 50,000              |
| Miscellaneous                       | 1,104,000           |                  | 1,104,000           |
| Rental Income                       | 108,000             |                  | 108,000             |
| Construction Contribution           | 917,000             |                  | 917,000             |
| Grant Proceeds                      | 472,400             | 0                | 472,400             |
| <b>Total Revenue</b>                | <b>47,988,300</b>   | <b>2,200,000</b> | <b>50,188,300</b>   |
| <b><u>EXPENDITURES</u></b>          |                     |                  |                     |
| Wages                               | 6,998,100           | 281,200          | 7,279,300           |
| Benefits                            | 2,920,400           | 125,400          | 3,045,800           |
| Travel                              | 115,900             | 10,000           | 125,900             |
| Training, Tuition and Meeting Fees  | 69,900              | 12,000           | 81,900              |
| Transportation                      | 828,200             | 42,600           | 870,800             |
| Insurance                           | 319,600             |                  | 319,600             |
| Utilities                           | 95,800              |                  | 95,800              |
| Postage, Printing and Stationery    | 149,400             | 300              | 149,700             |
| Advertising                         | 18,600              |                  | 18,600              |
| Conservation Expenditures           | 472,400             |                  | 472,400             |
| Misc. Contractual Services          | 1,791,600           | 133,400          | 1,925,000           |
| Legal Services                      | 300,000             | 10,000           | 310,000             |
| Maintenance Contracts               | 164,700             | 147,100          | 311,800             |
| Software Licenses and Support       | 705,500             | 38,400           | 743,900             |
| Permits and Fees                    | 16,500              | 71,500           | 88,000              |
| Rents and Leases                    | 80,900              | 138,900          | 219,800             |
| Materials and Supplies              | 697,500             | 85,500           | 783,000             |
| Small Tools (under \$1,000)         | 24,000              | 1,000            | 25,000              |
| Miscellaneous                       | 65,000              |                  | 65,000              |
| Unforeseen Operating Contingency    | 100,000             |                  | 100,000             |
| Purchased Power                     | 23,227,300          |                  | 23,227,300          |
| Taxes                               | 2,570,000           | 11,000           | 2,581,000           |
| <b>Total Expenditures</b>           | <b>41,731,300</b>   | <b>1,108,300</b> | <b>42,839,600</b>   |
| <b><u>DEBT SERVICE</u></b>          |                     |                  |                     |
| Debt Service - Principal            | 1,447,200           | 354,100          | 1,801,300           |
| Debt Service - Interest             | 1,560,000           | 396,800          | 1,956,800           |
| <b>Total Debt Service</b>           | <b>3,007,200</b>    | <b>750,900</b>   | <b>3,758,100</b>    |
| <b>AVAILABLE FOR CAPITAL OUTLAY</b> | <b>3,249,800</b>    | <b>340,800</b>   | <b>3,590,600</b>    |
| <b><u>CAPITAL OUTLAY</u></b>        |                     |                  |                     |
| Capital - Contractual Services      | 11,165,000          |                  | 11,165,000          |
| Capital - Materials and Supplies    | 3,675,000           | 266,900          | 3,941,900           |
| Capital - Meter Purchases           | 70,000              |                  | 70,000              |
| Capital - Transformer Purchases     | 400,000             |                  | 400,000             |
| Capital - Tools and Equipment       | 4,500               |                  | 4,500               |
| Capital - Buildings                 | 410,000             |                  | 410,000             |
| Capital - Equipment (Over \$2,000)  | 441,900             | 30,000           | 471,900             |
| Capital - Vehicles                  | 1,219,000           |                  | 1,219,000           |
| Capital - Personal Computers        | 37,500              |                  | 37,500              |
| Unforeseen Capital Contingency      | 100,000             |                  | 100,000             |
| <b>Total Capital Outlay</b>         | <b>17,522,900</b>   | <b>296,900</b>   | <b>17,819,800</b>   |
| <b>RESERVES/DEBT</b>                | <b>(14,273,100)</b> | <b>43,900</b>    | <b>(14,229,200)</b> |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2014 ADOPTED BUDGET - DECEMBER 10, 2013**  
**2013 ADOPTED BUDGET COMPARED TO 2014 ADOPTED BUDGET**

| REVENUE                             | Electric System     |                    |                     |                               | Broadband          |                  |                  |                               | Total               |                    |                     |                               |
|-------------------------------------|---------------------|--------------------|---------------------|-------------------------------|--------------------|------------------|------------------|-------------------------------|---------------------|--------------------|---------------------|-------------------------------|
|                                     | Adopted 2013        | Projected 2013     | Adopted 2014        | 2013 Adopted/<br>2014 Adopted | Adopted 2013       | Projected 2013   | Adopted 2014     | 2013 Adopted/<br>2014 Adopted | Adopted 2013        | Projected 2013     | Adopted 2014        | 2013 Adopted/<br>2014 Adopted |
| Sales - Retail                      | 38,889,900          | 37,337,000         | 42,501,700          | 3,611,800                     |                    |                  | 0                | 0                             | 38,889,900          | 37,337,000         | 42,501,700          | 3,611,800                     |
| Sales - Wholesale                   | 2,360,300           | 4,969,000          | 2,835,200           | 474,900                       | 2,200,000          | 2,212,000        | 2,200,000        | 0                             | 4,560,300           | 7,181,000          | 5,035,200           | 474,900                       |
| Interest                            | 68,000              | 53,000             | 50,000              | (18,000)                      |                    |                  | 0                | 0                             | 68,000              | 53,000             | 50,000              | (18,000)                      |
| Miscellaneous                       | 1,052,000           | 1,067,000          | 1,104,000           | 52,000                        |                    |                  | 0                | 0                             | 1,052,000           | 1,067,000          | 1,104,000           | 52,000                        |
| Rental Income                       | 118,000             | 108,000            | 108,000             | (10,000)                      |                    |                  | 0                | 0                             | 118,000             | 108,000            | 108,000             | (10,000)                      |
| Construction Contribution           | 1,104,000           | 1,087,000          | 917,000             | (187,000)                     |                    |                  | 0                | 0                             | 1,104,000           | 1,087,000          | 917,000             | (187,000)                     |
| Grant Proceeds                      | 480,000             | 480,000            | 472,400             | (7,600)                       | 3,388,000          | 3,388,000        | 0                | (3,388,000)                   | 3,868,000           | 3,868,000          | 472,400             | (3,395,600)                   |
| <b>Total Revenue</b>                | <b>44,072,200</b>   | <b>45,101,000</b>  | <b>47,988,300</b>   | <b>3,916,100</b>              | <b>5,588,000</b>   | <b>5,600,000</b> | <b>2,200,000</b> | <b>(3,388,000)</b>            | <b>49,660,200</b>   | <b>50,701,000</b>  | <b>50,188,300</b>   | <b>528,100</b>                |
| <b>EXPENDITURES</b>                 |                     |                    |                     |                               |                    |                  |                  |                               |                     |                    |                     |                               |
| Wages                               | 7,377,500           | 6,680,000          | 6,998,100           | (379,400)                     | 266,500            | 499,000          | 281,200          | 14,700                        | 7,644,000           | 7,179,000          | 7,279,300           | (364,700)                     |
| Benefits                            | 2,831,700           | 2,698,000          | 2,920,400           | 88,700                        | 106,300            | 222,000          | 125,400          | 19,100                        | 2,938,000           | 2,920,000          | 3,045,800           | 107,800                       |
| Travel                              | 141,500             | 78,000             | 115,900             | (25,600)                      | 12,500             | 7,000            | 10,000           | (2,500)                       | 154,000             | 85,000             | 125,900             | (28,100)                      |
| Training, Tuition and Meeting Fees  | 90,700              | 34,000             | 69,900              | (20,800)                      | 20,000             | 10,000           | 12,000           | (8,000)                       | 110,700             | 44,000             | 81,900              | (28,800)                      |
| Transportation                      | 800,000             | 769,000            | 828,200             | 28,200                        | 43,100             | 60,000           | 42,600           | (500)                         | 843,100             | 829,000            | 870,800             | 27,700                        |
| Insurance                           | 312,400             | 286,000            | 319,600             | 7,200                         | 0                  | 0                | 0                | 0                             | 312,400             | 286,000            | 319,600             | 7,200                         |
| Utilities                           | 88,900              | 89,000             | 95,800              | 6,900                         | 0                  | 0                | 0                | 0                             | 88,900              | 89,000             | 95,800              | 6,900                         |
| Postage, Printing and Stationery    | 150,800             | 123,000            | 149,400             | (1,400)                       | 300                | 1,000            | 300              | 0                             | 151,100             | 124,000            | 149,700             | (1,400)                       |
| Advertising                         | 23,000              | 17,000             | 18,600              | (4,400)                       | 0                  | 0                | 0                | 0                             | 23,000              | 17,000             | 18,600              | (4,400)                       |
| Conservation Expenditures           | 480,000             | 480,000            | 472,400             | (7,600)                       | 0                  | 0                | 0                | 0                             | 480,000             | 480,000            | 472,400             | (7,600)                       |
| Misc. Contractual Services          | 1,974,400           | 1,475,000          | 1,791,600           | (182,800)                     | 89,400             | 25,000           | 133,400          | 44,000                        | 2,063,800           | 1,500,000          | 1,925,000           | (138,800)                     |
| Legal Services                      | 319,500             | 244,000            | 300,000             | (19,500)                      | 10,000             | 7,000            | 10,000           | 0                             | 329,500             | 251,000            | 310,000             | (19,500)                      |
| Maintenance Contracts               | 239,100             | 169,000            | 164,700             | (74,400)                      | 98,900             | 54,000           | 147,100          | 48,200                        | 338,000             | 223,000            | 311,800             | (26,200)                      |
| Software Licenses and Support       | 624,400             | 454,000            | 705,500             | 81,100                        | 54,500             | 38,000           | 38,400           | (16,100)                      | 678,900             | 492,000            | 743,900             | 65,000                        |
| Permits and Fees                    | 13,500              | 4,000              | 16,500              | 3,000                         | 77,000             | 57,000           | 71,500           | (5,500)                       | 90,500              | 61,000             | 88,000              | (2,500)                       |
| Rents and Leases                    | 86,900              | 77,000             | 80,900              | (6,000)                       | 185,400            | 211,000          | 138,900          | (46,500)                      | 272,300             | 288,000            | 219,800             | (52,500)                      |
| Materials and Supplies              | 644,400             | 499,000            | 697,500             | 53,100                        | 110,000            | 149,000          | 85,500           | (24,500)                      | 754,400             | 648,000            | 783,000             | 28,600                        |
| Small Tools (under \$1,000)         | 47,300              | 6,000              | 24,000              | (23,300)                      | 1,000              | 1,000            | 1,000            | 0                             | 48,300              | 7,000              | 25,000              | (23,300)                      |
| Miscellaneous                       | 72,500              | 37,000             | 65,000              | (7,500)                       | 0                  | 0                | 0                | 0                             | 72,500              | 37,000             | 65,000              | (7,500)                       |
| Unforeseen Operating Contingency    | 100,000             | 150,000            | 100,000             | 0                             | 0                  | 0                | 0                | 0                             | 100,000             | 150,000            | 100,000             | 0                             |
| Purchased Power                     | 23,376,800          | 23,376,800         | 23,227,300          | (149,500)                     | 0                  | 0                | 0                | 0                             | 23,376,800          | 23,376,800         | 23,227,300          | (149,500)                     |
| Taxes                               | 2,360,200           | 2,312,000          | 2,570,000           | 209,800                       | 10,200             | 11,000           | 11,000           | 800                           | 2,370,400           | 2,323,000          | 2,581,000           | 210,600                       |
| <b>Total Expenditures</b>           | <b>42,155,500</b>   | <b>40,057,800</b>  | <b>41,731,300</b>   | <b>(424,200)</b>              | <b>1,085,100</b>   | <b>1,352,000</b> | <b>1,108,300</b> | <b>23,200</b>                 | <b>43,240,600</b>   | <b>41,409,800</b>  | <b>42,839,600</b>   | <b>(401,000)</b>              |
| <b>DEBT SERVICE</b>                 |                     |                    |                     |                               |                    |                  |                  |                               |                     |                    |                     |                               |
| Debt Service - Principal            | 1,411,600           | 1,412,000          | 1,447,200           | 35,600                        | 305,400            | 249,000          | 354,100          | 48,700                        | 1,717,000           | 1,661,000          | 1,801,300           | 84,300                        |
| Debt Service - Interest             | 1,624,200           | 1,690,000          | 1,560,000           | (64,200)                      | 347,700            | 315,000          | 396,800          | 49,100                        | 1,971,900           | 2,005,000          | 1,956,800           | (15,100)                      |
| <b>Total Debt Service</b>           | <b>3,035,800</b>    | <b>3,102,000</b>   | <b>3,007,200</b>    | <b>(28,600)</b>               | <b>653,100</b>     | <b>564,000</b>   | <b>750,900</b>   | <b>97,800</b>                 | <b>3,688,900</b>    | <b>3,666,000</b>   | <b>3,758,100</b>    | <b>69,200</b>                 |
| <b>AVAILABLE FOR CAPITAL OUTLAY</b> | <b>(1,119,100)</b>  | <b>1,941,200</b>   | <b>3,249,800</b>    | <b>4,368,900</b>              | <b>3,849,800</b>   | <b>3,684,000</b> | <b>340,800</b>   | <b>(3,509,000)</b>            | <b>2,730,700</b>    | <b>5,625,200</b>   | <b>3,590,600</b>    | <b>859,900</b>                |
| <b>CAPITAL OUTLAY</b>               |                     |                    |                     |                               |                    |                  |                  |                               |                     |                    |                     |                               |
| Capital - Contractual Services      | 6,442,500           | 3,476,000          | 11,165,000          | 4,722,500                     | 30,000             | 3,771,000        | 0                | (30,000)                      | 6,472,500           | 7,247,000          | 11,165,000          | 4,692,500                     |
| Capital - Materials and Supplies    | 2,208,000           | 1,349,000          | 3,675,000           | 1,467,000                     | 5,686,400          | 419,000          | 266,900          | (5,419,500)                   | 7,894,400           | 1,768,000          | 3,941,900           | (3,952,500)                   |
| Capital - Meter Purchases           | 90,000              | 24,000             | 70,000              | (20,000)                      | 0                  | 0                | 0                | 0                             | 90,000              | 24,000             | 70,000              | (20,000)                      |
| Capital - Transformer Purchases     | 225,000             | 228,000            | 400,000             | 175,000                       | 0                  | 0                | 0                | 0                             | 225,000             | 228,000            | 400,000             | 175,000                       |
| Capital - Tools and Equipment       | 9,500               | 9,500              | 4,500               | (5,000)                       | 0                  | 0                | 0                | 0                             | 9,500               | 9,500              | 4,500               | (5,000)                       |
| Capital - Buildings                 | 685,000             | 27,000             | 410,000             | (275,000)                     | 0                  | 0                | 0                | 0                             | 685,000             | 27,000             | 410,000             | (275,000)                     |
| Capital - Equipment (Over \$2,000)  | 1,171,100           | 271,100            | 441,900             | (729,200)                     | 88,000             | 32,000           | 30,000           | (58,000)                      | 1,259,100           | 303,100            | 471,900             | (787,200)                     |
| Capital - Vehicles                  | 634,000             | (146,000)          | 1,219,000           | 585,000                       | 0                  | 0                | 0                | 0                             | 634,000             | (146,000)          | 1,219,000           | 585,000                       |
| Capital - Personal Computers        | 54,200              | 45,200             | 37,500              | (16,700)                      | 0                  | 0                | 0                | 0                             | 54,200              | 45,200             | 37,500              | (16,700)                      |
| Unforeseen Capital Contingency      | 100,000             | 31,000             | 100,000             | 0                             | 0                  | 0                | 0                | 0                             | 100,000             | 31,000             | 100,000             | 0                             |
| <b>Total Capital Outlay</b>         | <b>11,619,300</b>   | <b>5,314,800</b>   | <b>17,522,900</b>   | <b>5,903,600</b>              | <b>5,804,400</b>   | <b>4,222,000</b> | <b>296,900</b>   | <b>(5,507,500)</b>            | <b>17,423,700</b>   | <b>9,536,800</b>   | <b>17,819,800</b>   | <b>396,100</b>                |
| <b>RESERVES/DEBT</b>                | <b>(12,738,400)</b> | <b>(3,373,600)</b> | <b>(14,273,100)</b> | <b>(1,534,700)</b>            | <b>(1,954,600)</b> | <b>(538,000)</b> | <b>43,900</b>    | <b>1,998,500</b>              | <b>(14,693,000)</b> | <b>(3,911,600)</b> | <b>(14,229,200)</b> | <b>463,800</b>                |

**PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
BUDGET COMPARISON 2007 THRU 2014 ADOPTED**

|                                     | 2007               |                   | 2008               |                    | 2009                |                     | 2010                |                     | 2011                |                    | 2012                |                    | 2013                |                    | 2014                |
|-------------------------------------|--------------------|-------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
|                                     | Budget             | Actual            | Budget             | Actual             | Budget              | Actual              | Budget              | Actual              | Budget              | Actual             | Budget              | Actual             | Budget              | Projected          | Adopted             |
| <b>REVENUE</b>                      |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |                    |                     |
| Sales - Electric Retail             | 30,904,100         | 31,043,483        | 31,853,400         | 31,952,534         | 31,290,700          | 30,777,098          | 33,337,000          | 29,307,079          | 35,001,000          | 33,605,348         | 37,475,000          | 35,861,526         | 38,889,900          | 37,337,000         | 42,501,700          |
| Sales - Electric Wholesale          | 9,110,500          | 12,120,917        | 8,737,000          | 11,263,826         | 7,489,500           | 4,198,884           | 4,937,000           | 5,801,903           | 5,490,000           | 6,741,526          | 2,742,000           | 3,531,677          | 2,360,300           | 4,969,000          | 2,835,200           |
| Sales - Broadband Wholesale         | 710,400            | 855,469           | 850,000            | 1,030,980          | 1,168,200           | 1,767,217           | 1,900,000           | 1,944,345           | 2,000,000           | 1,995,657          | 2,500,000           | 2,117,105          | 2,200,000           | 2,212,000          | 2,200,000           |
| Interest                            | 1,676,200          | 1,919,000         | 1,738,500          | 1,697,562          | 1,246,000           | 964,500             | 262,000             | 214,509             | 207,000             | 113,944            | 80,000              | 74,313             | 68,000              | 53,000             | 50,000              |
| Miscellaneous                       | 797,900            | 802,336           | 1,250,000          | 727,466            | 746,700             | 1,056,550           | 531,000             | 916,913             | 749,000             | 1,841,914          | 1,504,000           | 1,342,999          | 1,052,000           | 1,067,000          | 1,104,000           |
| Rental Income                       | 123,000            | 117,646           | 118,000            | 117,068            | 118,000             | 116,995             | 118,000             | 117,098             | 118,000             | 117,098            | 118,000             | 117,098            | 118,000             | 108,000            | 108,000             |
| Construction Contribution           | 1,325,600          | 1,951,581         | 1,600,000          | 1,795,823          | 1,600,000           | 884,844             | 542,000             | 996,025             | 820,000             | 974,691            | 1,059,000           | 991,816            | 1,104,000           | 1,087,000          | 917,000             |
| Grant Proceeds                      |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    | 5,421,000           | 2,091,175          | 3,868,000           | 3,868,000          | 472,400             |
| <b>Total Revenue</b>                | <b>44,647,700</b>  | <b>48,810,432</b> | <b>46,146,900</b>  | <b>48,585,259</b>  | <b>43,659,100</b>   | <b>39,766,088</b>   | <b>41,627,000</b>   | <b>39,297,872</b>   | <b>44,385,000</b>   | <b>45,390,178</b>  | <b>50,899,000</b>   | <b>46,127,709</b>  | <b>49,660,200</b>   | <b>50,701,000</b>  | <b>50,188,300</b>   |
| <b>EXPENDITURES</b>                 |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |                    |                     |
| Wages                               | 5,931,000          | 5,611,848         | 6,675,300          | 5,929,192          | 7,177,800           | 6,311,358           | 7,482,500           | 6,842,404           | 7,696,800           | 6,675,420          | 7,627,000           | 7,076,500          | 7,644,000           | 7,179,000          | 7,279,300           |
| Benefits                            | 1,660,700          | 1,854,052         | 2,182,700          | 2,035,454          | 2,368,600           | 2,532,708           | 2,618,900           | 2,373,456           | 2,544,600           | 2,394,707          | 2,716,400           | 2,633,239          | 2,938,000           | 2,920,000          | 3,045,800           |
| Travel                              | 112,500            | 106,502           | 125,500            | 140,556            | 267,600             | 124,077             | 244,700             | 124,532             | 185,900             | 122,664            | 170,800             | 116,854            | 154,000             | 85,000             | 125,900             |
| Training, Tuition and Meeting Fees  | 86,200             | 62,923            | 84,900             | 96,332             | 179,300             | 74,206              | 196,000             | 86,633              | 135,900             | 61,871             | 128,800             | 91,420             | 110,700             | 44,000             | 81,900              |
| Transportation                      | 210,800            | 610,114           | 627,300            | 687,840            | 695,400             | 783,135             | 757,000             | 924,761             | 903,500             | 835,496            | 829,300             | 825,034            | 843,100             | 829,000            | 870,800             |
| Insurance                           | 185,600            | 184,663           | 206,600            | 212,096            | 219,300             | 313,815             | 320,500             | 279,268             | 310,000             | 308,777            | 308,000             | 307,665            | 312,400             | 286,000            | 319,600             |
| Utilities                           | 66,700             | 66,087            | 65,900             | 69,183             | 73,100              | 75,014              | 75,600              | 87,580              | 97,200              | 82,874             | 85,800              | 91,668             | 88,900              | 89,000             | 95,800              |
| Postage, Printing and Stationary    | 101,700            | 106,365           | 105,500            | 111,096            | 122,700             | 104,646             | 117,200             | 106,436             | 198,400             | 142,313            | 193,000             | 141,003            | 151,100             | 124,000            | 149,700             |
| Advertising                         | 43,900             | 33,755            | 29,800             | 14,858             | 28,500              | 29,848              | 31,500              | 21,817              | 37,700              | 26,321             | 22,300              | 18,742             | 23,000              | 17,000             | 18,600              |
| Conservation Expenditures           | 221,600            | 232,619           | 274,700            | 286,121            | 203,700             | 340,016             | 276,000             | 430,665             | 372,800             | 294,811            | 460,000             | 428,365            | 480,000             | 480,000            | 472,400             |
| Misc. Contractual Services          | 1,878,300          | 1,505,518         | 2,400,700          | 2,171,518          | 2,350,200           | 2,067,841           | 2,994,400           | 1,908,893           | 2,508,600           | 1,441,439          | 2,213,800           | 1,993,088          | 2,063,800           | 1,500,000          | 1,925,000           |
| Legal Services                      | 60,600             | 55,828            | 64,500             | 155,895            | 374,800             | 296,977             | 364,100             | 240,533             | 314,100             | 323,826            | 319,100             | 257,876            | 329,500             | 251,000            | 310,000             |
| Maintenance Contracts               | 171,300            | 76,393            | 223,900            | 136,192            | 127,100             | 90,704              | 157,400             | 102,674             | 177,600             | 150,409            | 185,900             | 208,019            | 338,000             | 223,000            | 311,800             |
| Software Licenses and Support       | 148,000            | 86,569            | 137,200            | 154,785            | 187,700             | 183,255             | 264,500             | 241,644             | 317,400             | 223,978            | 445,200             | 263,155            | 678,900             | 492,000            | 743,900             |
| Permits and Fees                    | 36,700             | 58,946            | 41,300             | 85,420             | 116,400             | 103,281             | 104,400             | 104,237             | 368,300             | 162,253            | 160,500             | 137,887            | 90,500              | 61,000             | 88,000              |
| Rents and Leases                    | 107,000            | 122,428           | 136,000            | 139,093            | 154,400             | 151,378             | 148,300             | 161,484             | 285,100             | 166,823            | 280,000             | 220,978            | 272,300             | 288,000            | 219,800             |
| Materials and Supplies              | 500,200            | 603,415           | 550,000            | 882,014            | 720,400             | 773,077             | 932,000             | 840,196             | 930,400             | 592,470            | 797,000             | 743,578            | 754,400             | 648,000            | 783,000             |
| Small Tools (under \$1,000)         | 41,500             | 44,455            | 43,600             | 38,941             | 44,300              | 60,736              | 69,300              | 25,196              | 68,800              | 25,664             | 43,300              | 15,366             | 48,300              | 7,000              | 25,000              |
| Miscellaneous                       | 19,200             | 81,232            | 83,700             | 81,974             | 64,000              | 48,492              | 101,000             | 45,911              | 74,100              | 105,491            | 100,300             | 58,933             | 72,500              | 37,000             | 65,000              |
| Unforeseen Operating Contingency    |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    | 100,000             | 14,099             | 100,000             | 150,000            | 100,000             |
| Purchased Power                     | 23,454,700         | 24,579,372        | 24,243,700         | 24,686,109         | 21,213,700          | 21,822,349          | 24,158,000          | 23,895,600          | 25,373,000          | 24,060,574         | 23,220,100          | 22,284,244         | 23,376,800          | 23,376,800         | 23,227,300          |
| Taxes                               | 1,890,700          | 1,896,453         | 1,947,500          | 1,921,891          | 1,927,000           | 1,876,406           | 2,020,200           | 1,839,337           | 2,119,000           | 2,138,550          | 2,298,700           | 2,220,162          | 2,370,400           | 2,323,000          | 2,581,000           |
| <b>Total Expenditures</b>           | <b>36,928,900</b>  | <b>37,979,537</b> | <b>40,250,300</b>  | <b>40,036,560</b>  | <b>38,616,000</b>   | <b>38,163,319</b>   | <b>43,433,500</b>   | <b>40,683,257</b>   | <b>45,019,200</b>   | <b>40,312,983</b>  | <b>42,705,300</b>   | <b>40,147,875</b>  | <b>43,240,600</b>   | <b>41,409,800</b>  | <b>42,839,600</b>   |
| <b>DEBT SERVICE</b>                 |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |                    |                     |
| Debt Service - Principal            | 775,000            | 777,883           | 810,000            | 812,118            | 835,000             | 837,916             | 870,000             | 873,334             | 1,190,000           | 1,183,749          | 1,555,000           | 1,574,421          | 1,717,000           | 1,661,000          | 1,801,300           |
| Debt Service - Interest             | 780,600            | 826,410           | 753,300            | 798,800            | 722,600             | 767,367             | 684,100             | 992,487             | 2,241,100           | 2,068,361          | 1,919,000           | 2,018,950          | 1,971,900           | 2,005,000          | 1,956,800           |
| <b>Total Debt Service</b>           | <b>1,555,600</b>   | <b>1,604,293</b>  | <b>1,563,300</b>   | <b>1,610,918</b>   | <b>1,557,600</b>    | <b>1,605,283</b>    | <b>1,554,100</b>    | <b>1,865,821</b>    | <b>3,431,100</b>    | <b>3,252,110</b>   | <b>3,474,000</b>    | <b>3,593,371</b>   | <b>3,688,900</b>    | <b>3,666,000</b>   | <b>3,758,100</b>    |
| <b>AVAILABLE FOR CAPITAL OUTLAY</b> | <b>6,163,200</b>   | <b>9,226,602</b>  | <b>4,333,300</b>   | <b>6,937,781</b>   | <b>3,485,500</b>    | <b>(2,514)</b>      | <b>(3,360,600)</b>  | <b>(3,251,206)</b>  | <b>(4,065,300)</b>  | <b>1,825,085</b>   | <b>4,719,700</b>    | <b>2,386,463</b>   | <b>2,730,700</b>    | <b>5,625,200</b>   | <b>3,590,600</b>    |
| <b>CAPITAL OUTLAY</b>               |                    |                   |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |                    |                     |
| Capital - Contractual Services      | 4,075,100          | 2,036,715         | 3,986,700          | 2,042,651          | 10,158,000          | 1,761,846           | 11,208,000          | 1,759,767           | 10,500,000          | 2,279,483          | 9,686,400           | 2,350,626          | 6,472,500           | 7,247,000          | 11,165,000          |
| Capital - Materials and Supplies    | 6,174,600          | 2,679,513         | 4,827,600          | 4,783,802          | 9,326,100           | 5,270,105           | 8,796,000           | 6,189,149           | 5,636,700           | 3,283,116          | 13,051,400          | 5,196,359          | 7,894,400           | 1,768,000          | 3,941,900           |
| Capital - Meter Purchases           | 110,000            | 71,960            | 390,000            | 125,857            | 595,000             | 790,778             | 1,500,000           | 252,306             | 440,000             | 369,605            | 90,000              | 0                  | 90,000              | 24,000             | 70,000              |
| Capital - Transformer Purchases     | 2,750,000          | 2,481,491         | 1,200,000          | 1,153,037          | 1,166,000           | 521,218             | 500,000             | 365,288             | 500,000             | 408,995            | 225,000             | 216,729            | 225,000             | 228,000            | 400,000             |
| Capital - Tools and Equipment       | 30,000             | 10,072            | 22,000             | 6,920              | 10,200              | 1,374               | 13,500              | 6,572               | 13,200              | 1,770              | 12,000              | 6,232              | 9,500               | 9,500              | 4,500               |
| Capital - Buildings                 | 665,000            | 637,053           | 778,600            | 240,876            | 6,984,500           | 3,932,356           | 3,094,000           | 4,274,502           | 42,000              | 40,475             | 7,500               | 1,969              | 685,000             | 27,000             | 410,000             |
| Capital - Equipment (Over \$2,000)  | 527,800            | 272,803           | 819,300            | 680,078            | 1,105,100           | 412,738             | 1,457,800           | 1,043,752           | 999,600             | 218,074            | 1,051,000           | 371,313            | 1,259,100           | 303,100            | 471,900             |
| Capital - Vehicles                  | 876,000            | 296,759           | 941,000            | 930,324            | 351,000             | 281,734             | (175,000)           | (219,097)           | 30,000              | (186,718)          | 315,300             | (310,574)          | 634,000             | (146,000)          | 1,219,000           |
| Capital - Personal Computers        | 53,600             | 25,072            | 78,500             | 56,993             | 58,600              | 39,551              | 70,600              | 59,792              | 57,300              | 40,751             | 48,100              | 30,680             | 54,200              | 45,200             | 37,500              |
| Unforeseen Capital Contingencies    | 100,000            | 23,648            | 100,000            | 31,359             | 100,000             | 42,005              | 100,000             | 16,131              | 100,000             | 47,639             | 100,000             | 3,679              | 100,000             | 31,000             | 100,000             |
| <b>Total Capital Outlay</b>         | <b>15,362,100</b>  | <b>8,535,086</b>  | <b>13,143,700</b>  | <b>10,051,897</b>  | <b>29,854,500</b>   | <b>13,053,705</b>   | <b>26,564,900</b>   | <b>13,748,162</b>   | <b>18,318,800</b>   | <b>6,503,190</b>   | <b>24,586,700</b>   | <b>7,867,013</b>   | <b>17,423,700</b>   | <b>9,536,800</b>   | <b>17,819,800</b>   |
| <b>RESERVES/DEBT</b>                | <b>(9,198,900)</b> | <b>691,516</b>    | <b>(8,810,400)</b> | <b>(3,114,116)</b> | <b>(26,369,000)</b> | <b>(13,056,219)</b> | <b>(29,925,500)</b> | <b>(16,999,368)</b> | <b>(22,384,100)</b> | <b>(4,678,105)</b> | <b>(19,867,000)</b> | <b>(5,480,550)</b> | <b>(14,693,000)</b> | <b>(3,911,600)</b> | <b>(14,229,200)</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2014 ADOPTED BUDGET - DECEMBER 10, 2013**  
**EXPENDITURE SUMMARY BY DEPARTMENT**

