

BOARD OF DIRECTORS MEETING

February 26, 2018 at **3:00 PM**



AGENDA

1. Meeting Called to Order
2. Determination of Quorum
3. Approval of Agenda
4. Approval of Consent Agenda (**Tab 2**)
 - a) Minutes from January 22, 2018
 - b) New Members
 - c) January 2018 – Form 7
 - d) Statement of Operations
 - e) Cash Flow
 - f) Capital Expenditures by Project
 - g) Cap Ex / O&M Labor Distribution
 - h) Revolving Loan Fund
 - i) Power & Service Data
 - j) Outage Report
5. Committee Reports
6. Meetings Attended
 - a) OCEC Nomination Committee – January 26th - David
 - b) PNGC Monthly Meeting – February 6th – Portland – David
 - c) WRECA Board Meeting and Meeting with State Legislators from 7th and 12th Districts - February 19th and 20th – Olympia – David
7. Meetings to Attend
 - a) PNGC Monthly Meeting – March 6th - Portland – David

- b) PNGC Presentation on Transmission Issues – April 17th - 5 PM – Board and Staff
- c) OCEC Annual Meeting – April 17th - 7 PM – Board and Staff
- d) WRECA Annual Meeting - June 5 and 6th - Wenatchee

8. General Managers Report (Tab 3)

- 1) Office Update
- 2) Operations Update
- 3) Propane Update

ITEMS OF BUSINESS

- 1) Change Board meetings for May and December to May 21st and December 17th.
- 2) Review of proposed 2018 Balanced Scorecard Goals **(Tab 4)**
- 3) Annual Meeting Update
- 4) Approval of 2018 Budget **(Tab 5)**

MEMBER COMMUNICATIONS

EXECUTIVE SESSION

- 1) Fiber Line **(Tab 6)**
- 2) Review Subsidiary Audited Financials
- 3) Review of 2018 Proposed Management Goals
- 4) Audit Follow-up
- 5) Board Monitoring
- 6) Benefits Benchmarking **(Tab 7)**



BOARD MEETING
January 22, 2018

Present: Dale Sekijima, Sara Carlberg, John Kirner and Chuck Armstrong and Alan Watson.

Absent: Curtis Edwards and Ray Peterson.

Attending: David Gottula; General Manager, Lynn Northcott; Office Manager/CFO, Tracy McCabe; OCEI Manager, Glenn Huber; Operations Manager and Teri Parker; Office Staff.

Members in Attendance: None

PRELIMINARY

1. MEETING CALLED TO ORDER

Vice President Sara Carlberg called the meeting of the Board of Directors of Okanogan County Electric Cooperative, Inc. (OCEC) to order at 3:00 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

Dale requested the addition of Item of No. 6 Budget Approval Considerations.

Chuck Armstrong moved to approve the addition of Item No. 6 Budget Approval Considerations. Seconded. Agenda approved as amended.

4. APPROVAL OF CONSENT AGENDA ITEMS

Consent Agenda approved by Board consensus.

5. COMMITTEE REPORT

Audit Committee:

The 2017 audit was discussed and Alan noted the Auditor, Michael De Coria, was very complimentary to the staff for their organization, assistance and the diligence during the audit.

Alan Watson moved for a Board Resolution to appreciate the effort and organization of the staff, making the audit go quickly and smoothly. Second. Motion Carried.

Governance:

John Kirner, Governance Committee Chair, reported the Committee is in the process of reviewing policies and guidance documents. They are currently working on Policy No. 10-140 Authority and Responsibilities of General Manager and Board of Directors.

Revisions have been made and a copy of the changes will be provided to Directors before the next meeting.

Future policy reviews include the Employee Handbook and Board delegations to the General Manager.

6. MEETINGS ATTENDED

- a. PNGC Monthly Meeting – Jan 3rd – Conference Call - David

David presented and discussed a memo from Beth Looney, PNGC. The memo addressed Blended Rate scenarios.

- b. Meeting With Auditor – Jan 19th – Board and Staff

Reviewed under Committee reports.

7. MEETINGS TO ATTEND

- a. OCEC Nomination Committee – January 26th – David

- b. PNGC Monthly Meeting – Feb 6th – Portland – David
- c. WRECA Board Meeting and Meeting with State Legislators from 7th & 12th Districts – Feb 19th & 20th – Olympia – David

David reported he will be visiting our elected state Senators and Representatives, with Nespelem Valley Electric during this visit.

- d. WRECA Annual Meeting – June 5th & 6th – Wenatchee

Three Board members indicated that they are interested in attending this.

8. GENERAL MANAGERS REPORT

Presented and reviewed.

1. Office Update

Lynn reported the February Newsletter will introduce OCEC's Smart Thermostat Rebate Program.

The newsletter also includes a list of names for unclaimed capital credits. The names on the list were members in 1996 and 1997.

2. Operations Update

Glenn Huber reported:

- Year End wrap up activities including; testing of equipment and visual inspections of the Chewuch circuit - lines and poles.
- The East County Road project is completed. The work re-routed a circuit and upgraded 3-phase equipment to allow inter-ties to a circuit on the Twisp Substation.
- There have been no capital charges in January 2018.

3. OCEI Propane Update

To be reviewed in Executive Session.

ITEMS OF BUSINESS

1. Review of 2017 Balanced Scorecard Goals

Reviewed and discussed for Board update.

2. Annual Meeting Member Gift Update

David presented a power cord that has a cube on the end with power outlets for various electronics uses; power strips, computers, phones, etc. He will order 80-100 for the annual meeting gift give-away.

3. Appoint Nomination Committee.

David presented the proposed Nomination Committee: Ed Surette, Duncan Bronson and David Ashcom (Chair).

John Kirner moved to approve the Nomination Committee as presented. Seconded. Carried.

4. Report from the Audit Committee

Reviewed under Committee reports above.

5. Discussion of the Strategy of Using Additional Leverage in Equity Management

Alan Watson opened the discussion centering on his White Paper. Considerations discussed were: Debt and Equity, Borrowing Principles, and current OCEC Debt.

Strategies discussed were: No additional borrowing, Roll over maturing debt, Borrowing for Asset Growth and Borrowing for Constant Capital Credit Retention.

Alan stressed that no action is required at this time but asked the Board to be aware of strategies to handle OCEC's finances.

6. Budget Approval Considerations

Dale presented considerations for the 2018 Budget approval with discussion of the 2017 OCEC financial performance; comparing actual amounts to budgeted amounts.

He recommended a mid-year review to give Staff and the Board an opportunity to make adjustments if needed.

David and Lynn noted the 2018 budget will be presented at the February meeting for approval.

MEMBER COMMUNICATION

No members present.

Dale moved to adjourn to executive session at 4:12 pm. Seconded. Carried.

EXECUTIVE SESSION

1. Review of Subsidiary 2017 Pre-Audit Financial Results.
2. Review of Management 2017 Goals and Development of 2018 Goals
3. Discussion of Certain By-Laws

Alan Watson, Secretary

New Members

February 26, 2018

Reinstate

1.

