NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT
REGULAR SESSION
OCTOBER 2, 2018

PRESENT: Dan Williams, President
            Connie Karp, Vice President
            Roger Howe, Secretary
            Clay Smith, Treasurer
            Howard Gonser, Director

President Williams called the Regular Session to order at 6:00 p.m.

The following individuals were present during the Regular Session:

Counsel: James Foster

NWCPUD Staff: General Manager Roger Kline; Assistant General Manager/Director of Power Resources Kurt Conger; Executive Assistant Kathy McBride; Operations & Engineering Manager Pat Morehart; Director of Corporate Services Cyndi Gentry; CFO/Director of Finance & Enterprise Risk Harvey Hall; Asset/Program Manager Steve Horzynek; Senior Financial Analyst/Contracts, Risk and Supply Chain Sue Powers; Senior Financial Analyst Lana Egbert; and Senior Financial Analyst Suzanne Haworth

 Visitors: Terrence Thurber, Oregon Mines

PUBLIC COMMENT

There was no one wishing to provide public comment.

CONSENT AGENDA

Items contained in the consent portion of the Agenda includes the following:

- Work Session Minutes of September 4, 2018
- Regular Session Minutes of September 4, 2018
- August Outage Report
- Energy Management/Marketing Report
- Checks/Vouchers
- August Financial Report
- August Write Offs

The Board considered the approval of the October 2, 2018 Consent Agenda.
Director Smith moved to approve the October 2, 2018 Consent Agenda as presented. Director Howe seconded the motion; it was then passed unanimously.}

DIVISION UPDATES

Engineering/Operations

Operations & Engineering Manager Pat Morehart reported as follows:

Operations and Engineering:

- The Engineering and Operations Departments have been busy with an increase in new electrical services, old service modifications and rebuilds, and new construction.
- The largest project is the Lone Pine Development. The delivery of nine concrete vaults and almost four thousand (4,000) feet of conduit in different sizes has been delivered.
- One indicator of construction activity around the District's electric system is the number of requests for locating underground electrical utilities with almost 150 for the month of September, which is an average of over seven per day.

Electric Transmission Services Project:

- Titan Electric, the successful bidder of the Electric Transmission Services Project, will begin mobilizing their equipment to The Dalles the week of October 8th.
- The start date was delayed due to availability of poles and material.
- The project should be completed by November 2, 2018.

Vegetation Management:

- District Arborist Dave Taphouse is working with Trees Inc., District Contractor, to perform vegetation clearing around 520 transmission and distribution poles identified as having a wildfire exposure.
- The plan is to clear the vegetation and to spray a ten-foot radius around the base of each pole.
- Staff is hoping to have the contractor performing these services by the middle of October.
The Dalles Marina Rebuild Project:

- On October 10th the District crew will be installing the conductor across I-84 for The Dalles Marina Rebuild Project.
- Bid documents will be ready for the dock electrical work by the end of this week.
- The time frame for the dock work to begin and to be completed will be dependent upon the electrical contractor’s availability.
- The floats for the transformer have been ordered.
- Staff has met with local contractors to obtain their bids for excavating for the transformer placement and conduit.
- Staff hopes to have that part of the project completed by the end of October.

Facility Improvements:

- The District Office Building has been pressure washed and the windows cleaned.
- The IT Department has been coordinating with facilities to get the security cameras working.
- Big River Landscaping, District Contractor, has started refurbishing the grounds around the Columbia Heights Substation.