| Description                            | Generation       | Power Supply      | Const. Design     | Eng.           | Operations        | Enviro.        | Customer Service | Cons.          | General Admin.   | I.S.             | BOC            | Broadband        | Internal Comm. | Total             |
|--|------------------|-------------------|-------------------|----------------|-------------------|----------------|------------------|----------------|------------------|------------------|----------------|------------------|----------------|-------------------|
| <b>EXPENDITURES</b>                    |                  |                   |                   |                |                   |                |                  |                |                  |                  |                |                  |                |                   |
| 010 Wages                              | 172,300          | 114,400           | 560,000           | 161,500        | 3,527,900         | 62,100         | 657,200          | 63,900         | 1,136,200        | 296,700          | 108,600        | 281,200          | 137,300        | 7,279,300         |
| 011 Benefits                           | 72,000           | 49,800            | 239,700           | 69,100         | 1,397,000         | 28,500         | 331,200          | 24,900         | 465,800          | 131,700          | 54,800         | 125,400          | 55,900         | 3,045,800         |
| 020 Travel                             | 25,000           | 10,000            | 2,300             | 5,800          | 11,400            | 3,000          | 4,000            | 3,000          | 24,400           | 5,000            | 17,000         | 10,000           | 5,000          | 125,900           |
| 021 Training, Tuition and Meeting Fees | 7,000            | 2,500             | 2,100             | 4,300          | 22,000            | 2,400          | 2,500            | 2,000          | 11,100           | 6,000            | 3,000          | 12,000           | 5,000          | 81,900            |
| 030 Transportation                     | 6,200            | 1,500             | 22,700            | 11,400         | 731,600           | 500            | 38,900           | 6,400          | 2,600            | 1,500            |                | 42,600           | 4,900          | 870,800           |
| 040 Insurance                          |                  |                   |                   |                |                   |                |                  |                | 319,600          |                  |                |                  |                | 319,600           |
| 050 Utilities                          |                  |                   |                   |                | 200               |                |                  |                | 95,600           |                  |                |                  |                | 95,800            |
| 060 Postage, Printing and Stationery   |                  | 100               |                   | 500            | 3,000             |                | 137,600          | 3,000          | 4,900            |                  |                | 300              | 300            | 149,700           |
| 070 Advertising                        |                  |                   |                   | 300            | 1,000             |                |                  |                | 17,000           | 300              |                |                  |                | 18,600            |
| 071 Conservation Expenditures          |                  |                   |                   |                |                   |                |                  | 472,400        |                  |                  |                |                  |                | 472,400           |
| 080 Misc. Contractual Services         | 82,100           | 364,000           |                   |                | 646,100           | 6,500          | 52,200           | 20,000         | 498,700          | 47,000           |                | 133,400          | 75,000         | 1,925,000         |
| 081 Legal Services                     |                  |                   |                   |                |                   |                |                  |                | 300,000          |                  |                | 10,000           |                | 310,000           |
| 082 Maintenance Contracts              |                  |                   |                   |                | 94,000            |                | 500              |                | 13,900           | 35,300           |                | 147,100          | 21,000         | 311,800           |
| 083 Software Licenses and Support      | 5,000            | 190,000           | 4,000             |                |                   | 2,000          | 5,000            |                |                  | 494,700          |                | 38,400           | 8,800          | 747,900           |
| 084 Permits and Fees                   | 5,000            |                   |                   | 500            | 1,000             |                | 300              |                | 2,700            |                  |                | 71,500           | 3,000          | 84,000            |
| 085 Rents and Leases                   | 9,000            |                   |                   |                | 1,000             |                | 5,200            |                | 9,500            | 26,800           |                | 138,900          | 29,400         | 219,800           |
| 090 Materials and Supplies             | 5,500            | 200               |                   | 15,000         | 582,000           | 5,000          | 26,000           | 2,200          | 40,600           | 10,000           | 1,000          | 85,500           | 10,000         | 783,000           |
| 091 Small Tools (under \$1,000)        |                  |                   | 1,000             |                | 8,500             |                | 1,500            |                | 1,000            | 10,000           |                | 1,000            | 2,000          | 25,000            |
| 092 Miscellaneous                      |                  |                   |                   | 400            | 10,400            |                | 34,500           | 200            | 19,200           |                  | 300            |                  |                | 65,000            |
| 099 Unforeseen Operating Contingency   |                  |                   |                   |                |                   |                |                  |                | 100,000          |                  |                |                  |                | 100,000           |
| 120 Purchased Power                    |                  | 23,227,300        |                   |                |                   |                |                  |                |                  |                  |                |                  |                | 23,227,300        |
| 210 Taxes                              |                  |                   |                   |                |                   |                |                  |                | 2,570,000        |                  |                | 11,000           |                | 2,581,000         |
| <b>Total Expenditures</b>              | <b>389,100</b>   | <b>23,959,800</b> | <b>831,800</b>    | <b>268,800</b> | <b>7,037,100</b>  | <b>110,000</b> | <b>1,296,600</b> | <b>615,000</b> | <b>5,616,100</b> | <b>1,064,700</b> | <b>184,700</b> | <b>1,108,300</b> | <b>357,600</b> | <b>42,839,600</b> |
| <b>DEBT SERVICE</b>                    |                  |                   |                   |                |                   |                |                  |                |                  |                  |                |                  |                |                   |
| 810 Debt Service - Principal           |                  |                   |                   |                |                   |                |                  |                | 1,447,200        |                  |                | 354,100          |                | 1,801,300         |
| 811 Debt Service - Interest            |                  |                   |                   |                |                   |                |                  |                | 1,560,000        |                  |                | 396,800          |                | 1,956,800         |
| <b>Total Debt Service</b>              | <b>0</b>         | <b>0</b>          | <b>0</b>          | <b>0</b>       | <b>0</b>          | <b>0</b>       | <b>0</b>         | <b>0</b>       | <b>3,007,200</b> | <b>0</b>         | <b>0</b>       | <b>750,900</b>   | <b>0</b>       | <b>3,758,100</b>  |
| <b>CAPITAL OUTLAY</b>                  |                  |                   |                   |                |                   |                |                  |                |                  |                  |                |                  |                |                   |
| 581 Capital - Contractual Services     | 2,585,000        |                   | 8,030,000         | 150,000        | 400,000           |                |                  |                |                  |                  |                |                  |                | 11,165,000        |
| 591 Capital - Materials and Supplies   | 165,000          |                   | 1,860,000         | 410,000        | 1,225,000         |                |                  |                |                  |                  |                | 266,900          | 15,000         | 3,941,900         |
| 592 Capital - Meter Purchases          |                  |                   |                   |                | 70,000            |                |                  |                |                  |                  |                |                  |                | 70,000            |
| 593 Capital - Transformer Purchases    |                  |                   |                   |                | 400,000           |                |                  |                |                  |                  |                |                  |                | 400,000           |
| 710 Capital - Tools and Equipment      |                  |                   |                   |                | 2,500             |                |                  |                | 2,000            |                  |                |                  |                | 4,500             |
| 711 Capital - Buildings                |                  |                   |                   |                | 410,000           |                |                  |                |                  |                  |                |                  |                | 410,000           |
| 712 Capital - Equipment (Over \$2,000) |                  |                   |                   |                | 84,000            |                |                  |                |                  | 307,900          |                | 30,000           | 50,000         | 471,900           |
| 713 Capital - Vehicles                 |                  |                   |                   |                | 1,219,000         |                |                  |                |                  |                  |                |                  |                | 1,219,000         |
| 714 Capital - Personal Computers       |                  |                   |                   |                |                   |                |                  |                |                  | 37,500           |                |                  |                | 37,500            |
| 901 Unforeseen Capital Contingency     |                  |                   |                   |                |                   |                |                  |                | 100,000          |                  |                |                  |                | 100,000           |
| <b>Total Capital Outlay</b>            | <b>2,750,000</b> | <b>0</b>          | <b>9,890,000</b>  | <b>560,000</b> | <b>3,810,500</b>  | <b>0</b>       | <b>0</b>         | <b>0</b>       | <b>102,000</b>   | <b>345,400</b>   | <b>0</b>       | <b>296,900</b>   | <b>65,000</b>  | <b>17,819,800</b> |
| <b>Total Use of Resources</b>          | <b>3,139,100</b> | <b>23,959,800</b> | <b>10,721,800</b> | <b>828,800</b> | <b>10,847,600</b> | <b>110,000</b> | <b>1,296,600</b> | <b>615,000</b> | <b>8,725,300</b> | <b>1,410,100</b> | <b>184,700</b> | <b>2,156,100</b> | <b>422,600</b> | <b>64,417,500</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
REVENUE DETAIL**

| <u>Div.</u> | <u>Activity</u>  | <u>Description</u>         | <u>Budget<br/>Amount</u> |
|-------------|------------------|----------------------------|--------------------------|
| 1           | <b>Electric</b>  |                            | <b>47,988,300</b>        |
|             | 001              | Sales - Retail             | 42,501,700               |
|             | 002              | Sales - Wholesale          | 2,835,200                |
|             | 003              | Interest                   | 50,000                   |
|             | 004              | Miscellaneous              | 1,104,000                |
|             | 005              | Rental Income              | 108,000                  |
|             | 006              | Construction Contributions | 917,000                  |
|             | 007              | Grant Proceeds             | 472,400                  |
| 2           | <b>Broadband</b> |                            | <b>2,200,000</b>         |
|             | 002              | Sales - Wholesale          | 2,200,000                |
|             | 004              | Miscellaneous              | 0                        |
|             | 006              | Construction Contributions | 0                        |
|             | 007              | Grant Proceeds             | 0                        |
|             |                  | <b>TOTAL REVENUE</b>       | <b>50,188,300</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 |       | <u>Budget<br/>Amount</u> |                  |
|-------------|--------------|-----------------|------------------------------------|-------|--------------------------|------------------|
| 1           | 10           |                 | <b>Generation</b>                  |       |                          | <b>3,139,100</b> |
|             |              | 010             | Wages                              |       | 172,300                  |                  |
|             |              | 011             | Benefits                           |       | 72,000                   |                  |
|             |              | 020             | Travel                             |       | 25,000                   |                  |
|             |              | 021             | Training, Tuition and Meeting Fees |       | 7,000                    |                  |
|             |              | 030             | Transportation                     |       | 6,200                    |                  |
|             |              | 080             | Misc. Contractual Service          |       | 82,100                   |                  |
|             |              | 083             | Software Licenses and Support      |       | 5,000                    |                  |
|             |              | 084             | Permits and Fees                   |       | 5,000                    |                  |
|             |              | 085             | Rent and Leases                    |       | 9,000                    |                  |
|             |              |                 | Ophir Site Lease                   | 9,000 |                          |                  |
|             |              | 090             | Materials and Supplies             |       | 5,500                    |                  |
|             |              | 581             | Capital - Contractual Services     |       | 2,585,000 *              | <b>1</b>         |
|             |              | 591             | Capital - Materials and Supplies   |       | 165,000 *                | <b>1</b>         |

\* Expenditures will require Board authorization prior to General Manager's approval.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>     | <u>Description</u>                            | <u>Budget<br/>Amount</u> |
|-------------|--------------|---------------------|---|--------------------------|
| 1           | 11           | <b>Power Supply</b> |   | <b>23,959,800</b>        |
|             |              | 010                 | Wages   | 114,400                  |
|             |              | 011                 | Benefits                                      | 49,800                   |
|             |              | 020                 | Travel  | 10,000                   |
|             |              | 021                 | Training, Tuition and Meeting Fees            | 2,500                    |
|             |              | 030                 | Transportation                                | 1,500                    |
|             |              | 060                 | Postage, Printing and Stationery              | 100                      |
|             |              | 080                 | Misc. Contractual Services                    | 364,000                  |
|             |              |                     | Douglas County PUD                            | 350,000                  |
|             |              |                     | Professional Services (compliance/scheduling) | 3,000                    |
|             |              |                     | Central Washington Power Authority            | 1,000                    |
|             |              |                     | Slice Implementation Group                    | 10,000                   |
|             |              | 083                 | Software Licenses and Support                 | 190,000                  |
|             |              |                     | Slice Software Support Fee                    | 190,000                  |
|             |              | 090                 | Materials and Supplies                        | 200                      |
|             |              | 120                 | Purchased Power                               | 23,227,300               |
|             |              |                     | BPA - Slice                                   | 7,937,400                |
|             |              |                     | BPA - Block                                   | 5,828,600                |
|             |              |                     | BPA - Transmission                            | 2,672,900                |
|             |              |                     | Wells   | 4,025,600                |
|             |              |                     | Nine Canyon                                   | 2,762,800                |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                       | <u>Description</u> | <u>Budget<br/>Amount</u> |   |
|-------------|--------------|---|--------------------|--------------------------|---|
| 1           | 19           | <b>Construction Design</b>                            |                    | <b>10,721,800</b>        |   |
|             | 010          | Wages   |                    | 560,000                  |   |
|             | 011          | Benefits  |                    | 239,700                  |   |
|             | 020          | Travel  |                    | 2,300                    |   |
|             | 021          | Training, Tuition and Meeting Fees                    |                    | 2,100                    |   |
|             | 030          | Transportation  |                    | 22,700                   |   |
|             | 084          | Permits and Fees                                      |                    | 4,000                    |   |
|             |              | Miscellaneous   | 4,000              |                          |   |
|             | 091          | Small Tools (under \$1,000)                           |                    | 1,000                    |   |
|             | 581          | Capital - Contractual Services                        |                    | 8,030,000                |   |
|             |              | PT Line Construction                                  | 6,000,000          | **                       | 1 |
|             |              | PT Mitigation/Roads                                   | 650,000            | **                       | 1 |
|             |              | PT Permits  | 175,000            | **                       | 1 |
|             |              | PT ROW/Easements                                      | 500,000            | **                       | 1 |
|             |              | Gold Creek Substation                                 | 505,000            | **                       | 1 |
|             |              | LiDAR - Transmission Fixes                            | 50,000             | ***                      | 3 |
|             |              | BPA Engineering Studies - Chicken Creek Substation    | 60,000             | ***                      | 3 |
|             |              | OKPUD Preliminary Study - Chicken Creek Substation    | 15,000             | ***                      | 3 |
|             |              | Okanogan-Brewster Transmission Rebuild                | 65,000             | ***                      | 3 |
|             |              | Misc. Property Survey                                 | 10,000             | ***                      | 3 |
|             | 591          | Capital - Materials and Supplies                      |                    | 1,860,000                |   |
|             |              | PT Line - Transmission and Distribution Materials     | 1,250,000          | **                       | 1 |
|             |              | Gold Creek Substation                                 | 320,000            | **                       | 1 |
|             |              | Twisp Substation Modifications                        | 250,000            | ***                      | 3 |
|             |              | Loup Transmission Line Re-Route into Twisp Substation | 40,000             | ***                      | 3 |

\*\* The District expects to spend \$2,000,000 in 2014 and reserve the balance to complete the project.  
 \*\*\* Staff will get Board approval prior to incurring expenses for Priority 3 capital items and will provide an explanation of the funding source for the item.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>    | <u>Description</u>                              | <u>Budget<br/>Amount</u> |
|-------------|--------------|--------------------|---|--------------------------|
| 1           | 20           | <b>Engineering</b> |   | <b>828,800</b>           |
|             |              | 010                | Wages   | 161,500                  |
|             |              | 011                | Benefits  | 69,100                   |
|             |              | 020                | Travel  | 5,800                    |
|             |              | 021                | Training, Tuition and Meeting Fees              | 4,300                    |
|             |              | 030                | Transportation                                  | 11,400                   |
|             |              | 060                | Postage, Printing and Stationery                | 500                      |
|             |              | 070                | Advertising                                     | 300                      |
|             |              | 084                | Permits and Fees                                | 500                      |
|             |              |                    | Miscellaneous                                   | 500                      |
|             |              | 090                | Materials and Supplies                          | 15,000                   |
|             |              | 092                | Miscellaneous                                   | 400                      |
|             |              | 581                | Capital - Contractual Services                  | 150,000                  |
|             |              |                    | Engineering - Large System Projects             | 150,000 ***              |
|             |              | 591                | Capital - Materials and Supplies                | 410,000                  |
|             |              |                    | Okanogan 115kv Bus Differential                 | 10,000 ***               |
|             |              |                    | SCADA   | 50,000 ***               |
|             |              |                    | OCB, Regulators, Reclosers, etc.                | 320,000 ***              |
|             |              |                    | Battery Replacements Identified by NERC Testing | 30,000 ***               |

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**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>   | <u>Description</u>                            | <u>Budget<br/>Amount</u> |   |
|-------------|--------------|-------------------|---|--------------------------|---|
| 1           | 21           | <b>Operations</b> |   | <b>10,847,600</b>        |   |
|             |              | 010               | Wages   | 3,527,900                |   |
|             |              | 011               | Benefits                                      | 1,397,000                |   |
|             |              | 020               | Travel  | 11,400                   |   |
|             |              | 021               | Training, Tuition and Meeting Fees            | 22,000                   |   |
|             |              | 030               | Transportation                                | 731,600                  |   |
|             |              | 050               | Utilities                                     | 200                      |   |
|             |              | 060               | Postage, Printing and Stationery              | 3,000                    |   |
|             |              | 070               | Advertising                                   | 1,000                    |   |
|             |              | 080               | Misc. Contractual Services                    | 646,100                  |   |
|             |              |                   | CDL Testing Program                           | 6,000                    |   |
|             |              |                   | Employee Dispatch                             | 9,600                    |   |
|             |              |                   | Janitorial Services (BR, TO and OR)           | 8,500                    |   |
|             |              |                   | Pole Testing                                  | 115,000                  |   |
|             |              |                   | Safety Training                               | 40,000                   |   |
|             |              |                   | Tree Trimming                                 | 455,000                  |   |
|             |              |                   | Underground Locate Service                    | 3,000                    |   |
|             |              |                   | Weed Control                                  | 9,000                    |   |
|             |              | 082               | Maintenance Contracts                         | 94,000                   |   |
|             |              |                   | HVAC Maintenance                              | 32,000                   |   |
|             |              |                   | Landscape Maintenance                         | 9,000                    |   |
|             |              |                   | Snowplowing and Sweeping                      | 15,000                   |   |
|             |              |                   | Omak Office - Asphalt Repair, Seal and Stripe | 10,000                   |   |
|             |              |                   | Okanogan Office - Asphalt, Seal and Stripe    | 20,000                   |   |
|             |              |                   | Brewster Office - Exterior Repair and Paint   | 8,000                    |   |
|             |              | 084               | Permits and Fees                              | 1,000                    |   |
|             |              |                   | Miscellaneous                                 | 1,000                    |   |
|             |              | 085               | Rents and Leases                              | 1,000                    |   |
|             |              |                   | Pole Contacts                                 | 1,000                    |   |
|             |              | 090               | Materials and Supplies                        | 582,000                  |   |
|             |              |                   | General                                       | 550,000                  |   |
|             |              |                   | Fire Resistant Clothing                       | 24,500                   |   |
|             |              |                   | Fire Resistant Raingear                       | 7,500                    |   |
|             |              | 091               | Small Tools (under \$1,000)                   | 8,500                    |   |
|             |              |                   | Brewster                                      | 1,500                    |   |
|             |              |                   | Okanogan                                      | 3,500                    |   |
|             |              |                   | Oroville                                      | 1,500                    |   |
|             |              |                   | Vehicle Shop/Electric Shop                    | 2,000                    |   |
|             |              | 092               | Miscellaneous                                 | 10,400                   |   |
|             |              |                   | Lineman Rodeo (Fees, Travel and Supplies)     | 10,000                   |   |
|             |              |                   | Safety Meeting Refreshments                   | 400                      |   |
|             |              | 581               | Capital - Contractual Services                | 400,000                  |   |
|             |              |                   | Contract Labor                                | 100,000                  | 2 |
|             |              |                   | Underground Replacements                      | 300,000                  | 2 |
|             |              | 591               | Capital - Materials and Supplies              | 1,225,000                |   |
|             |              |                   | Normal Replacements and Extensions            | 1,100,000                | 2 |
|             |              |                   | Cutout Replacement                            | 125,000                  | 2 |
|             |              | 592               | Capital - Meter Purchases                     | 70,000                   |   |
|             |              |                   | Metering Special Projects                     | 30,000 ***               | 3 |
|             |              |                   | PME Meter Replacements                        | 40,000 ***               | 3 |
|             |              | 593               | Capital - Transformer Purchases               | 400,000                  |   |
|             |              |                   | Normal Additions/Replacements                 | 400,000                  | 2 |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                               |           | <u>Budget<br/>Amount</u> |   |
|-------------|--------------|-----------------|--|-----------|--------------------------|---|
|             | 710          |                 | Capital - Tools & Equipment (\$1,000 to \$2,000) | 2,500     | ***                      | 3 |
|             | 711          |                 | Capital - Buildings                              | 410,000   |                          |   |
|             |              |                 | Headquarters - Emergency Generator Loadbank      | 8,000     | ***                      | 3 |
|             |              |                 | Okanogan or Sandflat Subs - Covered Storage      | 200,000   | ***                      | 3 |
|             |              |                 | Headquarters - Hardwater System                  | 9,000     | ***                      | 3 |
|             |              |                 | Warehouse - HVAC Replacement                     | 75,000    | ***                      | 3 |
|             |              |                 | Warehouse - Storage Container                    | 3,000     | ***                      | 3 |
|             |              |                 | Warehouse - Lights                               | 35,000    | ***                      | 3 |
|             |              |                 | Vehicle Shop - HVAC Replacement                  | 80,000    |                          | 1 |
|             | 712          |                 | Capital - Equipment (Over \$2,000)               | 84,000    |                          |   |
|             |              |                 | Electric Shop - Oil Filtration System            | 14,000    |                          | 2 |
|             |              |                 | Electric Shop - Portable Oil Test Set            | 12,000    |                          | 2 |
|             |              |                 | Electric Shop - Pipe Threading Machine           | 6,000     | ***                      | 3 |
|             |              |                 | Electric Shop\Telecom - Air Compressor           | 12,000    | ***                      | 3 |
|             |              |                 | Electric Shop\Telecom - Battery Storage\Charging | 20,000    | ***                      | 3 |
|             |              |                 | Vehicle Shop - Parts Washer                      | 5,500     |                          | 2 |
|             |              |                 | Vehicle Shop - Iron Worker Attachments           | 14,500    | ***                      | 3 |
|             | 713          |                 | Capital - Vehicles                               | 1,219,000 |                          |   |
|             |              |                 | Bucket Truck - Replacement                       | 300,000   |                          | 1 |
|             |              |                 | Line Truck - Replacement                         | 375,000   | ***                      | 3 |
|             |              |                 | Warehouse Truck - Replacement                    | 375,000   | ***                      | 3 |
|             |              |                 | Backhoe Trailer - Replacement                    | 35,000    | ***                      | 3 |
|             |              |                 | Service Trucks (2) - Replacements                | 90,000    | ***                      | 3 |
|             |              |                 | Cab\Chassis - Reuse and Remount Boom             | 80,000    | ***                      | 3 |
|             |              |                 | Foreman Truck - Replacement                      | 90,000    | ***                      | 3 |
|             |              |                 | Pickup Truck - Replacements (4)                  | 120,000   | ***                      | 3 |
|             |              |                 | Large SUV  | 30,000    | ***                      | 3 |
|             |              |                 | Less: Transportation System Depreciation         | (276,000) |                          | 2 |

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**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|
| 1           | 22           |                 | <b>Environmental</b>               | <b>110,000</b>           |
|             |              | 010             | Wages                              | 62,100                   |
|             |              | 011             | Benefits                           | 28,500                   |
|             |              | 020             | Travel                             | 3,000                    |
|             |              | 021             | Training, Tuition and Meeting Fees | 2,400                    |
|             |              | 030             | Transportation                     | 500                      |
|             |              | 080             | Misc. Contractual Services         | 6,500                    |
|             |              |                 | Miscellaneous                      | 6,500                    |
|             |              | 083             | Software Licenses and Support      | 2,000                    |
|             |              | 090             | Materials and Supplies             | 5,000                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u> | <u>Budget<br/>Amount</u> |
|-------------|--------------|--|--------------------|--------------------------|
| 1           | 30           | <b>Customer Service</b>                          |                    | <b>1,296,600</b>         |
|             | 010          | Wages  |                    | 657,200                  |
|             | 011          | Benefits   |                    | 331,200                  |
|             | 020          | Travel   |                    | 4,000                    |
|             | 021          | Training, Tuition and Meeting Fees               |                    | 2,500                    |
|             | 030          | Transportation                                   |                    | 38,900                   |
|             | 060          | Postage, Printing and Stationery                 |                    | 137,600                  |
|             |              | Postage and Printing - NISC                      | 108,800            |                          |
|             |              | Postage - PUD                                    | 19,200             |                          |
|             |              | Printing - Misc.                                 | 9,600              |                          |
|             | 080          | Misc. Contractual Services                       |                    | 52,200                   |
|             |              | CIS Programming                                  | 5,000              |                          |
|             |              | Collection Service - Credit Bureau               | 4,000              |                          |
|             |              | Credit Reporting Agency                          | 3,200              |                          |
|             |              | Electronic Payments Fees                         | 40,000             |                          |
|             | 082          | Maintenance Contracts                            |                    | 500                      |
|             | 083          | Software Licenses and Support                    |                    | 5,000                    |
|             |              | RemitPlus Check Scanning and Recognition Support | 5,000              |                          |
|             | 084          | Permits and Fees                                 |                    | 300                      |
|             |              | Miscellaneous Fees (Notaries, etc.)              | 300                |                          |
|             | 085          | Rents and Leases                                 |                    | 5,200                    |
|             |              | Office Rent MVCC                                 | 4,900              |                          |
|             |              | Miscellaneous                                    | 300                |                          |
|             | 090          | Materials and Supplies                           |                    | 26,000                   |
|             |              | General  | 26,000             |                          |
|             | 091          | Small Tools (under \$1,000)                      |                    | 1,500                    |
|             | 092          | Miscellaneous                                    |                    | 34,500                   |
|             |              | Miscellaneous Expenses                           | 600                |                          |
|             |              | Net Account Receivable Writeoffs                 | 33,900             |                          |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                       | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
| 1           | 35           |                 | <b>Conservation/Consumer Information</b> | <b>615,000</b>           |
|             |              | 010             | Wages                                    | 63,900                   |
|             |              | 011             | Benefits                                 | 24,900                   |
|             |              | 020             | Travel                                   | 3,000                    |
|             |              | 021             | Training, Tuition and Meeting Fees       | 2,000                    |
|             |              | 030             | Transportation                           | 6,400                    |
|             |              | 060             | Postage, Printing and Stationery         | 3,000                    |
|             |              |                 | Miscellaneous                            | 3,000                    |
|             |              | 070             | Advertising                              | 17,000                   |
|             |              | 071             | Conservation Expenditures                | 472,400                  |
|             |              |                 | District Conservation Programs           | 472,400                  |
|             |              | 080             | Misc. Contractual Services               | 20,000                   |
|             |              |                 | Electric Education Programs              | 20,000                   |
|             |              | 090             | Materials and Supplies                   | 2,200                    |
|             |              | 092             | Miscellaneous                            | 200                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                            | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|--|--------------------|----------------------|
| 1           | 40           | <b>General Administration</b>              |                    | <b>8,725,300</b>     |
|             | 010          | Wages                                      |                    | 1,136,200            |
|             | 011          | Benefits                                   |                    | 465,800              |
|             | 020          | Travel                                     |                    | 24,400               |
|             |              | General                                    | 13,600             |                      |
|             |              | Accounting and Finance                     | 5,000              |                      |
|             |              | Human Resource                             | 3,800              |                      |
|             |              | Leadership                                 | 2,000              |                      |
|             | 021          | Training, Tuition and Meeting Fees         |                    | 11,100               |
|             |              | General                                    | 2,500              |                      |
|             |              | Accounting and Finance                     | 5,000              |                      |
|             |              | Human Resource                             | 1,600              |                      |
|             |              | Leadership                                 | 2,000              |                      |
|             | 030          | Transportation                             |                    | 2,600                |
|             | 040          | Insurance (Property/Liability)             |                    | 319,600              |
|             | 050          | Utilities                                  |                    | 95,600               |
|             |              | Cell Phone Service                         | 8,600              |                      |
|             |              | Electrical Service                         | 8,700              |                      |
|             |              | Telephone Service                          | 48,100             |                      |
|             |              | Water/Sewer/Garbage                        | 30,200             |                      |
|             | 060          | Postage, Printing and Stationery           |                    | 4,900                |
|             | 070          | Advertising                                |                    | 300                  |
|             | 080          | Misc. Contractual Services                 |                    | 498,700              |
|             |              | APPA Dues                                  | 13,700             |                      |
|             |              | Audit Costs                                | 74,400             |                      |
|             |              | Banking Fees                               | 51,800             |                      |
|             |              | Benefits Administration                    | 11,300             |                      |
|             |              | Bond Admin Fee                             | 1,600              |                      |
|             |              | Chamber of Commerce Dues                   | 800                |                      |
|             |              | CWPU/UIP Expenses                          | 27,500             |                      |
|             |              | Economic Alliance                          | 6,000              |                      |
|             |              | Financial Studies                          | 50,000             |                      |
|             |              | Fire Alarm Monitoring                      | 400                |                      |
|             |              | Foundation for Water and Energy            | 2,000              |                      |
|             |              | Janitorial Services (OK and OM)            | 49,500             |                      |
|             |              | Legislative Consultant                     | 37,200             |                      |
|             |              | Misc. Services/Consulting                  | 23,500             |                      |
|             |              | NW Public Power Assoc. Dues/NW Wage & Hour | 28,600             |                      |
|             |              | PPC - Dues                                 | 27,400             |                      |
|             |              | PPC - NW River Partners                    | 12,400             |                      |
|             |              | Standard and Poors                         | 7,700              |                      |
|             |              | WA PUD Association Dues                    | 72,900             |                      |
|             | 081          | Legal Services                             |                    | 300,000              |
|             |              | General Counsel                            | 225,000            |                      |
|             |              | Misc. Attorney Fees                        | 75,000             |                      |
|             | 082          | Maintenance Contracts                      |                    | 13,900               |
|             |              | Copier Maintenance - HQ Building           | 10,000             |                      |
|             |              | Elevator Maintenance                       | 3,900              |                      |
|             | 084          | Permits and Fees                           |                    | 2,700                |
|             |              | WA State Purchasing Coop                   | 2,000              |                      |
|             |              | WA State L&I Right to Know                 | 300                |                      |
|             |              | Misc.                                      | 400                |                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                     | <u>Description</u> |       | <u>Budget<br/>Amount</u> |       |
|-------------|--------------|---|--------------------|-------|--------------------------|-------|
|             | 085          | Rents and Leases                                    |                    |       | 9,500                    |       |
|             |              | Copier Lease  |                    | 8,800 |                          |       |
|             |              | P.O. Box Rent                                       |                    | 700   |                          |       |
|             | 090          | Materials and Supplies                              |                    |       | 40,600                   |       |
|             | 091          | Small Tools (under \$1,000)                         |                    |       | 1,000                    |       |
|             | 092          | Miscellaneous                                       |                    |       | 19,200                   |       |
|             |              | Clothing for Identification                         |                    | 1,200 |                          |       |
|             |              | Deductibles/Damage Claims                           |                    | 4,000 |                          |       |
|             |              | Election Costs                                      |                    | 4,100 |                          |       |
|             |              | Employee Day  |                    | 3,300 |                          |       |
|             |              | Meeting Expenses                                    |                    | 1,800 |                          |       |
|             |              | Misc. Expenses (Wellness, Interview and Moving Exp) |                    | 3,600 |                          |       |
|             |              | Service Awards and Costs                            |                    | 1,200 |                          |       |
|             | 099          | Unforeseen Operating Contingency                    |                    |       | 100,000                  |       |
|             | 210          | Taxes   |                    |       | 2,570,000                |       |
|             | 710          | Capital - Tools & Equipment (\$1,000 to \$2,000)    |                    |       | 2,000                    | *** 3 |
|             | 810          | Debt Service - Principal                            |                    |       | 1,447,200                |       |
|             | 811          | Debt Service - Interest                             |                    |       | 1,560,000                |       |
|             | 901          | Unforeseen Capital Contingency                      |                    |       | 100,000                  | 2     |