New Members

- | | |
|---|--------|
| 1. LITTLEFIELD, LORI & DENNY | 117181 |
| 2. RODENHIZER, DAVID & DEBORAH | 118001 |
| 3. AUTRY, ERIC & HUYNH, KIM | 118002 |
| 4. GRADEN, COLLEEN | 118003 |
| 5. GERHART, REBECCA & BARROWS, JORDAN | 118004 |
| 6. UNDERWOOD, KIMBERLEY & LAITY, SAM | 118005 |
| 7. VOLKSTORF, ERICH | 118006 |
| 8. WNVPOA | 118007 |
| 9. ELDERON, ALAN R & JASPARRO, VICTORIA | 118008 |
| 10. MARQUIS, VALERIE | 118009 |
| 11. GREENE, JOHN & SHERRY | 118010 |
| 12. DUMM, TYLER & KROSCHER, LUCIE | 118011 |



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	1/31/2018

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION CHOICES
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.		A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?
Signature of Office Manager or Accountant: <i>[Signature]</i> Date: 2/14/18 Signature of Manager: <i>[Signature]</i> Date: 2-14-18		<input checked="" type="radio"/> YES <input type="radio"/> NO
		B. Will you authorize CFC to share your data with other cooperatives? <input checked="" type="radio"/> YES <input type="radio"/> NO

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	776,810	639,372	645,557	639,372
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	412,865	310,626	334,372	310,626
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0		0
6. Distribution Expense - Operation	4,681	6,080	4,152	6,080
7. Distribution Expense - Maintenance	66,208	70,553	64,888	70,553
8. Consumer Accounts Expense	24,680	26,187	32,310	26,187
9. Customer Service and Informational Expense	1,456	812	1,605	812
10. Sales Expense	1,866	746	0	746
11. Administrative and General Expense	109,410	94,617	79,489	94,617
12. Total Operation & Maintenance Expense (2 thru 11)	621,167	509,622	516,816	509,622
13. Depreciation & Amortization Expense	30,756	31,740	32,890	31,740
14. Tax Expense - Property & Gross Receipts	3,215	3,628	3,594	3,628
15. Tax Expense - Other	23,583	19,893	14,458	19,893
16. Interest on Long-Term Debt	17,838	18,136	16,814	18,136
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	696,559	583,018	584,573	583,018
21. Patronage Capital & Operating Margins (1 minus 20)	80,251	56,354	60,984	56,354
22. Non Operating Margins - Interest	945	998	795	998
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	1,500	1,500	1,500	1,500
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	0	0	0	0
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	82,696	58,852	63,279	58,852

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	1	0	5. Miles Transmission	0	0
2. Services Retired	2	2	6. Miles Distribution Overhead	301	302
3. Total Services In Place	3,671	3,733	7. Miles Distribution Underground	210	212
4. Idle Services (Exclude Seasonal)	109	106	8. Total Miles Energized (5+6+7)	511	514



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County
	BORROWER DESIGNATION	WA032
	ENDING DATE	01/31/2018

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	13,751,626	29. Memberships	15,930
2. Construction Work in Progress	215,554	30. Patronage Capital	7,371,955
3. Total Utility Plant (1+2)	13,967,180	31. Operating Margins - Prior Years	888,188
4. Accum. Provision for Depreciation and Amort	4,419,734	32. Operating Margins - Current Year	57,352
5. Net Utility Plant (3-4)	9,547,446	33. Non-Operating Margins	1,500
6. Nonutility Property - Net	0	34. Other Margins & Equities	474,461
7. Investment in Subsidiary Companies	662,742	35. Total Margins & Equities (29 thru 34)	8,809,386
8. Invest. in Assoc. Org. - Patronage Capital	324,014	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,499,464
10. Invest in Assoc. Org. - Other - Nongeneral Funds	147,136	38. Total Long-Term Debt (36 + 37)	3,499,464
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	13,500	40. Accumulated Operating Provisions - Asset Retirement Obligations	0
13. Special Funds	0	41. Total Other Noncurrent Liabilities (39+40)	0
14. Total Other Property & Investments (6 thru 13)	1,147,392	42. Notes Payable	0
15. Cash-General Funds	615,643	43. Accounts Payable	493,897
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	149,777
17. Special Deposits	105,816	45. Current Maturities Long-Term Debt	0
18. Temporary Investments	138,460	46. Current Maturities Long-Term Debt-Economic Dev.	0
19. Notes Receivable - Net	0	47. Current Maturities Capital Leases	0
20. Accounts Receivable - Net Sales of Energy	668,466	48. Other Current & Accrued Liabilities	296,211
21. Accounts Receivable - Net Other	743,359	49. Total Current & Accrued Liabilities (42 thru 48)	939,885
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	248,459	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,248,735
24. Prepayments	32,729	ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
25. Other Current & Accrued Assets	966	Balance Beginning of Year	0
26. Total Current & Accrued Assets (15 thru 25)	2,553,897	Amounts Received This Year (Net)	1,152
27. Deferred Debits	0	TOTAL Contributions-In-Aid-Of-Construction	1,152
28. Total Assets & Other Debits (5+14+26+27)	13,248,735		

PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

STATEMENT OF OPERATIONS

January 31, 2018

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,501,400	\$645,557	\$639,372	\$645,557	\$639,372
COST OF POWER	\$2,710,581	\$334,372	\$310,626	\$334,372	\$310,626
GROSS MARGINS	\$2,790,819	\$311,185	\$328,746	\$311,185	\$328,746
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$69,955	\$4,152	\$6,080	\$4,152	\$6,080
DISTRIBUTION MAINTENANCE	\$574,972	\$64,888	\$70,553	\$64,888	\$70,553
CONSUMER ACCOUNTING	\$299,885	\$32,310	\$26,187	\$32,310	\$26,187
CONSUMER SERVICE & INFO	\$5,700	\$1,605	\$812	\$1,605	\$812
SALES EXPENSE	\$0	\$0	\$746	\$0	\$746
ADMIN & GENERAL	\$674,637	\$79,489	\$94,617	\$79,489	\$94,617
<i>TOTAL OPERATING EXPENSES</i>	\$1,625,149	\$182,444	\$198,996	\$182,444	\$198,996
FIXED EXPENSES:					
DEPRECIATION	\$394,680	\$32,890	\$31,740	\$32,890	\$31,740
TAXES-PROPERTY	\$43,128	\$3,594	\$3,628	\$3,594	\$3,628
TAXES-OTHER	\$185,500	\$14,458	\$19,893	\$14,458	\$19,893
INTEREST	\$201,772	\$16,814	\$18,136	\$16,814	\$18,136
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$825,080	\$67,757	\$73,396	\$67,757	\$73,396
TOTAL EXPENSES	\$2,450,229	\$250,201	\$272,392	\$250,201	\$272,392
OPERATING MARGINS	\$340,590	\$60,984	\$56,354	\$60,984	\$56,354
NONOPERATING MARGINS:					
INTEREST	\$51,154	\$795	\$998	\$795	\$998
OTHER	\$18,000	\$1,500	\$1,500	\$1,500	\$1,500
NET MARGINS	\$409,744	\$63,279	\$58,852	\$63,279	\$58,852
T.I.E.R.	3.03	4.76	4.25	4.76	4.25