Staff Positions:

- Staff is currently preparing two job descriptions for the positions of Joint Use Compliance Specialist and Power Station Wireman Technician.
- The area of focus for the Joint Use Compliance Specialist is working with the communications companies that rent pole space from the District.
- The Joint Use Compliance Specialist will work daily developing relationships with the communications companies, as well as working with them to insure compliance with District Agreements. Eventually, this position would help the Principal Engineer/Strategic Asset Planner with federal compliance reporting requirements.
- The Power Station Wireman Technician essentially installs, operates, tests, repairs and maintains high voltage electrical equipment in and around substations and generating stations.
- The Power Station Wireman Technician position is a represented position that would be a very hands on lead, dealing with highly technical equipment.
- The District needs the hands-on expertise of an individual that possesses specific training to handle substation operations, the addition of the 230 kV distribution line and the single customer large load.
Other:

- The District has invested in a barbeque to show our appreciation for staff’s dedication and commitment to serving our customers. Semi-regular potluck lunch barbeques are planned as work allows. The barbeque will also be used for holiday and special event luncheons.
- Staff have enthusiastically volunteered their culinary talents to the effort and have already given it a kick off lunch last Friday, September 28th with almost the entire staff participating, as well as a few Board members.

Some discussion occurred regarding the need for a full time Joint Use Compliance Specialist after a question was raised by President Williams.

The Board was informed by General Manager Roger Kline that the position will help alleviate some Western Electricity Coordinating Council (WECC) and North American Electric Reliability Corporation (NERC) reporting requirements.

Finance

CFO/Director of Finance and Enterprise Risk Harvey Hall reported as follows:

Financials:

- The District’s net income for the month of August is a positive $468,000.
- The income for The Dalles Hydroelectric Fishway output was $192,000 for the month of August, which was better than the month of July, $189,000.
- The full year budget for The Dalles Hydroelectric Fishway’s output is $872,000; for the month of August we are at $678,000.
- Hall anticipates that the District’s revenue will exceed the budgeted amount.
- Retail sales revenues are 19% higher than last year’s year-to-date.
- Primary customer class sales are 33.2% higher on a dollar basis than last year’s year-to-date.
- The District’s average daily revenue year-to-date is $123,000; average daily expense’s year-to-date is $119,000.

Other:

- Earlier this evening the Board met Suzanne Haworth, Senior Financial Analyst.
- Two sessions of the Oregon Ethics Training will be offered to staff and members of the Board of Directors on November 14th from 1 p.m. to 2:30 p.m. and from 3:00 p.m. to 4:30 p.m.
Power Resources

Assistant General Manager/Director of Power Resources Kurt Conger reported as follows:

- Staff is preparing for an auction where the District will be purchasing power for calendar year 2019 and 2020.
- The Request for Proposals (RFPs) will be released the week of October 15th.
- The auction will be held on November 7, 2018 for Mid-C power purchases.
- This auction is more complicated than the last auction due to multiple terms.
- The same bidder could bid on all blocks of power; the best price wins.
- The power is being purchased due to increase in load.

Corporate Services

Director of Corporate Services Cyndi Gentry reported as follows:

Check Processing:

- The check scanning equipment has arrived.
- The District’s test bills with the new OCR lines are in as well.
- Staff will begin testing the new equipment and software after the vendor has finished building the rules for reading the OCR line and producing an import file that meets SEDC specifications.

A brief discussion occurred after a question was raised regarding the cost and capability of the new equipment and software.

Gentry noted the cost for the equipment and software and explained what the equipment will do when processing customer payments.

Gentry continued her report, reporting on the following items:

Pledge Model:

- The District is having the new pledge model set up in UPN to receive pledges for energy assistance through the Tribal Council or the Neighbor to Neighbor Program, which is administered by Mid-Columbia Community Action Council.
- When a pledge has been received and entered, it will now show up on the customer account. When the pledge money has been received, it reverses the pledge amount out of a holding account and applies the payment to the actual revenue.
Neighbor to Neighbor Program:

- Money was raised during a recent raffle for emergency preparedness packs which benefitted the District's Neighbor to Neighbor Program.
- The District is continuing to raise money for the Neighbor to Neighbor Program.

Cyber Audit:

- A cyber audit was conducted the first week of September by the American Public Power Association (APPA) and Burns and McDonalds after the District received a $50,000 grant from APPA.
- During the audit, the District's physical security, server security, desk and lap top security, and The Dalles power house security were all checked out.
- A brief phone review occurred to talk about patching and upgrade needs, and what was discovered during the audit.
- The District needs to develop a Bring Your Own Device (BYOD) Policy; staff will begin developing said policy.
- In a month the District will receive a full written report.
- The IT Plan will follow the Cyber Audit Report.

