



CHELAN COUNTY

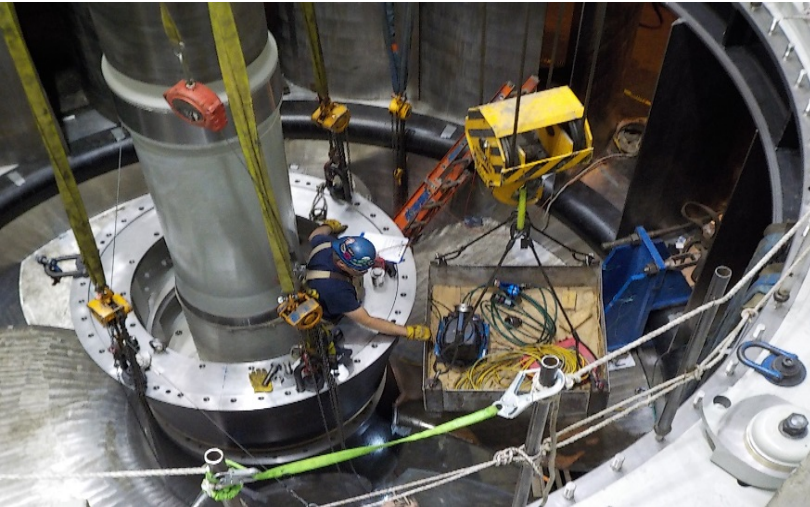
# 2018 Proposed Budget

DECEMBER 4, 2017





# *Focus on increasing long-term value for our customers-owners*



1. Reinvesting in assets and people
  - Significant investments in assets particularly at our Hydros
2. Reducing debt
  - \$24M in 2018
3. Continuing Public Power Benefit Program

No planned 2018 retail electric rate increase

# Combined Financial Results

(in 000's)	Proposed Budget 2018	Adopted Budget 2017	\$ Change	% Change
Service Revenue	64,693	63,168	1,525	2.4%
Net Surplus Energy Revenue	227,796	237,390	(9,596)	(4.0%)
Other Operating Revenue	21,129	20,886	243	1.2%
Operating Expense	(173,846)	(162,178)	(11,668)	7.2%
Depreciation & Tax Expense	(52,016)	(56,140)	4,124	(7.3%)
<b>Operating Income</b>	<b>87,756</b>	<b>103,126</b>	<b>(15,372)</b>	<b>(14.9%)</b>
Non-Operating Activity	(15,913)	(17,770)	1,857	(10.4%)
<b>Bottom-Line (Dec 4<sup>th</sup>)</b>	<b>71,843</b>	<b>85,356</b>	<b>(13,515)</b>	<b>(15.8%)</b>
<b>Nov 20<sup>th</sup> Budget Presentation</b>	<b>71,841</b>			
<b>2018-22 Business Plan</b>	<b>70,244</b>			

*No change from Nov. 20<sup>th</sup> Presentation other than rounding*

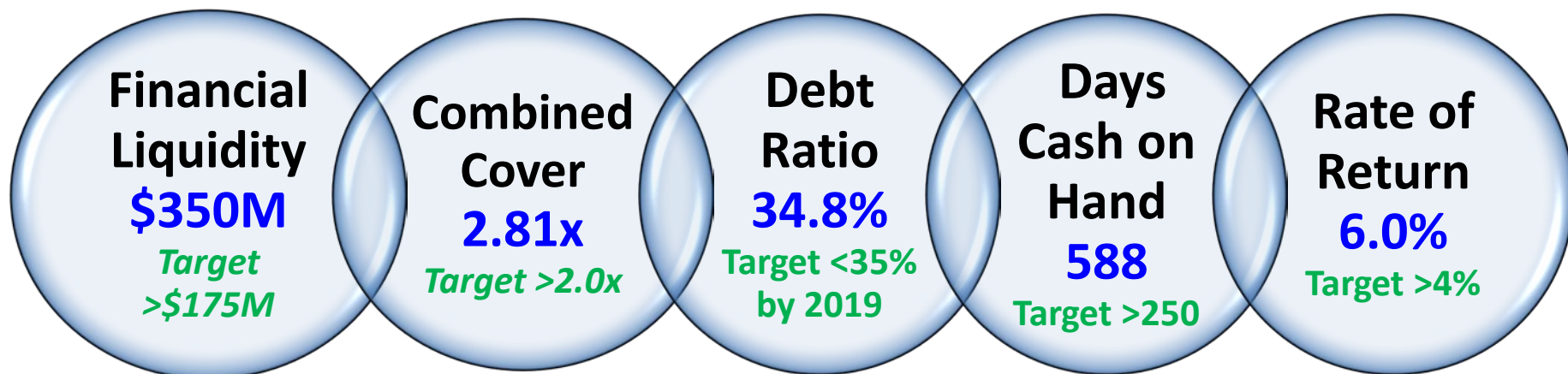
# Combined District Expenditures

(in 000's)	Proposed 2018 Budget	Adopted 2017 Budget	%
Operating Expense	173,846	162,178	107%
Tax Expense	7,986	7,895	101%
Non-Operating Exp/(Inc)	20,276	22,944	88%
Net Capital & Reg Assets	140,429	95,975	146%
<b>Total Expenditures (Dec 4<sup>th</sup>)</b>	<b>342,537</b>	<b>288,992</b>	<b>119%</b>
<i>Nov 20<sup>th</sup> Budget Presentation</i>	<i>342,535</i>		

Net Debt Reduction	23,642	52,386	45%
<b>Total Exp &amp; Debt Reduction (Nov 20<sup>th</sup>)</b>	<b>366,179</b>	<b>341,378</b>	<b>107%</b>
<i>Nov 20<sup>th</sup> Budget Presentation</i>	<i>366,177</i>		

*No change from Nov. 20<sup>th</sup> Presentation other than rounding*

# 2018 Financial Policies On Track



Also on track:

- ✓ Individual business line financial policies
- ✓ 5-year plan financial policies

Continue to monitor Integrated Electric test metrics

# ***2018 Proposed Budget***

Pursuing the best for the most for  
the longest to enhance the quality  
of life in Chelan County

Approve

- Requesting Board approval of the 2018 budget per resolution this afternoon