\*\*\* Staff will get Board approval prior to incurring expenses for Priority 3 capital items and will provide an explanation of the funding source for the item.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2014 ADOPTED BUDGET - DECEMBER 10, 2013**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                          | <u>Description</u> | <u>Budget Amount</u> |
|-------------|--------------|--|--------------------|----------------------|
| 1           | 41           | <b>Information Systems</b>               |                    | <b>1,410,100</b>     |
|             | 010          | Wages                                    |                    | 296,700              |
|             | 011          | Benefits                                 |                    | 131,700              |
|             | 020          | Travel                                   |                    | 5,000                |
|             | 021          | Training, Tuition and Meeting Fees       |                    | 6,000                |
|             | 030          | Transportation                           |                    | 1,500                |
|             | 080          | Misc. Contractual Services               |                    | 47,000               |
|             |              | Consulting                               | 15,000             |                      |
|             |              | Security System Monitoring               | 3,000              |                      |
|             |              | Key Card System                          | 2,000              |                      |
|             |              | Origin to WindmilMap Conversion          | 27,000             |                      |
|             | 082          | Maintenance Contracts                    |                    | 35,300               |
|             |              | Branch Office Multi Function Printer     | 1,500              |                      |
|             |              | Datacenter Liebert Units                 | 5,400              |                      |
|             |              | NetApp SAN Hardware/Software - Current   | 25,000             |                      |
|             |              | Server Hardware Maintenance              | 3,400              |                      |
|             | 083          | Software Licenses and Support            |                    | 494,700              |
|             |              | 3rd Party Patch Management               | 4,500              |                      |
|             |              | Aclara - TWACS Support                   | 18,000             |                      |
|             |              | Aclara - Upgrade to new iiDEAS           | 10,000             |                      |
|             |              | Certs SSL                                | 1,500              |                      |
|             |              | LocalTel Phone System - Maintenance      | 13,500             |                      |
|             |              | Microsoft Software                       | 20,200             |                      |
|             |              | NISC Custom Programming                  | 5,000              |                      |
|             |              | NISC Maintenance                         | 130,000            |                      |
|             |              | NISC MDMS Implementation                 | 36,000             |                      |
|             |              | NISC MDMS Annual Fee                     | 23,200             |                      |
|             |              | Domain Registrations                     | 600                |                      |
|             |              | Programming Software                     | 500                |                      |
|             |              | SonicWALL - ESA                          | 2,200              |                      |
|             |              | Symantec Software and Support            | 14,700             |                      |
|             |              | VMWare Software Support (IS)             | 6,000              |                      |
|             |              | MS SQL Server                            | 700                |                      |
|             |              | Milsoft - WindMilMap                     | 27,000             |                      |
|             |              | AutoCad                                  | 2,500              |                      |
|             |              | ESRI                                     | 6,200              |                      |
|             |              | Futura                                   | 16,000             |                      |
|             |              | GeoNav                                   | 3,000              |                      |
|             |              | Itron Engineering Analysis               | 78,500             |                      |
|             |              | Itron Engineering Analysis - Maintenance | 4,500              |                      |
|             |              | Itron Staker                             | 20,000             |                      |
|             |              | Itron Staker - Reporting                 | 10,000             |                      |
|             |              | TL-PRO Design Studio                     | 5,000              |                      |
|             |              | OSI                                      | 19,500             |                      |
|             |              | Trimble Field Inspector                  | 1,400              |                      |
|             |              | Allison Transmission Diagnostic Software | 800                |                      |
|             |              | Mitchell Diagnostic Software             | 1,500              |                      |
|             |              | MSDS On Line                             | 2,200              |                      |
|             |              | Cummins Tool Software                    | 700                |                      |
|             |              | Fastenal Tool Inventory                  | 1,200              |                      |
|             |              | Max Force                                | 600                |                      |
|             |              | Zonar Vehicle Tracking                   | 7,500              |                      |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                    | <u>Description</u>                               |            | <u>Budget<br/>Amount</u> |   |
|-------------|--------------|------------------------------------|--|------------|--------------------------|---|
|             | 085          | Rents and Leases                   |  |            | 26,800                   |   |
|             |              |                                    | Okanogan Mailing Equipment                       | 13,000     |                          |   |
|             |              |                                    | Branch Office Mailing Equipment                  | 3,000      |                          |   |
|             |              |                                    | Branch Office MFP                                | 10,800     |                          |   |
|             | 090          | Materials and Supplies             |  |            | 10,000                   |   |
|             | 091          | Small Tools (under \$1,000)        |  |            | 10,000                   |   |
|             | 712          | Capital - Equipment (Over \$2,000) |  |            | 307,900                  |   |
|             |              |                                    | Virtual Environment                              | 105,000    |                          | 2 |
|             |              |                                    | HP Autoloader LTO5                               | 5,500      |                          | 2 |
|             |              |                                    | SQL Server - Operations                          | 6,000 ***  |                          | 3 |
|             |              |                                    | Trimble Field Inspection Unit - Operations       | 4,300 ***  |                          | 3 |
|             |              |                                    | Network Switch                                   | 1,500      |                          | 2 |
|             |              |                                    | SIEM - Log Management                            | 15,000 *** |                          | 3 |
|             |              |                                    | Phone System                                     | 5,600 ***  |                          | 3 |
|             |              |                                    | Keycard Systems - Readers and Controllers        | 50,000 *** |                          | 3 |
|             |              |                                    | Video Systems - Hardware                         | 20,000 *** |                          | 3 |
|             |              |                                    | Video Surveillance Software/Licenses             | 15,000 *** |                          | 3 |
|             |              |                                    | Video System Cameras - Subs, Yards & Fence Lines | 60,000 *** |                          | 3 |
|             |              |                                    | Video System Cameras - Branch Offices            | 10,000 *** |                          | 3 |
|             |              |                                    | Video Conferencing                               | 10,000 *** |                          | 3 |
|             | 714          | Capital - Personal Computers       |  |            | 37,500                   | 2 |

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**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|
| 1           | 50           |                 | <b>Commissioners</b>               | <b>184,700</b>           |
|             |              | 010             | Wages                              | 108,600                  |
|             |              | 011             | Benefits                           | 54,800                   |
|             |              | 020             | Travel                             | 17,000                   |
|             |              | 021             | Training, Tuition and Meeting Fees | 3,000                    |
|             |              | 090             | Materials and Supplies             | 1,000                    |
|             |              | 092             | Miscellaneous                      | 300                      |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                             | <u>Description</u> | <u>Budget<br/>Amount</u> |   |
|-------------|--------------|---|--------------------|--------------------------|---|
| 2           | 60           | <b>Broadband</b>                            |                    | <b>2,156,100</b>         |   |
|             | 010          | Wages                                       |                    | 281,200                  |   |
|             | 011          | Benefits                                    |                    | 125,400                  |   |
|             | 020          | Travel                                      |                    | 10,000                   |   |
|             | 021          | Training, Tuition and Meeting Fees          |                    | 12,000                   |   |
|             | 030          | Transportation                              |                    | 42,600                   |   |
|             | 060          | Postage, Printing and Stationery            |                    | 300                      |   |
|             | 080          | Misc. Contractual Services                  |                    | 133,400                  |   |
|             |              | NoaNet Calea Services                       | 8,400              |                          |   |
|             |              | Network Consulting/Software Development     | 100,000            |                          |   |
|             |              | NRC 10G add/drop at Spokane USB             | 25,000             |                          |   |
|             | 081          | Legal Services                              |                    | 10,000                   |   |
|             | 082          | Maintenance Contracts                       |                    | 147,100                  |   |
|             |              | Motorola - New Access Points                | 54,700             |                          |   |
|             |              | Cambium Networks                            | 4,600              |                          |   |
|             |              | Cisco SmartNet                              | 10,200             |                          |   |
|             |              | WWP Lightning Edge/Ciena Devices            | 57,600             |                          |   |
|             |              | ADVA Optical                                | 20,000             |                          |   |
|             | 083          | Software Licenses and Support               |                    | 38,400                   |   |
|             |              | NetZoom                                     | 2,100              |                          |   |
|             |              | Microsoft Software                          | 1,700              |                          |   |
|             |              | Symantec Software and Support               | 4,500              |                          |   |
|             |              | VMWare                                      | 4,000              |                          |   |
|             |              | Ciena                                       | 10,000             |                          |   |
|             |              | Solar Winds                                 | 8,100              |                          |   |
|             |              | MapInfo Professional                        | 500                |                          |   |
|             |              | Server License and Software Upgrades        | 7,500              |                          |   |
|             | 084          | Permits and Fees                            |                    | 71,500                   |   |
|             |              | Upstream Internet Bandwidth                 | 66,500             |                          |   |
|             |              | ARIN ASN & IP Address Allocation            | 5,000              |                          |   |
|             | 085          | Rents and Leases                            |                    | 138,900                  |   |
|             |              | DCPUD Dark Fiber Leases                     | 29,200             |                          |   |
|             |              | Co-location                                 | 10,400             |                          |   |
|             |              | Protect Path Ring                           | 75,300             |                          |   |
|             |              | Wireless Site Lease                         | 24,000             |                          |   |
|             | 090          | Materials and Supplies                      |                    | 85,500                   |   |
|             |              | HVAC Maintenance and Repair                 | 10,000             |                          |   |
|             |              | Switch/Network HW Upgrades                  | 10,000             |                          |   |
|             |              | Fiber Plant Maintenance - Broadband         | 50,000             |                          |   |
|             |              | Battery Plant - Maintenance and Replacement | 6,100              |                          |   |
|             |              | UPS/Rectifier - Maintenance and Replacement | 7,100              |                          |   |
|             |              | Backup Tapes                                | 500                |                          |   |
|             |              | Equipment Calibration                       | 1,800              |                          |   |
|             | 091          | Small Tools (under \$1,000)                 |                    | 1,000                    |   |
|             | 210          | Taxes                                       |                    | 11,000                   |   |
|             | 591          | Capital - Materials and Supplies            |                    | 266,900                  |   |
|             |              | WiFi Sites                                  | 75,000             |                          | 2 |
|             |              | Fiber Build - Berney Ranch to SitnBull      | 18,500             |                          | 2 |
|             |              | Fiber Build - SitnBull to Sackman's         | 5,900              |                          | 2 |
|             |              | Fiber Build - Sackman's to Shady Pines      | 3,200              |                          | 2 |
|             |              | Network Hardware Replacement - EOL          | 7,000              |                          | 2 |
|             |              | Optics                                      | 17,300             |                          | 2 |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                    | <u>Description</u>        |         | <u>Budget<br/>Amount</u> |          |
|-------------|--------------|------------------------------------|---------------------------|---------|--------------------------|----------|
|             |              |                                    | Fiber Distribution Builds | 60,000  |                          | <b>2</b> |
|             |              |                                    | Wireless Subscriber Units | 80,000  |                          | <b>2</b> |
|             | 712          | Capital - Equipment (Over \$2,000) |                           |         | 30,000                   |          |
|             |              |                                    | Tools                     | 5,000   |                          | <b>2</b> |
|             |              |                                    | Test Equipment            | 25,000  |                          | <b>2</b> |
|             | 810          | Debt Service - Principal           |                           |         | 354,100                  |          |
|             |              |                                    | Loan - Electric           | 197,800 |                          |          |
|             |              |                                    | Operating Line - Electric | 0       |                          |          |
|             |              |                                    | Loan - ARRA               | 156,300 |                          |          |
|             | 811          | Debt Service - Interest            |                           |         | 396,800                  |          |
|             |              |                                    | Loan - Electric           | 80,500  |                          |          |
|             |              |                                    | Operating Line - Electric | 186,600 |                          |          |
|             |              |                                    | Loan - ARRA               | 129,700 |                          |          |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                            | <u>Description</u> | <u>Budget<br/>Amount</u> |
|-------------|--------------|--|--------------------|--------------------------|
| 1           | 61           | <b>Internal Communications</b>             |                    | <b>422,600</b>           |
|             | 010          | Wages                                      |                    | 137,300                  |
|             | 011          | Benefits                                   |                    | 55,900                   |
|             | 020          | Travel                                     |                    | 5,000                    |
|             | 021          | Training, Tuition and Meeting Fees         |                    | 5,000                    |
|             | 030          | Transportation                             |                    | 4,900                    |
|             | 060          | Postage, Printing and Stationery           |                    | 300                      |
|             | 080          | Misc. Contractual Services                 |                    | 75,000                   |
|             |              | Radio System Coverage Analysis             | 75,000             |                          |
|             | 082          | Maintenance Contracts                      |                    | 21,000                   |
|             |              | Fire Alarm System                          | 2,000              |                          |
|             |              | UHF Radio System                           | 19,000             |                          |
|             | 083          | Software Licenses and Support              |                    | 8,800                    |
|             |              | Cisco Smartnet                             | 300                |                          |
|             |              | MapInfo Software Support                   | 500                |                          |
|             |              | Fiber Mapping Software Support             | 8,000              |                          |
|             | 084          | Permits and Fees                           |                    | 3,000                    |
|             |              | Right of Way - USFS, DOT, etc.             | 3,000              |                          |
|             | 085          | Rents and Leases                           |                    | 29,400                   |
|             |              | UHF Site Lease - Little Buck Mtn.          | 2,500              |                          |
|             |              | UHF Site Lease - Aeneas Mtn.               | 2,500              |                          |
|             |              | UHF Site Lease - Goat Mtn.                 | 600                |                          |
|             |              | UHF Site Lease - Omak Mtn.                 | 2,500              |                          |
|             |              | UHF Site Lease - McClure Mtn.              | 1,200              |                          |
|             |              | UHF Site Lease - Tunk Mtn.                 | 2,400              |                          |
|             |              | Dark Fiber Lease - Brewster to Wells Dam   | 17,700             |                          |
|             | 090          | Materials and Supplies                     |                    | 10,000                   |
|             |              | General Materials and Supplies             | 10,000             |                          |
|             | 091          | Small Tools (under \$1,000)                |                    | 2,000                    |
|             | 591          | Capital - Materials and Supplies           |                    | 15,000                   |
|             |              | Fiber Rework - 1st and 2nd Avenue Okanogan | 15,000             | <b>2</b>                 |
|             | 712          | Capital - Equipment (Over \$2,000)         |                    | 50,000                   |
|             |              | UHF Radio System Overhaul - Jackass Butte  | 50,000             | <b>2</b>                 |

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2014 ADOPTED BUDGET - DECEMBER 10, 2013  
EXPENDITURE DETAIL

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                           | <u>Budget<br/>Amount</u> |
|-------------|--------------|-----------------|--|--------------------------|
|             |              |                 | <b>TOTAL EXPENDITURES AND CAPITAL OUTLAY</b> | <b>64,417,500</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2015 ADOPTED BUDGET - DECEMBER 15, 2014**  
**OVERVIEW**

**HIGHLIGHTS**

- \$6.8 million transfer from reserves, which is a \$7.4 million decrease over the 2014 adopted budget.
- Revenues cover debt service and operating expenses by \$11.9 million.
- Retail Electric Sales increased \$2.3 million to \$44.9 million.
- Wholesale Electric Sales increased \$139,800 - The increase in sales is due to a higher estimated market pricing than was used when estimating 2014 Wholesale Sales.
- Purchased Power - The largest operating expenditure in the budget increased \$57,700 to \$23.3 million.
- Capital Outlays account for \$18.8 million - see a summary of Capital Projects below.
- Debt Service Coverage Ratio is estimated at 3.08 times annual debt service payments; bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at 7.17; District's target is 1.5 times.

**REVENUES of \$59.8 million - Assumptions Used**

- **Retail Electric Sales:** Predicting a 1% load growth, no added large single load and a July 1st 2% rate increase.
- **Wholesale Electric:** Sales based on a 3/4 to median water year, ten year average wind and previous two years' average market pricing.
- **Wholesale Telecommunications:** Based on current revenue levels.
- **Interest:** Return on investments of between .10%(LGIP) and .20%(CDs).
- **Miscellaneous:** Previous twelve months revenue and Build America Bond reimbursement of \$406,000.
- **Rental Income:** Based on current revenue levels.
- **Construction Contributions:** Estimated using previous two years' average.
- **Grant Proceeds:** Anticipated reimbursements of \$472,400 from BPA, \$6.2 million for the Carlton Fire and \$438,700 for the ARRA Project.

**EXPENDITURES \$44.1 million - Assumptions Used**

- **Wages:** Three more employees than in the 2014 adopted budget. The wages reflect a general wage increase of 2%.
- **Benefits:** Based on August 2013 thru July 2014 actual percentage of wages. Range of 32.9% through 49.4% (ave. 40.8%).
- **Purchased Power:** Wells Project costs effective September 2014 and BPA rates effective October 2014.
- **Other Expenditures:** Other expenses are based on known 2015 costs. If costs are not specifically known, a 2% increase was estimated.

**DEBT SERVICE \$3.7 million**

- **Principal and Interest:** Per debt service schedules and ARRA estimated debt service.

**CAPITAL OUTLAY \$18.8 million - Summary Listing**

- Methow Transmission Line and Substation \$9,930,000.
- Carlton Fire Restoration \$2,150,000.
- **Enloe Dam \$1,764,000.**
- Normal Renewals and Replacements \$4,230,000.
- Priority 3 Capital Outlays \$708,100.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
BUDGET SUMMARY**

| <u>Description</u>                  | <u>Electric</u>    | <u>Broadband</u> | <u>Total</u>       |
|-------------------------------------|--------------------|------------------|--------------------|
| <b><u>REVENUE</u></b>               |                    |                  |                    |
| Sales - Retail                      | 44,867,000         |                  | 44,867,000         |
| Sales - Electric Wholesale          | 2,975,000          |                  | 2,975,000          |
| Sales - Broadband Wholesale         |                    | 2,550,000        | 2,550,000          |
| Interest                            | 41,000             |                  | 41,000             |
| Miscellaneous                       | 1,094,000          |                  | 1,094,000          |
| Rental Income                       | 110,000            |                  | 110,000            |
| Construction Contribution           | 997,000            |                  | 997,000            |
| Grant Proceeds                      | 6,720,400          | 438,700          | 7,159,100          |
| <b>Total Revenue</b>                | <b>56,804,400</b>  | <b>2,988,700</b> | <b>59,793,100</b>  |
| <b><u>EXPENDITURES</u></b>          |                    |                  |                    |
| Wages                               | 7,418,400          | 326,800          | 7,745,200          |
| Benefits                            | 2,955,200          | 146,400          | 3,101,600          |
| Travel                              | 141,500            | 15,000           | 156,500            |
| Training, Tuition and Meeting Fees  | 95,500             | 15,000           | 110,500            |
| Transportation                      | 823,700            | 58,000           | 881,700            |
| Insurance                           | 336,500            |                  | 336,500            |
| Utilities                           | 100,800            |                  | 100,800            |
| Postage, Printing and Stationery    | 152,100            | 300              | 152,400            |
| Advertising                         | 24,100             |                  | 24,100             |
| Conservation Expenditures           | 472,400            |                  | 472,400            |
| Misc. Contractual Services          | 2,327,800          | 229,200          | 2,557,000          |
| Legal Services                      | 281,100            | 10,000           | 291,100            |
| Maintenance Contracts               | 233,300            | 157,500          | 390,800            |
| Software Licenses and Support       | 574,800            | 63,000           | 637,800            |
| Permits and Fees                    | 16,600             | 69,800           | 86,400             |
| Rents and Leases                    | 89,800             | 68,400           | 158,200            |
| Materials and Supplies              | 666,700            | 95,700           | 762,400            |
| Small Tools (under \$1,000)         | 36,800             | 1,000            | 37,800             |
| Miscellaneous                       | 66,600             |                  | 66,600             |
| Unforeseen Operating Contingency    | 100,000            |                  | 100,000            |
| Purchased Power                     | 23,285,000         |                  | 23,285,000         |
| Taxes                               | 2,677,000          | 13,000           | 2,690,000          |
| <b>Total Expenditures</b>           | <b>42,875,700</b>  | <b>1,269,100</b> | <b>44,144,800</b>  |
| <b><u>DEBT SERVICE</u></b>          |                    |                  |                    |
| Debt Service - Principal            | 1,482,300          | 358,600          | 1,840,900          |
| Debt Service - Interest             | 1,517,400          | 355,700          | 1,873,100          |
| <b>Total Debt Service</b>           | <b>2,999,700</b>   | <b>714,300</b>   | <b>3,714,000</b>   |
| <b>AVAILABLE FOR CAPITAL OUTLAY</b> | <b>10,929,000</b>  | <b>1,005,300</b> | <b>11,934,300</b>  |
| <b><u>CAPITAL OUTLAY</u></b>        |                    |                  |                    |
| Capital - Contractual Services      | 12,475,000         |                  | 12,475,000         |
| Capital - Materials and Supplies    | 4,198,000          | 342,100          | 4,540,100          |
| Capital - Meter Purchases           | 119,000            |                  | 119,000            |
| Capital - Transformer Purchases     | 400,000            |                  | 400,000            |
| Capital - Tools and Equipment       | 6,500              |                  | 6,500              |
| Capital - Buildings                 | 354,000            |                  | 354,000            |
| Capital - Equipment (Over \$2,000)  | 435,700            | 101,100          | 536,800            |
| Capital - Vehicles                  | 224,000            |                  | 224,000            |
| Capital - Personal Computers        | 26,700             |                  | 26,700             |
| Unforeseen Capital Contingency      | 100,000            |                  | 100,000            |
| <b>Total Capital Outlay</b>         | <b>18,338,900</b>  | <b>443,200</b>   | <b>18,782,100</b>  |
| <b>RESERVES/DEBT</b>                | <b>(7,409,900)</b> | <b>562,100</b>   | <b>(6,847,800)</b> |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2015 ADOPTED BUDGET - DECEMBER 15, 2014**  
**2014 ADOPTED BUDGET COMPARED TO 2015 ADOPTED BUDGET**

| REVENUE                             | Electric System     |                    |                    |                               | Broadband        |                  |                  |                               | Total               |                    |                    |                               |
|-------------------------------------|---------------------|--------------------|--------------------|-------------------------------|------------------|------------------|------------------|-------------------------------|---------------------|--------------------|--------------------|-------------------------------|
|                                     | Adopted 2014        | Projected 2014     | Adopted 2015       | 2014 Adopted/<br>2015 Adopted | Adopted 2014     | Projected 2014   | Adopted 2015     | 2014 Adopted/<br>2015 Adopted | Adopted 2014        | Projected 2014     | Adopted 2015       | 2014 Adopted/<br>2015 Adopted |
| Sales - Retail                      | 42,501,700          | 42,565,000         | 44,867,000         | 2,365,300                     | 0                | 0                | 0                | 0                             | 42,501,700          | 42,565,000         | 44,867,000         | 2,365,300                     |
| Sales - Electric Wholesale          | 2,835,200           | 4,343,000          | 2,975,000          | 139,800                       | 0                | 0                | 0                | 0                             | 2,835,200           | 4,343,000          | 2,975,000          | 139,800                       |
| Sales - Broadband Wholesale         | 0                   | 0                  | 0                  | 0                             | 2,200,000        | 2,525,000        | 2,550,000        | 350,000                       | 2,200,000           | 2,525,000          | 2,550,000          | 350,000                       |
| Interest                            | 50,000              | 38,000             | 41,000             | (9,000)                       | 0                | 0                | 0                | 0                             | 50,000              | 38,000             | 41,000             | (9,000)                       |
| Miscellaneous                       | 1,104,000           | 1,071,000          | 1,094,000          | (10,000)                      | 0                | 17,000           | 0                | 0                             | 1,104,000           | 1,088,000          | 1,094,000          | (10,000)                      |
| Rental Income                       | 108,000             | 109,000            | 110,000            | 2,000                         | 0                | 0                | 0                | 0                             | 108,000             | 109,000            | 110,000            | 2,000                         |
| Construction Contribution           | 917,000             | 1,293,000          | 997,000            | 80,000                        | 0                | 0                | 0                | 0                             | 917,000             | 1,293,000          | 997,000            | 80,000                        |
| Grant Proceeds                      | 472,400             | 3,311,000          | 6,720,400          | 6,248,000                     | 0                | 279,000          | 438,700          | 438,700                       | 472,400             | 3,590,000          | 7,159,100          | 6,686,700                     |
| <b>Total Revenue</b>                | <b>47,988,300</b>   | <b>52,730,000</b>  | <b>56,804,400</b>  | <b>8,816,100</b>              | <b>2,200,000</b> | <b>2,821,000</b> | <b>2,988,700</b> | <b>788,700</b>                | <b>50,188,300</b>   | <b>55,551,000</b>  | <b>59,793,100</b>  | <b>9,604,800</b>              |
| <b>EXPENDITURES</b>                 |                     |                    |                    |                               |                  |                  |                  |                               |                     |                    |                    |                               |
| Wages                               | 6,998,100           | 7,435,000          | 7,418,400          | 420,300                       | 281,200          | 472,000          | 326,800          | 45,600                        | 7,279,300           | 7,907,000          | 7,745,200          | 465,900                       |
| Benefits                            | 2,920,400           | 2,838,000          | 2,955,200          | 34,800                        | 125,400          | 193,000          | 146,400          | 21,000                        | 3,045,800           | 3,031,000          | 3,101,600          | 55,800                        |
| Travel                              | 115,900             | 76,000             | 141,500            | 25,600                        | 10,000           | 5,000            | 15,000           | 5,000                         | 125,900             | 81,000             | 156,500            | 30,600                        |
| Training, Tuition and Meeting Fees  | 69,900              | 33,000             | 95,500             | 25,600                        | 12,000           | 11,000           | 15,000           | 3,000                         | 81,900              | 44,000             | 110,500            | 28,600                        |
| Transportation                      | 828,200             | 997,000            | 823,700            | (4,500)                       | 42,600           | 51,000           | 58,000           | 15,400                        | 870,800             | 1,048,000          | 881,700            | 10,900                        |
| Insurance                           | 319,600             | 375,000            | 336,500            | 16,900                        | 0                | 0                | 0                | 0                             | 319,600             | 375,000            | 336,500            | 16,900                        |
| Utilities                           | 95,800              | 95,000             | 100,800            | 5,000                         | 0                | 0                | 0                | 0                             | 95,800              | 95,000             | 100,800            | 5,000                         |
| Postage, Printing and Stationery    | 149,400             | 128,000            | 152,100            | 2,700                         | 300              | 1,000            | 300              | 0                             | 149,700             | 129,000            | 152,400            | 2,700                         |
| Advertising                         | 18,600              | 23,000             | 24,100             | 5,500                         | 0                | 0                | 0                | 0                             | 18,600              | 23,000             | 24,100             | 5,500                         |
| Conservation Expenditures           | 472,400             | 472,000            | 472,400            | 0                             | 0                | 0                | 0                | 0                             | 472,400             | 472,000            | 472,400            | 0                             |
| Misc. Contractual Services          | 1,791,600           | 1,718,000          | 2,327,800          | 536,200                       | 133,400          | 7,000            | 229,200          | 95,800                        | 1,925,000           | 1,725,000          | 2,557,000          | 632,000                       |
| Legal Services                      | 300,000             | 199,000            | 281,100            | (18,900)                      | 10,000           | 6,000            | 10,000           | 0                             | 310,000             | 205,000            | 291,100            | (18,900)                      |
| Maintenance Contracts               | 164,700             | 123,000            | 233,300            | 68,600                        | 147,100          | 154,000          | 157,500          | 10,400                        | 311,800             | 277,000            | 390,800            | 79,000                        |
| Software Licenses and Support       | 705,500             | 520,000            | 574,800            | (130,700)                     | 38,400           | 21,000           | 63,000           | 24,600                        | 743,900             | 541,000            | 637,800            | (106,100)                     |
| Permits and Fees                    | 16,500              | 2,000              | 16,600             | 100                           | 71,500           | 52,000           | 69,800           | (1,700)                       | 88,000              | 54,000             | 86,400             | (1,600)                       |
| Rents and Leases                    | 80,900              | 80,000             | 89,800             | 8,900                         | 138,900          | 188,000          | 68,400           | (70,500)                      | 219,800             | 268,000            | 158,200            | (61,600)                      |
| Materials and Supplies              | 697,500             | 505,000            | 666,700            | (30,800)                      | 85,500           | 72,000           | 95,700           | 10,200                        | 783,000             | 577,000            | 762,400            | (20,600)                      |
| Small Tools (under \$1,000)         | 24,000              | 3,000              | 36,800             | 12,800                        | 1,000            | 1,000            | 1,000            | 0                             | 25,000              | 4,000              | 37,800             | 12,800                        |
| Miscellaneous                       | 65,000              | 48,000             | 66,600             | 1,600                         | 0                | 0                | 0                | 0                             | 65,000              | 48,000             | 66,600             | 1,600                         |
| Unforeseen Operating Contingency    | 100,000             | 155,000            | 100,000            | 0                             | 0                | 1,000            | 0                | 0                             | 100,000             | 156,000            | 100,000            | 0                             |
| Purchased Power                     | 23,227,300          | 24,201,000         | 23,285,000         | 57,700                        | 0                | 0                | 0                | 0                             | 23,227,300          | 24,201,000         | 23,285,000         | 57,700                        |
| Taxes                               | 2,570,000           | 2,655,000          | 2,677,000          | 107,000                       | 11,000           | 13,000           | 13,000           | 2,000                         | 2,581,000           | 2,668,000          | 2,690,000          | 109,000                       |
| <b>Total Expenditures</b>           | <b>41,731,300</b>   | <b>42,681,000</b>  | <b>42,875,700</b>  | <b>1,144,400</b>              | <b>1,108,300</b> | <b>1,248,000</b> | <b>1,269,100</b> | <b>160,800</b>                | <b>42,839,600</b>   | <b>43,929,000</b>  | <b>44,144,800</b>  | <b>1,305,200</b>              |
| <b>DEBT SERVICE</b>                 |                     |                    |                    |                               |                  |                  |                  |                               |                     |                    |                    |                               |
| Debt Service - Principal            | 1,447,200           | 1,367,000          | 1,482,300          | 35,100                        | 354,100          | 286,000          | 358,600          | 4,500                         | 1,801,300           | 1,653,000          | 1,840,900          | 39,600                        |
| Debt Service - Interest             | 1,560,000           | 1,490,000          | 1,517,400          | (42,600)                      | 396,800          | 331,000          | 355,700          | (41,100)                      | 1,956,800           | 1,821,000          | 1,873,100          | (83,700)                      |
| <b>Total Debt Service</b>           | <b>3,007,200</b>    | <b>2,857,000</b>   | <b>2,999,700</b>   | <b>(7,500)</b>                | <b>750,900</b>   | <b>617,000</b>   | <b>714,300</b>   | <b>(36,600)</b>               | <b>3,758,100</b>    | <b>3,474,000</b>   | <b>3,714,000</b>   | <b>(44,100)</b>               |
| <b>AVAILABLE FOR CAPITAL OUTLAY</b> | <b>3,249,800</b>    | <b>7,192,000</b>   | <b>10,929,000</b>  | <b>7,679,200</b>              | <b>340,800</b>   | <b>956,000</b>   | <b>1,005,300</b> | <b>664,500</b>                | <b>3,590,600</b>    | <b>8,148,000</b>   | <b>11,934,300</b>  | <b>8,343,700</b>              |
| <b>CAPITAL OUTLAY</b>               |                     |                    |                    |                               |                  |                  |                  |                               |                     |                    |                    |                               |
| Capital - Contractual Services      | 11,165,000          | 617,000            | 12,475,000         | 1,310,000                     | 0                | 53,000           | 0                | 0                             | 11,165,000          | 670,000            | 12,475,000         | 1,310,000                     |
| Capital - Materials and Supplies    | 3,675,000           | 2,471,000          | 4,198,000          | 523,000                       | 266,900          | 78,000           | 342,100          | 75,200                        | 3,941,900           | 2,549,000          | 4,540,100          | 598,200                       |
| Capital - Meter Purchases           | 70,000              | (8,000)            | 119,000            | 49,000                        | 0                | 0                | 0                | 0                             | 70,000              | (8,000)            | 119,000            | 49,000                        |
| Capital - Transformer Purchases     | 400,000             | 400,000            | 400,000            | 0                             | 0                | 0                | 0                | 0                             | 400,000             | 400,000            | 400,000            | 0                             |
| Capital - Tools and Equipment       | 4,500               | 0                  | 6,500              | 2,000                         | 0                | 0                | 0                | 0                             | 4,500               | 0                  | 6,500              | 2,000                         |
| Capital - Buildings                 | 410,000             | 101,000            | 354,000            | (56,000)                      | 0                | 0                | 0                | 0                             | 410,000             | 101,000            | 354,000            | (56,000)                      |
| Capital - Equipment (Over \$2,000)  | 441,900             | 119,000            | 435,700            | (6,200)                       | 30,000           | 63,000           | 101,100          | 71,100                        | 471,900             | 182,000            | 536,800            | 64,900                        |
| Capital - Vehicles                  | 1,219,000           | 43,000             | 224,000            | (995,000)                     | 0                | 0                | 0                | 0                             | 1,219,000           | 43,000             | 224,000            | (995,000)                     |
| Capital - Personal Computers        | 37,500              | 38,000             | 26,700             | (10,800)                      | 0                | 0                | 0                | 0                             | 37,500              | 38,000             | 26,700             | (10,800)                      |
| Unforeseen Capital Contingency      | 100,000             | 4,882,000          | 100,000            | 0                             | 0                | 1,739,000        | 0                | 0                             | 100,000             | 6,621,000          | 100,000            | 0                             |
| <b>Total Capital Outlay</b>         | <b>17,522,900</b>   | <b>8,663,000</b>   | <b>18,338,900</b>  | <b>816,000</b>                | <b>296,900</b>   | <b>1,933,000</b> | <b>443,200</b>   | <b>146,300</b>                | <b>17,819,800</b>   | <b>10,596,000</b>  | <b>18,782,100</b>  | <b>962,300</b>                |
| <b>RESERVES/DEBT</b>                | <b>(14,273,100)</b> | <b>(1,471,000)</b> | <b>(7,409,900)</b> | <b>6,863,200</b>              | <b>43,900</b>    | <b>(977,000)</b> | <b>562,100</b>   | <b>518,200</b>                | <b>(14,229,200)</b> | <b>(2,448,000)</b> | <b>(6,847,800)</b> | <b>7,381,400</b>              |

**PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN COUNTY**  
**2015 ADOPTED BUDGET - DECEMBER 15, 2014**  
**BUDGET COMPARISON 2008 ACTUALS THRU 2015 ADOPTED**

|                                     | 2008               |                    | 2009                |                     | 2010                |                     | 2011                |                    | 2012                |                    | 2013                |                    | 2014                |                    | 2015               |
|-------------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|--------------------|
|                                     | Budget             | Actual             | Budget              | Actual              | Budget              | Actual              | Budget              | Actual             | Budget              | Actual             | Budget              | Actuals            | Budget              | Projected          | Adopted            |
| <b>REVENUE</b>                      |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |                    |                     |                    |                    |
| Sales - Electric Retail             | 31,853,400         | 31,952,534         | 31,290,700          | 30,777,098          | 33,337,000          | 29,307,079          | 35,001,000          | 33,605,348         | 37,475,000          | 35,861,526         | 38,889,900          | 40,124,923         | 42,501,700          | 42,565,000         | 44,867,000         |
| Sales - Electric Wholesale          | 8,737,000          | 11,263,826         | 7,489,500           | 4,198,884           | 4,937,000           | 5,801,903           | 5,490,000           | 6,741,526          | 2,742,000           | 3,531,677          | 2,360,300           | 5,132,272          | 2,835,200           | 4,343,000          | 2,975,000          |
| Sales - Broadband Wholesale         | 850,000            | 1,030,980          | 1,168,200           | 1,767,217           | 1,900,000           | 1,944,345           | 2,000,000           | 1,995,657          | 2,500,000           | 2,117,105          | 2,200,000           | 2,251,626          | 2,200,000           | 2,525,000          | 2,550,000          |
| Interest                            | 1,738,500          | 1,697,562          | 1,246,000           | 964,500             | 262,000             | 214,509             | 207,000             | 113,944            | 80,000              | 74,313             | 68,000              | 58,696             | 50,000              | 38,000             | 41,000             |
| Miscellaneous                       | 1,250,000          | 727,466            | 746,700             | 1,056,550           | 531,000             | 916,913             | 749,000             | 1,841,914          | 1,504,000           | 1,342,999          | 1,052,000           | 1,203,732          | 1,104,000           | 1,088,000          | 1,094,000          |
| Rental Income                       | 118,000            | 117,068            | 118,000             | 116,995             | 118,000             | 117,098             | 118,000             | 117,098            | 118,000             | 117,098            | 118,000             | 107,875            | 108,000             | 109,000            | 110,000            |
| Construction Contribution           | 1,600,000          | 1,795,823          | 1,600,000           | 884,844             | 542,000             | 996,025             | 820,000             | 974,691            | 1,059,000           | 991,816            | 1,104,000           | 990,163            | 917,000             | 1,293,000          | 997,000            |
| Grant Proceeds                      |                    |                    |                     |                     |                     |                     |                     |                    | 5,421,000           | 2,091,175          | 3,868,000           | 2,914,452          | 472,400             | 3,590,000          | 7,159,100          |
| <b>Total Revenue</b>                | <b>46,146,900</b>  | <b>48,585,259</b>  | <b>43,659,100</b>   | <b>39,766,088</b>   | <b>41,627,000</b>   | <b>39,297,872</b>   | <b>44,385,000</b>   | <b>45,390,178</b>  | <b>50,899,000</b>   | <b>46,127,709</b>  | <b>49,660,200</b>   | <b>52,783,739</b>  | <b>50,188,300</b>   | <b>55,551,000</b>  | <b>59,793,100</b>  |
| <b>EXPENDITURES</b>                 |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |                    |                     |                    |                    |
| Wages                               | 6,675,300          | 5,929,192          | 7,177,800           | 6,311,358           | 7,482,500           | 6,842,404           | 7,696,800           | 6,675,420          | 7,627,000           | 7,076,500          | 7,644,000           | 7,076,280          | 7,279,300           | 7,907,000          | 7,745,200          |
| Benefits                            | 2,182,700          | 2,035,454          | 2,368,600           | 2,532,708           | 2,618,900           | 2,373,456           | 2,544,600           | 2,394,707          | 2,716,400           | 2,633,239          | 2,938,000           | 2,895,392          | 3,045,800           | 3,031,000          | 3,101,600          |
| Travel                              | 125,500            | 140,556            | 267,600             | 124,077             | 244,700             | 124,532             | 185,900             | 122,664            | 170,800             | 116,854            | 154,000             | 84,407             | 125,900             | 81,000             | 156,500            |
| Training, Tuition and Meeting Fees  | 84,900             | 96,332             | 179,300             | 74,206              | 196,000             | 86,633              | 135,900             | 61,871             | 128,800             | 91,420             | 110,700             | 48,022             | 81,900              | 44,000             | 110,500            |
| Transportation                      | 627,300            | 687,840            | 695,400             | 783,135             | 757,000             | 924,761             | 903,500             | 835,496            | 829,300             | 825,034            | 843,100             | 848,903            | 870,800             | 1,048,000          | 881,700            |
| Insurance                           | 206,600            | 212,096            | 219,300             | 313,815             | 320,500             | 279,268             | 310,000             | 308,777            | 308,000             | 307,665            | 312,400             | 285,789            | 319,600             | 375,000            | 336,500            |
| Utilities                           | 65,900             | 69,183             | 73,100              | 75,014              | 75,600              | 87,580              | 97,200              | 82,874             | 85,800              | 91,668             | 88,900              | 95,307             | 95,800              | 95,000             | 100,800            |
| Postage, Printing and Stationary    | 105,500            | 111,096            | 122,700             | 104,646             | 117,200             | 106,436             | 198,400             | 142,313            | 193,000             | 141,003            | 151,100             | 139,314            | 149,700             | 129,000            | 152,400            |
| Advertising                         | 29,800             | 14,858             | 28,500              | 29,848              | 31,500              | 21,817              | 37,700              | 26,321             | 22,300              | 18,742             | 23,000              | 15,435             | 18,600              | 23,000             | 24,100             |
| Conservation Expenditures           | 274,700            | 286,121            | 203,700             | 340,016             | 276,000             | 430,665             | 372,800             | 294,811            | 460,000             | 428,365            | 480,000             | 369,514            | 472,400             | 472,000            | 472,400            |
| Misc. Contractual Services          | 2,400,700          | 2,171,518          | 2,350,200           | 2,067,841           | 2,994,400           | 1,908,893           | 2,508,600           | 1,441,439          | 2,213,800           | 1,993,088          | 2,063,800           | 1,514,903          | 1,925,000           | 1,725,000          | 2,557,000          |
| Legal Services                      | 64,500             | 155,895            | 374,800             | 296,977             | 364,100             | 240,533             | 314,100             | 323,826            | 319,100             | 257,876            | 329,500             | 266,784            | 310,000             | 205,000            | 291,100            |
| Maintenance Contracts               | 223,900            | 136,192            | 172,100             | 90,704              | 157,400             | 102,674             | 177,600             | 127,661            | 185,900             | 208,019            | 338,000             | 282,513            | 311,800             | 277,000            | 390,800            |
| Software Licenses and Support       | 137,200            | 154,785            | 187,700             | 183,255             | 264,500             | 241,644             | 317,400             | 223,978            | 445,200             | 263,155            | 678,900             | 468,830            | 743,900             | 541,000            | 637,800            |
| Permits and Fees                    | 41,300             | 85,420             | 116,400             | 103,281             | 104,400             | 104,237             | 368,300             | 162,253            | 160,500             | 137,887            | 90,500              | 61,760             | 88,000              | 54,000             | 86,400             |
| Rents and Leases                    | 136,000            | 139,093            | 154,400             | 151,378             | 148,300             | 161,484             | 148,300             | 104,237            | 280,000             | 220,978            | 272,300             | 281,988            | 219,800             | 268,000            | 158,200            |
| Materials and Supplies              | 550,000            | 882,014            | 720,400             | 773,077             | 932,000             | 840,196             | 930,400             | 592,470            | 797,000             | 743,578            | 754,400             | 638,865            | 783,000             | 577,000            | 762,400            |
| Small Tools (under \$1,000)         | 43,600             | 38,941             | 44,300              | 60,736              | 69,300              | 25,196              | 68,800              | 25,664             | 43,300              | 15,366             | 48,300              | 6,591              | 25,000              | 4,000              | 37,800             |
| Miscellaneous                       | 83,700             | 81,974             | 64,000              | 48,492              | 101,000             | 45,911              | 74,100              | 105,491            | 100,300             | 58,933             | 72,500              | 53,676             | 65,000              | 48,000             | 66,600             |
| Unforeseen Operating Contingency    |                    |                    |                     |                     |                     |                     |                     |                    | 100,000             | 14,099             | 100,000             | 147,210            | 100,000             | 156,000            | 100,000            |
| Purchased Power                     | 24,243,700         | 24,686,109         | 21,213,700          | 21,822,349          | 24,158,000          | 23,895,600          | 25,373,000          | 24,060,574         | 23,220,100          | 22,284,244         | 23,376,800          | 22,835,780         | 23,227,300          | 24,201,000         | 23,285,000         |
| Taxes                               | 1,947,500          | 1,921,891          | 1,927,000           | 1,876,406           | 2,020,200           | 1,839,337           | 2,119,000           | 2,138,550          | 2,298,700           | 2,220,162          | 2,370,400           | 2,413,881          | 2,581,000           | 2,668,000          | 2,690,000          |
| <b>Total Expenditures</b>           | <b>40,250,300</b>  | <b>40,036,560</b>  | <b>38,616,000</b>   | <b>38,163,319</b>   | <b>43,433,500</b>   | <b>40,683,257</b>   | <b>45,019,200</b>   | <b>40,312,983</b>  | <b>42,705,300</b>   | <b>40,147,875</b>  | <b>43,240,600</b>   | <b>40,831,144</b>  | <b>42,839,600</b>   | <b>43,929,000</b>  | <b>44,144,800</b>  |
| <b>DEBT SERVICE</b>                 |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |                    |                     |                    |                    |
| Debt Service - Principal            | 810,000            | 812,118            | 835,000             | 837,916             | 870,000             | 873,334             | 1,190,000           | 1,183,749          | 1,555,000           | 1,574,421          | 1,717,000           | 1,668,642          | 1,801,300           | 1,653,000          | 1,840,900          |
| Debt Service - Interest             | 753,300            | 798,800            | 722,600             | 767,367             | 684,100             | 992,487             | 2,241,100           | 2,068,361          | 1,919,000           | 2,018,950          | 1,971,900           | 2,005,443          | 1,956,800           | 1,821,000          | 1,873,100          |
| <b>Total Debt Service</b>           | <b>1,563,300</b>   | <b>1,610,918</b>   | <b>1,557,600</b>    | <b>1,605,283</b>    | <b>1,554,100</b>    | <b>1,865,821</b>    | <b>3,431,100</b>    | <b>3,252,110</b>   | <b>3,474,000</b>    | <b>3,593,371</b>   | <b>3,688,900</b>    | <b>3,674,085</b>   | <b>3,758,100</b>    | <b>3,474,000</b>   | <b>3,714,000</b>   |
| <b>AVAILABLE FOR CAPITAL OUTLAY</b> | <b>4,333,300</b>   | <b>6,937,781</b>   | <b>3,485,500</b>    | <b>(2,514)</b>      | <b>(3,360,600)</b>  | <b>(3,251,206)</b>  | <b>(4,065,300)</b>  | <b>1,825,085</b>   | <b>4,719,700</b>    | <b>2,386,463</b>   | <b>2,730,700</b>    | <b>8,278,510</b>   | <b>3,590,600</b>    | <b>8,148,000</b>   | <b>11,934,300</b>  |
| <b>CAPITAL OUTLAY</b>               |                    |                    |                     |                     |                     |                     |                     |                    |                     |                    |                     |                    |                     |                    |                    |
| Capital - Contractual Services      | 3,986,700          | 2,042,651          | 10,158,000          | 1,761,846           | 11,208,000          | 1,759,767           | 10,500,000          | 2,279,483          | 9,686,400           | 2,350,626          | 6,472,500           | 7,350,382          | 11,165,000          | 670,000            | 12,475,000         |
| Capital - Materials and Supplies    | 4,827,600          | 4,783,802          | 9,326,100           | 5,270,105           | 8,796,000           | 6,189,149           | 5,636,700           | 3,283,116          | 13,051,400          | 5,196,359          | 7,894,400           | 1,930,443          | 3,941,900           | 2,549,000          | 4,540,100          |
| Capital - Meter Purchases           | 390,000            | 125,857            | 595,000             | 790,778             | 1,500,000           | 252,306             | 440,000             | 369,605            | 90,000              | 0                  | 90,000              | 19,620             | 70,000              | (8,000)            | 119,000            |
| Capital - Transformer Purchases     | 1,200,000          | 1,153,037          | 1,166,000           | 521,218             | 500,000             | 365,288             | 500,000             | 408,995            | 225,000             | 216,729            | 225,000             | 227,794            | 400,000             | 400,000            | 400,000            |
| Capital - Tools and Equipment       | 22,000             | 6,920              | 10,200              | 1,374               | 13,500              | 6,572               | 13,200              | 1,770              | 12,000              | 6,232              | 9,500               | 0                  | 4,500               | 0                  | 6,500              |
| Capital - Buildings                 | 778,600            | 240,876            | 6,984,500           | 3,932,356           | 3,094,000           | 4,274,502           | 42,000              | 40,475             | 7,500               | 1,969              | 685,000             | 20,992             | 410,000             | 101,000            | 354,000            |
| Capital - Equipment (Over \$2,000)  | 819,300            | 680,078            | 1,105,100           | 412,738             | 1,457,800           | 1,043,752           | 999,600             | 218,074            | 1,051,000           | 371,313            | 1,259,100           | 218,107            | 471,900             | 182,000            | 536,800            |
| Capital - Vehicles                  | 941,000            | 930,324            | 351,000             | 281,734             | (175,000)           | (219,097)           | 30,000              | (186,718)          | 315,300             | (310,574)          | 634,000             | (182,592)          | 1,219,000           | 43,000             | 224,000            |
| Capital - Personal Computers        | 78,500             | 56,993             | 58,600              | 39,551              | 70,600              | 59,792              | 57,300              | 40,751             | 48,100              | 30,680             | 54,200              | 35,384             | 37,500              | 38,000             | 26,700             |
| Unforeseen Capital Contingencies    | 100,000            | 31,359             | 100,000             | 42,005              | 100,000             | 16,131              | 100,000             | 47,639             | 100,000             | 3,679              | 100,000             | 45,883             | 100,000             | 6,621,000          | 100,000            |
| <b>Total Capital Outlay</b>         | <b>13,143,700</b>  | <b>10,051,897</b>  | <b>29,854,500</b>   | <b>13,053,705</b>   | <b>26,564,900</b>   | <b>13,748,162</b>   | <b>18,318,800</b>   | <b>6,503,190</b>   | <b>24,586,700</b>   | <b>7,867,013</b>   | <b>17,423,700</b>   | <b>9,666,013</b>   | <b>17,819,800</b>   | <b>10,596,000</b>  | <b>18,782,100</b>  |
| <b>RESERVES/DEBT</b>                | <b>(8,810,400)</b> | <b>(3,114,116)</b> | <b>(26,369,000)</b> | <b>(13,056,219)</b> | <b>(29,925,500)</b> | <b>(16,999,368)</b> | <b>(22,384,100)</b> | <b>(4,678,105)</b> | <b>(19,867,000)</b> | <b>(5,480,550)</b> | <b>(14,693,000)</b> | <b>(1,387,503)</b> | <b>(14,229,200)</b> | <b>(2,448,000)</b> | <b>(6,847,800)</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2015 ADOPTED BUDGET - DECEMBER 15, 2014**  
**EXPENDITURE SUMMARY BY DEPARTMENT**

| <u>Description</u>                     | <u>Generation</u> | <u>Power Supply</u> | <u>Const. Design</u> | <u>Eng.</u>    | <u>Operations</u> | <u>Enviro.</u> | <u>Customer Service</u> | <u>Cons.</u>   | <u>General Admin.</u> | <u>I.S.</u>      | <u>BOC</u>     | <u>Broadband</u> | <u>Internal Comm.</u> | <u>Total</u>      |
|--|-------------------|---------------------|----------------------|----------------|-------------------|----------------|-------------------------|----------------|-----------------------|------------------|----------------|------------------|-----------------------|-------------------|
| <b>EXPENDITURES</b>                    |                   |                     |                      |                |                   |                |                         |                |                       |                  |                |                  |                       |                   |
| 010 Wages                              | 179,800           | 123,900             | 780,600              | 160,100        | 3,639,700         | 63,400         | 654,100                 | 66,400         | 1,188,300             | 310,800          | 107,400        | 326,800          | 143,900               | 7,745,200         |
| 011 Benefits                           | 88,800            | 53,400              | 309,100              | 64,500         | 1,346,700         | 20,900         | 319,900                 | 27,500         | 482,400               | 139,200          | 46,700         | 146,400          | 56,100                | 3,101,600         |
| 020 Travel                             | 25,000            | 7,500               | 6,000                | 10,000         | 27,000            | 6,000          | 4,500                   | 3,000          | 26,800                | 5,000            | 15,700         | 15,000           | 5,000                 | 156,500           |
| 021 Training, Tuition and Meeting Fees | 7,000             | 7,500               | 9,000                | 15,000         | 20,000            | 3,000          | 2,500                   | 2,000          | 15,100                | 6,000            | 3,400          | 15,000           | 5,000                 | 110,500           |
| 030 Transportation                     | 1,200             | 800                 | 40,000               | 11,400         | 700,000           | 500            | 55,200                  | 4,200          | 3,800                 | 1,400            |                | 58,000           | 5,200                 | 881,700           |
| 040 Insurance                          |                   |                     |                      |                |                   |                |                         |                | 336,500               |                  |                |                  |                       | 336,500           |
| 050 Utilities                          |                   |                     |                      |                | 200               |                |                         |                | 100,600               |                  |                |                  |                       | 100,800           |
| 060 Postage, Printing and Stationery   |                   |                     |                      | 500            | 1,500             |                | 142,500                 | 3,000          | 4,300                 |                  |                | 300              | 300                   | 152,400           |
| 070 Advertising                        |                   |                     |                      | 3,000          | 1,000             |                |                         |                | 19,200                | 900              |                |                  |                       | 24,100            |
| 071 Conservation Expenditures          |                   |                     |                      |                |                   |                |                         | 472,400        |                       |                  |                |                  |                       | 472,400           |
| 080 Misc. Contractual Services         | 79,100            | 388,600             | 80,000               | 100,000        | 1,079,000         |                | 56,000                  | 20,000         | 425,600               | 49,500           |                | 229,200          | 50,000                | 2,557,000         |
| 081 Legal Services                     |                   |                     |                      |                |                   |                |                         |                | 281,100               |                  |                | 10,000           |                       | 291,100           |
| 082 Maintenance Contracts              |                   |                     |                      |                | 142,200           |                | 500                     |                | 12,000                | 56,600           |                | 157,500          | 22,000                | 390,800           |
| 083 Software Licenses and Support      | 5,000             | 184,600             | 4,000                |                |                   | 1,500          | 5,200                   |                | 11,100                | 358,600          |                | 63,000           | 8,800                 | 641,800           |
| 084 Permits and Fees                   | 5,000             |                     |                      | 500            | 1,000             | 100            | 300                     |                | 2,700                 |                  |                | 69,800           | 3,000                 | 82,400            |
| 085 Rents and Leases                   | 9,800             |                     |                      |                | 1,000             |                | 5,200                   |                | 10,300                | 26,800           |                | 68,400           | 36,700                | 158,200           |
| 090 Materials and Supplies             | 2,500             | 1,000               | 15,000               | 3,000          | 558,000           | 1,500          | 26,000                  | 2,200          | 36,200                | 10,000           | 1,300          | 95,700           | 10,000                | 762,400           |
| 091 Small Tools (under \$1,000)        |                   |                     | 2,000                |                | 20,000            |                | 1,500                   |                | 1,300                 | 10,000           |                | 1,000            | 2,000                 | 37,800            |
| 092 Miscellaneous                      |                   |                     |                      | 400            | 10,400            |                | 34,500                  | 200            | 20,700                |                  | 400            |                  |                       | 66,600            |
| 099 Unforeseen Operating Contingency   |                   |                     |                      |                |                   |                |                         |                | 100,000               |                  |                |                  |                       | 100,000           |
| 120 Purchased Power                    |                   | 23,285,000          |                      |                |                   |                |                         |                |                       |                  |                |                  |                       | 23,285,000        |
| 210 Taxes                              |                   |                     |                      |                |                   |                |                         |                | 2,677,000             |                  |                | 13,000           |                       | 2,690,000         |
| <b>Total Expenditures</b>              | <b>403,200</b>    | <b>24,052,300</b>   | <b>1,245,700</b>     | <b>368,400</b> | <b>7,547,700</b>  | <b>96,900</b>  | <b>1,307,900</b>        | <b>620,100</b> | <b>5,736,700</b>      | <b>973,900</b>   | <b>174,900</b> | <b>1,269,100</b> | <b>348,000</b>        | <b>44,144,800</b> |
| <b>DEBT SERVICE</b>                    |                   |                     |                      |                |                   |                |                         |                |                       |                  |                |                  |                       |                   |
| 810 Debt Service - Principal           |                   |                     |                      |                |                   |                |                         |                | 1,482,300             |                  |                | 358,600          |                       | 1,840,900         |
| 811 Debt Service - Interest            |                   |                     |                      |                |                   |                |                         |                | 1,517,400             |                  |                | 355,700          |                       | 1,873,100         |
| <b>Total Debt Service</b>              | <b>0</b>          | <b>0</b>            | <b>0</b>             | <b>0</b>       | <b>0</b>          | <b>0</b>       | <b>0</b>                | <b>0</b>       | <b>2,999,700</b>      | <b>0</b>         | <b>0</b>       | <b>714,300</b>   | <b>0</b>              | <b>3,714,000</b>  |
| <b>CAPITAL OUTLAY</b>                  |                   |                     |                      |                |                   |                |                         |                |                       |                  |                |                  |                       |                   |
| 581 Capital - Contractual Services     | 1,695,000         |                     | 10,100,000           | 180,000        | 500,000           |                |                         |                |                       |                  |                |                  |                       | 12,475,000        |
| 591 Capital - Materials and Supplies   | 39,000            |                     | 2,100,000            | 419,000        | 1,625,000         |                |                         |                |                       |                  |                | 342,100          | 15,000                | 4,540,100         |
| 592 Capital - Meter Purchases          |                   |                     |                      |                | 119,000           |                |                         |                |                       |                  |                |                  |                       | 119,000           |
| 593 Capital - Transformer Purchases    |                   |                     |                      |                | 400,000           |                |                         |                |                       |                  |                |                  |                       | 400,000           |
| 710 Capital - Tools and Equipment      |                   |                     |                      |                | 4,500             |                |                         |                | 2,000                 |                  |                |                  |                       | 6,500             |
| 711 Capital - Buildings                |                   |                     |                      |                | 354,000           |                |                         |                |                       |                  |                |                  |                       | 354,000           |
| 712 Capital - Equipment (Over \$2,000) |                   |                     |                      |                | 104,000           |                |                         |                |                       | 281,700          |                | 101,100          | 50,000                | 536,800           |
| 713 Capital - Vehicles                 |                   |                     |                      |                | 224,000           |                |                         |                |                       |                  |                |                  |                       | 224,000           |
| 714 Capital - Personal Computers       |                   |                     |                      |                |                   |                |                         |                |                       | 26,700           |                |                  |                       | 26,700            |
| 901 Unforeseen Capital Contingency     |                   |                     |                      |                |                   |                |                         |                | 100,000               |                  |                |                  |                       | 100,000           |
| <b>Total Capital Outlay</b>            | <b>1,734,000</b>  | <b>0</b>            | <b>12,200,000</b>    | <b>599,000</b> | <b>3,330,500</b>  | <b>0</b>       | <b>0</b>                | <b>0</b>       | <b>102,000</b>        | <b>308,400</b>   | <b>0</b>       | <b>443,200</b>   | <b>65,000</b>         | <b>18,782,100</b> |
| <b>Total Use of Resources</b>          | <b>2,137,200</b>  | <b>24,052,300</b>   | <b>13,445,700</b>    | <b>967,400</b> | <b>10,878,200</b> | <b>96,900</b>  | <b>1,307,900</b>        | <b>620,100</b> | <b>8,838,400</b>      | <b>1,282,300</b> | <b>174,900</b> | <b>2,426,600</b> | <b>413,000</b>        | <b>66,640,900</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
REVENUE DETAIL**

