

Public Power Benefits: Funding Recommendations and Update

May 15, 2017

What we will cover today

- Funding level recommendation for 2018
- Program implementation highlights
- Potential funding options for the remainder of 2017 and 2018
- Next steps

Update only – no action requested today

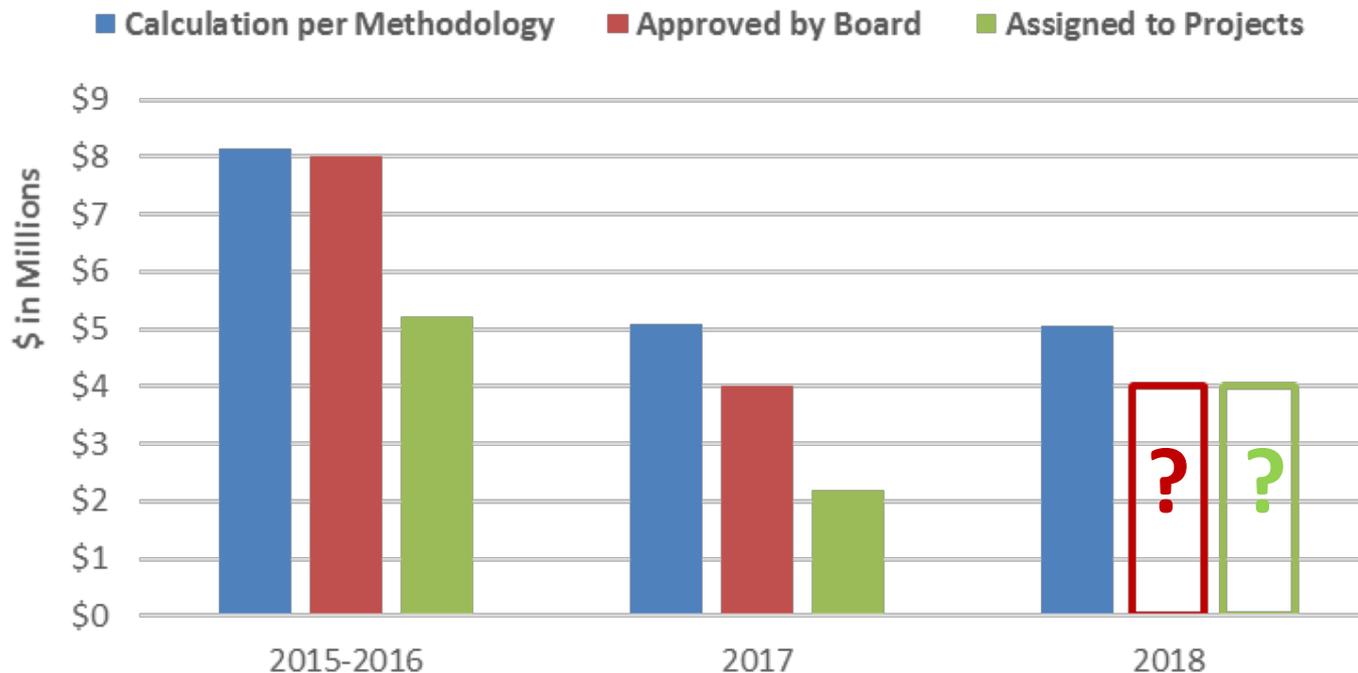
Background

- Board launched outreach in January 2014
- Use **excess** revenue to enhance quality of life for customer-owners in Chelan County
- Crawl > Walk > Run: initial cap at 10% excess
Board can override the 10% guidepost
- “Start-up” acknowledged as more exploratory
- Financial outlooks are increasingly less favorable than at program’s launch three years ago

Funding

- 2016 was another strong financial year
- Recommend keeping funding at **\$4M**, like prior year

PPB Funding by Budget Period (\$M)



The Best for the Most for the Longest: Since Launch

Parks

- Days Use Passes: over 3,500 issued since July 2015
- Beebe Camping: 386 nightly vouchers to 193 applicants

Charging Stations

- \$65k in capital; charging courtesy of Cascade Autocenter
- 4 stations installed in 2016, 5th in at CTC this month

Fiber

- ITD: 899 new premises passed
- County coverage now at 72%

Short-run to Long-run

The Best for the Most for the Longest: 2017 Highlights

- **Parks:** Day Use Passes: 1,094 issued
- **Parks:** Beebe Camping: 386 vouchers to 193 applicants
- **Fiber:** 189 premises passed; upcoming expansion:
 - Merry Canyon
 - Yaksum Canyon
 - Manson
 - Mission Creek
 - Brender Canyon

| 2015-2016 Funding Period: Active Projects | Total Funding |
|--|---------------------------|
| Fiber | \$3,700,000 |
| Economic Development: Jobs & Work Readiness | \$172,000 |
| Econ. Dev: Hydro Research Institute | \$250,000 |
| Econ. Dev: Electrification Research | \$120,000 |
| Parks: Horan Area Rehabilitation | \$100,000 |
| Parks: Plain Site Improvement | \$200,000 |
| Water/Wastewater: Regionalization Study | \$150,000 |
| Total Active | \$4,692,000 |
| <i>Total Active + Complete*</i> | <i>\$5,800,000</i> |

| 2017 Funding Period | Total Funding |
|---------------------------------|--------------------|
| Fiber | \$2,100,000 |
| Parks: Day Use Pass 2017 | \$71,000 |
| Parks: Beebe Camping Pilot 2017 | \$30,000 |
| Unassigned | \$1,799,000 |
| Total | \$4,000,000 |

| <i>2017 Funding Period: To Be Discussed</i> | <i>Estimate</i> |
|---|------------------|
| <i>Hydro Research Institute Pilot – Continued</i> | <i>\$250,000</i> |

| 2018 Funding Period: Recommended | Initial Estimate |
|----------------------------------|--------------------|
| Fiber | \$2,500,000 |
| Parks: Day Use Pass 2018 | \$35,000 |
| Unassigned | \$1,465,000 |
| Total | \$4,000,000 |

| <i>2018 Funding Period: To Be Discussed</i> | <i>Estimate</i> |
|---|--------------------|
| <i>Rocky Reach Visitor Center Improvements</i> | <i>\$1,000,000</i> |
| <i>Hydro Research Institute Pilot – Continued</i> | <i>\$250,000</i> |

Next Steps

- Selection of funding level
- Review projects for funding
 - Fiber: \$2.5M
 - Day Use Parks Pass: \$35K
 - Rocky Reach Visitor Center improvements: \$1M
 - Continuation of Hydro Research Institute: \$250K
- Approve selected projects at June 5 meeting
- Next program update will be in early fall