Network Upgrade Project:

- The District's switches and firewall need to be upgraded. Staff had originally planned on doing most of the work in-house. This work will now be contracted out due to the increase in staff's work load.
- Senior Financial Analyst/Contracts, Risk and Supply Chain Sue Powers is assisting Gentry in checking the Oregon Procurement Information Network (ORPIN) website to see who the District might be able to work with under a state contract on the upgrade of the network's switches and firewall rather than going out for Request for Proposals.

Space Utilization and Ergonomic Furniture Project:

- Energy Specialist Lance Kublick will be assisting Gentry with facilitating a space utilization and ergonomic furniture project.
- The project is needed due to the addition of new FTEs, the current layout of the office, and the amount of furniture the District has on hand.
- The current layout is not ergonomically friendly.
- The District will be working with a state contractor to design and obtain ergonomically friendly furniture for staff.

Kline introduced to the Board Terrance Thurber, Principal and Owner of Oregon Mines.
General Manager

General Manager Roger Kline stated that Principal Engineer/Strategic Asset Planner Paul Titus could not be here tonight. Titus wanted Kline to share with the Board that the Request for Proposals has been issued for the engineering and design services for the new Eastside Substation and the rehabilitation of the Tygh Valley Substation. Staff is hoping to receive back many proposals for the District’s consideration.

Kline further reported as follows:

- Kline reminded the Board that next week is the Public Power Council (PPC) delegate trip to Washington, D.C., October 8th through October 11th.
- Kline is spending a lot of time on the Oregon Carbon Policy and Cap and Trade legislation.
- Kline will be speaking at the Northwest Public Power Association (NWPPA) 3C’s, Customer Service, Credit and Collections, Conference on high density load and block chain technology and what it means to a utility.
- Yesterday Debra Smith, Central Lincoln People’s Utility District General Manager, was appointed by a vote of nine to zero as the new CEO/General Manager of Seattle City Light.
- Central Lincoln People’s Utility District will be recruiting for a new General Manager.
- General Manager Dan Kay at Lewis County Public Utility District had his contract terminated.

General Counsel

General Counsel James Foster reported as follows:

- Foster is leaving on Saturday to attend the American Public Power Association (APPA) Legal Regulatory Conference in Charleston.
- Foster will be attending a four-hour block chain discussion at the conference.

NEW BUSINESS

Adoption of Strategic Plan

General Manager Kline stated that back in 2016 we worked together going through the APPA’s Governing for Excellence Booklet, specifically Chapter 11, Set Strategic Direction. We talked about the existing Strategic Plan and how to measure the identified objectives. Key performance indicators and a dashboard were developed, which have matured over time. The District continues to improve.
Kline noted that in July of this year Key Accounts Manager Justin Brock supported and scheduled the Board and staff to go through a three session Strategic Planning Webinar Program offered by APPA.

Kline stated that we talked about those areas covered in the webinar series through the draft Strategic Plan, the benefits the District has received from the previous Strategic Plan, and how we are going to shift the organization under the new plan after seeing all the different growth and opportunities.

Kline stated that he toured the District’s electric system this morning and looked at construction and on-going development in the area. Kline feels it is important for the District to look at the on-going development in our community when we are looking at our own power system.

Kline wished to express his appreciation to the Board and staff for their hard work on developing the Strategic Plan and to IT Help Desk Analyst Keith Michaels for his assistance on some of the graphics within the Strategic Plan.

Kline stated that he is recommending that the Board of Directors adopt the Strategic Plan for 2018-2028.

{{Director Smith moved to adopt the Northern Wasco County People’s Utility District Strategic Plan for 2018-2028. Director Gonser seconded the motion.

Director Gonser asked if there is a need to have a copy of the Strategic Plan in Spanish?

Kline responded by stating that is a great idea. A Spanish version of the District’s Strategic Plan will be developed and made available.

President Williams requested a hard copy of the Strategic Plan if the Plan is adopted by the Board.