Okanogan County Electric Cooperative Inc
Budget Year: 2018

Forecasted

	Budget year		Actual	Forecasted											
	2017	Jan - Dec	January	February	March	April	May	June	July	August	September	October	November	December	
Patronage Capital or Margins	\$0	\$409,744	\$58,852	\$41,933	\$9,447	(\$21,567)	\$27,800	(\$8,433)	\$11,037	(\$3,268)	\$53,114	(\$25,672)	\$112,177	\$149,896	
Plus Depreciation Expense	\$0	\$394,680	\$31,740	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	
Less Capital Credit Allocations	\$0	\$0	(\$29)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Plus FAS 158 Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total (Funds From Operations)	\$0	\$804,424	\$90,563	\$74,823	\$42,337	\$11,323	\$60,690	\$24,457	\$43,927	\$29,622	\$86,004	\$7,218	\$145,067	\$182,786	
Cash Construction Funds - Trustee	\$0	\$0													
Special Deposit	\$0	(\$76,899)	(\$5,575)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	
Temporary Investment	\$0	\$0													
Accounts Receivable - Sale of Energy (Net)	\$0	\$30,158	\$113,538	\$146,768	\$75,180	\$53,071	(\$28,562)	\$17,202	(\$21,852)	\$18,420	\$4,282	\$10,106	(\$188,438)	(\$121,979)	
Accounts Receivable - Other (Net)	\$0	\$137,184	\$24,009	\$10,428	\$11,278	\$7,405	\$7,405	\$11,312	\$7,405	\$7,405	\$11,345	\$7,405	\$7,405	\$40,985	
Regulatory Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Deferred Debits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Prepayments	\$0	\$0	(\$32,729)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Current & Accrued Asset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(Increase)/Decrease in Operating Assets	\$0	\$894,867	\$99,243	\$150,788	\$80,050	\$54,068	(\$27,565)	\$22,106	(\$20,855)	\$19,417	\$9,219	\$11,103	(\$187,441)	(\$87,402)	
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Accounts Payable	\$0	\$0	\$29,509	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Accumulated Operating Provisions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Regulatory Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Deferred Credits	\$0	\$0	(\$45,076)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Current and Accrued Liabilities	\$0	(\$40,797)	\$27,839	\$0	\$0	\$0	(\$13,599)	(\$13,599)	(\$13,599)	\$0	\$0	\$0	\$0	\$0	
Increase/(Decrease) in Operating Liabilities	\$0	(\$40,797)	\$12,272	\$0	\$0	\$0	(\$13,599)	(\$13,599)	(\$13,599)	\$0	\$0	\$0	\$0	\$0	
CASH FROM OPERATING ACTIVITIES	\$0	\$854,070	\$202,078	\$225,611	\$122,387	\$65,391	\$19,526	\$32,964	\$9,473	\$49,039	\$95,223	\$18,321	(\$42,374)	\$95,384	
INVESTMENT ACTIVITIES															
Total Utility Plant	\$0	(\$863,521)	(\$360,896)	(\$34,107)	(\$78,556)	(\$126,123)	(\$97,241)	(\$96,002)	(\$81,703)	(\$52,852)	(\$63,646)	(\$52,212)	(\$52,147)	(\$55,768)	
Cost to Retire Utility Plant	\$0	\$0	\$521	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Construction Work-in-Progress	\$0	\$0	\$202,273	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Contributions in aid of construction (CIAC)	\$0	\$277,356	\$1,152	\$10,000	\$20,000	\$20,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$20,000	\$13,678	
Total Other Property and Investments	\$0	\$0	\$247	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Materials & Supplies - Electric and Other	\$0	\$0	(\$1,394)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Notes Receivable (Net)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CASH FROM INVESTMENT ACTIVITIES	\$0	(\$586,165)	(\$158,097)	(\$24,107)	(\$58,556)	(\$106,123)	(\$67,241)	(\$66,002)	(\$51,703)	(\$22,852)	(\$33,646)	(\$22,212)	(\$32,147)	(\$42,090)	
FINANCING ACTIVITIES															
Margins & Equities	\$0	(\$200,000)												(\$200,000)	
LT Debt - Additional Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LT Debt - Debt Service Payment	\$0	(\$132,239)	\$0	\$0	(\$32,316)	\$0	\$0	(\$32,807)	\$0	\$0	(\$33,305)	\$0	\$0	(\$33,811)	
LT Debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total LT Debt	\$0	(\$132,239)	\$0	\$0	(\$32,316)	\$0	\$0	(\$32,807)	\$0	\$0	(\$33,305)	\$0	\$0	(\$33,811)	
LT Debt - Payments Unapplied	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LT Debt - Current maturities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Consumer Membership	\$0	\$0	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Consumers Deposits	\$0	\$0	\$1,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CASH FROM FINANCING ACTIVITIES	\$0	(\$332,239)	\$1,270	\$0	(\$32,316)	\$0	\$0	(\$32,807)	\$0	\$0	(\$33,305)	\$0	\$0	(\$233,811)	
CASH FROM ALL ACTIVITIES	\$0	(\$64,334)	\$45,252	\$201,504	\$31,515	(\$40,732)	(\$47,715)	(\$65,845)	(\$42,230)	\$26,187	\$28,272	(\$3,891)	(\$74,521)	(\$180,517)	
TOTAL CASH BEGINNING OF PERIOD	\$570,393	\$570,393	\$570,393	\$615,645	\$817,149	\$848,664	\$807,932	\$760,217	\$694,372	\$652,142	\$678,329	\$706,601	\$702,710	\$628,189	
TOTAL CASH END OF PERIOD	\$570,393	\$506,059	\$615,645	\$817,149	\$848,664	\$807,932	\$760,217	\$694,372	\$652,142	\$678,329	\$706,601	\$702,710	\$628,189	\$447,672	

Okanogan County Electric Cooperative Inc
 Capital Expenditures by Project
 Jan-18

	Current Month			Year to Date			Annual	Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance
Member Requested Facilities	0.00	0.00	0.00	0.00	0.00	0.00	200,983.00	200,983.00
Replacements (Poles & Transformers)	9,968.42	6,925.00	(3,043.42)	9,968.42	6,925.00	(3,043.42)	103,872.00	93,903.58
OCEC Projects:	0.00	0.00	0.00	0.00	0.00	0.00	62,675.00	62,675.00
Replace 2500' of URD at Stud Horse - Par	0.00	0.00	0.00	0.00	0.00	0.00	49,718.00	49,718.00
Replace 2500' of URD at Edelweiss - Part	0.00	0.00	0.00	0.00	0.00	0.00	57,957.00	57,957.00
Convert 3500' of OH to URD at Bear Crk	0.00	0.00	0.00	0.00	0.00	0.00	41,859.00	41,859.00
Replace 3000' of URD at Davis Lake	0.00	0.00	0.00	0.00	0.00	0.00	50,718.00	50,718.00
Metering projects -upgrades	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pole Inspections	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00
Fire Retardant/Treatment on Poles	0.00	0.00	0.00	0.00	0.00	0.00	17,479.00	17,479.00
Paint/protect crew hallway	0.00	0.00	0.00	0.00	0.00	0.00	32,791.00	32,791.00
Redo Asphalt in front & back, fix drain	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00
Major Storm Damage	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	25,000.00
subtotal	9,968.42	6,925.00	(3,043.42)	9,968.42	6,925.00	(3,043.42)	658,052.00	648,083.58
Un Allocated Overhead	36,117.84			36,117.84	0.00	(36,117.84)		
Member CIAC	CIAC	(1,152.00)	(13,678.00)	12,526.00	*	(1,152.00)	(13,678.00)	12,526.00
Total less CIAC	44,934.26			44,934.26			(277,356.00)	(276,204.00)

* \$10,359.65 holding in CIAC 01/31/18

Meters Purchases	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00	20,000.00
Computers & Software Upgrades	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00
Transformers Purchases	0.00	0.00	0.00	0.00	0.00	0.00	70,000.00	70,000.00
Vehicle Replacement	0.00	0.00	0.00	0.00	0.00	0.00	135,000.00	135,000.00
Total	44,934.26	(6,753.00)		44,934.26	(6,753.00)		230,000.00	230,000.00

Total Capital Budget less CIAC 610,696.00 565,761.74

* Note

Line Crew	Materials	107.25 Labor	Contractors	Transportation	Benefits	Total
January	2,086.84	0.00	3,436.90	0.00	2,424.24	2,020.44
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
Total	2,086.84	0.00	3,436.90	0.00	2,424.24	0.00
						2,020.44
						9,968.42

* Note: 107.25 is Capitalized Labor that includes: cost estimates, line staking, development & research for construction projects that no work order has been established. Along with Stores account 163.00 material stocking.