| <u>Div.</u> | <u>Activity</u>  | <u>Description</u>         | <u>Budget<br/>Amount</u> |
|-------------|------------------|----------------------------|--------------------------|
| 1           | <b>Electric</b>  |                            | <b>56,804,400</b>        |
|             | 001              | Sales - Retail             | 44,867,000               |
|             | 002              | Sales - Wholesale          | 2,975,000                |
|             | 003              | Interest                   | 41,000                   |
|             | 004              | Miscellaneous              | 1,094,000                |
|             | 005              | Rental Income              | 110,000                  |
|             | 006              | Construction Contributions | 997,000                  |
|             | 007              | Grant Proceeds             | 6,720,400                |
| 2           | <b>Broadband</b> |                            | <b>2,988,700</b>         |
|             | 002              | Sales - Wholesale          | 2,550,000                |
|             | 004              | Miscellaneous              | 0                        |
|             | 006              | Construction Contributions | 0                        |
|             | 007              | Grant Proceeds             | 438,700                  |
|             |                  | <b>TOTAL REVENUE</b>       | <b>59,793,100</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>   | <u>Description</u>                 | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-------------------|------------------------------------|--------------------------|-----------------------------|
| 1           | 10           | <b>Generation</b> |                                    | <b>2,137,200</b>         |                             |
|             |              | 010               | Wages                              | 179,800                  |                             |
|             |              | 011               | Benefits                           | 88,800                   |                             |
|             |              | 020               | Travel                             | 25,000                   |                             |
|             |              | 021               | Training, Tuition and Meeting Fees | 7,000                    |                             |
|             |              | 030               | Transportation                     | 1,200                    |                             |
|             |              | 080               | Misc. Contractual Service          | 79,100                   |                             |
|             |              | 083               | Software Licenses and Support      | 5,000                    |                             |
|             |              | 084               | Permits and Fees                   | 5,000                    |                             |
|             |              | 085               | Rent and Leases                    | 9,800                    |                             |
|             |              |                   | Ophir Site Lease                   | 9,800                    |                             |
|             |              | 090               | Materials and Supplies             | 2,500                    |                             |
|             |              | 581               | Capital - Contractual Services     | 1,695,000                | 1                           |
|             |              | 591               | Capital - Materials and Supplies   | 39,000                   | 1                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>     | <u>Description</u>                            | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|---------------------|---|--------------------------|-----------------------------|
| 1           | 11           | <b>Power Supply</b> |   | <b>24,052,300</b>        |                             |
|             |              | 010                 | Wages   | 123,900                  |                             |
|             |              | 011                 | Benefits                                      | 53,400                   |                             |
|             |              | 020                 | Travel  | 7,500                    |                             |
|             |              | 021                 | Training, Tuition and Meeting Fees            | 7,500                    |                             |
|             |              | 030                 | Transportation                                | 800                      |                             |
|             |              | 080                 | Misc. Contractual Services                    | 388,600                  |                             |
|             |              |                     | Douglas County PUD                            | 363,600                  |                             |
|             |              |                     | Professional Services (compliance/scheduling) | 10,000                   |                             |
|             |              |                     | Central Washington Power Authority            | 5,000                    |                             |
|             |              |                     | Slice Implementation Group                    | 10,000                   |                             |
|             |              | 083                 | Software Licenses and Support                 | 184,600                  |                             |
|             |              |                     | Slice Software Support Fee                    | 184,600                  |                             |
|             |              | 090                 | Materials and Supplies                        | 1,000                    |                             |
|             |              | 120                 | Purchased Power                               | 23,285,000               |                             |
|             |              |                     | BPA - Slice                                   | 8,002,400                |                             |
|             |              |                     | BPA - Block                                   | 5,495,600                |                             |
|             |              |                     | BPA - Transmission                            | 2,686,300                |                             |
|             |              |                     | Wells   | 4,220,700                |                             |
|             |              |                     | Nine Canyon                                   | 2,722,000                |                             |
|             |              |                     | Other - Market Purchases                      | 158,000                  |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>            | <u>Description</u>                                | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|----------------------------|---|--------------------------|-----------------------------|
| 1           | 19           | <b>Construction Design</b> |   | <b>13,445,700</b>        |                             |
|             |              | 010                        | Wages   | 780,600                  |                             |
|             |              | 011                        | Benefits  | 309,100                  |                             |
|             |              | 020                        | Travel  | 6,000                    |                             |
|             |              | 021                        | Training, Tuition and Meeting Fees                | 9,000                    |                             |
|             |              | 030                        | Transportation                                    | 40,000                   |                             |
|             |              | 080                        | Misc. Contractual Services                        | 80,000                   |                             |
|             |              |                            | BPA Engineering Studies - Chicken Creek Sub       | 60,000                   |                             |
|             |              |                            | OKPUD Preliminary Study - Chicken Creek Sub       | 20,000                   |                             |
|             |              | 084                        | Permits and Fees                                  | 4,000                    |                             |
|             |              |                            | Miscellaneous                                     | 4,000                    |                             |
|             |              | 090                        | Materials and Supplies                            | 15,000                   |                             |
|             |              | 091                        | Small Tools (under \$1,000)                       | 2,000                    |                             |
|             |              | 581                        | Capital - Contractual Services                    | 10,100,000               |                             |
|             |              |                            | PT Line Construction                              | 6,000,000                | 1                           |
|             |              |                            | PT Mitigation/Roads                               | 650,000                  | 1                           |
|             |              |                            | PT Permits  | 175,000                  | 1                           |
|             |              |                            | PT ROW/Easements                                  | 500,000                  | 1                           |
|             |              |                            | Gold Creek Substation                             | 505,000                  | 1                           |
|             |              |                            | LiDAR - Transmission Analysis/Fixes               | 50,000                   | 2                           |
|             |              |                            | Okanogan-Brewster Transmission Rebuild            | 60,000                   | 2                           |
|             |              |                            | Misc. Property Survey                             | 10,000                   | 2                           |
|             |              |                            | Carlton Fire Restoration - Transmission           | 1,200,000                | 1                           |
|             |              |                            | Carlton Fire Restoration - Distribution           | 950,000                  | 1                           |
|             |              | 591                        | Capital - Materials and Supplies                  | 2,100,000                |                             |
|             |              |                            | PT Line - Transmission and Distribution Materials | 1,250,000                | 1                           |
|             |              |                            | Gold Creek Substation                             | 400,000                  | 1                           |
|             |              |                            | Twisp Substation Modifications                    | 400,000                  | 1                           |
|             |              |                            | Loup Transmission Line Re-Route into Twisp Sub    | 50,000                   | 1                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                    | <u>Description</u> | <u>Budget Amount</u> | <u>Priority Ranking</u> |
|-------------|--------------|--|--------------------|----------------------|-------------------------|
| 1           | 20           | <b>Engineering</b>                                 |                    | <b>967,400</b>       |                         |
|             | 010          | Wages  |                    | 160,100              |                         |
|             | 011          | Benefits   |                    | 64,500               |                         |
|             | 020          | Travel   |                    | 10,000               |                         |
|             | 021          | Training, Tuition and Meeting Fees                 |                    | 15,000               |                         |
|             | 030          | Transportation                                     |                    | 11,400               |                         |
|             | 060          | Postage, Printing and Stationery                   |                    | 500                  |                         |
|             | 070          | Advertising  |                    | 3,000                |                         |
|             | 080          | Misc. Contractual Services                         |                    | 100,000              |                         |
|             |              | BPA Study - WECC De-Registration                   | 50,000             |                      |                         |
|             |              | Protective Relay/Instrument Transformer Testing    | 50,000             |                      |                         |
|             | 084          | Permits and Fees                                   |                    | 500                  |                         |
|             |              | Miscellaneous                                      | 500                |                      |                         |
|             | 090          | Materials and Supplies                             |                    | 3,000                |                         |
|             | 092          | Miscellaneous                                      |                    | 400                  |                         |
|             | 581          | Capital - Contractual Services                     |                    | 180,000              |                         |
|             |              | Engineering - Large System Projects                | 150,000            |                      | 2                       |
|             |              | Enloe Dam - PFMA (potential failure mode analysis) | 30,000             |                      | 1                       |
|             | 591          | Capital - Materials and Supplies                   |                    | 419,000              |                         |
|             |              | Okanogan 115kv Bus Differential                    | 17,000             |                      | 2                       |
|             |              | SCADA  | 52,000             |                      | 2                       |
|             |              | OCB, Regulators, Reclosers, etc.                   | 320,000            |                      | 2                       |
|             |              | Battery Replacements Identified by NERC Testing    | 30,000             |                      | 2                       |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>   | <u>Description</u>                            | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-------------------|---|--------------------------|-----------------------------|
| 1           | 21           | <b>Operations</b> |   | <b>10,878,200</b>        |                             |
|             |              | 010               | Wages   | 3,639,700                |                             |
|             |              | 011               | Benefits                                      | 1,346,700                |                             |
|             |              | 020               | Travel  | 27,000                   |                             |
|             |              | 021               | Training, Tuition and Meeting Fees            | 20,000                   |                             |
|             |              | 030               | Transportation                                | 700,000                  |                             |
|             |              | 050               | Utilities                                     | 200                      |                             |
|             |              | 060               | Postage, Printing and Stationery              | 1,500                    |                             |
|             |              | 070               | Advertising                                   | 1,000                    |                             |
|             |              | 080               | Misc. Contractual Services                    | 1,079,000                |                             |
|             |              |                   | CDL Testing Program                           | 6,000                    |                             |
|             |              |                   | Employee Dispatch                             | 120,000                  |                             |
|             |              |                   | Firealarm Testing and Monitoring              | 1,500                    |                             |
|             |              |                   | Janitorial Services (BR, TO and OR)           | 9,500                    |                             |
|             |              |                   | Janitorial Services (OK and OM)               | 50,000                   |                             |
|             |              |                   | Pole Testing                                  | 145,000                  |                             |
|             |              |                   | Safety Training                               | 40,000                   |                             |
|             |              |                   | Tree Trimming                                 | 695,000                  |                             |
|             |              |                   | Underground Locate Service                    | 3,000                    |                             |
|             |              |                   | Weed Control                                  | 9,000                    |                             |
|             |              | 082               | Maintenance Contracts                         | 142,200                  |                             |
|             |              |                   | Elevator Maintenance                          | 4,200                    |                             |
|             |              |                   | HQ General Maintenance                        | 40,000                   |                             |
|             |              |                   | HVAC Maintenance                              | 35,000                   |                             |
|             |              |                   | Landscape Maintenance                         | 10,000                   |                             |
|             |              |                   | Snowplowing and Sweeping                      | 15,000                   |                             |
|             |              |                   | Omak Office - Asphalt Repair, Seal and Stripe | 10,000                   |                             |
|             |              |                   | Okanogan Office - Asphalt, Seal and Stripe    | 20,000                   |                             |
|             |              |                   | Brewster Office - Exterior Repair and Paint   | 8,000                    |                             |
|             |              | 084               | Permits and Fees                              | 1,000                    |                             |
|             |              |                   | Miscellaneous                                 | 1,000                    |                             |
|             |              | 085               | Rents and Leases                              | 1,000                    |                             |
|             |              |                   | Pole Contacts                                 | 1,000                    |                             |
|             |              | 090               | Materials and Supplies                        | 558,000                  |                             |
|             |              |                   | General                                       | 500,000                  |                             |
|             |              |                   | Fall Protection                               | 21,000                   |                             |
|             |              |                   | Fire Resistant Clothing                       | 20,000                   |                             |
|             |              |                   | Fire Resistant Raingear                       | 17,000                   |                             |
|             |              | 091               | Small Tools (under \$1,000)                   | 20,000                   |                             |
|             |              |                   | Line  | 14,000                   |                             |
|             |              |                   | Telecom                                       | 2,000                    |                             |
|             |              |                   | Electric Shop                                 | 2,000                    |                             |
|             |              |                   | Vehicle Shop                                  | 2,000                    |                             |
|             |              | 092               | Miscellaneous                                 | 10,400                   |                             |
|             |              |                   | Lineman Rodeo (Fees, Travel and Supplies)     | 10,000                   |                             |
|             |              |                   | Safety Meeting Refreshments                   | 400                      |                             |
|             |              | 581               | Capital - Contractual Services                | 500,000                  |                             |
|             |              |                   | Contract Labor                                | 100,000                  | 2                           |
|             |              |                   | Underground Replacements                      | 400,000                  | 2                           |
|             |              | 591               | Capital - Materials and Supplies              | 1,625,000                |                             |
|             |              |                   | Normal Replacements and Extensions            | 1,100,000                | 2                           |
|             |              |                   | Avian Protection                              | 6,000                    | 2                           |
|             |              |                   | Cutout Replacement                            | 125,000                  | 2                           |
|             |              |                   | TNS-2000: Rebuild Havillah Road Phase 1       | 106,000                  | 2                           |
|             |              |                   | TNS-2000: Rebuild Havillah Road Phase 2       | 114,000                  | 3                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u>                                 |           | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|--|--|-----------|--------------------------|-----------------------------|
|             |              |  | WSS-3000: Rebuild Phase 1 from (3215-3300)         | 76,000    |                          | 3                           |
|             |              |  | MLS-1000: Rebuild towards Ophir Substation         | 62,000    |                          | 3                           |
|             |              |  | SFS-2000: Reconductor S. Fir; Ridge Dr./Radio Sta. | 12,000    |                          | 3                           |
|             |              |  | BWS-5000: Replace UG Brewster Hghts. Subdivision   | 24,000    |                          | 2                           |
| 592         |              | Capital - Meter Purchases                        |  |           | 119,000                  |                             |
|             |              |  | Metering Special Projects                          | 30,000    |                          | 2                           |
|             |              |  | PME Meter Replacements                             | 40,000    |                          | 2                           |
|             |              |  | Meters w/ Internal Breakers                        | 30,000    |                          | 2                           |
|             |              |  | K Switches   | 19,000    |                          | 2                           |
| 593         |              | Capital - Transformer Purchases                  |  |           | 400,000                  |                             |
|             |              |  | Normal Additions/Replacements                      | 400,000   |                          | 2                           |
| 710         |              | Capital - Tools & Equipment (\$1,000 to \$2,000) |  |           | 4,500                    | 2                           |
| 711         |              | Capital - Buildings                              |  |           | 354,000                  |                             |
|             |              |  | Headquarters - Emergency Generator Loadbank        | 8,000     |                          | 2                           |
|             |              |  | Headquarters - Hardwater System                    | 10,000    |                          | 2                           |
|             |              |  | Headquarters - HVAC Digital Control Project        | 6,000     |                          | 2                           |
|             |              |  | Headquarters - HVAC Roof Mist System Installation  | 2,000     |                          | 2                           |
|             |              |  | Headquarters - Network Room Gas Fire System        | 25,000    |                          | 2                           |
|             |              |  | Okanogan or Sandflat Subs - Covered Storage        | 200,000   |                          | 3                           |
|             |              |  | Oroville - Storage Building, Cover Ceiling         | 5,000     |                          | 2                           |
|             |              |  | Warehouse - HVAC Replacement                       | 75,000    |                          | 2                           |
|             |              |  | Warehouse - Storage Container                      | 3,000     |                          | 2                           |
|             |              |  | Warehouse - Lighting                               | 20,000    |                          | 2                           |
| 712         |              | Capital - Equipment (Over \$2,000)               |  |           | 104,000                  |                             |
|             |              |  | Electric Shop - Air Compressor                     | 13,000    |                          | 2                           |
|             |              |  | Electric Shop - Battery Testing Equipment          | 10,000    |                          | 2                           |
|             |              |  | Electric Shop - Pipe Threading Machine             | 6,000     |                          | 2                           |
|             |              |  | Electric Shop\Telecom - Battery Storage\Charging   | 20,000    |                          | 2                           |
|             |              |  | Line - High Voltage Amp Meters                     | 10,000    |                          | 2                           |
|             |              |  | Line - Boot Dryers                                 | 4,000     |                          | 2                           |
|             |              |  | Line - Servisavor (2)                              | 10,000    |                          | 2                           |
|             |              |  | Operations - Water Tank, Pump, Hose (slip in)      | 10,000    |                          | 2                           |
|             |              |  | Telecom - OTDR                                     | 7,000     |                          | 2                           |
|             |              |  | Vehicle Shop - Iron Worker Attachments             | 14,000    |                          | 2                           |
| 713         |              | Capital - Vehicles                               |  |           | 224,000                  |                             |
|             |              |  | Fleet  | 500,000   |                          | 2                           |
|             |              |  | Less: Transportation System Depreciation           | (276,000) |                          | 2                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|-----------------------------|
| 1           | 22           |                 | <b>Environmental</b>               | <b>96,900</b>            |                             |
|             |              | 010             | Wages                              | 63,400                   |                             |
|             |              | 011             | Benefits                           | 20,900                   |                             |
|             |              | 020             | Travel                             | 6,000                    |                             |
|             |              | 021             | Training, Tuition and Meeting Fees | 3,000                    |                             |
|             |              | 030             | Transportation                     | 500                      |                             |
|             |              | 083             | Software Licenses and Support      | 1,500                    |                             |
|             |              | 084             | Permits and Fees                   | 100                      |                             |
|             |              | 090             | Materials and Supplies             | 1,500                    |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u> | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|--|--------------------|--------------------------|-----------------------------|
| 1           | 30           | <b>Customer Service</b>                          |                    | <b>1,307,900</b>         |                             |
|             | 010          | Wages  |                    | 654,100                  |                             |
|             | 011          | Benefits   |                    | 319,900                  |                             |
|             | 020          | Travel   |                    | 4,500                    |                             |
|             | 021          | Training, Tuition and Meeting Fees               |                    | 2,500                    |                             |
|             | 030          | Transportation                                   |                    | 55,200                   |                             |
|             | 060          | Postage, Printing and Stationery                 |                    | 142,500                  |                             |
|             |              | Postage and Printing - NISC                      | 112,100            |                          |                             |
|             |              | Postage - PUD                                    | 19,800             |                          |                             |
|             |              | Printing - Misc.                                 | 10,600             |                          |                             |
|             | 080          | Misc. Contractual Services                       |                    | 56,000                   |                             |
|             |              | CIS Programming                                  | 5,000              |                          |                             |
|             |              | Collection Service - Credit Bureau               | 4,000              |                          |                             |
|             |              | Credit Reporting Agency                          | 3,200              |                          |                             |
|             |              | Electronic Payments Fees                         | 43,800             |                          |                             |
|             | 082          | Maintenance Contracts                            |                    | 500                      |                             |
|             | 083          | Software Licenses and Support                    |                    | 5,200                    |                             |
|             |              | RemitPlus Check Scanning and Recognition Support | 5,200              |                          |                             |
|             | 084          | Permits and Fees                                 |                    | 300                      |                             |
|             |              | Miscellaneous Fees (Notaries, etc.)              | 300                |                          |                             |
|             | 085          | Rents and Leases                                 |                    | 5,200                    |                             |
|             |              | Office Rent MVCC                                 | 4,900              |                          |                             |
|             |              | Miscellaneous                                    | 300                |                          |                             |
|             | 090          | Materials and Supplies                           |                    | 26,000                   |                             |
|             |              | General  | 26,000             |                          |                             |
|             | 091          | Small Tools (under \$1,000)                      |                    | 1,500                    |                             |
|             | 092          | Miscellaneous                                    |                    | 34,500                   |                             |
|             |              | Miscellaneous Expenses                           | 600                |                          |                             |
|             |              | Net Account Receivable Writeoffs                 | 33,900             |                          |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                       | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|--|--------------------------|-----------------------------|
| 1           | 35           |                 | <b>Conservation/Consumer Information</b> | <b>620,100</b>           |                             |
|             |              | 010             | Wages                                    | 66,400                   |                             |
|             |              | 011             | Benefits                                 | 27,500                   |                             |
|             |              | 020             | Travel                                   | 3,000                    |                             |
|             |              | 021             | Training, Tuition and Meeting Fees       | 2,000                    |                             |
|             |              | 030             | Transportation                           | 4,200                    |                             |
|             |              | 060             | Postage, Printing and Stationery         | 3,000                    |                             |
|             |              |                 | Miscellaneous                            | 3,000                    |                             |
|             |              | 070             | Advertising                              | 19,200                   |                             |
|             |              | 071             | Conservation Expenditures                | 472,400                  |                             |
|             |              |                 | District Conservation Programs           | 472,400                  |                             |
|             |              | 080             | Misc. Contractual Services               | 20,000                   |                             |
|             |              |                 | Electric Education Programs              | 20,000                   |                             |
|             |              | 090             | Materials and Supplies                   | 2,200                    |                             |
|             |              | 092             | Miscellaneous                            | 200                      |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                      | <u>Description</u> | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|--|--------------------|--------------------------|-----------------------------|
| 1           | 40           | <b>General Administration</b>                        |                    | <b>8,838,400</b>         |                             |
|             | 010          | Wages  |                    | 1,188,300                |                             |
|             | 011          | Benefits   |                    | 482,400                  |                             |
|             | 020          | Travel   |                    | 26,800                   |                             |
|             |              | General  | 12,700             |                          |                             |
|             |              | Accounting and Finance                               | 6,300              |                          |                             |
|             |              | Human Resource                                       | 4,300              |                          |                             |
|             |              | Leadership   | 3,500              |                          |                             |
|             | 021          | Training, Tuition and Meeting Fees                   |                    | 15,100                   |                             |
|             |              | General  | 2,900              |                          |                             |
|             |              | Accounting and Finance                               | 3,600              |                          |                             |
|             |              | Human Resource                                       | 1,600              |                          |                             |
|             |              | Educational Reimbursement                            | 3,500              |                          |                             |
|             |              | Leadership   | 3,500              |                          |                             |
|             | 030          | Transportation                                       |                    | 3,800                    |                             |
|             | 040          | Insurance (Property/Liability)                       |                    | 336,500                  |                             |
|             | 050          | Utilities  |                    | 100,600                  |                             |
|             |              | Cell Phone Service                                   | 8,400              |                          |                             |
|             |              | Electrical Service                                   | 10,800             |                          |                             |
|             |              | Telephone Service                                    | 49,900             |                          |                             |
|             |              | Water/Sewer/Garbage                                  | 31,500             |                          |                             |
|             | 060          | Postage, Printing and Stationery                     |                    | 4,300                    |                             |
|             | 070          | Advertising  |                    | 900                      |                             |
|             | 080          | Misc. Contractual Services                           |                    | 425,600                  |                             |
|             |              | APPA Dues  | 15,100             |                          |                             |
|             |              | Audit Costs  | 81,500             |                          |                             |
|             |              | Banking Fees   | 47,700             |                          |                             |
|             |              | Benefits Administration                              | 4,900              |                          |                             |
|             |              | Bond Admin Fee                                       | 1,600              |                          |                             |
|             |              | Chamber of Commerce Dues                             | 800                |                          |                             |
|             |              | CWPU/UIP Expenses                                    | 14,700             |                          |                             |
|             |              | Economic Alliance                                    | 6,000              |                          |                             |
|             |              | Financial Studies                                    | 50,000             |                          |                             |
|             |              | Foundation for Water and Energy                      | 2,000              |                          |                             |
|             |              | Legislative Consultant                               | 37,200             |                          |                             |
|             |              | Misc. Services/Consulting                            | 16,700             |                          |                             |
|             |              | NW Public Power Assoc. Dues/NW Wage & Hour           | 27,600             |                          |                             |
|             |              | PPC - Dues   | 26,800             |                          |                             |
|             |              | PPC - NW River Partners                              | 12,400             |                          |                             |
|             |              | Standard and Poors                                   | 7,700              |                          |                             |
|             |              | WA PUD Association Dues                              | 72,900             |                          |                             |
|             | 081          | Legal Services                                       |                    | 281,100                  |                             |
|             |              | General Counsel                                      | 206,100            |                          |                             |
|             |              | Misc. Attorney Fees                                  | 75,000             |                          |                             |
|             | 082          | Maintenance Contracts                                |                    | 12,000                   |                             |
|             |              | Copier Maintenance - HQ Building                     | 12,000             |                          |                             |
|             | 083          | Software Licenses and Support                        |                    | 11,100                   |                             |
|             |              | Performance Review Program (1/2 of cost is start up) | 11,100             |                          |                             |
|             | 084          | Permits and Fees                                     |                    | 2,700                    |                             |
|             |              | WA State Purchasing Coop                             | 2,000              |                          |                             |
|             |              | WA State L&I Right to Know                           | 200                |                          |                             |
|             |              | Misc.  | 500                |                          |                             |
|             | 085          | Rents and Leases                                     |                    | 10,300                   |                             |
|             |              | Copier Lease   | 9,600              |                          |                             |
|             |              | P.O. Box Rent  | 700                |                          |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                                  | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|---|--------------------------|-----------------------------|
|             | 090          |                 | Materials and Supplies                              | 36,200                   |                             |
|             | 091          |                 | Small Tools (under \$1,000)                         | 1,300                    |                             |
|             | 092          |                 | Miscellaneous                                       | 20,700                   |                             |
|             |              |                 | Clothing for Identification                         | 1,200                    |                             |
|             |              |                 | Deductibles/Damage Claims                           | 4,000                    |                             |
|             |              |                 | Election Costs                                      | 0                        |                             |
|             |              |                 | Employee Day  | 3,300                    |                             |
|             |              |                 | Meeting Expenses                                    | 300                      |                             |
|             |              |                 | Misc. Expenses (Wellness, Interview and Moving Exp) | 9,100                    |                             |
|             |              |                 | Service Awards and Costs                            | 2,800                    |                             |
|             | 099          |                 | Unforeseen Operating Contingency                    | 100,000                  |                             |
|             | 210          |                 | Taxes   | 2,677,000                |                             |
|             | 710          |                 | Capital - Tools & Equipment (\$1,000 to \$2,000)    | 2,000                    | 2                           |
|             | 713          |                 | Capital - Vehicles                                  | 0                        |                             |
|             | 810          |                 | Debt Service - Principal                            | 1,482,300                |                             |
|             | 811          |                 | Debt Service - Interest                             | 1,517,400                |                             |
|             | 901          |                 | Unforeseen Capital Contingency                      | 100,000                  | 2                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>            | <u>Description</u>                                 | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|----------------------------|--|--------------------------|-----------------------------|
| 1           | 41           | <b>Information Systems</b> |  | <b>1,282,300</b>         |                             |
|             |              | 010                        | Wages  | 310,800                  |                             |
|             |              | 011                        | Benefits   | 139,200                  |                             |
|             |              | 020                        | Travel   | 5,000                    |                             |
|             |              | 021                        | Training, Tuition and Meeting Fees                 | 6,000                    |                             |
|             |              | 030                        | Transportation                                     | 1,400                    |                             |
|             |              | 080                        | Misc. Contractual Services                         | 49,500                   |                             |
|             |              |                            | Consulting   | 15,000                   |                             |
|             |              |                            | Security System Monitoring                         | 3,000                    |                             |
|             |              |                            | Key Card System                                    | 2,500                    |                             |
|             |              |                            | Eaton Powerware                                    | 2,000                    |                             |
|             |              |                            | Origin to WindmilMap Conversion                    | 27,000                   |                             |
|             |              | 082                        | Maintenance Contracts                              | 56,600                   |                             |
|             |              |                            | Branch Office Multi Function Printer               | 1,500                    |                             |
|             |              |                            | Check Scanner - RemitPlus                          | 1,200                    |                             |
|             |              |                            | Datacenter Liebert Units                           | 5,400                    |                             |
|             |              |                            | Eaton Powerware - Datacenter UPS & Monitoring      | 34,500                   |                             |
|             |              |                            | Eaton Powerware - Omak Network UPS                 | 14,000                   |                             |
|             |              | 083                        | Software Licenses and Support                      | 358,600                  |                             |
|             |              |                            | Aclara - TWACS Support                             | 18,000                   |                             |
|             |              |                            | Certs SSL  | 300                      |                             |
|             |              |                            | Cisco SmartNet                                     | 1,000                    |                             |
|             |              |                            | Genetec Maintenance                                | 2,500                    |                             |
|             |              |                            | LANDesk  | 1,200                    |                             |
|             |              |                            | Microsoft Software                                 | 18,200                   |                             |
|             |              |                            | NISC Custom Programming                            | 5,000                    |                             |
|             |              |                            | NISC eBill VM                                      | 4,500                    |                             |
|             |              |                            | NISC Maintenance                                   | 130,000                  |                             |
|             |              |                            | Domain Registrations                               | 600                      |                             |
|             |              |                            | Programming Software                               | 1,200                    |                             |
|             |              |                            | ShoreTel Phone System                              | 16,200                   |                             |
|             |              |                            | SonicWALL - ESA                                    | 2,500                    |                             |
|             |              |                            | SonicWALL - NSA                                    | 2,200                    |                             |
|             |              |                            | Symantec Software and Support                      | 10,100                   |                             |
|             |              |                            | VMWare Software Support (IS)                       | 5,000                    |                             |
|             |              |                            | Eng/Ops - MS SQL Server                            | 700                      |                             |
|             |              |                            | Eng/Ops - Milsoft WindMilMap                       | 27,000                   |                             |
|             |              |                            | Eng/Ops - AutoCad                                  | 2,800                    |                             |
|             |              |                            | Eng/Ops - ESRI                                     | 6,000                    |                             |
|             |              |                            | Eng/Ops - Futura                                   | 17,500                   |                             |
|             |              |                            | Eng/Ops - GeoNav                                   | 3,500                    |                             |
|             |              |                            | Eng/Ops - Itron Staker Maintenance                 | 25,000                   |                             |
|             |              |                            | Eng/Ops - Itron Staker Reporting                   | 10,000                   |                             |
|             |              |                            | Eng/Ops - TL-PRO Design Studio                     | 5,000                    |                             |
|             |              |                            | Eng/Ops - OSI                                      | 21,000                   |                             |
|             |              |                            | Eng/Ops - Trimble Field Inspector                  | 1,600                    |                             |
|             |              |                            | Eng/Ops - Allison Transmission Diagnostic Software | 800                      |                             |
|             |              |                            | Eng/Ops - Mitchell Diagnostic Software             | 2,500                    |                             |
|             |              |                            | Eng/Ops - MSDS On Line                             | 2,200                    |                             |
|             |              |                            | Eng/Ops - Cummins Tool Software                    | 700                      |                             |
|             |              |                            | Eng/Ops - Fastenal Tool Inventory                  | 1,200                    |                             |
|             |              |                            | Eng/Ops - Max Force                                | 600                      |                             |
|             |              |                            | Eng/Ops - Zonar Vehicle Tracking                   | 12,000                   |                             |
|             |              | 085                        | Rents and Leases                                   | 26,800                   |                             |
|             |              |                            | Okanogan Mailing Equipment                         | 13,000                   |                             |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                                |        | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|---|--------|--------------------------|-----------------------------|
|             |              |                 | Branch Office Mailing Equipment                   | 3,000  |                          |                             |
|             |              |                 | Branch Office MFP                                 | 10,800 |                          |                             |
| 090         |              |                 | Materials and Supplies                            |        | 10,000                   |                             |
| 091         |              |                 | Small Tools (under \$1,000)                       |        | 10,000                   |                             |
| 712         |              |                 | Capital - Equipment (Over \$2,000)                |        | 281,700                  |                             |
|             |              |                 | Eaton Powerware - Omak Network Room               | 19,500 |                          | 2                           |
|             |              |                 | Genetec System - Cameras (Branch office)          | 8,000  |                          | 2                           |
|             |              |                 | Genetec System - Cameras (Subs, yards and fences) | 60,000 |                          | 3                           |
|             |              |                 | Genetec System - Readers and Controllers          | 50,000 |                          | 3                           |
|             |              |                 | Genetec System - Video Surveillance Software      | 15,000 |                          | 3                           |
|             |              |                 | Genetec System - Video Conferencing               | 10,000 |                          | 3                           |
|             |              |                 | Mapping Server - Physical                         | 6,000  |                          | 2                           |
|             |              |                 | NISC - iVue Server                                | 19,000 |                          | 2                           |
|             |              |                 | NISC - eBill Server                               | 5,000  |                          | 2                           |
|             |              |                 | Eng/Ops - Tablet PC's                             | 19,000 |                          | 2                           |
|             |              |                 | Eng/Ops - Physical Server SQL Database            | 6,000  |                          | 2                           |
|             |              |                 | Printers  | 6,500  |                          | 2                           |
|             |              |                 | Phone System                                      | 8,600  |                          | 2                           |
|             |              |                 | Virtual Environment                               | 49,100 |                          | 2                           |
| 714         |              |                 | Capital - Personal Computers                      |        | 26,700                   | 2                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|-----------------------------|
| 1           | 50           |                 | <b>Commissioners</b>               | <b>174,900</b>           |                             |
|             |              | 010             | Wages                              | 107,400                  |                             |
|             |              | 011             | Benefits                           | 46,700                   |                             |
|             |              | 020             | Travel                             | 15,700                   |                             |
|             |              | 021             | Training, Tuition and Meeting Fees | 3,400                    |                             |
|             |              | 090             | Materials and Supplies             | 1,300                    |                             |
|             |              | 092             | Miscellaneous                      | 400                      |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2015 ADOPTED BUDGET - DECEMBER 15, 2014**  
**EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>  | <u>Description</u>                          | <u>Budget Amount</u> | <u>Priority Ranking</u> |
|-------------|--------------|------------------|---|----------------------|-------------------------|
| 2           | 60           | <b>Broadband</b> |   | <b>2,426,600</b>     |                         |
|             |              | 010              | Wages                                       | 326,800              |                         |
|             |              | 011              | Benefits                                    | 146,400              |                         |
|             |              | 020              | Travel                                      | 15,000               |                         |
|             |              | 021              | Training, Tuition and Meeting Fees          | 15,000               |                         |
|             |              | 030              | Transportation                              | 58,000               |                         |
|             |              | 060              | Postage, Printing and Stationery            | 300                  |                         |
|             |              | 070              | Advertising                                 | 0                    |                         |
|             |              | 080              | Misc. Contractual Services                  | 229,200              |                         |
|             |              |                  | Network Consulting                          | 100,000              |                         |
|             |              |                  | NoaNet Calea Services                       | 4,200                |                         |
|             |              |                  | NRC 10G add/drop at Spokane USB             | 25,000               |                         |
|             |              |                  | Software Development                        | 100,000              |                         |
|             |              | 081              | Legal Services                              | 10,000               |                         |
|             |              | 082              | Maintenance Contracts                       | 157,500              |                         |
|             |              |                  | ADVA Optical                                | 25,000               |                         |
|             |              |                  | Cambium Networks                            | 4,600                |                         |
|             |              |                  | Cisco                                       | 4,900                |                         |
|             |              |                  | Motorola                                    | 57,400               |                         |
|             |              |                  | NetApp                                      | 1,300                |                         |
|             |              |                  | WWP Lightning Edge/Ciena Devices            | 64,300               |                         |
|             |              | 083              | Software Licenses and Support               | 63,000               |                         |
|             |              |                  | Ciena                                       | 30,000               |                         |
|             |              |                  | MapInfo Professional                        | 3,000                |                         |
|             |              |                  | Microsoft Software                          | 1,800                |                         |
|             |              |                  | NetZoom                                     | 2,100                |                         |
|             |              |                  | Server License and Software Upgrades        | 7,500                |                         |
|             |              |                  | Solar Winds                                 | 8,600                |                         |
|             |              |                  | Symantec Software and Support               | 4,500                |                         |
|             |              |                  | VMWare                                      | 5,500                |                         |
|             |              | 084              | Permits and Fees                            | 69,800               |                         |
|             |              |                  | ARIN ASN & IP Address Allocation            | 5,000                |                         |
|             |              |                  | Upstream Internet Bandwidth                 | 64,800               |                         |
|             |              | 085              | Rents and Leases                            | 68,400               |                         |
|             |              |                  | DCPUD Dark Fiber Leases                     | 29,200               |                         |
|             |              |                  | DCPUD Co-location                           | 5,600                |                         |
|             |              |                  | Wireless Site Lease                         | 33,600               |                         |
|             |              | 090              | Materials and Supplies                      | 95,700               |                         |
|             |              |                  | Backup Tapes                                | 500                  |                         |
|             |              |                  | Battery Plant - Maintenance and Replacement | 16,300               |                         |
|             |              |                  | Fiber Plant Maintenance - Broadband         | 50,000               |                         |
|             |              |                  | HVAC Maintenance and Repair                 | 10,000               |                         |
|             |              |                  | Switch/Network HW Upgrades                  | 10,000               |                         |
|             |              |                  | UPS/Rectifier - Maintenance and Replacement | 7,100                |                         |
|             |              |                  | Equipment Calibration/Repair                | 1,800                |                         |
|             |              | 091              | Small Tools (under \$1,000)                 | 1,000                |                         |
|             |              | 210              | Taxes                                       | 13,000               |                         |
|             |              | 591              | Capital - Materials and Supplies            | 342,100              |                         |
|             |              |                  | Node Rework                                 | 30,000               | 2                       |
|             |              |                  | WiFi Sites Omak/Okanogan                    | 75,000               | 3                       |
|             |              |                  | Fiber Build - SitnBull to Sackman's         | 5,900                | 3                       |
|             |              |                  | Fiber Build - Sackman's to Shady Pines      | 3,200                | 3                       |
|             |              |                  | Fiber Distribution Builds                   | 75,000               | 2                       |
|             |              |                  | Network Hardware Replacement - EOL          | 25,800               | 2                       |
|             |              |                  | Optics                                      | 42,200               | 2                       |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                    | <u>Description</u>         |         | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|------------------------------------|----------------------------|---------|--------------------------|-----------------------------|
|             |              |                                    | Wireless Subscriber Units  | 85,000  |                          | <b>2</b>                    |
|             | 712          | Capital - Equipment (Over \$2,000) |                            |         | 101,100                  |                             |
|             |              |                                    | Door Controller            | 2,500   |                          | <b>2</b>                    |
|             |              |                                    | NetApp Shelf               | 30,500  |                          | <b>2</b>                    |
|             |              |                                    | Tools                      | 5,000   |                          | <b>2</b>                    |
|             |              |                                    | Test Equipment             | 25,000  |                          | <b>3</b>                    |
|             |              |                                    | Virtual Server Environment | 38,100  |                          | <b>2</b>                    |
|             | 810          | Debt Service - Principal           |                            |         | 358,600                  |                             |
|             |              |                                    | Loan - Electric            | 207,700 |                          |                             |
|             |              |                                    | Operating Line - Electric  | 0       |                          |                             |
|             |              |                                    | Loan - ARRA                | 150,900 |                          |                             |
|             | 811          | Debt Service - Interest            |                            |         | 355,700                  |                             |
|             |              |                                    | Loan - Electric            | 70,700  |                          |                             |
|             |              |                                    | Operating Line - Electric  | 180,200 |                          |                             |
|             |              |                                    | Loan - ARRA                | 104,800 |                          |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                | <u>Description</u>                         | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|--------------------------------|--|--------------------------|-----------------------------|
| 1           | 61           | <b>Internal Communications</b> |  | <b>413,000</b>           |                             |
|             |              | 010                            | Wages                                      | 143,900                  |                             |
|             |              | 011                            | Benefits                                   | 56,100                   |                             |
|             |              | 020                            | Travel                                     | 5,000                    |                             |
|             |              | 021                            | Training, Tuition and Meeting Fees         | 5,000                    |                             |
|             |              | 030                            | Transportation                             | 5,200                    |                             |
|             |              | 060                            | Postage, Printing and Stationery           | 300                      |                             |
|             |              | 080                            | Misc. Contractual Services                 | 50,000                   |                             |
|             |              |                                | Radio System Coverage Analysis             | 50,000                   |                             |
|             |              | 082                            | Maintenance Contracts                      | 22,000                   |                             |
|             |              |                                | Fire Alarm System                          | 3,000                    |                             |
|             |              |                                | UHF Radio System                           | 19,000                   |                             |
|             |              | 083                            | Software Licenses and Support              | 8,800                    |                             |
|             |              |                                | Cisco Smartnet                             | 300                      |                             |
|             |              |                                | MapInfo Software Support                   | 500                      |                             |
|             |              |                                | Fiber Mapping Software Support             | 8,000                    |                             |
|             |              | 084                            | Permits and Fees                           | 3,000                    |                             |
|             |              |                                | Right of Way - USFS, DOT, etc.             | 3,000                    |                             |
|             |              | 085                            | Rents and Leases                           | 36,700                   |                             |
|             |              |                                | UHF Site Lease - Little Buck Mtn.          | 2,500                    |                             |
|             |              |                                | UHF Site Lease - Aeneas Mtn.               | 2,500                    |                             |
|             |              |                                | UHF Site Lease - Goat Mtn.                 | 600                      |                             |
|             |              |                                | UHF Site Lease - Omak Mtn.                 | 2,500                    |                             |
|             |              |                                | UHF Site Lease - McClure Mtn.              | 2,400                    |                             |
|             |              |                                | UHF Site Lease - Tunk Mtn.                 | 3,200                    |                             |
|             |              |                                | Dark Fiber Lease - Brewster to Wells Dam   | 23,000                   |                             |
|             |              | 090                            | Materials and Supplies                     | 10,000                   |                             |
|             |              |                                | General Materials and Supplies             | 10,000                   |                             |
|             |              | 091                            | Small Tools (under \$1,000)                | 2,000                    |                             |
|             |              | 591                            | Capital - Materials and Supplies           | 15,000                   |                             |
|             |              |                                | Fiber Rework - 1st and 2nd Avenue Okanogan | 15,000                   | 2                           |
|             |              | 712                            | Capital - Equipment (Over \$2,000)         | 50,000                   |                             |
|             |              |                                | UHF Radio System Overhaul - Jackass Butte  | 50,000                   | 2                           |