The vote was called for. The motion passed unanimously.}}

**Insurance Benefit Renewal Rates**

Director of Corporate Service Cyndi Gentry reported that the Board has been provided with a copy of the District’s insurance benefit renewal rates. The rates are fantastic again; increases were very small.
Gentry reminded the Board that last year's renewal rates either decreased or remained flat. Over a two-year period, the District is probably netting a 1.5% increase in the cost of the medical, dental and vision plans. This is the second year that basic life insurance rates have decreased, almost 5%, as well as a decrease in the Long-Term Disability rate.

Gentry noted in closing that she is chasing a vendor right now regarding what is called a total rewards compensation review compared to market. The results of the review would then be shared with staff. A committee could be formed the first of the year to review what the District is spending on benefits, what are we buying, and are we spending the money where it does the most good.

Kline noted that the Board will be involved in this review process.

**Presentation of Preliminary Budget for 2019**

CFO/Director of Finance & Enterprise Risk Harvey Hall presented a PowerPoint Presentation entitled “Northern Wasco County PUD 2019 Preliminary Budget Review”. A copy of said PowerPoint presentation is hereto attached and marked as Exhibit 1.

Some discussion occurred throughout the presentation when questions were raised by members of the Board of Directors.

Highlights of the PowerPoint presentation are as follows:

- The 2019 budget process was kicked off back in May 2018.
- In July, management put together a detailed Preliminary Budget, which was presented in September to the Board at a high level.
- The Long Term Financial Plan (LTFP) was refreshed with the District's Capital Plan and Preliminary Budget.
- The District’s Reserve Policy puts our minimum reserves at $11.5 million.
- The LTFP includes some major assumptions. The major assumptions are no future diversified rate changes and no future NLSL load growth for primary customers beyond 2021.
- It also assumes the Bonneville Power Administration (BPA) rates continue to go up, as well as growth rates for diversified and primary customers.
- Staff assumes significant load growth up to 2021 for District primary customers; afterwards the assumption is that the load goes flat.
- Staff is assuming a 4% rate increase, per rate period, from BPA for both transmission and power.
- The PowerPoint slide entitled “Long Term Financial Plan, Electric LTFP – Projected Debt Service Ratio and Reserve & Cash” presumes that the District is not borrowing. The District’s reserve levels will be impacted if the District lives on cash alone and does not borrow to help fund the identified capital projects.
• The District has $40 million in capital spending that we will be covering over the next ten years; about half of that $40 million will be covered in the first three years. This has been discussed previously with the Board as to the need for the District to look at the ability to borrow. Hall is currently working with CoBank.
• Staff is assuming that the District will finish 2018, $1,799,435 to the positive; and will finish 2019, $3,475,922 to the positive.
• Under the Long Term Financial Plan, a big portion of the District's revenue will be used to help fund our capital projects. Hall stated that we are looking at about $7 million in capital expenses next year, of which District revenues would potentially cover half of that expense.
• The District has not touched any of the $4.6 million in the Rate Stabilization Fund.
• Capital projects next year include the Eastside Substation, Rehabilitation of the Tygh Valley Substation and Automatic Meter Infrastructure (AMI).
• Of the $50.4 million in projected revenue during 2019, 68% of the revenue comes from primary customers.
• The cost of managing the District from 2017 to 2019 is pretty much the same. Labor costs have gone up; non-labor costs have gone down, as well as outside services. Overall costs remain relatively stable, even with added staff.
• The costs of benefits have been manageable and relatively flat.
• The District needs to keep staff compensation in par with other utilities to attract new staff. Loaded benefits for District staff is about 55%.
• Staff does not see a need for any rate action in 2019.

Kline asked if the Board is comfortable with the Preliminary Budget for 2019?

The Board indicated that they are comfortable with the Budget.