Okanogan County Electric Cooperative Inc
 Capital Expenditures by Project
 Jan-18

W.O. #	Monthly Allocation	Contractor	Labor	Labor O/H	AP Vendor & Material	Material O/H	Material Retire/Scrap	Benefits	Trans	Total
12092	7,289.61	8	1,726.53	1,813.56				1,671.60	2,077.92	7,289.61
12093	1,945.82	8	177.49	186.44	140.54	1,236.90	(140.54)	171.83	173.16	1,945.82
12097	732.99	8	182.82	200.00				177.01	173.16	732.99
	9,968.42	0.00	2,086.84	2,200.00	140.54	1,236.90	(140.54)	2,020.44	2,424.24	9,968.42

7 Member Requested Facilities

8 Replacements (Poles & Transformers)

OCEC Projects:

9 Replace 2500' of URD at Stud Horse - Part 2

10 Replace 2500' of URD at Edelweiss - Part 1

11 Convert 3500' of OH to URD at Bear Crk

12 Replace 3000' of URD at Davis Lake

13 Metering projects -upgrades

14 Pole Inspections

15 Fire Retardant/Treatment on Poles

16 Paint/protect crew hallway

17 Redo Asphalt in front & back, fix drain

18 Major Storm Damage

OCEC Work Orders

8	12092	OCEC - Temp Disconnect 2018	7,289.61
8	12093	OCEC - Conduit 2018	1,945.82
8	12097	Term = WA Dept of Fish	732.99
			9,968.42

OKANOGAN COUNTY ELECTRIC COOPERATIVE INC
REVOLVING LOAN FUND #1
MONTHLY REPORT

For the Month Ending
January 31, 2018

Beginning RLF Balance		\$51,988.75
LOUP LOUP SKI ED FOUNDATION LOAN #2		
PAYOFF AUGUST 01, 2019	MONTH	TO DATE
PAYMENTS RECEIVED	\$425.00	\$45,150.36
ADMINISTRATIVE FEE (1%)	\$8.33	\$2,650.02
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$42,500.33
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOANS		\$7,499.67
LOUP LOUP SKI ED FOUNDATION LOAN #3		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$445.83	\$17,620.83
ADMINISTRATIVE FEE (1%)	\$29.16	\$1,370.70
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$16,250.13
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOANS		\$33,749.87
TOWN OF TWISP		
PAYOFF AUGUST 01, 2019	MONTH	TO DATE
PAYMENTS RECEIVED	\$79.05	\$7,057.84
ADMINISTRATIVE FEE (1%)	\$2.30	\$456.04
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$6,600.26
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOANS		\$2,609.74
MVSTA LOAN #2		
PAYOFF JULY 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$875.00	\$61,854.72
ADMINISTRATIVE FEE (1%)	\$41.67	\$4,354.95
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$56,666.44
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOANS		\$43,333.56
MEDICINE WHEEL WEB DESIGN		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$510.00	\$20,750.00
ADMINISTRATIVE FEE (1%)	\$10.00	\$760.00
PRINCIPLE PAYMENT TO LOAN	\$500.00	\$20,000.00
ORIGINAL AMOUNT OF LOAN		\$30,000.00
BALANCE REMAINING ON LOANS		\$10,000.00
TOWN OF WINTHROP		
PAYOFF NOVEMBER 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$870.83	\$1,741.66
ADMINISTRATIVE FEE (1%)	\$79.17	\$158.34
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$1,583.34
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOANS		\$93,416.66
TOTAL BALANCE REMAINING ON LOANS		\$190,609.50
ENDING RLF BALANCE		\$54,190.50

OKANOGAN COUNTY ELECTRIC COOPERATIVE INC
REVOLVING LOAN FUND #2
MONTHLY REPORT

For the Month Ending
January 31, 2018

Beginning RLF Balance	\$48,252.07	
AERO RESCUE		
PAYOFF NOVEMBER 1, 2020	MONTH	TO DATE
PAYMENTS RECEIVED	\$2,060.00	\$185,940.00
ADMINISTRATIVE FEE (1%)	\$60.00	\$11,940.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$174,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOANS		\$66,000.00
TOWN OF WINTHROP LOAN #2		
PAYOFF JUNE 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$179.37	\$12,325.47
ADMINISTRATIVE FEE (1%)	\$8.54	\$879.86
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$11,445.61
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOANS		\$9,054.39
MVSTA LOAN #3		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$624.17	\$25,232.90
ADMINISTRATIVE FEE (1%)	\$40.84	\$2,065.02
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$23,333.20
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOANS		\$46,666.80
PINETOOTH CREATIVE		
PAYOFF July 01, 2026	MONTH	TO DATE
PAYMENTS RECEIVED	\$84.25	\$1,528.26
ADMINISTRATIVE FEE (1%)	\$6.96	\$136.06
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$1,392.20
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOANS		\$7,882.80
EQPD		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$297.92	\$3,277.12
ADMINISTRATIVE FEE (1%)	\$27.08	\$297.90
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$2,979.22
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOANS		\$29,520.78
Little Star Montessorri School		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$297.92	\$3,574.64
ADMINISTRATIVE FEE (1%)	\$27.09	\$325.08
PRINCIPLE PAYMENT TO LOAN	\$270.83	\$3,249.96
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOANS		\$29,250.04
ENDING RLF BALANCE	\$51,625.19	

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
January-18

	October 2017	November 2017	December 2017	January 2018	January 2017
POWER DATA:					
COST OF POWER	\$199,417	\$194,186	\$339,203	\$310,626	\$412,865
KWH PURCHASED	4,617,495	6,039,500	8,870,180	7,789,025	9,911,795
KWH SOLD & OCEC USE	4,255,720	5,526,863	8,348,306	7,308,362	9,323,931
KWH LOST	361,775	512,637	521,874	480,663	587,864
LINE LOSS %	7.83%	8.49%	5.88%	6.17%	5.93%
COST PER KWH	\$0.0432	\$0.0322	\$0.0382	\$0.0399	\$0.0417
BILLING DATA:					
ACCOUNTS BILLED	3,729	3,545	3,537	3,539	3,469
AVG. KWH/CONSUMER	1,141	1,559	2,360	2,065	2,688
BILLING REVENUE	\$425,706	\$510,769	\$708,947	\$636,810	\$774,000
AVERAGE BILL	\$114.16	\$144.08	\$200.44	\$179.94	\$223.12
REVENUE/KWH SOLD	\$0.1000	\$0.0924	\$0.0849	\$0.0871	\$0.0830
SERVICE DATA:					
NEW	9	11	4	0	0
RETIRED	0	0	4	2	0
TOTAL END OF MONTH	3724	3735	3735	3733	3671
IDLE SERVICES	105	105	105	106	109
TRANSPORTATION:					
TOTAL MILES	6,465	5,824	4,659	3,807	4,844
COST OF OPERATION	\$19,785	\$18,906	\$21,429	\$20,390	\$17,737
AVG. COST PER MILE	\$3.060	\$3.246	\$4.599	\$5.356	\$3.662
MATERIALS:					
ISSUES	\$3,759	\$31,710	\$55,335	\$466	\$336
INVENTORY	\$288,812	\$287,977	\$247,065	\$248,459	\$273,208

