

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/a 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 Telecom</u>	<u>Total</u>
<u>REVENUE</u>			
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
Total Revenue	43,438,000	7,461,000	50,899,000
<u>EXPENDITURES</u>			
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
Total Expenditures	41,800,100	905,200	42,705,300
<u>CAPITAL OUTLAY</u>			
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
Total Capital Outlay	15,455,900	9,130,800	24,586,700
<u>DEBT SERVICE</u>			
Debt Service - Principal	1,387,000	168,000	1,555,000
Debt Service - Interest	1,685,300	233,700	1,919,000
Total Debt Service	3,072,300	401,700	3,474,000
Total Use of Resources	60,328,300	10,437,700	70,766,000
TRANSFER TO/(FROM) RESERVES	(16,890,300)	(2,976,700)	(19,867,000)

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

	Electric System				Wholesale Telecommunications				Total			
REVENUE	Adopted 2011	Projected 2011	Final 2012	2011 Adopted/ 2012 Final	Adopted 2011	Projected 2011	Final 2012	2011 Adopted/ 2012 Final	Adopted 2011	Projected 2011	Final 2012	2011 Adopted/ 2012 Final
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
Total Revenue	42,385,000	42,728,000	43,438,000	1,053,000	2,000,000	3,153,000	7,461,000	5,461,000	44,385,000	45,881,000	50,899,000	6,514,000
EXPENDITURES												
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
Total Expenditures	44,024,800	42,603,600	41,800,100	(2,224,700)	994,400	901,100	905,200	(89,200)	45,019,200	43,504,700	42,705,300	(2,313,900)
CAPITAL OUTLAY												
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
Total Capital Outlay	17,776,800	5,877,300	15,455,900	(2,320,900)	542,000	1,312,000	9,130,800	8,588,800	18,318,800	7,189,300	24,586,700	6,267,900
DEBT SERVICE												
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)
Total Debt Service	3,013,300	3,013,300	3,072,300	59,000	417,800	417,800	401,700	(16,100)	3,431,100	3,431,100	3,474,000	42,900
Total Use of Resources	64,814,900	51,494,200	60,328,300	(4,486,600)	1,954,200	2,630,900	10,437,700	8,483,500	66,769,100	54,125,100	70,766,000	3,996,900
TRANSFER TO/(FROM) RESERVES	(22,429,900)	(8,766,200)	(16,890,300)	5,539,600	45,800	522,100	(2,976,700)	(3,022,500)	(22,384,100)	(8,244,100)	(19,867,000)	2,517,100

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>
EXPENDITURES													
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
Total Expenditures	292,500	24,340,300	1,263,800	6,841,100	206,600	1,263,800	698,600	5,458,900	930,900	157,800	905,200	345,800	42,705,300
CAPITAL OUTLAY													
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
Total Capital Outlay	1,282,000	0	73,000	12,996,800	0	5,000	0	102,000	322,100	0	9,130,800	675,000	24,586,700
DEBT SERVICE													
810 Debt Service - Principal								1,387,000			168,000		1,555,000
811 Debt Service - Interest								1,685,300			233,700		1,919,000
Total Debt Service	0	0	0	0	0	0	0	3,072,300	0	0	401,700	0	3,474,000
Total Use of Resources	1,574,500	24,340,300	1,336,800	19,837,900	206,600	1,268,800	698,600	8,633,200	1,253,000	157,800	10,437,700	1,020,800	70,766,000

**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 Amount</u>
1	Electric		43,438,000
	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	Wholesale Telecom		7,461,000
	002	Sales - Wholesale	2,500,000
	004	Miscellaneous	0
	006	Construction Contributions	0
	007	Grant Proceeds	4,961,000
		TOTAL REVENUE	50,899,000

**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	10	Generation		1,574,500
		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 Amount</u>
1	11	Power Supply		24,340,300
		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 Amount</u>
1	20	Engineering		1,336,800
		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	Operations		19,837,900
		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 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 Amount</u>
1	22		Environmental	206,600
		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 Amount</u>
1	30	Customer Service		1,268,800
		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
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EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	35		Conservation/Consumer Information	698,600
		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

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EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	40	General Administration		8,633,200
	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	

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EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget 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

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EXPENDITURE DETAIL

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	41	Information Systems		1,253,000
		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

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 EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget 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

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EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	50		Commissioners	157,800
		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

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<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
2	60		Wholesale Telecommunications	10,437,700
		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

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EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>		<u>Budget 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

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EXPENDITURE DETAIL**

<u>Div.</u>	<u>Dept.</u>	<u>Activity</u>	<u>Description</u>	<u>Budget Amount</u>
1	61	Internal Communications		1,020,800
		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

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EXPENDITURE DETAIL

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