Adoption of Public Records Request Policy

CFO/Director of Finance & Enterprise Risk Harvey Hall informed the Board that Senior Financial Analyst/Contracts, Risk & Supply Chain Sue Powers became aware during a seminar she was attending that the District needs to have our Public Records Request Policy posted on our website. Hall stated that Powers has prepared an excellent draft of an updated policy for the Board’s consideration and adoption. The current policy dates to 1997. Hall noted that General Counsel James Foster was involved in the review of said updated policy.

Senior Financial Analyst/Contracts, Risk & Supply Chain Sue Powers informed the Board of what she learned during a recent seminar regarding the Public Records Advocate Position, which was created by the State of Oregon, and the new law requiring public entities to have a public records policy and to have that document public facing. Said law became effective on January 1, 2018.
General Counsel James Foster stated that the District needs to be prepared to address public record requests. He complimented Powers and Hall for bringing the updated Policy before the Board for their consideration.

Foster recommends that the Board adopt the updated Public Records Request Policy as presented.

{{Director Smith moved to adopt the Public Records Request Policy. Director Karp seconded the motion; it was then passed unanimously.}}

Presentation on Enterprise Risk Management Policy

CFO/Director of Finance & Enterprise Risk Harvey Hall stated that the Draft Enterprise Risk Management Policy has been included in the Board Packet. The Policy describes the Enterprise Risk Management Program.

Hall noted that enterprise risk changes the view to an intentional and discipline way at looking at risks. Being able to understand how risk affects the District's operation. The draft policy looks at how we manage risk across the District, while keeping the Board informed. Standard terminology is used when we address risk.

Hall stated that the Enterprise Risk Management Program is not intended to increase staff or staff’s workload; existing staff will be used. Staff will look at how to assess risk. An audit and risk committee will be established. The committee will review audit findings, they will look at and evaluate identified risks, and they will make sure that the District is compliant with laws and regulations.

Hall noted that staff has already started the process by looking at District policies. Some of our policies are out of date, some need to be refreshed. Executive Assistant Kathy McBride will pull together adopted Resolutions and Policies into one centralized location.

Hall stated that staff will start with an inventory and evaluation of where the District is at. This time next year, staff can come back with a full report on what is the state of risk at the District.

Director Howe stated that the only thing he did not see in the draft policy is transferring risk by contract, lease or outsourcing. He feels that needs to be included in the policy.

Hall responded by stating that this is where staff would determine, identify, assess and decide how to treat the risk. Some risk will be transferred.

Hall noted that a consultant is reviewing the draft policy. The policy will be brought back before the Board for their consideration at next month's meeting.
Some discussion occurred regarding the proposed policy.

Hall stated that he would like to have two Board Members serve on the Audit and Risk Committee. The committee would meet twice per year. Hall would like to convene the committee after the first of the year.

OLD BUSINESS

There was no old business to discuss.

BOARD REPORTS / ITEMS FROM BOARD MEMBERS

Oregon People’s Utility Districts Association (OPUDA):

General Manager Roger Kline reported that the Oregon People’s Utility Districts Association Annual Conference, hosted by Emerald PUD, was a success. The changing future was talked about at the conference.

At the OPUDA Board Meeting a lot of discussion and attention is being spent on carbon policy, as well as the Energy Supplier Assessment (ESA).

Director Gonser stated that Danelle Romain presented an update on who The Romain Group is working with.

Director Howe stated that the OPUDA Board voted on the amended Bylaws after working on the amendments for a month or more. The Bylaws, as amended, were adopted.

Director Gonser stated that he has passed on some information to OPUDA President Elect Roger Howe from the District’s 2013 OPUDA Conference, hosted here in The Dalles. Staff will need to pull together an informal working group to begin working on the 2019 OPUDA Conference being hosted by Northern Wasco County People’s Utility District.