OCEC 2018 Outage
Summary

Substation	Power Supply Int.	Major	Planned Int.	All Other Int.	Feeder Total Hours Out	% of Total	Total # of Meters	# of Meters w/ outage	SAIDI	SAIFI	CAIDI
Winthrop Substation (1)	11,832	-	-	58	11,890	82.9%	2958	3010	4.020	1.018	3.950
Feeder 1 = Chewuch	2,360	-	-	56	2,416	16.8%	590	640	4.095	1.085	3.775
Feeder 2 = Mazama	3,764	-	-	-	3,764	26.2%	941	941	4.000	1.000	4.000
Feeder 3 = Sun Mtn	2,984	-	-	0	2,984	20.8%	746	747	4.001	1.001	3.995
Feeder 4 = Winthrop	2,724	-	-	1	2,725	19.0%	681	682	4.002	1.001	3.996
Twisp Substation (2)	2,456	-	-	-	2,456	17.1%	614	614	4.000	1.000	4.000
Feeder 1 = Airport	112	-	-	-	112	0.8%	28	28	4.000	1.000	4.000
Feeder 2 = Loup	776	-	-	-	776	5.4%	194	194	4.000	1.000	4.000
Feeder 3 = Twisp	1,568	-	-	-	1,568	10.9%	392	392	4.000	1.000	4.000
Totals					14,346		3572	3624	4.016	1.015	3.96
CFC Summary	240	-	-	0.97							

SAIDI = Defined as sum of customer interruption durations divided by the total # of customers served
SAIFI = Defined as total number of customers interrupted divided by the total numbers of customers served
CAIDI = Defined as the average amount of time that a customer is without power for a typical interruption
ASAI = Total minutes during reported time frame divided by total minutes power was available

NUMBER OF OUTAGES = 4

Interruption: a loss of electricity for any period longer than 5 minutes
Power supply interruption: any interruption originating from the transmission system, sub-transmission system, or the substation regardless of ownership
Planned interruption: any interruption scheduled by the distribution system to safely perform routine maintenance
All other interruptions: all excluding power supply, major event, and those that are planned

Major Event: an interruption or group of interruptions caused by conditions that exceed the design & operational limits of a system. (IEEE 1366-2003 / RUS 1730a - Exhibit E).

OCEC 2018 Outage
Summary By Cause

SUMMARY BY CAUSE														
POWER SUPPLY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
LARGE SCALE	-	-	-	-	-	-	-	-	-	-	-	-	-	
OK PUD	14,288	-	-	-	-	-	-	-	-	-	-	-	14,288	
OCEC SUB	-	-	-	-	-	-	-	-	-	-	-	-	-	
PLANNED													TOTAL	
CONSTRUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	
MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-	
OTHER PLANNED	-	-	-	-	-	-	-	-	-	-	-	-	-	
EQUIPMENT OR INSTALLATION DESIGN													TOTAL	
MATERIAL OR EQUIP FAILURE	-	-	-	-	-	-	-	-	-	-	-	-	-	
INSTALLATION FAULT	-	-	-	-	-	-	-	-	-	-	-	-	-	
CONDUCTOR SAG OR INADEGUATE CLEARANCE	-	-	-	-	-	-	-	-	-	-	-	-	-	
OVERLOAD	-	-	-	-	-	-	-	-	-	-	-	-	-	
MISCOORDINATION OF PROTECTION DEVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	
OTHER EQUIPMENT INSTALLATION / DESIGN	-	-	-	-	-	-	-	-	-	-	-	-	-	
MAINTENANCE													TOTAL	
DECAY / AGE OF MATERIAL / EQUIP	-	-	-	-	-	-	-	-	-	-	-	-	-	
CORROSION / ABRASION OR MATERIAL / EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	
TREE GROWTH	-	-	-	-	-	-	-	-	-	-	-	-	-	
TREE FAILURE FROM OVERHAND OR DEAD TREE WITHOUT	-	-	-	-	-	-	-	-	-	-	-	-	-	
TREES WITH ICE / SNOW	-	-	-	-	-	-	-	-	-	-	-	-	-	
CONTAMINATION (LEAKING / EXTERNAL)	-	-	-	-	-	-	-	-	-	-	-	-	-	
MOISTURE	-	-	-	-	-	-	-	-	-	-	-	-	-	
OCEC CREW CUTS TREE	-	-	-	-	-	-	-	-	-	-	-	-	-	
MAINTENANCE, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	
WEATHER													TOTAL	
LIGHTNING	-	-	-	-	-	-	-	-	-	-	-	-	-	
WIND NOT TREE	-	-	-	-	-	-	-	-	-	-	-	-	-	
ICE, SLEET, FROST, NOT TREE	-	-	-	-	-	-	-	-	-	-	-	-	-	
FLOOD	-	-	-	-	-	-	-	-	-	-	-	-	-	
WEATHER OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	
ANIMALS													TOTAL	
SMALL ANIMAL / BIRD	-	0	-	-	-	-	-	-	-	-	-	-	0	
LARGE ANIMAL	-	-	-	-	-	-	-	-	-	-	-	-	-	
ANIMAL DAMAGE - GNAW OR BORE	-	-	-	-	-	-	-	-	-	-	-	-	-	
ANIMAL , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	

OCEC 2018 Outage
Summary By Cause

SUMMARY BY CAUSE														
PUBLIC													TOTAL	
CUSTOMER CAUSED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MOTOR VEHICLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AIRCRAFT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC CUTS TREE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VANDALISM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SWITCHING ERROR OR CAUSED BY CONSTRUCTION / MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER													TOTAL	
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNKNOWN													TOTAL	
CAUSE UNKNOWN	57	-	-	-	-	-	-	-	-	-	-	-	-	57

****Cause listing shows total number of HOURS for all members out of power:**
*(minutes of outage * number of members effected)/60*

OCEC 2018 Outage
Detailed Summary By Cause

DETAILED SUMMARY BY CAUSE													
GENERATION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
GEN-GENERATION	-	-	-	-	-	-	-	-	-	-	-	-	-
GEN-TOWERS, POLES, FIXTURES	-	-	-	-	-	-	-	-	-	-	-	-	-
GEN-CONDUCTORS AND DEVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
GEN-TRANSMISSION SUB	14,288	-	-	-	-	-	-	-	-	-	-	-	14,288
GEN-GENERATION OR TRANSMISSION, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	14,288												14,288
DISTRIBUTION SUBSTATION													
DIST-POWER TRANSFORMER	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-VOLTAGE REGULATOR	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-LIGHTNING ARRESTER	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-SOURCE SIDE FUSE	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-CIRCUIT BREAKER	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-SWITCH	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-METERING EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-DISTRIBUTION SUBSTATION , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-												-
POLES AND FIXTURES													
POL-POLES	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-CROSSARM OR CROSSARM BRACE	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-ANCHOR OR GUY	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-POLES AND FIXTURES, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-												-
OVERHEAD													
OVR-OVERHEAD	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-LINE CONDUCTOR	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-CONNECTOR OR CLAMP	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-SPLICE OR DEAD END	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-JUMPER	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-INSULATOR	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-LIGHTNING ARRESTER LINE	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-FUSE CUTOUT	57	0	-	-	-	-	-	-	-	-	-	-	58
OVR-RECLOSER OR SECTIONALIZER	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-OVERHEAD LINE CONDUCTORS AND DEVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	57												58

OCEC 2018 Outage
Detailed Summary By Cause

DETAILED SUMMARY BY CAUSE													
UNDERGROUND													
UG-PRIMARY CABLE	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-SPLICE OR FITTING	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-SWITCH ELBOW ARRESTER	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-SECONDARY CABLE OR FITTINGS	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-ELBOW	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-POTHEAD OR TERMINATOR	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-UNDERGROUND, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSFORMER													
XFMR-TRANSFORMER BAD	-	-	-	-	-	-	-	-	-	-	-	-	-
XFMR-TRANSFORMER FUSE OR BREAKER	-	-	-	-	-	-	-	-	-	-	-	-	-
XFMR-TRANSFORMER ARRESTER	-	-	-	-	-	-	-	-	-	-	-	-	-
XFMR-LINE TRANSFORMER, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
**SECONDARY	-	-	-	-	-	-	-	-	-	-	-	-	-
SEC-SECONDARY OF SERVICE CONDUCTOR	-	-	-	-	-	-	-	-	-	-	-	-	-
SEC-METERING EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
SEC-SECURITY OR STREET LIGHT	-	-	-	-	-	-	-	-	-	-	-	-	-
SEC-SECONDARY AND SERVICE, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
SEC-XFMR-NO EQUIP FAILURE	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-	-	-	-	-	-	-	-	-	-	-	-	-
WEATHER													
WTR-RAIN	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-LIGHTNING	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-WIND	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-SNOW ICE	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-SLEET	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-EXTREME COLD	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-EXTREME HEAT	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-WEATHER OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-CLEAR, CALM	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-	-	-	-	-	-	-	-	-	-	-	-	-