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2015 ADOPTED BUDGET - DECEMBER 15, 2014  
EXPENDITURE DETAIL

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                           | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|--|--------------------------|-----------------------------|
|             |              |                 | <b>TOTAL EXPENDITURES AND CAPITAL OUTLAY</b> | <b>66,640,900</b>        |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2016 ADOPTED BUDGET - DECEMBER 7, 2015**  
**OVERVIEW**

**HIGHLIGHTS**

- \$11.9 million transfer from reserves, which is a \$5.1 million increase over the 2015 adopted budget.
- Revenues cover debt service and operating expenses by \$5.5 million.
- Retail Electric Sales increased \$1.0 million to \$45.9 million.
- Wholesale Electric Sales decreased \$1.0 million - The decrease in sales is due to a lower estimated market pricing than was used when estimating 2015 Wholesale Sales and lower sales volume.
- Purchased Power - The largest operating expenditure in the budget increased \$785,500 to \$24.1 million.
- Capital Outlays account for \$18.3 million - see a summary of Capital Projects below.
- Debt Service Coverage Ratio is estimated at 2.35 times annual debt service payments; bond covenants require 1.25 times.
- Total TIER (times interest earned ratio) is estimated at 2.11; District's target is 1.5 times.

**REVENUES of \$57.9 million - Assumptions Used**

- **Retail Electric Sales:** Predicting a 1% load growth, 1% weather adjustment and no rate increase.
- **Wholesale Electric:** Sales based on a 3/4 to median water year, ten year average wind and previous two years' average market pricing.
- **Wholesale Telecommunications:** Based on current revenue levels.
- **Interest:** Return on investments of between .13%(LGIP) and .20%(CDs).
- **Miscellaneous:** Previous twelve months revenue and Build America Bond reimbursement of \$406,000.
- **Rental Income:** Based on current revenue levels.
- **Construction Contributions:** Estimated using previous two years' average.
- **Grant Proceeds:** Anticipated reimbursements of \$486,900 from BPA, \$829,800 for the Carlton Complex Fires and \$3,359,000 for the Okanogan Complex Fires.

**EXPENDITURES \$47.8 million - Assumptions Used**

- **Wages:** Four more employees than in the 2015 adopted budget. The wages reflect a general wage increase of 2%.
- **Benefits:** Based on August 2014 thru July 2015 actual percentage of wages. Range of 30.6% through 49.1% (ave. 41.2%).
- **Purchased Power:** Wells Project costs effective September 2015 and BPA rates effective October 2015.
- **Other Expenditures:** Other expenses are based on known 2016 costs. If costs are not specifically known, a 2% increase was estimated.

**DEBT SERVICE \$3.7 million**

- **Principal and Interest:** Per debt service schedules and ARRA estimated debt service.

**CAPITAL OUTLAY \$18.3 million - Summary Listing**

- Methow Transmission Line and Substation \$11,025,000.
- **Enloe Dam \$1,056,000.**
- Okanogan Fire Restoration \$325,800.
- Normal Renewals and Replacements \$5,271,600.
- Priority 3 Capital Outlays \$656,000.

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2016 ADOPTED BUDGET - DECEMBER 7, 2015**  
**BUDGET SUMMARY**

| <u>Description</u>                  | <u>Electric</u>     | <u>Broadband</u> | <u>Total</u>        |
|-------------------------------------|---------------------|------------------|---------------------|
| <b><u>REVENUE</u></b>               |                     |                  |                     |
| Sales - Retail                      | 45,909,000          |                  | 45,909,000          |
| Sales - Electric Wholesale          | 1,939,800           |                  | 1,939,800           |
| Sales - Broadband Wholesale         |                     | 2,640,000        | 2,640,000           |
| Interest                            | 41,000              |                  | 41,000              |
| Miscellaneous                       | 1,208,000           |                  | 1,208,000           |
| Rental Income                       | 110,000             |                  | 110,000             |
| Construction Contribution           | 1,345,600           |                  | 1,345,600           |
| Grant Proceeds                      | 4,675,700           | 0                | 4,675,700           |
| <b>Total Revenue</b>                | <b>55,229,100</b>   | <b>2,640,000</b> | <b>57,869,100</b>   |
| <b><u>EXPENDITURES</u></b>          |                     |                  |                     |
| Wages                               | 8,243,000           | 345,200          | 8,588,200           |
| Benefits                            | 3,339,100           | 156,700          | 3,495,800           |
| Travel                              | 134,800             | 15,000           | 149,800             |
| Training, Tuition and Meeting Fees  | 98,800              | 15,000           | 113,800             |
| Transportation                      | 933,900             | 50,400           | 984,300             |
| Insurance                           | 337,600             |                  | 337,600             |
| Utilities                           | 97,900              |                  | 97,900              |
| Postage, Printing and Stationery    | 152,700             | 300              | 153,000             |
| Advertising                         | 34,800              |                  | 34,800              |
| Conservation Expenditures           | 214,900             |                  | 214,900             |
| Misc. Contractual Services          | 3,966,400           | 104,200          | 4,070,600           |
| Legal Services                      | 283,800             | 10,000           | 293,800             |
| Maintenance Contracts               | 193,000             | 112,700          | 305,700             |
| Software Licenses and Support       | 557,900             | 72,300           | 630,200             |
| Permits and Fees                    | 14,900              | 80,600           | 95,500              |
| Rents and Leases                    | 91,100              | 73,200           | 164,300             |
| Materials and Supplies              | 709,300             | 98,800           | 808,100             |
| Small Tools (under \$1,000)         | 34,000              | 1,000            | 35,000              |
| Miscellaneous                       | 64,500              |                  | 64,500              |
| Unforeseen Operating Contingency    | 250,000             |                  | 250,000             |
| Purchased Power                     | 24,070,500          |                  | 24,070,500          |
| Taxes                               | 2,793,000           | 13,000           | 2,806,000           |
| <b>Total Expenditures</b>           | <b>46,615,900</b>   | <b>1,148,400</b> | <b>47,764,300</b>   |
| <b><u>DEBT SERVICE</u></b>          |                     |                  |                     |
| Debt Service - Principal            | 1,536,900           | 360,400          | 1,897,300           |
| Debt Service - Interest             | 1,563,900           | 235,500          | 1,799,400           |
| <b>Total Debt Service</b>           | <b>3,100,800</b>    | <b>595,900</b>   | <b>3,696,700</b>    |
| <b>AVAILABLE FOR CAPITAL OUTLAY</b> | <b>5,512,400</b>    | <b>895,700</b>   | <b>6,408,100</b>    |
| <b><u>CAPITAL OUTLAY</u></b>        |                     |                  |                     |
| Capital - Contractual Services      | 10,805,800          |                  | 10,805,800          |
| Capital - Materials and Supplies    | 5,006,000           | 375,000          | 5,381,000           |
| Capital - Meter Purchases           | 95,000              |                  | 95,000              |
| Capital - Transformer Purchases     | 400,000             |                  | 400,000             |
| Capital - Tools and Equipment       | 5,000               |                  | 5,000               |
| Capital - Buildings                 | 382,000             |                  | 382,000             |
| Capital - Equipment (Over \$2,000)  | 564,500             | 161,000          | 725,500             |
| Capital - Vehicles                  | 260,000             |                  | 260,000             |
| Capital - Personal Computers        | 30,100              |                  | 30,100              |
| Unforeseen Capital Contingency      | 250,000             |                  | 250,000             |
| <b>Total Capital Outlay</b>         | <b>17,798,400</b>   | <b>536,000</b>   | <b>18,334,400</b>   |
| <b>RESERVES/DEBT</b>                | <b>(12,286,000)</b> | <b>359,700</b>   | <b>(11,926,300)</b> |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2016 ADOPTED BUDGET - DECEMBER 7, 2015**  
**2015 ADOPTED BUDGET COMPARED TO 2016 ADOPTED BUDGET**

| REVENUE                             | Electric System    |                    |                     |                               | Broadband        |                  |                  |                               | Total              |                   |                     |                               |
|-------------------------------------|--------------------|--------------------|---------------------|-------------------------------|------------------|------------------|------------------|-------------------------------|--------------------|-------------------|---------------------|-------------------------------|
|                                     | Adopted 2015       | Projected 2015     | Adopted 2016        | 2015 Adopted/<br>Adopted 2016 | Adopted 2015     | Projected 2015   | Adopted 2016     | 2015 Adopted/<br>Adopted 2016 | Adopted 2015       | Projected 2015    | Adopted 2016        | 2015 Adopted/<br>Adopted 2016 |
| Sales - Retail                      | 44,867,000         | 43,418,000         | 45,909,000          | 1,042,000                     | 0                | 0                | 0                | 0                             | 44,867,000         | 43,418,000        | 45,909,000          | 1,042,000                     |
| Sales - Electric Wholesale          | 2,975,000          | 2,768,000          | 1,939,800           | (1,035,200)                   | 0                | 0                | 0                | 0                             | 2,975,000          | 2,768,000         | 1,939,800           | (1,035,200)                   |
| Sales - Broadband Wholesale         | 0                  | 0                  | 0                   | 0                             | 2,550,000        | 2,624,000        | 2,640,000        | 90,000                        | 2,550,000          | 2,624,000         | 2,640,000           | 90,000                        |
| Interest                            | 41,000             | 40,000             | 41,000              | 0                             | 0                | 0                | 0                | 0                             | 41,000             | 40,000            | 41,000              | 0                             |
| Miscellaneous                       | 1,094,000          | 1,230,000          | 1,208,000           | 114,000                       | 0                | 4,000            | 0                | 0                             | 1,094,000          | 1,234,000         | 1,208,000           | 114,000                       |
| Rental Income                       | 110,000            | 110,000            | 110,000             | 0                             | 0                | 0                | 0                | 0                             | 110,000            | 110,000           | 110,000             | 0                             |
| Construction Contribution           | 997,000            | 1,707,000          | 1,345,600           | 348,600                       | 0                | 0                | 0                | 0                             | 997,000            | 1,707,000         | 1,345,600           | 348,600                       |
| Grant Proceeds                      | 6,720,400          | 3,384,000          | 4,675,700           | (2,044,700)                   | 438,700          | 1,190,000        | 0                | (438,700)                     | 7,159,100          | 4,574,000         | 4,675,700           | (2,483,400)                   |
| <b>Total Revenue</b>                | <b>56,804,400</b>  | <b>52,657,000</b>  | <b>55,229,100</b>   | <b>(1,575,300)</b>            | <b>2,988,700</b> | <b>3,818,000</b> | <b>2,640,000</b> | <b>(348,700)</b>              | <b>59,793,100</b>  | <b>56,475,000</b> | <b>57,869,100</b>   | <b>(1,924,000)</b>            |
| <b>EXPENDITURES</b>                 |                    |                    |                     |                               |                  |                  |                  |                               |                    |                   |                     |                               |
| Wages                               | 7,418,400          | 7,449,000          | 8,243,000           | 824,600                       | 326,800          | 447,000          | 345,200          | 18,400                        | 7,745,200          | 7,896,000         | 8,588,200           | 843,000                       |
| Benefits                            | 2,955,200          | 2,879,000          | 3,339,100           | 383,900                       | 146,400          | 189,000          | 156,700          | 10,300                        | 3,101,600          | 3,068,000         | 3,495,800           | 394,200                       |
| Travel                              | 141,500            | 76,000             | 134,800             | (6,700)                       | 15,000           | 8,000            | 15,000           | 0                             | 156,500            | 84,000            | 149,800             | (6,700)                       |
| Training, Tuition and Meeting Fees  | 95,500             | 32,000             | 98,800              | 3,300                         | 15,000           | 14,000           | 15,000           | 0                             | 110,500            | 46,000            | 113,800             | 3,300                         |
| Transportation                      | 823,700            | 1,026,000          | 933,900             | 110,200                       | 58,000           | 49,000           | 50,400           | (7,600)                       | 881,700            | 1,075,000         | 984,300             | 102,600                       |
| Insurance                           | 336,500            | 253,000            | 337,600             | 1,100                         | 0                | 0                | 0                | 0                             | 336,500            | 253,000           | 337,600             | 1,100                         |
| Utilities                           | 100,800            | 98,000             | 97,900              | (2,900)                       | 0                | 0                | 0                | 0                             | 100,800            | 98,000            | 97,900              | (2,900)                       |
| Postage, Printing and Stationery    | 152,100            | 147,000            | 152,700             | 600                           | 300              | 2,000            | 300              | 0                             | 152,400            | 149,000           | 153,000             | 600                           |
| Advertising                         | 24,100             | 32,000             | 34,800              | 10,700                        | 0                | 2,000            | 0                | 0                             | 24,100             | 34,000            | 34,800              | 10,700                        |
| Conservation Expenditures           | 472,400            | 454,000            | 214,900             | (257,500)                     | 0                | 0                | 0                | 0                             | 472,400            | 454,000           | 214,900             | (257,500)                     |
| Misc. Contractual Services          | 2,327,800          | 1,955,000          | 3,966,400           | 1,638,600                     | 229,200          | 185,000          | 104,200          | (125,000)                     | 2,557,000          | 2,140,000         | 4,070,600           | 1,513,600                     |
| Legal Services                      | 281,100            | 281,000            | 283,800             | 2,700                         | 10,000           | 10,000           | 10,000           | 0                             | 291,100            | 291,000           | 293,800             | 2,700                         |
| Maintenance Contracts               | 233,300            | 125,000            | 193,000             | (40,300)                      | 157,500          | 135,000          | 112,700          | (44,800)                      | 390,800            | 260,000           | 305,700             | (85,100)                      |
| Software Licenses and Support       | 574,800            | 524,000            | 557,900             | (16,900)                      | 63,000           | 63,000           | 72,300           | 9,300                         | 637,800            | 587,000           | 630,200             | (7,600)                       |
| Permits and Fees                    | 16,600             | 2,000              | 14,900              | (1,700)                       | 69,800           | 50,000           | 80,600           | 10,800                        | 86,400             | 52,000            | 95,500              | 9,100                         |
| Rents and Leases                    | 89,800             | 106,000            | 91,100              | 1,300                         | 68,400           | 91,000           | 73,200           | 4,800                         | 158,200            | 197,000           | 164,300             | 6,100                         |
| Materials and Supplies              | 666,700            | 596,000            | 709,300             | 42,600                        | 95,700           | 96,000           | 98,800           | 3,100                         | 762,400            | 692,000           | 808,100             | 45,700                        |
| Small Tools (under \$1,000)         | 36,800             | 7,000              | 34,000              | (2,800)                       | 1,000            | 1,000            | 1,000            | 0                             | 37,800             | 8,000             | 35,000              | (2,800)                       |
| Miscellaneous                       | 66,600             | 93,000             | 64,500              | (2,100)                       | 0                | 0                | 0                | 0                             | 66,600             | 93,000            | 64,500              | (2,100)                       |
| Unforeseen Operating Contingency    | 100,000            | 100,000            | 250,000             | 150,000                       | 0                | 0                | 0                | 0                             | 100,000            | 100,000           | 250,000             | 150,000                       |
| Purchased Power                     | 23,285,000         | 24,539,000         | 24,070,500          | 785,500                       | 0                | 0                | 0                | 0                             | 23,285,000         | 24,539,000        | 24,070,500          | 785,500                       |
| Taxes                               | 2,677,000          | 2,683,000          | 2,793,000           | 116,000                       | 13,000           | 13,000           | 13,000           | 0                             | 2,690,000          | 2,696,000         | 2,806,000           | 116,000                       |
| <b>Total Expenditures</b>           | <b>42,875,700</b>  | <b>43,457,000</b>  | <b>46,615,900</b>   | <b>3,740,200</b>              | <b>1,269,100</b> | <b>1,355,000</b> | <b>1,148,400</b> | <b>(120,700)</b>              | <b>44,144,800</b>  | <b>44,812,000</b> | <b>47,764,300</b>   | <b>3,619,500</b>              |
| <b>DEBT SERVICE</b>                 |                    |                    |                     |                               |                  |                  |                  |                               |                    |                   |                     |                               |
| Debt Service - Principal            | 1,482,300          | 1,482,000          | 1,536,900           | 54,600                        | 358,600          | 340,000          | 360,400          | 1,800                         | 1,840,900          | 1,822,000         | 1,897,300           | 56,400                        |
| Debt Service - Interest             | 1,517,400          | 1,648,000          | 1,563,900           | 46,500                        | 355,700          | 285,000          | 235,500          | (120,200)                     | 1,873,100          | 1,933,000         | 1,799,400           | (73,700)                      |
| <b>Total Debt Service</b>           | <b>2,999,700</b>   | <b>3,130,000</b>   | <b>3,100,800</b>    | <b>101,100</b>                | <b>714,300</b>   | <b>625,000</b>   | <b>595,900</b>   | <b>(118,400)</b>              | <b>3,714,000</b>   | <b>3,755,000</b>  | <b>3,696,700</b>    | <b>(17,300)</b>               |
| <b>AVAILABLE FOR CAPITAL OUTLAY</b> | <b>10,929,000</b>  | <b>6,070,000</b>   | <b>5,512,400</b>    | <b>(5,416,600)</b>            | <b>1,005,300</b> | <b>1,838,000</b> | <b>895,700</b>   | <b>(109,600)</b>              | <b>11,934,300</b>  | <b>7,908,000</b>  | <b>6,408,100</b>    | <b>(5,526,200)</b>            |
| <b>CAPITAL OUTLAY</b>               |                    |                    |                     |                               |                  |                  |                  |                               |                    |                   |                     |                               |
| Capital - Contractual Services      | 12,475,000         | 2,047,000          | 10,805,800          | (1,669,200)                   | 0                | 1,000            | 0                | 0                             | 12,475,000         | 2,048,000         | 10,805,800          | (1,669,200)                   |
| Capital - Materials and Supplies    | 4,198,000          | 3,533,000          | 5,006,000           | 808,000                       | 342,100          | 192,000          | 375,000          | 32,900                        | 4,540,100          | 3,725,000         | 5,381,000           | 840,900                       |
| Capital - Meter Purchases           | 119,000            | 41,000             | 95,000              | (24,000)                      | 0                | 0                | 0                | 0                             | 119,000            | 41,000            | 95,000              | (24,000)                      |
| Capital - Transformer Purchases     | 400,000            | 366,000            | 400,000             | 0                             | 0                | 0                | 0                | 0                             | 400,000            | 366,000           | 400,000             | 0                             |
| Capital - Tools and Equipment       | 6,500              | 6,500              | 5,000               | (1,500)                       | 0                | 0                | 0                | 0                             | 6,500              | 6,500             | 5,000               | (1,500)                       |
| Capital - Buildings                 | 354,000            | 150,000            | 382,000             | 28,000                        | 0                | 0                | 0                | 0                             | 354,000            | 150,000           | 382,000             | 28,000                        |
| Capital - Equipment (Over \$2,000)  | 435,700            | 210,000            | 564,500             | 128,800                       | 101,100          | 101,000          | 161,000          | 59,900                        | 536,800            | 311,000           | 725,500             | 188,700                       |
| Capital - Vehicles                  | 224,000            | 224,000            | 260,000             | 36,000                        | 0                | 0                | 0                | 0                             | 224,000            | 224,000           | 260,000             | 36,000                        |
| Capital - Personal Computers        | 26,700             | 27,000             | 30,100              | 3,400                         | 0                | 0                | 0                | 0                             | 26,700             | 27,000            | 30,100              | 3,400                         |
| Unforeseen Capital Contingency      | 100,000            | 1,360,000          | 250,000             | 150,000                       | 0                | 14,000           | 0                | 0                             | 100,000            | 1,374,000         | 250,000             | 150,000                       |
| <b>Total Capital Outlay</b>         | <b>18,338,900</b>  | <b>7,964,500</b>   | <b>17,798,400</b>   | <b>(540,500)</b>              | <b>443,200</b>   | <b>308,000</b>   | <b>536,000</b>   | <b>92,800</b>                 | <b>18,782,100</b>  | <b>8,272,500</b>  | <b>18,334,400</b>   | <b>(447,700)</b>              |
| <b>RESERVES/DEBT</b>                | <b>(7,409,900)</b> | <b>(1,894,500)</b> | <b>(12,286,000)</b> | <b>(4,876,100)</b>            | <b>562,100</b>   | <b>1,530,000</b> | <b>359,700</b>   | <b>(202,400)</b>              | <b>(6,847,800)</b> | <b>(364,500)</b>  | <b>(11,926,300)</b> | <b>(5,078,500)</b>            |

**PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN COUNTY**  
**2016 ADOPTED BUDGET - DECEMBER 7, 2015**  
**BUDGET COMPARISON 2008 ACTUALS THRU 2016 ADOPTED**

|                                     | 2008              |                   | 2009              |                   | 2010               |                    | 2011               |                   | 2012              |                   | 2013              |                   | 2014              |                   | 2015              |                   | 2016              |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>REVENUE</u>                      | <u>Budget</u>     | <u>Actual</u>     | <u>Budget</u>     | <u>Actual</u>     | <u>Budget</u>      | <u>Actual</u>      | <u>Budget</u>      | <u>Actual</u>     | <u>Budget</u>     | <u>Actual</u>     | <u>Budget</u>     | <u>Actuals</u>    | <u>Budget</u>     | <u>Actuals</u>    | <u>Budget</u>     | <u>Projected</u>  | <u>Adopted</u>    |
| Sales - Electric Retail             | 31,853,400        | 31,952,534        | 31,290,700        | 30,777,098        | 33,337,000         | 29,307,079         | 35,001,000         | 33,605,348        | 37,475,000        | 35,861,526        | 38,889,900        | 40,124,923        | 42,501,700        | 43,214,804        | 44,867,000        | 43,418,000        | 45,909,000        |
| Sales - Electric Wholesale          | 8,737,000         | 11,263,826        | 7,489,500         | 4,198,884         | 4,937,000          | 5,801,903          | 5,490,000          | 6,741,526         | 2,742,000         | 3,531,677         | 2,360,300         | 5,132,272         | 2,835,200         | 4,680,275         | 2,975,000         | 2,768,000         | 1,939,800         |
| Sales - Broadband Wholesale         | 850,000           | 1,030,980         | 1,168,200         | 1,767,217         | 1,900,000          | 1,944,345          | 2,000,000          | 1,995,657         | 2,500,000         | 2,117,105         | 2,200,000         | 2,251,626         | 2,200,000         | 2,534,575         | 2,550,000         | 2,624,000         | 2,640,000         |
| Interest                            | 1,738,500         | 1,697,562         | 1,246,000         | 964,500           | 262,000            | 214,509            | 207,000            | 113,944           | 80,000            | 74,313            | 68,000            | 58,696            | 50,000            | 42,574            | 41,000            | 40,000            | 41,000            |
| Miscellaneous                       | 1,250,000         | 727,466           | 746,700           | 1,056,550         | 531,000            | 916,913            | 749,000            | 1,841,914         | 1,504,000         | 1,342,999         | 1,052,000         | 1,203,732         | 1,104,000         | 1,380,474         | 1,094,000         | 1,234,000         | 1,208,000         |
| Rental Income                       | 118,000           | 117,068           | 118,000           | 116,995           | 118,000            | 117,098            | 118,000            | 117,098           | 118,000           | 117,098           | 118,000           | 107,875           | 108,000           | 109,207           | 110,000           | 110,000           | 110,000           |
| Construction Contribution           | 1,600,000         | 1,795,823         | 1,600,000         | 884,844           | 542,000            | 996,025            | 820,000            | 974,691           | 1,059,000         | 991,816           | 1,104,000         | 990,163           | 917,000           | 1,294,510         | 997,000           | 1,707,000         | 1,345,600         |
| Grant Proceeds                      |                   |                   |                   |                   |                    |                    |                    |                   | 5,421,000         | 2,091,175         | 3,868,000         | 2,914,452         | 472,400           | 3,622,043         | 7,159,100         | 4,574,000         | 4,675,700         |
| <b>Total Revenue</b>                | <b>46,146,900</b> | <b>48,585,259</b> | <b>43,659,100</b> | <b>39,766,088</b> | <b>41,627,000</b>  | <b>39,297,872</b>  | <b>44,385,000</b>  | <b>45,390,178</b> | <b>50,899,000</b> | <b>46,127,709</b> | <b>49,660,200</b> | <b>52,783,739</b> | <b>50,188,300</b> | <b>56,878,462</b> | <b>59,793,100</b> | <b>56,475,000</b> | <b>57,869,100</b> |
| <b><u>EXPENDITURES</u></b>          |                   |                   |                   |                   |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Wages                               | 6,675,300         | 5,929,192         | 7,177,800         | 6,311,358         | 7,482,500          | 6,842,404          | 7,696,800          | 6,675,420         | 7,627,000         | 7,076,500         | 7,644,000         | 7,076,280         | 7,279,300         | 7,932,730         | 7,745,200         | 7,896,000         | 8,588,200         |
| Benefits                            | 2,182,700         | 2,035,454         | 2,368,600         | 2,532,708         | 2,618,900          | 2,373,456          | 2,544,600          | 2,394,707         | 2,716,400         | 2,633,239         | 2,938,000         | 2,895,392         | 3,045,800         | 2,994,218         | 3,101,600         | 3,068,000         | 3,495,800         |
| Travel                              | 125,500           | 140,556           | 267,600           | 124,077           | 244,700            | 124,532            | 185,900            | 122,664           | 170,800           | 116,854           | 154,000           | 84,407            | 125,900           | 74,294            | 156,500           | 84,000            | 149,800           |
| Training, Tuition and Meeting Fees  | 84,900            | 96,332            | 179,300           | 74,206            | 196,000            | 86,633             | 135,900            | 61,871            | 128,800           | 91,420            | 110,700           | 48,022            | 81,900            | 45,272            | 110,500           | 46,000            | 113,800           |
| Transportation                      | 627,300           | 687,840           | 695,400           | 783,135           | 757,000            | 924,761            | 903,500            | 835,496           | 829,300           | 825,034           | 843,100           | 848,903           | 870,800           | 887,259           | 881,700           | 1,075,000         | 984,300           |
| Insurance                           | 206,600           | 212,096           | 219,300           | 313,815           | 320,500            | 279,268            | 310,000            | 308,777           | 308,000           | 307,665           | 312,400           | 285,789           | 319,600           | 409,387           | 336,500           | 253,000           | 337,600           |
| Utilities                           | 65,900            | 69,183            | 73,100            | 75,014            | 75,600             | 87,580             | 97,200             | 82,874            | 85,800            | 91,668            | 88,900            | 95,307            | 95,800            | 98,982            | 100,800           | 98,000            | 97,900            |
| Postage, Printing and Stationary    | 105,500           | 111,096           | 122,700           | 104,646           | 117,200            | 106,436            | 198,400            | 142,313           | 193,000           | 141,003           | 151,100           | 139,314           | 149,700           | 139,527           | 152,400           | 149,000           | 153,000           |
| Advertising                         | 29,800            | 14,858            | 28,500            | 29,848            | 31,500             | 21,817             | 37,700             | 26,321            | 22,300            | 18,742            | 23,000            | 15,435            | 18,600            | 22,941            | 24,100            | 34,000            | 34,800            |
| Conservation Expenditures           | 274,700           | 286,121           | 203,700           | 340,016           | 276,000            | 430,665            | 372,800            | 294,811           | 460,000           | 428,365           | 480,000           | 369,514           | 472,400           | 257,358           | 472,400           | 454,000           | 214,900           |
| Misc. Contractual Services          | 2,400,700         | 2,171,518         | 2,350,200         | 2,067,841         | 2,994,400          | 1,908,893          | 2,508,600          | 1,441,439         | 2,213,800         | 1,993,088         | 2,063,800         | 1,514,903         | 1,925,000         | 1,774,746         | 2,557,000         | 2,140,000         | 4,070,600         |
| Legal Services                      | 64,500            | 155,895           | 374,800           | 296,977           | 364,100            | 240,533            | 314,100            | 323,826           | 319,100           | 257,876           | 329,500           | 266,784           | 310,000           | 212,634           | 291,100           | 291,000           | 293,800           |
| Maintenance Contracts               | 223,900           | 136,192           | 127,100           | 90,704            | 157,400            | 102,674            | 177,600            | 126,661           | 185,900           | 208,019           | 338,000           | 282,513           | 311,800           | 270,763           | 390,800           | 260,000           | 305,700           |
| Software Licenses and Support       | 137,200           | 154,785           | 187,700           | 183,255           | 264,500            | 241,644            | 317,400            | 223,978           | 445,200           | 263,155           | 678,900           | 468,830           | 743,900           | 486,590           | 637,800           | 587,000           | 630,200           |
| Permits and Fees                    | 41,300            | 85,420            | 116,400           | 103,281           | 104,400            | 104,237            | 368,300            | 162,253           | 160,500           | 137,887           | 90,500            | 61,760            | 88,000            | 52,086            | 86,400            | 52,000            | 95,500            |
| Rents and Leases                    | 136,000           | 139,093           | 154,400           | 151,378           | 148,300            | 161,484            | 285,100            | 166,823           | 280,000           | 220,978           | 272,300           | 281,988           | 219,800           | 256,269           | 158,200           | 197,000           | 164,300           |
| Materials and Supplies              | 550,000           | 882,014           | 720,400           | 773,077           | 932,000            | 840,196            | 930,400            | 592,470           | 797,000           | 743,578           | 754,400           | 638,865           | 783,000           | 716,146           | 762,400           | 692,000           | 808,100           |
| Small Tools (under \$1,000)         | 43,600            | 38,941            | 44,300            | 60,736            | 69,300             | 25,196             | 68,800             | 25,664            | 43,300            | 15,366            | 48,300            | 6,591             | 25,000            | 6,991             | 37,800            | 8,000             | 35,000            |
| Miscellaneous                       | 83,700            | 81,974            | 64,000            | 48,492            | 101,000            | 45,911             | 74,100             | 105,491           | 100,300           | 58,933            | 72,500            | 53,676            | 65,000            | 57,419            | 66,600            | 93,000            | 64,500            |
| Unforeseen Operating Contingency    |                   |                   |                   |                   |                    |                    |                    |                   | 100,000           | 14,099            | 100,000           | 147,210           | 100,000           | 131,401           | 100,000           | 100,000           | 250,000           |
| Purchased Power                     | 24,243,700        | 24,686,109        | 21,213,700        | 21,822,349        | 24,158,000         | 23,895,600         | 25,373,000         | 24,060,574        | 23,220,100        | 22,284,244        | 23,376,800        | 22,835,780        | 23,227,300        | 24,062,379        | 23,285,000        | 24,539,000        | 24,070,500        |
| Taxes                               | 1,947,500         | 1,921,891         | 1,927,000         | 1,876,406         | 2,020,200          | 1,839,337          | 2,119,000          | 2,138,550         | 2,298,700         | 2,220,162         | 2,370,400         | 2,413,881         | 2,581,000         | 2,713,280         | 2,690,000         | 2,696,000         | 2,806,000         |
| <b>Total Expenditures</b>           | <b>40,250,300</b> | <b>40,036,560</b> | <b>38,616,000</b> | <b>38,163,319</b> | <b>43,433,500</b>  | <b>40,683,257</b>  | <b>45,019,200</b>  | <b>40,312,983</b> | <b>42,705,300</b> | <b>40,147,875</b> | <b>43,240,600</b> | <b>40,831,144</b> | <b>42,839,600</b> | <b>43,602,672</b> | <b>44,144,800</b> | <b>44,812,000</b> | <b>47,764,300</b> |
| <b><u>DEBT SERVICE</u></b>          |                   |                   |                   |                   |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Debt Service - Principal            | 810,000           | 812,118           | 835,000           | 837,916           | 870,000            | 873,334            | 1,190,000          | 1,183,749         | 1,555,000         | 1,574,421         | 1,717,000         | 1,668,642         | 1,801,300         | 1,865,034         | 1,840,900         | 1,822,000         | 1,897,300         |
| Debt Service - Interest             | 753,300           | 798,800           | 722,600           | 767,367           | 684,100            | 992,487            | 2,241,100          | 2,068,361         | 1,919,000         | 2,018,950         | 1,971,900         | 2,005,443         | 1,956,800         | 1,980,622         | 1,873,100         | 1,933,000         | 1,799,400         |
| <b>Total Debt Service</b>           | <b>1,563,300</b>  | <b>1,610,918</b>  | <b>1,557,600</b>  | <b>1,605,283</b>  | <b>1,554,100</b>   | <b>1,865,821</b>   | <b>3,431,100</b>   | <b>3,252,110</b>  | <b>3,474,000</b>  | <b>3,593,371</b>  | <b>3,688,900</b>  | <b>3,674,085</b>  | <b>3,758,100</b>  | <b>3,845,656</b>  | <b>3,714,000</b>  | <b>3,755,000</b>  | <b>3,696,700</b>  |
| <b>AVAILABLE FOR CAPITAL OUTLAY</b> | <b>4,333,300</b>  | <b>6,937,781</b>  | <b>3,485,500</b>  | <b>(2,514)</b>    | <b>(3,360,600)</b> | <b>(3,251,206)</b> | <b>(4,065,300)</b> | <b>1,825,085</b>  | <b>4,719,700</b>  | <b>2,386,463</b>  | <b>2,730,700</b>  | <b>8,278,510</b>  | <b>3,590,600</b>  | <b>9,430,134</b>  | <b>11,934,300</b> | <b>7,908,000</b>  | <b>6,408,100</b>  |
| <b><u>CAPITAL OUTLAY</u></b>        |                   |                   |                   |                   |                    |                    |                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Capital - Contractual Services      | 3,986,700         | 2,042,651         | 10,158,000        | 1,761,846         | 11,208,000         | 1,759,767          | 10,500,000         | 2,279,483         | 9,686,400         | 2,350,626         | 6,472,500         | 7,350,382         | 11,165,000        | 869,847           | 12,475,000        | 2,048,000         | 10,805,800        |
| Capital - Materials and Supplies    | 4,827,600         | 4,783,802         | 9,326,100         | 5,270,105         | 8,796,000          | 6,189,149          | 5,636,700          | 3,283,116         | 13,051,400        | 5,196,359         | 7,894,400         | 1,930,443         | 3,941,900         | 2,382,334         | 4,540,100         | 3,725,000         | 5,381,000         |
| Capital - Meter Purchases           | 390,000           | 125,857           | 595,000           | 790,778           | 1,500,000          | 252,306            | 440,000            | 369,605           | 90,000            | 0                 | 90,000            | 19,620            | 70,000            | (7,752)           | 119,000           | 41,000            | 95,000            |
| Capital - Transformer Purchases     | 1,200,000         | 1,153,037         | 1,166,000         | 521,218           | 500,000            | 365,288            | 500,000            | 408,995           | 225,000           | 216,729           | 225,000           | 227,794           | 400,000           | 235,676           | 400,000           | 366,000           | 400,000           |
| Capital - Tools and Equipment       | 22,000            | 6,920             | 10,200            | 1,374             | 13,500             | 6,572              | 13,200             | 1,770             | 12,000            | 6,232             | 9,500             | 0                 | 4,500             | 0                 | 6,500             | 6,500             | 5,000             |
| Capital - Buildings                 | 778,600           | 240,876           | 6,984,500         | 3,932,356         | 3,094,000          | 4,274,502          | 42,000             | 40,475            | 7,500             | 1,969             | 685,000           | 20,992            | 410,000           | 83,767            | 354,000           | 150,000           | 382,000           |
| Capital - Equipment (Over \$2,000)  | 819,300           | 680,078           | 1,105,100         | 412,738           | 1,457,800          | 1,043,752          | 999,600            | 218,074           | 1,051,000         | 371,313           | 1,259,100         | 218,107           | 471,900           | 176,699           | 536,800           | 311,000           | 725,500           |
| Capital - Vehicles                  | 941,000           | 930,324           | 351,000           | 281,734           | (175,000)          | (219,097)          | 30,000             | (186,718)         | 315,300           | (310,574)         | 634,000           | (182,592)         | 1,219,000         | 42,640            | 224,000           | 224,000           | 260,000           |
| Capital - Personal Computers        | 78,500            | 56,993            | 58,600            | 39,551            | 70,600             | 59,792             | 57,300             | 40,751            | 48,100            | 30,680            | 54,200            | 35,384            | 37,500            | 22,464            | 26,700            | 27,000            | 30,100            |
| Unforeseen Capital Contingencies    | 100,000           | 31,359            | 100,000           | 42,005            | 100,000            | 16,131             | 100,000            | 47,639            | 100,000           | 3,679             | 100,000           | 45,883            | 100,000           | 5,601,308         |                   |                   |                   |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY**  
**2016 ADOPTED BUDGET - DECEMBER 7, 2015**  
**EXPENDITURE SUMMARY BY DEPARTMENT**

| <u>Description</u>                     | <u>Generation</u> | <u>Power Supply</u> | <u>Const. Design</u> | <u>Eng.</u>      | <u>Operations</u> | <u>Enviro.</u> | <u>Customer Service</u> | <u>Cons.</u>   | <u>General Admin.</u> | <u>I.S.</u>      | <u>BOC</u>     | <u>Broadband</u> | <u>Internal Comm.</u> | <u>Total</u>      |
|--|-------------------|---------------------|----------------------|------------------|-------------------|----------------|-------------------------|----------------|-----------------------|------------------|----------------|------------------|-----------------------|-------------------|
| <b>EXPENDITURES</b>                    |                   |                     |                      |                  |                   |                |                         |                |                       |                  |                |                  |                       |                   |
| 010 Wages                              | 215,700           | 134,700             | 800,500              | 200,100          | 4,013,000         | 69,700         | 743,600                 | 132,500        | 1,249,900             | 418,400          | 108,900        | 345,200          | 156,000               | 8,588,200         |
| 011 Benefits                           | 89,500            | 59,800              | 352,200              | 64,800           | 1,537,000         | 21,300         | 365,100                 | 44,500         | 507,500               | 192,500          | 44,500         | 156,700          | 60,400                | 3,495,800         |
| 020 Travel                             | 7,500             | 10,000              | 6,000                | 8,000            | 33,000            | 7,000          | 4,500                   | 3,500          | 20,200                | 10,000           | 20,100         | 15,000           | 5,000                 | 149,800           |
| 021 Training, Tuition and Meeting Fees | 2,500             | 7,500               | 9,000                | 10,000           | 22,000            | 4,000          | 2,500                   | 2,500          | 17,300                | 13,500           | 3,000          | 15,000           | 5,000                 | 113,800           |
| 030 Transportation                     | 2,300             | 400                 | 60,000               | 8,000            | 800,000           | 100            | 40,800                  | 2,200          | 2,400                 | 1,300            |                | 50,400           | 16,400                | 984,300           |
| 040 Insurance                          |                   |                     |                      |                  |                   |                |                         |                | 337,600               |                  |                |                  |                       | 337,600           |
| 050 Utilities                          |                   |                     |                      |                  | 200               |                |                         |                | 97,700                |                  |                |                  |                       | 97,900            |
| 060 Postage, Printing and Stationery   |                   |                     | 100                  | 300              | 1,500             |                | 145,000                 | 500            | 5,000                 |                  |                | 300              | 300                   | 153,000           |
| 070 Advertising                        |                   |                     | 2,500                | 1,500            | 2,000             |                | 1,000                   | 23,000         | 4,800                 |                  |                |                  |                       | 34,800            |
| 071 Conservation Expenditures          |                   |                     |                      |                  |                   |                |                         | 214,900        |                       |                  |                |                  |                       | 214,900           |
| 080 Misc. Contractual Services         | 29,100            | 414,500             | 45,000               | 1,363,000        | 1,252,200         | 1,500          | 57,500                  | 292,000        | 458,600               | 28,000           |                | 104,200          | 25,000                | 4,070,600         |
| 081 Legal Services                     |                   |                     |                      |                  |                   |                |                         |                | 283,800               |                  |                | 10,000           |                       | 293,800           |
| 082 Maintenance Contracts              |                   |                     |                      |                  | 150,200           |                |                         |                |                       | 19,300           |                | 112,700          | 23,500                | 305,700           |
| 083 Software Licenses and Support      |                   | 190,600             |                      |                  |                   |                |                         |                |                       | 358,500          |                | 72,300           | 8,800                 | 630,200           |
| 084 Permits and Fees                   | 7,500             |                     | 2,000                | 500              | 1,000             | 100            | 300                     |                | 500                   |                  |                | 80,600           | 3,000                 | 95,500            |
| 085 Rents and Leases                   | 9,800             |                     |                      |                  | 1,500             |                | 5,300                   |                | 800                   | 38,300           |                | 73,200           | 35,400                | 164,300           |
| 090 Materials and Supplies             | 2,500             | 1,000               | 12,000               | 2,000            | 550,000           | 1,500          | 24,400                  | 13,000         | 31,500                | 10,000           | 1,400          | 98,800           | 60,000                | 808,100           |
| 091 Small Tools (under \$1,000)        |                   |                     | 2,000                | 2,000            | 16,000            |                | 1,000                   |                | 1,000                 | 10,000           |                | 1,000            | 2,000                 | 35,000            |
| 092 Miscellaneous                      |                   |                     |                      | 400              |                   |                | 34,100                  | 200            | 27,900                |                  | 1,900          |                  |                       | 64,500            |
| 099 Unforeseen Operating Contingency   |                   |                     |                      |                  |                   |                |                         |                | 250,000               |                  |                |                  |                       | 250,000           |
| 120 Purchased Power                    |                   | 24,070,500          |                      |                  |                   |                |                         |                |                       |                  |                |                  |                       | 24,070,500        |
| 210 Taxes                              |                   |                     |                      |                  |                   |                |                         |                | 2,793,000             |                  |                | 13,000           |                       | 2,806,000         |
| <b>Total Expenditures</b>              | <b>366,400</b>    | <b>24,889,000</b>   | <b>1,291,300</b>     | <b>1,660,600</b> | <b>8,379,600</b>  | <b>105,200</b> | <b>1,425,100</b>        | <b>728,800</b> | <b>6,089,500</b>      | <b>1,099,800</b> | <b>179,800</b> | <b>1,148,400</b> | <b>400,800</b>        | <b>47,764,300</b> |
| <b>DEBT SERVICE</b>                    |                   |                     |                      |                  |                   |                |                         |                |                       |                  |                |                  |                       |                   |
| 810 Debt Service - Principal           |                   |                     |                      |                  |                   |                |                         |                | 1,536,900             |                  |                | 360,400          |                       | 1,897,300         |
| 811 Debt Service - Interest            |                   |                     |                      |                  |                   |                |                         |                | 1,563,900             |                  |                | 235,500          |                       | 1,799,400         |
| <b>Total Debt Service</b>              | <b>0</b>          | <b>0</b>            | <b>0</b>             | <b>0</b>         | <b>0</b>          | <b>0</b>       | <b>0</b>                | <b>0</b>       | <b>3,100,800</b>      | <b>0</b>         | <b>0</b>       | <b>595,900</b>   | <b>0</b>              | <b>3,696,700</b>  |
| <b>CAPITAL OUTLAY</b>                  |                   |                     |                      |                  |                   |                |                         |                |                       |                  |                |                  |                       |                   |
| 581 Capital - Contractual Services     | 750,000           |                     | 8,975,800            | 580,000          | 500,000           |                |                         |                |                       |                  |                |                  |                       | 10,805,800        |
| 591 Capital - Materials and Supplies   | 6,000             |                     | 2,700,000            | 375,000          | 1,900,000         |                |                         |                |                       |                  |                | 375,000          | 25,000                | 5,381,000         |
| 592 Capital - Meter Purchases          |                   |                     |                      |                  | 95,000            |                |                         |                |                       |                  |                |                  |                       | 95,000            |
| 593 Capital - Transformer Purchases    |                   |                     |                      |                  | 400,000           |                |                         |                |                       |                  |                |                  |                       | 400,000           |
| 710 Capital - Tools and Equipment      |                   |                     |                      |                  | 3,000             |                |                         |                | 2,000                 |                  |                |                  |                       | 5,000             |
| 711 Capital - Buildings                |                   |                     |                      |                  | 382,000           |                |                         |                |                       |                  |                |                  |                       | 382,000           |
| 712 Capital - Equipment (Over \$2,000) |                   |                     |                      |                  | 137,500           |                |                         |                |                       | 362,000          |                | 161,000          | 65,000                | 725,500           |
| 713 Capital - Vehicles                 |                   |                     |                      |                  | 260,000           |                |                         |                |                       |                  |                |                  |                       | 260,000           |
| 714 Capital - Personal Computers       |                   |                     |                      |                  |                   |                |                         |                |                       | 30,100           |                |                  |                       | 30,100            |
| 901 Unforeseen Capital Contingency     |                   |                     |                      |                  |                   |                |                         |                | 250,000               |                  |                |                  |                       | 250,000           |
| <b>Total Capital Outlay</b>            | <b>756,000</b>    | <b>0</b>            | <b>11,675,800</b>    | <b>955,000</b>   | <b>3,677,500</b>  | <b>0</b>       | <b>0</b>                | <b>0</b>       | <b>252,000</b>        | <b>392,100</b>   | <b>0</b>       | <b>536,000</b>   | <b>90,000</b>         | <b>18,334,400</b> |
| <b>Total Use of Resources</b>          | <b>1,122,400</b>  | <b>24,889,000</b>   | <b>12,967,100</b>    | <b>2,615,600</b> | <b>12,057,100</b> | <b>105,200</b> | <b>1,425,100</b>        | <b>728,800</b> | <b>9,442,300</b>      | <b>1,491,900</b> | <b>179,800</b> | <b>2,280,300</b> | <b>490,800</b>        | <b>69,795,400</b> |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
REVENUE DETAIL**