Kline stated that he is happy to oversee the 2019 OPUDA Conference planning process.
APPROVAL OF FUTURE MEETINGS/TRAVEL/OR RELATED MATTERS

October 3, PPC Forum - Dan Williams, Howard Gonser, Roger Howe and Clay Smith
October 4, PPC Executive Committee – Dan Williams, Howard Gonser, Connie Karp, Roger Howe and Clay Smith
October 19, OPUDA Board Meeting - Dan Williams, Howard Gonser, Roger Howe and Clay Smith
October 31, NRU Annual Board Meeting - Dan Williams, Howard Gonser and Roger Howe
October 31, PPC Forum - Dan Williams, Howard Gonser and Roger Howe
November 1, PPC Executive Committee – Dan Williams, Connie Karp, Howard Gonser and Roger Howe
November 1, Northwest RiverPartners Annual Meeting – Dan Williams, Howard Gonser and Roger Howe
November 16, OPUDA Board Meeting – Dan Williams, Howard Gonser and Clay Smith

EXECUTIVE SESSION

General Counsel James Foster requested that the Board also convene into Executive Session as authorized by ORS 192.660 (2) (e).

At 7:38 p.m. President Williams recessed the Regular Session to convene into Executive Session as authorized by the following Oregon State Statutes: ORS 192.660 (2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed; ORS 192.660 (2)(g) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations; and ORS 192.660 (2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Those present for the Executive Session included the Board of Directors; General Counsel James Foster; General Manager Roger Kline; Assistant General Manager/Director of Power Resources Kurt Conger; Chief Finance Officer/Director of Finance and Enterprise Risk; Operations & Engineering Manager Pat Morehart; Director of Corporate Services Cyndi Gentry; and Executive Assistant Kathy McBride.

At 8:28 p.m. the Board adjourned from Executive Session to return to Regular Session.
Director Howe moved to authorize Assistant General Manager/Director of Power Resources Kurt Conger and General Counsel James Foster to enter into a settlement agreement for the McNary Crane Failure Insurance Claim on behalf of the owners of the McNary Dam North Shore Hydroelectric Fishway Plant. Director Smith seconded the motion; it was then passed unanimously.

There being no further business the meeting adjourned at 8:30 p.m.

President

ATTEST:

Secretary
Electric LTFP - Projected Debt Service Ratio and Reserves & Cash (9/14/18)

Assumes: 1. No future diversified rate changes. 2. No future NLSL load growth for Primary customers beyond 2021.
# 2019 Preliminary Budget Review

<table>
<thead>
<tr>
<th>NWCPUD</th>
<th>2017 ACTUALS</th>
<th>2018 BUDGET</th>
<th>2018 YEAR END</th>
<th>2019 PROJECTION</th>
<th>2019 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue/Reimbursements</td>
<td>$(39,011,118)</td>
<td>$(42,601,080)</td>
<td>$(45,192,464)</td>
<td>$(53,167,140)</td>
<td></td>
</tr>
<tr>
<td>O&amp;M Non-Labor</td>
<td>$39,250,563</td>
<td>$42,310,973</td>
<td>$43,068,059</td>
<td>$49,127,504</td>
<td></td>
</tr>
<tr>
<td>Overhead &amp; Benefit to Spread</td>
<td>$(3,168,114)</td>
<td>$(3,525,646)</td>
<td>$(3,367,866)</td>
<td>$(3,708,714)</td>
<td></td>
</tr>
<tr>
<td>Total Loss / (Gain)</td>
<td>$535,479</td>
<td>$(148,030)</td>
<td>$(1,799,435)</td>
<td>$(3,475,922)</td>
<td></td>
</tr>
</tbody>
</table>
2019 PRELIMINARY BUDGET REVIEW

2017 Actual Retail Revenue

- Irrigation, 179,898, 1%
- Street/Yard Light, 360,569, 1%
- Single Phase, 10,305,413, 28%
- Three Phase, 1,199,829, 3%
- Demand, 3,807,394, 11%
- Primary, 20,505,103, 56%
2019 PRELIMINARY BUDGET REVIEW

2018 Projected Retail Revenue

- Primary, 25,691,794, 62%
- Demand, 3,842,770, 9%
- Three Phase, 1,252,027, 3%
- Single Phase, 10,490,633, 25%
- Street/Yard Light, 445,566, 1%
- Irrigation, 117,038, 0%
2019 PRELIMINARY BUDGET REVIEW