General Manager's Report to the Board – February 2018

General Discussion:

- Mild weather has depressed electric sales across the region. Comparing January 2017 and January 2018, OCEC had a 28% drop in sales. The average temperature for these months increased from 22 degrees F in 2017 to 30 degrees F in 2018. Actual January 2018 sales compared to the January budgeted sales (which is based on normalized weather) was only 2.5% lower.
- The expanded solar incentive program is being rolled out in February. As there are no community solar projects initially proposed, all members who are interested should be able to apply to the program.
- The smart thermostat energy efficiency program was rolled out in February. We received a fair amount of calls. As the program is for forced air heat pumps only, a few members were disappointed that they were not able to participate in the program. We have changed our promotional materials to emphasize that the program is just for forced air systems.
- In the state legislature, HB 2402, which would have put OCEC under I-937, did not make it through the legislative process this session. The effect would have been to increase cost of power for new load and we would have needed to develop a conservation program that would target an annual 1% reduction in weather normalized sales. We expect this to come up again next session.
- We are working on two energy efficiency lighting projects for two local businesses.

Financial Discussion

- For January 2018, gross margins were \$35,000 under corresponding 2017 amounts and \$17,000 over budget.
- For January 2018, nonpower expenses were \$11,000 under corresponding 2017 amounts and \$22,000 over budget.
- Equity ratio for January 2018 is 66.5%. Equity ratio for January 2017 was 63.5%.

- The third page of this report contains a cost of power analysis for the first four months of the BPA power rate increase. Instead of the expected power cost increase, we have actually had a 2% decrease in power costs on a kwh basis. The pattern of our loads helped in that heating loads were more or less evenly across the months and we didn't have a "load spike", which typically adds to costs. This decrease (if it were to continue) will probably be short lived because BPA will probably impose a rate surcharge due to:

- 1) Not making financial goals with regards to cash reserves, and
- 2) Environmental activism related to the dam operations.

Comparison of OCEC 2017 and 2018 YTD January Key Statistics

	<u>YTD January 2017</u>	<u>YTD January 2018</u>	<u>% Difference</u>
Purchased kWH	9,911,795	7,295,880	-26.4%
Cost of Power	\$412,865	\$310,626	-24.8%
Revenue per KWH purchased (cents)	7.84	8.76	11.8%
Cost of Power per kWH (cents)	4.17	4.26	2.2%
Non-power expenses per KWH (cents)	2.86	3.73	30%
Margins per KWH (cents)	0.81	0.77	-5%

Comparison of OCEC 2017 and 2018 YTD March Actual Results for O&M (Unaudited)

	<u>YTD January 2017</u>	<u>YTD January 2018</u>	<u>Difference</u>
Operating Revenue	\$776,810	\$639,372	\$(137,438)
Cost of Power	412,865	310,626	\$(102,239)
Gross Margins	363,945	328,746	\$(35,199)
Non-Power Expenses	283,694	272,392	\$(11,302)
Operating Margins	\$80,251	\$56,354	\$(23,897)

Comparison of YTD January 2018 Budget Results for O&M

	<u>YTD January 2018</u> <u>Budget</u>	<u>YTD January 2018</u> <u>Actual</u>	<u>Difference</u>
Operating Revenue	\$645,557	\$639,372	\$(6,185)
Cost of Power	334,372	310,626	\$(23,746)
Gross Margins	311,185	328,746	\$17,561
Non-Power Expenses	250,201	272,392	\$22,191
Operating Margins	\$60,984	\$56,354	\$(4,630)

Comparison of BPA Power Costs for First 4 Months of FY 2017 and FY 2018

	FY 2017		FY 2018	
	KWH Purchased	Cost	KWH Purchased	Cost
Oct	4,247,850	\$ 179,765	4,617,795	\$ 199,417
Nov	4,840,000	\$ 167,067	6,039,500	\$ 211,428
Dec	9,195,205	\$ 354,871	8,870,180	\$ 339,203
Jan	9,911,795	\$ 412,865	7,789,025	\$ 310,626
Total	28,194,850	\$ 1,114,568	27,316,500	\$ 1,060,674
Cents/KWH	3.95		3.88	
% Increase		-2%		

Note: PNGC Credit is backed out of December's costs.

**Okanogan County Electric Cooperative
Okanogan County Energy Incorporated
2018 Balanced Scorecard Goals - Initial**

2017 Goals

Strategic Objective	Operational Performance	Percent of Award	YTD Results	2017 Goals			Comments	Bonus Tally
				Minimum	Target	Maximum		
Increase Subsidiary Revenue and Operational Efficiencies	1) Propane Sales (in Thousands)	10%		760	895	Open	Total propane gallons sold. For every 5,000 gallons sold over target, and additional \$5 is added to bonus.	
	2) Electric Year-end Inventory Audit Adjustments	10%		\$ 7,237	\$ 6,031	Open	Target is calculated from adding together both the positive and the negative differences of the inventory adjustments without regards to whether they are positive or negative adjustments. The goal is to reduce both positive and negative inventory adjustments. There is a \$10 increase in bonus for every \$1,000 less than target.	
	3) Propane Year-end Inventory Audit Adjustments	10%		\$ 5,656	\$ 4,713	Open	See Electric Inventory Audit above for description.	
	4) Installed coop-owned propane tanks - net	10%		50	75	Open	Target is a net increase in coop owned tanks. For every net tank over target, an additional \$5 added to bonus.	
Maintain Public and Employee Safety	1) Random Vehicle Inspection	5%		7	8	9	Randomly inspect 2 or 3 vehicles a month starting in March. Create checklist i.e. windows, interior, exterior, bins, mechanical ect. Pass/Fail per category. Need 80% of each vehicle to pass. Target is to pass 8 months out of the year.	
	2) Increase Office Training on EAP, Bulk Propane, Mayday procedures. Perform two simulated drill in office.	5%		1	2	*	Perform office training on EAP, Bulk Tank, Mayday procedures. Target is to conduct two actual simulated drills, one planned and one unplanned.	
	3) Facility Safety Inspection and Remedies	10%		6	7	8	Safety committee has inspected facilities and noted 8 problems. The goal in to resolve these problems by December 1st.	
Increase Reliability	1) Number of Electric Outages	10%		120	100	Open	Target is based on average of 2014 to 2016 total number of outages. For every 10 less outages than target, the bonus will increase by \$5.	
Satisfied, Well informed Members	1) Increase number of members that can be texted to update on outages, ect. .	10%		800	1000	Open	Our opted-in "Text Outage Alert" count is at ?. The year-end target is 1000 members. The maximum amount is open-ended. For every 50 additional, the incentive comp is increased by \$5.	
	2) Open House in June for Community to do an Arc Demo ect.	10%		*	1	*	Conduct and open house in june.	
Develop Employees	1) All employees involved in either an off-site or on-line training activity.	10%		*	100%	*	The goal is for all employees to take at least one off-site or on-line training. Only make goal if ALL employees have training .	