| <u>Div.</u> | <u>Activity</u>  | <u>Description</u>         | <u>Budget<br/>Amount</u> |
|-------------|------------------|----------------------------|--------------------------|
| 1           | <b>Electric</b>  |                            | <b>55,229,100</b>        |
|             | 001              | Sales - Retail             | 45,909,000               |
|             | 002              | Sales - Wholesale          | 1,939,800                |
|             | 003              | Interest                   | 41,000                   |
|             | 004              | Miscellaneous              | 1,208,000                |
|             | 005              | Rental Income              | 110,000                  |
|             | 006              | Construction Contributions | 1,345,600                |
|             | 007              | Grant Proceeds             | 4,675,700                |
| 2           | <b>Broadband</b> |                            | <b>2,640,000</b>         |
|             | 002              | Sales - Wholesale          | 2,640,000                |
|             | 004              | Miscellaneous              | 0                        |
|             | 006              | Construction Contributions | 0                        |
|             | 007              | Grant Proceeds             | 0                        |
|             |                  | <b>TOTAL REVENUE</b>       | <b>57,869,100</b>        |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>   | <u>Description</u>                 | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-------------------|------------------------------------|--------------------------|-----------------------------|
| 1           | 10           | <b>Generation</b> |                                    | <b>1,122,400</b>         |                             |
|             |              | 010               | Wages                              | 215,700                  |                             |
|             |              | 011               | Benefits                           | 89,500                   |                             |
|             |              | 020               | Travel                             | 7,500                    |                             |
|             |              | 021               | Training, Tuition and Meeting Fees | 2,500                    |                             |
|             |              | 030               | Transportation                     | 2,300                    |                             |
|             |              | 080               | Misc. Contractual Service          | 29,100                   |                             |
|             |              | 084               | Permits and Fees                   | 7,500                    |                             |
|             |              | 085               | Rent and Leases                    | 9,800                    |                             |
|             |              |                   | Ophir Site Lease                   | 9,800                    |                             |
|             |              | 090               | Materials and Supplies             | 2,500                    |                             |
|             |              | 581               | Capital - Contractual Services     | 750,000                  | 1                           |
|             |              | 591               | Capital - Materials and Supplies   | 6,000                    | 1                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>     | <u>Description</u>                            | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|---------------------|---|--------------------------|-----------------------------|
| 1           | 11           | <b>Power Supply</b> |   | <b>24,889,000</b>        |                             |
|             |              | 010                 | Wages   | 134,700                  |                             |
|             |              | 011                 | Benefits                                      | 59,800                   |                             |
|             |              | 020                 | Travel  | 10,000                   |                             |
|             |              | 021                 | Training, Tuition and Meeting Fees            | 7,500                    |                             |
|             |              | 030                 | Transportation                                | 400                      |                             |
|             |              | 080                 | Misc. Contractual Services                    | 414,500                  |                             |
|             |              |                     | Douglas County PUD                            | 354,500                  |                             |
|             |              |                     | Professional Services (compliance/scheduling) | 15,000                   |                             |
|             |              |                     | Central Washington Power Authority            | 5,000                    |                             |
|             |              |                     | Slice Implementation Group                    | 10,000                   |                             |
|             |              |                     | WECC/NERC Assessment                          | 30,000                   |                             |
|             |              | 083                 | Software Licenses and Support                 | 190,600                  |                             |
|             |              |                     | Slice Software Support Fee                    | 190,600                  |                             |
|             |              | 090                 | Materials and Supplies                        | 1,000                    |                             |
|             |              | 120                 | Purchased Power                               | 24,070,500               |                             |
|             |              |                     | BPA - Slice                                   | 8,391,300                |                             |
|             |              |                     | BPA - Block                                   | 5,463,400                |                             |
|             |              |                     | BPA - Transmission                            | 2,633,400                |                             |
|             |              |                     | Wells   | 4,176,100                |                             |
|             |              |                     | Nine Canyon                                   | 2,722,000                |                             |
|             |              |                     | Other - Market Purchases                      | 684,300                  |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>            | <u>Description</u>                                | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|----------------------------|---|--------------------------|-----------------------------|
| 1           | 19           | <b>Construction Design</b> |   | <b>12,967,100</b>        |                             |
|             |              | 010                        | Wages   | 800,500                  |                             |
|             |              | 011                        | Benefits  | 352,200                  |                             |
|             |              | 020                        | Travel  | 6,000                    |                             |
|             |              | 021                        | Training, Tuition and Meeting Fees                | 9,000                    |                             |
|             |              | 030                        | Transportation                                    | 60,000                   |                             |
|             |              | 060                        | Postage, Printing and Stationery                  | 100                      |                             |
|             |              | 070                        | Advertising                                       | 2,500                    |                             |
|             |              | 080                        | Misc. Contractual Services                        | 45,000                   |                             |
|             |              |                            | Foster Crk 115KV Tower Inspection                 | 45,000                   |                             |
|             |              | 084                        | Permits and Fees                                  | 2,000                    |                             |
|             |              |                            | Miscellaneous                                     | 2,000                    |                             |
|             |              | 090                        | Materials and Supplies                            | 12,000                   |                             |
|             |              | 091                        | Small Tools (under \$1,000)                       | 2,000                    |                             |
|             |              | 581                        | Capital - Contractual Services                    | 8,975,800                |                             |
|             |              |                            | PT Line Construction                              | 7,325,000                | 1                           |
|             |              |                            | WASDOT Clear Zone Analysis                        | 175,000                  | 2                           |
|             |              |                            | Gold Creek Substation                             | 1,000,000                | 1                           |
|             |              |                            | LiDAR - Transmission Analysis/Fixes               | 50,000                   | 2                           |
|             |              |                            | Preliminary Studies                               | 90,000                   | 2                           |
|             |              |                            | Misc. Property Survey                             | 10,000                   | 2                           |
|             |              |                            | Okanogan Fire Restoration - Distribution & Fiber  | 255,600                  | 1                           |
|             |              |                            | Okanogan Fire Restoration - Loup Trans. & Fiber   | 70,200                   | 1                           |
|             |              |                            | Carlton Fire Restoration - Distribution           | 0                        | 1                           |
|             |              | 591                        | Capital - Materials and Supplies                  | 2,700,000                |                             |
|             |              |                            | PT Line - Transmission and Distribution Materials | 1,250,000                | 1                           |
|             |              |                            | Gold Creek Substation                             | 1,000,000                | 1                           |
|             |              |                            | Twisp Substation Modifications                    | 400,000                  | 1                           |
|             |              |                            | Loup Transmission Line Re-Route into Twisp Sub    | 50,000                   | 1                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>    | <u>Description</u>                      | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|--------------------|---|--------------------------|-----------------------------|
| 1           | 20           | <b>Engineering</b> |   | <b>2,615,600</b>         |                             |
|             |              | 010                | Wages                                   | 200,100                  |                             |
|             |              | 011                | Benefits                                | 64,800                   |                             |
|             |              | 020                | Travel                                  | 8,000                    |                             |
|             |              | 021                | Training, Tuition and Meeting Fees      | 10,000                   |                             |
|             |              | 030                | Transportation                          | 8,000                    |                             |
|             |              | 060                | Postage, Printing and Stationery        | 300                      |                             |
|             |              | 070                | Advertising                             | 1,500                    |                             |
|             |              | 080                | Misc. Contractual Services              | 1,363,000                |                             |
|             |              |                    | BPA Study - WECC De-Registration        | 50,000                   |                             |
|             |              |                    | Contract Engineering                    | 100,000                  |                             |
|             |              |                    | Enloe Dam Dewatering                    | 1,000,000                |                             |
|             |              |                    | Enloe Dam Inspection                    | 38,000                   |                             |
|             |              |                    | SPCC Plan Updates                       | 65,000                   |                             |
|             |              |                    | Substation Equipment Testing            | 50,000                   |                             |
|             |              |                    | Wells Dam - O&M Contract Development    | 60,000                   |                             |
|             |              | 084                | Permits and Fees                        | 500                      |                             |
|             |              |                    | Miscellaneous                           | 500                      |                             |
|             |              | 090                | Materials and Supplies                  | 2,000                    |                             |
|             |              | 091                | Small Tools (under \$1,000)             | 2,000                    |                             |
|             |              | 092                | Miscellaneous                           | 400                      |                             |
|             |              | 581                | Capital - Contractual Services          | 580,000                  |                             |
|             |              |                    | Engineering - Large System Projects     | 180,000                  | 2                           |
|             |              |                    | Enloe Dam - On Call Engineering Support | 300,000                  | 1                           |
|             |              |                    | Wells Dam - System Impact Studies       | 100,000                  | 2                           |
|             |              | 591                | Capital - Materials and Supplies        | 375,000                  |                             |
|             |              |                    | Brewster 115kv Bus Differential         | 25,000                   | 2                           |
|             |              |                    | OCB, Regulators, Reclosers, etc.        | 300,000                  | 2                           |
|             |              |                    | SCADA                                   | 50,000                   | 2                           |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>   | <u>Description</u>                                 | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-------------------|--|--------------------------|-----------------------------|
| 1           | 21           | <b>Operations</b> |  | <b>12,057,100</b>        |                             |
|             |              | 010               | Wages  | 4,013,000                |                             |
|             |              | 011               | Benefits   | 1,537,000                |                             |
|             |              | 020               | Travel   | 33,000                   |                             |
|             |              | 021               | Training, Tuition and Meeting Fees                 | 22,000                   |                             |
|             |              | 030               | Transportation                                     | 800,000                  |                             |
|             |              | 050               | Utilities  | 200                      |                             |
|             |              | 060               | Postage, Printing and Stationery                   | 1,500                    |                             |
|             |              | 070               | Advertising  | 2,000                    |                             |
|             |              | 080               | Misc. Contractual Services                         | 1,252,200                |                             |
|             |              |                   | CDL Testing Program                                | 6,500                    |                             |
|             |              |                   | Employee Dispatch                                  | 120,000                  |                             |
|             |              |                   | Firealarm Testing and Monitoring                   | 1,700                    |                             |
|             |              |                   | Janitorial Services (All Offices)                  | 66,000                   |                             |
|             |              |                   | Non-PCB Waste Disposal                             | 8,000                    |                             |
|             |              |                   | Pole Testing                                       | 230,000                  |                             |
|             |              |                   | Safety Training                                    | 40,000                   |                             |
|             |              |                   | Transmission Pole Fire Retardent                   | 65,000                   |                             |
|             |              |                   | Tree Trimming                                      | 700,000                  |                             |
|             |              |                   | Underground Locate Service                         | 3,000                    |                             |
|             |              |                   | Weed Control                                       | 12,000                   |                             |
|             |              | 082               | Maintenance Contracts                              | 150,200                  |                             |
|             |              |                   | Elevator Maintenance                               | 4,200                    |                             |
|             |              |                   | HQ General Maintenance                             | 40,000                   |                             |
|             |              |                   | HVAC Maintenance                                   | 38,000                   |                             |
|             |              |                   | Landscape Maintenance                              | 10,000                   |                             |
|             |              |                   | Snowplowing and Sweeping                           | 15,000                   |                             |
|             |              |                   | Okanogan Sub - Asphalt Repair/Driveway Approach    | 35,000                   |                             |
|             |              |                   | Brewster Office - Exterior Repair and Paint        | 8,000                    |                             |
|             |              | 084               | Permits and Fees                                   | 1,000                    |                             |
|             |              |                   | Miscellaneous                                      | 1,000                    |                             |
|             |              | 085               | Rents and Leases                                   | 1,500                    |                             |
|             |              |                   | Pole Contacts                                      | 1,500                    |                             |
|             |              | 090               | Materials and Supplies                             | 550,000                  |                             |
|             |              |                   | General  | 530,000                  |                             |
|             |              |                   | Fire Resistant Clothing                            | 20,000                   |                             |
|             |              | 091               | Small Tools (under \$1,000)                        | 16,000                   |                             |
|             |              |                   | Line   | 10,000                   |                             |
|             |              |                   | Telecommunications                                 | 2,000                    |                             |
|             |              |                   | Electric Shop                                      | 2,000                    |                             |
|             |              |                   | Vehicle Shop                                       | 2,000                    |                             |
|             |              | 581               | Capital - Contractual Services                     | 500,000                  |                             |
|             |              |                   | Contract Labor                                     | 100,000                  | 2                           |
|             |              |                   | Underground Replacements                           | 400,000                  | 2                           |
|             |              | 591               | Capital - Materials and Supplies                   | 1,900,000                |                             |
|             |              |                   | Normal Replacements and Extensions                 | 1,375,000                | 2                           |
|             |              |                   | Avian Protection                                   | 6,000                    | 2                           |
|             |              |                   | Cutout Replacement                                 | 125,000                  | 2                           |
|             |              |                   | TNS-2000: Rebuild Havillah Road Phase 1            | 106,000                  | 2                           |
|             |              |                   | TNS-2000: Rebuild Havillah Road Phase 2            | 114,000                  | 3                           |
|             |              |                   | WSS-3000: Rebuild Phase 1 from (3215-3300)         | 76,000                   | 3                           |
|             |              |                   | MLS-1000: Rebuild towards Ophir Substation         | 62,000                   | 3                           |
|             |              |                   | SFS-2000: Reconductor S. Fir; Ridge Dr./Radio Sta. | 12,000                   | 3                           |
|             |              |                   | BWS-5000: Replace UG Brewster Hghts. Subdivision   | 24,000                   | 2                           |
|             |              | 592               | Capital - Meter Purchases                          | 95,000                   |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                                  | <u>Description</u>                                   |           | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|--|--|-----------|--------------------------|-----------------------------|
|             |              |  | Metering Special Projects                            | 30,000    |                          | 2                           |
|             |              |  | PME Meter Replacements                               | 20,000    |                          | 2                           |
|             |              |  | Meters w/ Internal Breakers                          | 45,000    |                          | 2                           |
| 593         |              | Capital - Transformer Purchases                  |  |           | 400,000                  |                             |
|             |              |  | Normal Additions/Replacements                        | 400,000   |                          | 2                           |
| 710         |              | Capital - Tools & Equipment (\$1,000 to \$2,000) |  |           | 3,000                    | 2                           |
| 711         |              | Capital - Buildings                              |  |           | 382,000                  |                             |
|             |              |  | Brewster Warehouse - Enclose                         | 30,000    |                          | 2                           |
|             |              |  | District Offices - Physical Security                 | 104,000   |                          | 2                           |
|             |              |  | Headquarters - Emergency Generator Loadbank          | 8,000     |                          | 2                           |
|             |              |  | Headquarters - HVAC Digital Control Project          | 15,000    |                          | 2                           |
|             |              |  | Headquarters - Network Room Gas Fire System          | 25,000    |                          | 2                           |
|             |              |  | Okanogan or Sandflat Subs - Covered Storage          | 200,000   |                          | 3                           |
| 712         |              | Capital - Equipment (Over \$2,000)               |  |           | 137,500                  |                             |
|             |              |  | Electric Shop - Recloser Tester                      | 22,000    |                          | 2                           |
|             |              |  | Electric Shop\Telecom - Battery Storage\Charging     | 20,000    |                          | 2                           |
|             |              |  | Operations - PPE\Tool Vending Machines               | 27,500    |                          | 2                           |
|             |              |  | Operations - Water Tank, Pump, Hose (slip in)        | 15,000    |                          | 2                           |
|             |              |  | Vehicle Shop - Plasma Cutter                         | 16,500    |                          | 2                           |
|             |              |  | Vehicle Shop - Diagnostic Code Scanner               | 10,500    |                          | 2                           |
|             |              |  | Vehicle Shop - Vehicle Lifts                         | 26,000    |                          | 2                           |
| 713         |              | Capital - Vehicles                               |  |           | 260,000                  |                             |
|             |              |  | Fleet  | 500,000   |                          | 2                           |
|             |              |  | Fleet - 2017 Commitment: Line Vehicles (2) \$700,000 |           |                          | 2                           |
|             |              |  | Less: Transportation System Depreciation             | (240,000) |                          | 2                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|-----------------------------|
| 1           | 22           |                 | <b>Environmental</b>               | <b>105,200</b>           |                             |
|             |              | 010             | Wages                              | 69,700                   |                             |
|             |              | 011             | Benefits                           | 21,300                   |                             |
|             |              | 020             | Travel                             | 7,000                    |                             |
|             |              | 021             | Training, Tuition and Meeting Fees | 4,000                    |                             |
|             |              | 030             | Transportation                     | 100                      |                             |
|             |              | 080             | Misc. Contractual Services         | 1,500                    |                             |
|             |              | 084             | Permits and Fees                   | 100                      |                             |
|             |              | 090             | Materials and Supplies             | 1,500                    |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                     | <u>Description</u> | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-------------------------------------|--------------------|--------------------------|-----------------------------|
| 1           | 30           | <b>Customer Service</b>             |                    | <b>1,425,100</b>         |                             |
|             | 010          | Wages                               |                    | 743,600                  |                             |
|             | 011          | Benefits                            |                    | 365,100                  |                             |
|             | 020          | Travel                              |                    | 4,500                    |                             |
|             | 021          | Training, Tuition and Meeting Fees  |                    | 2,500                    |                             |
|             | 030          | Transportation                      |                    | 40,800                   |                             |
|             | 060          | Postage, Printing and Stationery    |                    | 145,000                  |                             |
|             |              | Postage and Printing - NISC         | 115,000            |                          |                             |
|             |              | Postage - PUD                       | 25,000             |                          |                             |
|             |              | Printing - Misc.                    | 5,000              |                          |                             |
|             | 070          | Advertising                         |                    | 1,000                    |                             |
|             | 080          | Misc. Contractual Services          |                    | 57,500                   |                             |
|             |              | CIS Programming                     | 500                |                          |                             |
|             |              | Collection Service - Credit Bureau  | 3,000              |                          |                             |
|             |              | Credit Reporting Agency             | 3,000              |                          |                             |
|             |              | Electronic Payments Fees            | 51,000             |                          |                             |
|             | 084          | Permits and Fees                    |                    | 300                      |                             |
|             |              | Miscellaneous Fees (Notaries, etc.) | 300                |                          |                             |
|             | 085          | Rents and Leases                    |                    | 5,300                    |                             |
|             |              | Office Rent MVCC                    | 5,000              |                          |                             |
|             |              | Miscellaneous                       | 300                |                          |                             |
|             | 090          | Materials and Supplies              |                    | 24,400                   |                             |
|             |              | General                             | 24,400             |                          |                             |
|             | 091          | Small Tools (under \$1,000)         |                    | 1,000                    |                             |
|             | 092          | Miscellaneous                       |                    | 34,100                   |                             |
|             |              | Miscellaneous Expenses              | 200                |                          |                             |
|             |              | Net Account Receivable Writeoffs    | 33,900             |                          |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                       | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|--|--------------------------|-----------------------------|
| 1           | 35           |                 | <b>Conservation/Consumer Information</b> | <b>728,800</b>           |                             |
|             |              | 010             | Wages                                    | 132,500                  |                             |
|             |              | 011             | Benefits                                 | 44,500                   |                             |
|             |              | 020             | Travel                                   | 3,500                    |                             |
|             |              | 021             | Training, Tuition and Meeting Fees       | 2,500                    |                             |
|             |              | 030             | Transportation                           | 2,200                    |                             |
|             |              | 060             | Postage, Printing and Stationery         | 500                      |                             |
|             |              |                 | Miscellaneous                            | 500                      |                             |
|             |              | 070             | Advertising                              | 23,000                   |                             |
|             |              | 071             | Conservation Expenditures                | 214,900                  |                             |
|             |              |                 | District Conservation Programs           | 214,900                  |                             |
|             |              | 080             | Misc. Contractual Services               | 292,000                  |                             |
|             |              |                 | Conservation Contracts                   | 272,000                  |                             |
|             |              |                 | Electric Education Programs              | 20,000                   |                             |
|             |              | 090             | Materials and Supplies                   | 13,000                   |                             |
|             |              | 092             | Miscellaneous                            | 200                      |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                            | <u>Description</u> | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|--|--------------------|--------------------------|-----------------------------|
| 1           | 40           | <b>General Administration</b>              |                    | <b>9,442,300</b>         |                             |
|             | 010          | Wages                                      |                    | 1,249,900                |                             |
|             | 011          | Benefits                                   |                    | 507,500                  |                             |
|             | 020          | Travel                                     |                    | 20,200                   |                             |
|             |              | General                                    | 8,200              |                          |                             |
|             |              | Accounting and Finance                     | 4,700              |                          |                             |
|             |              | Human Resource                             | 3,800              |                          |                             |
|             |              | Leadership                                 | 3,500              |                          |                             |
|             | 021          | Training, Tuition and Meeting Fees         |                    | 17,300                   |                             |
|             |              | General                                    | 3,400              |                          |                             |
|             |              | Accounting and Finance                     | 6,600              |                          |                             |
|             |              | Human Resource                             | 1,600              |                          |                             |
|             |              | Educational Reimbursement                  | 2,200              |                          |                             |
|             |              | Leadership                                 | 3,500              |                          |                             |
|             | 030          | Transportation                             |                    | 2,400                    |                             |
|             | 040          | Insurance (Property/Liability)             |                    | 337,600                  |                             |
|             | 050          | Utilities                                  |                    | 97,700                   |                             |
|             |              | Cell Phone Service                         | 8,400              |                          |                             |
|             |              | Electrical Service                         | 10,100             |                          |                             |
|             |              | Telephone Service                          | 47,700             |                          |                             |
|             |              | Water/Sewer/Garbage                        | 31,500             |                          |                             |
|             | 060          | Postage, Printing and Stationery           |                    | 5,000                    |                             |
|             | 070          | Advertising                                |                    | 4,800                    |                             |
|             | 080          | Misc. Contractual Services                 |                    | 458,600                  |                             |
|             |              | APPA Dues                                  | 16,600             |                          |                             |
|             |              | Audit Costs                                | 88,100             |                          |                             |
|             |              | Banking Fees                               | 45,500             |                          |                             |
|             |              | Benefits Administration                    | 10,500             |                          |                             |
|             |              | Bond Admin Fee                             | 600                |                          |                             |
|             |              | Chamber of Commerce Dues                   | 800                |                          |                             |
|             |              | CWPU/UIP Expenses                          | 12,700             |                          |                             |
|             |              | Economic Alliance                          | 6,000              |                          |                             |
|             |              | Financial Studies                          | 50,000             |                          |                             |
|             |              | Foundation for Water and Energy            | 2,000              |                          |                             |
|             |              | Human Resources Consulting Services        | 31,100             |                          |                             |
|             |              | Legislative Consultant                     | 42,000             |                          |                             |
|             |              | Misc. Services/Consulting                  | 10,000             |                          |                             |
|             |              | NW Public Power Assoc. Dues/NW Wage & Hour | 28,000             |                          |                             |
|             |              | PPC - Dues                                 | 21,900             |                          |                             |
|             |              | PPC - NW River Partners                    | 12,400             |                          |                             |
|             |              | Standard and Poors                         | 7,500              |                          |                             |
|             |              | WA PUD Association Dues                    | 72,900             |                          |                             |
|             | 081          | Legal Services                             |                    | 283,800                  |                             |
|             |              | General Counsel                            | 208,800            |                          |                             |
|             |              | Misc. Attorney Fees                        | 75,000             |                          |                             |
|             | 084          | Permits and Fees                           |                    | 500                      |                             |
|             |              | WA State L&I Right to Know                 | 200                |                          |                             |
|             |              | Misc.                                      | 300                |                          |                             |
|             | 085          | Rents and Leases                           |                    | 800                      |                             |
|             |              | P.O. Box Rent                              | 800                |                          |                             |
|             | 090          | Materials and Supplies                     |                    | 31,500                   |                             |
|             | 091          | Small Tools (under \$1,000)                |                    | 1,000                    |                             |
|             | 092          | Miscellaneous                              |                    | 27,900                   |                             |
|             |              | Clothing for Identification                | 1,200              |                          |                             |
|             |              | Deductibles/Damage Claims                  | 4,000              |                          |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                                |        | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|---|--------|--------------------------|-----------------------------|
|             |              |                 | Election Costs                                    | 6,500  |                          |                             |
|             |              |                 | Employee Day                                      | 3,300  |                          |                             |
|             |              |                 | Meeting Expenses                                  | 300    |                          |                             |
|             |              |                 | Misc. Expenses (Wellness, Interview & Moving Exp) | 11,700 |                          |                             |
|             |              |                 | Service Awards and Costs                          | 900    |                          |                             |
| 099         |              |                 | Unforeseen Operating Contingency                  |        | 250,000                  |                             |
| 210         |              |                 | Taxes   |        | 2,793,000                |                             |
| 710         |              |                 | Capital - Tools & Equipment (\$1,000 to \$2,000)  |        | 2,000                    | 2                           |
| 810         |              |                 | Debt Service - Principal                          |        | 1,536,900                |                             |
| 811         |              |                 | Debt Service - Interest                           |        | 1,563,900                |                             |
| 901         |              |                 | Unforeseen Capital Contingency                    |        | 250,000                  | 2                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>            | <u>Description</u>                                 | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|----------------------------|--|--------------------------|-----------------------------|
| 1           | 41           | <b>Information Systems</b> |  | <b>1,491,900</b>         |                             |
|             |              | 010                        | Wages  | 418,400                  |                             |
|             |              | 011                        | Benefits   | 192,500                  |                             |
|             |              | 020                        | Travel   | 10,000                   |                             |
|             |              | 021                        | Training, Tuition and Meeting Fees                 | 13,500                   |                             |
|             |              | 030                        | Transportation                                     | 1,300                    |                             |
|             |              | 080                        | Misc. Contractual Services                         | 28,000                   |                             |
|             |              |                            | Consulting   | 15,000                   |                             |
|             |              |                            | Key Card System                                    | 2,500                    |                             |
|             |              |                            | Security System Monitoring                         | 3,000                    |                             |
|             |              |                            | Sharepoint Migration/Configuration                 | 7,500                    |                             |
|             |              | 082                        | Maintenance Contracts                              | 19,300                   |                             |
|             |              |                            | Branch Office Multi Function Printer               | 1,500                    |                             |
|             |              |                            | Okanogan Office Multi Function Printer             | 12,000                   |                             |
|             |              |                            | Check Scanner - RemitPlus                          | 300                      |                             |
|             |              |                            | Datacenter Liebert Units                           | 5,500                    |                             |
|             |              | 083                        | Software Licenses and Support                      | 358,500                  |                             |
|             |              |                            | Aclara - TWACS Support                             | 18,000                   |                             |
|             |              |                            | Brocade Tech Support                               | 1,000                    |                             |
|             |              |                            | Certs SSL  | 2,100                    |                             |
|             |              |                            | Genetec Maintenance                                | 3,000                    |                             |
|             |              |                            | Kayako Helpdesk Maintenance                        | 300                      |                             |
|             |              |                            | LANDesk Patch Management                           | 1,200                    |                             |
|             |              |                            | Microsoft Software                                 | 35,300                   |                             |
|             |              |                            | NISC Custom Programming                            | 5,000                    |                             |
|             |              |                            | NISC Maintenance                                   | 130,000                  |                             |
|             |              |                            | NISC SmartHub - One Time                           | 5,000                    |                             |
|             |              |                            | NISC SmartHub - Maintenance                        | 5,000                    |                             |
|             |              |                            | Domain Registrations                               | 600                      |                             |
|             |              |                            | Programming Software                               | 1,200                    |                             |
|             |              |                            | ShoreTel Phone System                              | 16,200                   |                             |
|             |              |                            | SonicWALL - ESA                                    | 3,500                    |                             |
|             |              |                            | SonicWALL - NSA                                    | 2,500                    |                             |
|             |              |                            | Symantec Software and Support                      | 10,800                   |                             |
|             |              |                            | VMWare Software Support (IS)                       | 5,000                    |                             |
|             |              |                            | Eng/Ops - Symantec for SCADA Servers               | 800                      |                             |
|             |              |                            | Eng/Ops - AutoCad                                  | 3,000                    |                             |
|             |              |                            | Eng/Ops - ESRI                                     | 6,000                    |                             |
|             |              |                            | Eng/Ops - Futura                                   | 17,500                   |                             |
|             |              |                            | Eng/Ops - GeoNav                                   | 3,500                    |                             |
|             |              |                            | Eng/Ops - Itron Staker Maintenance                 | 25,000                   |                             |
|             |              |                            | Eng/Ops - Itron Staker Reporting                   | 10,000                   |                             |
|             |              |                            | Eng/Ops - Mapsight                                 | 3,000                    |                             |
|             |              |                            | Eng/Ops - OSI                                      | 21,300                   |                             |
|             |              |                            | Eng/Ops - Trimble Field Inspector                  | 1,600                    |                             |
|             |              |                            | Eng/Ops - Allison Transmission Diagnostic Software | 800                      |                             |
|             |              |                            | Eng/Ops - Mitchell Diagnostic Software             | 3,000                    |                             |
|             |              |                            | Eng/Ops - MSDS On Line                             | 2,700                    |                             |
|             |              |                            | Eng/Ops - Cummins Tool Software                    | 700                      |                             |
|             |              |                            | Eng/Ops - Fastenal Tool Inventory                  | 1,200                    |                             |
|             |              |                            | Eng/Ops - Max Force                                | 700                      |                             |
|             |              |                            | Eng/Ops - Zonar Vehicle Tracking                   | 12,000                   |                             |
|             |              | 085                        | Rents and Leases                                   | 38,300                   |                             |
|             |              |                            | Okanogan Mailing Equipment                         | 13,000                   |                             |
|             |              |                            | Branch Office Mailing Equipment                    | 3,000                    |                             |



**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                                |         | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|---|---------|--------------------------|-----------------------------|
|             |              |                 | Branch Office MFP                                 | 10,300  |                          |                             |
|             |              |                 | Okanogan Office MFP                               | 12,000  |                          |                             |
| 090         |              |                 | Materials and Supplies                            |         | 10,000                   |                             |
| 091         |              |                 | Small Tools (under \$1,000)                       |         | 10,000                   |                             |
| 712         |              |                 | Capital - Equipment (Over \$2,000)                |         | 362,000                  |                             |
|             |              |                 | KVM Switch for Datacenter                         | 2,300   |                          | 2                           |
|             |              |                 | PowerVault External Tape Drive                    | 2,500   |                          | 2                           |
|             |              |                 | Eaton Powerware - Okanogan Datacenter             | 30,000  |                          | 2                           |
|             |              |                 | Genetec System - Cameras (Subs, yards and fences) | 60,000  |                          | 3                           |
|             |              |                 | Genetec System - Readers and Controllers          | 40,000  |                          | 3                           |
|             |              |                 | Genetec System - Video Surveillance Software      | 10,000  |                          | 3                           |
|             |              |                 | Genetec System - Video Conferencing               | 10,000  |                          | 3                           |
|             |              |                 | NISC RemitPlus Server                             | 2,500   |                          | 2                           |
|             |              |                 | Eng/Ops - OSI SCADA Servers and Workstations      | 127,600 |                          | 2                           |
|             |              |                 | Eng/Ops - Tablet PC's                             | 20,000  |                          | 2                           |
|             |              |                 | Eng/Ops - Physical Server SQL Database            | 6,000   |                          | 2                           |
|             |              |                 | Printers  | 5,000   |                          | 2                           |
|             |              |                 | Phone System                                      | 6,600   |                          | 2                           |
|             |              |                 | Virtual Environment                               | 39,500  |                          | 2                           |
| 714         |              |                 | Capital - Personal Computers                      |         | 30,100                   | 2                           |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u> | <u>Description</u>                 | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|-----------------|------------------------------------|--------------------------|-----------------------------|
| 1           | 50           |                 | <b>Commissioners</b>               | <b>179,800</b>           |                             |
|             |              | 010             | Wages                              | 108,900                  |                             |
|             |              | 011             | Benefits                           | 44,500                   |                             |
|             |              | 020             | Travel                             | 20,100                   |                             |
|             |              | 021             | Training, Tuition and Meeting Fees | 3,000                    |                             |
|             |              | 090             | Materials and Supplies             | 1,400                    |                             |
|             |              | 092             | Miscellaneous                      | 1,900                    |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>  | <u>Description</u>                          | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|------------------|---|--------------------------|-----------------------------|
| 2           | 60           | <b>Broadband</b> |   | <b>2,280,300</b>         |                             |
|             |              | 010              | Wages                                       | 345,200                  |                             |
|             |              | 011              | Benefits                                    | 156,700                  |                             |
|             |              | 020              | Travel                                      | 15,000                   |                             |
|             |              | 021              | Training, Tuition and Meeting Fees          | 15,000                   |                             |
|             |              | 030              | Transportation                              | 50,400                   |                             |
|             |              | 060              | Postage, Printing and Stationery            | 300                      |                             |
|             |              | 080              | Misc. Contractual Services                  | 104,200                  |                             |
|             |              |                  | Network Consulting                          | 50,000                   |                             |
|             |              |                  | NoaNet Calea Services                       | 4,200                    |                             |
|             |              |                  | Software Development                        | 50,000                   |                             |
|             |              | 081              | Legal Services                              | 10,000                   |                             |
|             |              | 082              | Maintenance Contracts                       | 112,700                  |                             |
|             |              |                  | ADVA Optical                                | 30,000                   |                             |
|             |              |                  | Cambium Networks                            | 4,600                    |                             |
|             |              |                  | Cisco                                       | 2,100                    |                             |
|             |              |                  | Juniper support                             | 6,000                    |                             |
|             |              |                  | Motorola                                    | 3,500                    |                             |
|             |              |                  | WWP Lightning Edge/Ciena Devices            | 66,500                   |                             |
|             |              | 083              | Software Licenses and Support               | 72,300                   |                             |
|             |              |                  | Ciena                                       | 30,000                   |                             |
|             |              |                  | Kayako Helpdesk                             | 300                      |                             |
|             |              |                  | Microsoft Software                          | 5,300                    |                             |
|             |              |                  | NetZoom                                     | 2,100                    |                             |
|             |              |                  | Server License and Software Upgrades        | 7,500                    |                             |
|             |              |                  | Solar Winds                                 | 15,100                   |                             |
|             |              |                  | Symantec Software and Support               | 4,600                    |                             |
|             |              |                  | Telerik                                     | 1,900                    |                             |
|             |              |                  | VMWare                                      | 5,500                    |                             |
|             |              | 084              | Permits and Fees                            | 80,600                   |                             |
|             |              |                  | ARIN ASN & IP Address Allocation            | 5,000                    |                             |
|             |              |                  | Upstream Internet Bandwidth                 | 75,600                   |                             |
|             |              | 085              | Rents and Leases                            | 73,200                   |                             |
|             |              |                  | DCPUD Dark Fiber Leases                     | 29,200                   |                             |
|             |              |                  | DCPUD Co-location                           | 5,600                    |                             |
|             |              |                  | USEI Co-location                            | 4,800                    |                             |
|             |              |                  | Wireless Site Lease                         | 33,600                   |                             |
|             |              | 090              | Materials and Supplies                      | 98,800                   |                             |
|             |              |                  | Backup Tapes                                | 500                      |                             |
|             |              |                  | Battery Plant - Maintenance and Replacement | 16,300                   |                             |
|             |              |                  | Equipment Calibration/Repair                | 2,300                    |                             |
|             |              |                  | Fiber Plant Maintenance - Broadband         | 50,000                   |                             |
|             |              |                  | HVAC Maintenance and Repair                 | 10,000                   |                             |
|             |              |                  | Switch/Network HW Upgrades                  | 10,000                   |                             |
|             |              |                  | UPS/Rectifier - Maintenance and Replacement | 7,100                    |                             |
|             |              |                  | 10G NICs for ESX Hosts                      | 2,600                    |                             |
|             |              | 091              | Small Tools (under \$1,000)                 | 1,000                    |                             |
|             |              | 210              | Taxes                                       | 13,000                   |                             |
|             |              | 591              | Capital - Materials and Supplies            | 375,000                  |                             |
|             |              |                  | Fiber Build - Berney' to P18275             | 34,800                   | <b>3</b>                    |
|             |              |                  | Fiber Build - SitnBull to P18275            | 2,200                    | <b>3</b>                    |
|             |              |                  | Fiber Distribution Builds                   | 100,000                  | <b>2</b>                    |
|             |              |                  | Legacy Wireless Site Upgrades               | 55,000                   | <b>2</b>                    |
|             |              |                  | Network Hardware Replacement - EOL          | 25,800                   | <b>2</b>                    |
|             |              |                  | Node Rework                                 | 30,000                   | <b>2</b>                    |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                    | <u>Description</u>                      |         | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|------------------------------------|---|---------|--------------------------|-----------------------------|
|             |              |                                    | Optics                                  | 42,200  |                          | <b>2</b>                    |
|             |              |                                    | Wireless Subscriber Units               | 85,000  |                          | <b>2</b>                    |
|             | 712          | Capital - Equipment (Over \$2,000) |   |         | 161,000                  |                             |
|             |              |                                    | NetApp Shelf                            | 51,000  |                          | <b>2</b>                    |
|             |              |                                    | Stand Alone Server for IDS/IPS Services | 12,000  |                          | <b>2</b>                    |
|             |              |                                    | Switch Replacement Cisco 3750s          | 13,000  |                          | <b>2</b>                    |
|             |              |                                    | Tools                                   | 5,000   |                          | <b>2</b>                    |
|             |              |                                    | Test Equipment                          | 35,000  |                          | <b>3</b>                    |
|             |              |                                    | Virtual Environment                     | 45,000  |                          | <b>2</b>                    |
|             | 810          | Debt Service - Principal           |   |         | 360,400                  |                             |
|             |              |                                    | Loan - Electric                         | 218,100 |                          |                             |
|             |              |                                    | Operating Line - Electric               | 0       |                          |                             |
|             |              |                                    | Loan - ARRA                             | 142,300 |                          |                             |
|             | 811          | Debt Service - Interest            |   |         | 235,500                  |                             |
|             |              |                                    | Loan - Electric                         | 60,300  |                          |                             |
|             |              |                                    | Operating Line - Electric               | 78,300  |                          |                             |
|             |              |                                    | Loan - ARRA                             | 96,900  |                          |                             |

**PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL**

| <u>Div.</u> | <u>Dept.</u> | <u>Activity</u>                | <u>Description</u>                              | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|-------------|--------------|--------------------------------|---|--------------------------|-----------------------------|
| 1           | 61           | <b>Internal Communications</b> |   | <b>490,800</b>           |                             |
|             |              | 010                            | Wages   | 156,000                  |                             |
|             |              | 011                            | Benefits  | 60,400                   |                             |
|             |              | 020                            | Travel  | 5,000                    |                             |
|             |              | 021                            | Training, Tuition and Meeting Fees              | 5,000                    |                             |
|             |              | 030                            | Transportation                                  | 16,400                   |                             |
|             |              | 060                            | Postage, Printing and Stationery                | 300                      |                             |
|             |              | 080                            | Misc. Contractual Services                      | 25,000                   |                             |
|             |              |                                | Radio System Coverage Analysis                  | 25,000                   |                             |
|             |              | 082                            | Maintenance Contracts                           | 23,500                   |                             |
|             |              |                                | Fire Alarm System                               | 3,500                    |                             |
|             |              |                                | UHF Radio System                                | 20,000                   |                             |
|             |              | 083                            | Software Licenses and Support                   | 8,800                    |                             |
|             |              |                                | Cisco Smartnet                                  | 300                      |                             |
|             |              |                                | MapInfo Software Support                        | 500                      |                             |
|             |              |                                | Fiber Mapping Software Support                  | 8,000                    |                             |
|             |              | 084                            | Permits and Fees                                | 3,000                    |                             |
|             |              |                                | Right of Way - USFS, DOT, etc.                  | 3,000                    |                             |
|             |              | 085                            | Rents and Leases                                | 35,400                   |                             |
|             |              |                                | UHF Site Lease - Little Buck Mtn.               | 2,500                    |                             |
|             |              |                                | UHF Site Lease - Aeneas Mtn.                    | 2,800                    |                             |
|             |              |                                | UHF Site Lease - Goat Mtn.                      | 600                      |                             |
|             |              |                                | UHF Site Lease - Omak Mtn.                      | 3,900                    |                             |
|             |              |                                | UHF Site Lease - McClure Mtn.                   | 1,300                    |                             |
|             |              |                                | UHF Site Lease - Tunk Mtn.                      | 1,300                    |                             |
|             |              |                                | Dark Fiber Lease - Brewster to Wells Dam        | 23,000                   |                             |
|             |              | 090                            | Materials and Supplies                          | 60,000                   |                             |
|             |              |                                | Fiber Plant Maintenance - Internal and Backbone | 50,000                   |                             |
|             |              |                                | General Materials and Supplies                  | 10,000                   |                             |
|             |              | 091                            | Small Tools (under \$1,000)                     | 2,000                    |                             |
|             |              | 591                            | Capital - Materials and Supplies                | 25,000                   |                             |
|             |              |                                | Fiber Rework - 1st and 2nd Avenue Okanogan      | 15,000                   | 2                           |
|             |              |                                | Misc.   | 10,000                   | 2                           |
|             |              | 712                            | Capital - Equipment (Over \$2,000)              | 65,000                   |                             |
|             |              |                                | UHF Radio System Overhaul - Jackass Butte       | 65,000                   | 2                           |

PUBLIC UTILITY DIST. NO. 1 OF OKANOGAN COUNTY  
2016 ADOPTED BUDGET - DECEMBER 7, 2015  
EXPENDITURE DETAIL

| <u>Div.</u>                                  | <u>Dept.</u> | <u>Activity</u> | <u>Description</u> | <u>Budget<br/>Amount</u> | <u>Priority<br/>Ranking</u> |
|--|--------------|-----------------|--------------------|--------------------------|-----------------------------|
| <b>TOTAL EXPENDITURES AND CAPITAL OUTLAY</b> |              |                 |                    | <b>69,795,400</b>        |                             |