2019 Budget Retail Revenue

- Primary, 34,404,055, 68%
- Single Phase, 10,071,909, 20%
- Irrigation, 219,211, 1%
- Street/Yard Light, 446,003, 1%
- Three Phase, 1,208,297, 2%
- Demand, 4,085,999, 8%
# 2019 PRELIMINARY BUDGET REVIEW

## Revenue

<table>
<thead>
<tr>
<th></th>
<th>2017 Act</th>
<th>2018 Proj</th>
<th>2019 Bud</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Phase</td>
<td>10,305,413</td>
<td>10,066,815</td>
<td>10,071,909</td>
</tr>
<tr>
<td>Three Phase</td>
<td>1,199,829</td>
<td>1,205,243</td>
<td>1,208,297</td>
</tr>
<tr>
<td>Demand</td>
<td>3,807,394</td>
<td>4,078,715</td>
<td>4,085,999</td>
</tr>
<tr>
<td>Primary</td>
<td>20,505,103</td>
<td>26,443,054</td>
<td>34,404,055</td>
</tr>
<tr>
<td>Irrigation</td>
<td>179,898</td>
<td>216,513</td>
<td>219,211</td>
</tr>
<tr>
<td>Street/Yard Light</td>
<td>360,569</td>
<td>445,566</td>
<td>446,003</td>
</tr>
</tbody>
</table>

## Revenue Totals

- Total Retail Sales: 36,358,206
- 2018 Projected: 42,455,906
- 2019 Bud: 50,435,474

## Expense

### Cost to Manage Work

<table>
<thead>
<tr>
<th></th>
<th>2017 Act</th>
<th>% of Total</th>
<th>2018 Projected</th>
<th>% of Total</th>
<th>2019 Bud</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>O&amp;M Labor</td>
<td>5,951,859</td>
<td>15.1%</td>
<td>6,184,668</td>
<td>14.3%</td>
<td>7,173,178</td>
<td>14.4%</td>
</tr>
<tr>
<td>O&amp;M Non Labor</td>
<td>3,000,023</td>
<td>7.6%</td>
<td>2,446,804</td>
<td>5.6%</td>
<td>2,391,648</td>
<td>4.8%</td>
</tr>
<tr>
<td>Outside Service</td>
<td>1,744,869</td>
<td>4.4%</td>
<td>1,461,965</td>
<td>3.4%</td>
<td>1,240,154</td>
<td>2.5%</td>
</tr>
<tr>
<td></td>
<td>10,696,751</td>
<td>27%</td>
<td>10,093,438</td>
<td>23%</td>
<td>10,804,979</td>
<td>22%</td>
</tr>
</tbody>
</table>

### Cost to Serve

<table>
<thead>
<tr>
<th></th>
<th>2017 Act</th>
<th>% of Total</th>
<th>2018 Projected</th>
<th>% of Total</th>
<th>2019 Bud</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Power</td>
<td>22,745,672</td>
<td>57.5%</td>
<td>26,134,780</td>
<td>60.2%</td>
<td>30,495,644</td>
<td>61.4%</td>
</tr>
<tr>
<td>External Trans</td>
<td>2,787,873</td>
<td>7.0%</td>
<td>3,359,158</td>
<td>7.7%</td>
<td>4,229,235</td>
<td>8.5%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,286,824</td>
<td>5.8%</td>
<td>2,594,144</td>
<td>6.0%</td>
<td>2,639,359</td>
<td>5.3%</td>
</tr>
<tr>
<td>City Fees</td>
<td>1,029,478</td>
<td>2.6%</td>
<td>1,211,510</td>
<td>2.8%</td>
<td>1,522,000</td>
<td>3.1%</td>
</tr>
<tr>
<td></td>
<td>28,849,846</td>
<td>73%</td>
<td>33,299,592</td>
<td>77%</td>
<td>38,886,238</td>
<td>78%</td>
</tr>
</tbody>
</table>

## Total Expense

- 2017 Actuals: 39,546,597
- 2018 Projected: 43,393,029
- 2019 Bud: 49,691,217
QUESTIONS