100%

- Notes:**
- 1) Target Incentive Compensation award for each employee is \$1000 and the maximum awarded is \$1,500. .
 - 2)"Percent Award" is the base contribution of each particular component to the total incentive award.
 - 3) Unless otherwise noted, "Maximum" and "Minimum" for each component provides a method to calculate the range of performance for each component.
 - 4) For each component unless otherwise noted, achieving a "Maximum" contributes 125% of target and achieving a "Minimum" contributes 75% of target.
 - 5) Any component performance below "Minimum" target does not contribute anything to the Incentive Compensation.
 - 6) All Incentive Compensation awards are subject to approval of the Board of Directors before payout and may be adjusted at their prerogative.
 - 7) All components subject to audit and may be adjusted after audit.
- \$0.00

Okanogan County Electric Cooperative

2018 Financial Budget

Contents

- Changes in the 2018 Budget
- 2018 Budget Highlights
- Overall Budget View
- Revenues
- Operations and Maintenance
- Status of 2017 Budget Projects
- 2018 Capital Budget Summary
- 2018 O&M/Capital Labor Split
- Potential Increases for 2019 Budget
- Four Year Financial Plan
- Assumptions and Risks
- Organizations

Changes in the 2018 Budget – Page 1

- Proposed in this budget is a project to paint and put up protection for the crew hallway for \$5,000.
- There is \$20,000 for the fire retardant pole treatment project. A similar project was completed the last two years on the Twisp River line from Hoot N Holler to the Twisp River and the Sun Mountain line. This year we plan to treat the main circuit of the Mazama line.
- The only vehicle in the budget is a replacement of the 2008 bucket service truck for \$135,000.
- We are planning on keeping a very aggressive tree trimming program. We plan to use the same local contractor to follow our crews and chip so our crews can maximize tree trimming.
- In recent years we have booked an expense for disposition of the RS Pension Plan for approximately \$100,000. As we now plan to keep the plan with NRECA, we plan to credit annual expense for the RS plan (\$30,000) to this account. This expense was previously run through O&M.

Changes in the 2018 Budget – Page 2

- We have started booking ½ of a front office employee’s time to propane because of the increase amount of time front office employees are spending with propane.
- We are bringing in a specialty contractor to perform maintenance on two banks of regulators at the substation at a cost of \$20,000. This is a capital project that will extend the life of these regulators. This was last done in 2004.
- A project called “Major Storm Damage” has been added to the Capital Budget and will be included in the Monthly Reports. There is no money budgeted for this project but if a major storm does occur and we capitalize the restoration expenses, these costs will go here.
- Three sections have been added to this narrative. These are:
 - Details results of the 2017 capital budget in terms of status
 - Analyzes historical and budgeted labor capitalization rates
 - Details trade organizations OCEC belongs to.
 - Potential Increases in the 2019 Budget

2018 Budget Highlights

2018 Power Sales and Use Data

- 2018 Purchase Power Forecast 59,617 MWH
 - 2018 Line loss 4,352 MWH
 - 2018 OCEC use 97 MWH
 - 2018 Budgeted Sales 55,317 MWH
-
- 2018 Budgeted Revenues \$5,501,400
 - Average Revenue per KWH sold 9.9 cents per kwh

2018 Budget Highlights

- Capital Credits for 2018 has been budgeted at \$173,756.
- Principal payment of long term dept is scheduled to be \$136,470.
- PNGC's normalized weather forecast is used as a basis for the sales and revenue forecast.

Overall Budget View

	Budget 2017	Actual 2017	2018 Budget
Revenues	\$5,261,039	\$5,863,688	\$5,501,400
Purchased Power	\$2,399,421	\$2,726,275	\$2,710,582
Operations and Maintenance	\$1,520,080	\$1,628,229	\$1,625,151
Depreciation, Interest and Taxes	\$817,908	\$806,432	\$825,078
Operating Margins	\$549,930	\$702,732	\$340,589
Capital Projects (Less CIAC)	\$604,843	\$308,463	\$618,695

Revenues

Revenues are based on PNGC's load forecast which is based on normalized weather.

	2017 Budget	Actual 2017	2018 Budget
MWH Sold	53,547	61,520	55,314
Revenues from Energy Sales	\$5,261,039	\$5,712,675	\$5,501,400
Other Revenues	\$17,900	\$185,456	\$69,154

Operations and Maintenance

	2017 Budget	Actual 2017	2018 Budget
Distribution Operations	\$64,305	\$68,122	\$69,956
Distribution Maintenance	\$469,869	\$538,686	\$574,973
Customer Accounts	\$308,694	\$280,953	\$299,887
Customer Info and Sales	0	\$6,239	\$5,700
Administration and General Expenses	\$671,512	\$734,228	\$674,635
Total O&M	\$1,520,080	\$1,628,228	\$1,625,151

Status of 2017 Capital Budget

Page 1 of 2

- ▶ Replace 8,000' of URD at Stud Horse – Completed 2000' – Part 2 of projects is in 2018
- ▶ Replace 2,000' of URD at Edelweiss (Part 1) – Some conduit is in ground – Waiting on Homeowners Association – Carried over to 2018.
- ▶ Metering Projects – Completed (Rebuilt Carlo's 1800 service)
- ▶ Fire Retardant – Completed
- ▶ Facility – Parking Lot Crack/Seal – Carried Over

Status of 2017 Capital Budget – Page 2 of 2

- ▶ Replace Sun Mountain Circuit Regulators – Completed
- ▶ New Transformer Rack System – Completed
- ▶ Pole Inspections – Completed
- ▶ Upgrade Bear Creek – While this project was listed in 2017, no money was budgeted for this project. This project will be carried over in 2018.

2018 Capital Budget – Assessment of Capital Assets

- OCEC's distribution system is in relatively good shape. Capital budget is focused on miscellaneous projects, pole replacements, and replacement of underground systems due to the age of these facilities.
- The OCEC office building is in good shape. There is a small project to paint the hallway. We will carryover the asphalt project to 2018. As part of this project, we will install additional conduits to increase security video coverage of the back area.
- Vehicles are in relatively good shape. We plan to replace a small bucket truck that was purchased in 2008.

2018 Capital Budget – Assessment of Capital Assets

•Mazama Feeder Improvements Update

- In 2013, a consultant was hired and a plan was formulated to provide a long range solution to the potential problems in the Mazama area due to load growth.
- This plan called for extending the higher circuit voltage from the Leeman Bridge (where the higher voltage is now converted to OCEC's lower nominal voltage) to the Mazama junction.
- **This winter, engineering will develop a specific plan to have this project finished by 2021 based on the solution identified by the consultant.**
- Voltage readings were taken in the Mazama area in February of 2017 during peak loading conditions and adequate voltage readings were measured. We will keep track of both the voltages during peak conditions and the pace of build out in the area to ascertain if we need to accelerate the Mazama project.

Capital Budget Summary – Page 1

		2018 Budget
Members Requested Facilities (CIAC)		\$200,983
Replacements (Pole and Transformers)		103,872
Misc. URD/OH Projects		62,675
Replace 2,500' of URD at Stud Horse (Part 2)		49,718
Replace 2,500' of URD at Edelweiss (Part 1)		57,957
Convert 3,500' of OH to URD		41,859
Replace 3,000' of URD at Davis Lakes		50,718
Metering Projects		
Pole Inspections		10,000
Fire Retardant - Mazama Circuit		17,479

Capital Budget Summary – Page 2

			2018 Budget
Test/Rebuild 2 set of Substation Regulators			32,791
Paint/Protect Hallway			5,000
Redo Asphalt, fix drain	Carryover		25,000
Major Storm Damage			0
Subtotal Work Order Projects			658,051
Less Member contribution (CIAC)			277,356
Total Capital budget less CIAC			380,698
Meter and Computer Purchases			20,000
Computer and Software Upgrades			13,000
Transformer Purchases			70,000
Vehicle Replacements (Replace Small Bucket)			135,000
Total Capital Budget			\$618,695

2018 O&M/Capital Labor Split

- ▶ The O&M/Capital Labor split is a large determining factor in how close the budget is to actual numbers. For the 2018 estimate, we used a split between the actual 2016 split and the projected 2017 split. As noted, we plan to aggressively tree trim if conditions warrant. This may cause more O&M labor charges instead of capital labor charges.

The 2018 Capitalized Labor forecast was developed from an average of the 2016 Actual numbers and the 2017 Projected numbers.

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Totals
2018 Capitalized Labor	3,611	11,284	13,541	13,541	31,595	33,851	37,462	33,851	33,851	33,851	13,541	3,159	263,137
2018 Total Labor	122,000	91,500	91,500	91,500	91,500	91,500	91,500	91,500	91,500	91,500	91,500	91,500	1,128,500
2018 Budgeted Capitalization	3%	12%	15%	15%	35%	37%	41%	37%	37%	37%	15%	3%	23%
Historical Data													
2017 Actual / Forecast	1%	1%	2%	8%	22%	29%	35%	49%	55%	41%	23%	15%	21%
2017 Budget	17%	20%	14%	42%	40%	43%	40%	37%	35%	14%	23%	15%	28%
2016 Actual	19%	19%	36%	30%	31%	29%	30%	32%	35%	31%	27%	18%	28%
Capitalization in Dollars													
2017 Projected	1648	436	1992	6742	21066	25337	31850	47668	49075	39586	21722	14064	261186
2017 Budget	16093	18820	13638	39277	38186	40368	38186	34913	30248	13479	21722	14065	318995
2016 Actual	16051	20637	31092	25140	26931	25897	25820	29336	30622	27649	23950	15733	298858

Potential Increases in 2019 Budget

- ▶ Additional personnel will need to be hired in 2019 in order to be prepared for employee retirements in the coming years.
- ▶ There is no planned net increase in personnel at the end of this transition.

Four Year Financial Plan

- ▶ A four year financial plan has been developed. The plan is the revenue finance all capital additions and the quarterly mortgage debt payments. This will lead to a steady increase in the equity/asset ratio over the next four years.

Assumptions and Risks

- Budgeted 2018 TIER is 2.81 (TIER means “Times Interest Earned” and is a measure of how much margins are compared to interest on long term debt.)
- Equity level at the end of 2017 is 66.7 %.
- A 3% wage increase is incorporated into the budget.

Assumptions and Risks

Capital Budget

- No line contractors are expected to be used except for local ditching contractors and local tree crews that will chip/clean-up tree debris when our line crew is trimming. A specialized substation contractor is budgeted for work in the substation.
- Customer advances for Construction (CIAC) is variable and depends on area construction. For the capital budget, CIAC is estimated at 38% over what is spent on CIAC project. This is based on projected 2017 data. According to area contractors, a strong residential construction year is expected in 2018.

Trade Organizations

Below are the organizations OCEC belong to and approximate costs of membership.

- PNGC – Nominally \$55,000 a year. In 2017 the net cost was approximately \$15,000 after netting out demand and budget surplus credits.
- National Rural Electric Cooperatives Association (NRECA) – \$3,000. NRECA handles our health care and retirement services.
- Cooperative Finance Cooperative (CFC) – CFC are our lenders. There is no annual fee to belong.
- Washington Rural Electric Cooperative Association (WRECA) – Annual cost is approximately \$3000. This may increase as a major member has resigned. WRECA lobbies for electric cooperative issues in Olympia and DC.
- NWPPA – NWPPA is the public electric utility regional trade organization and also has many training classes. Annual cost is approximately \$4,000.
- Pacific Northwest Utility Coordinating Council and Public Power Council are organizations that OCEC belongs to through out membership in PNGC. We pay no direct costs to belong to these.

Status	Comments (Enter your notes below to help you remember where you left off.)
Complete	Jan - Oct SOP entered, used budgeted 2017 for Nov Dec

PNGC Forecast		
<input type="radio"/> kWh Option 1	3	<input type="radio"/> kWh Option 2
<input checked="" type="radio"/> kWh Option 3	3	<input type="radio"/>

PART A. STATEMENT OF OPERATIONS

	Budget Jan	Budget Feb	Budget Mar	Budget Apr	Budget May	Budget Jun	Budget Jul	Budget Aug	Budget Sep	Budget Oct	Budget Nov	Budget Dec	Pro forma Total	Budget Total	\$ Variance	% Variance
1. Operating Revenue and Patronage Capital	645,557	498,789	423,609	370,538	399,100	381,898	403,750	385,330	381,048	370,942	559,380	681,459	5,863,668	5,501,400	(362,268)	(6.18%)
2. Power Production Expense (500 - 554)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
3. Cost of Purchased Power (555 - 567)	334,372	267,824	221,651	195,982	170,873	181,698	200,761	190,789	181,526	189,749	243,628	331,728	2,726,275	2,710,582	(15,693)	(0.58%)
4. Transmission Expense (560-573)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
5. Distribution Expense - Operation (580s)	4,152	3,806	3,990	4,989	4,958	16,650	5,082	5,082	5,080	5,074	5,546	5,546	68,122	69,956	1,834	2.69%
6. Distribution Expense - Maintenance (590s)	64,888	42,214	50,403	45,359	55,874	60,146	46,227	42,255	25,606	40,128	50,280	51,592	538,686	574,973	36,287	6.74%
7. Consumer Accounts Expense (901-905)	32,310	22,207	23,841	23,662	25,197	23,623	24,954	25,762	23,290	25,628	25,107	24,304	280,953	299,887	18,934	6.74%
8. Customer Service and Informational Expense (907-910)	1,605	1,311	0	257	449	0	257	257	478	362	362	362	5,046	5,700	654	12.96%
9. Sales Expense (911-916)	0	0	0	0	0	0	0	0	0	0	0	0	1,193	0	(1,193)	(100.00%)
10. Administrative and General Expense (920-935)	79,489	54,032	56,769	56,394	48,487	45,672	49,970	58,992	54,380	58,211	56,817	55,423	734,228	674,635	(59,592)	(8.12%)
11. Total Operation & Maintenance Expense (2 thru 10)	516,817	391,395	356,654	326,643	305,839	327,790	327,251	323,136	290,359	319,152	381,741	468,955	4,354,503	4,335,733	(18,770)	(0.43%)
12. Depreciation & Amortization Expense	32,890	32,890	32,890	32,890	32,890	32,890	32,890	32,890	32,890	32,890	32,890	32,890	370,491	394,680	24,189	6.53%
13. Tax Expense - Property	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	43,123	43,125	2	0.00%
14. Tax Expense - Other	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	14,458	26,458	14,458	14,458	183,407	185,500	2,093	1.14%
15. Interest on Long-Term Debt: Option 1 - Manually Entered	16,814	16,814	16,814	16,814	16,814	16,814	16,814	16,814	16,814	16,814	16,814	16,814	209,411	201,773	(7,638)	(3.65%)
16. Interest Charged to Construction (Credit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(0)	(100.00%)
17. Interest Expense - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
18. Other Deductions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
19. Total Cost of Electric Service (11 thru 18)	584,573	459,151	424,411	394,400	373,595	395,546	395,008	390,893	358,116	398,909	449,498	536,711	5,160,935	5,160,811	(124)	(0.00%)
20. Patronage Capital & Operating Margins (1 minus 19)	60,984	39,638	(802)	(23,862)	25,505	(13,648)	8,742	(5,563)	22,932	(27,967)	109,882	144,748	702,733	340,589	(362,144)	(51.53%)
21. Non Operating Margins - Interest	795	795	3,749	795	795	3,716	795	795	3,882	795	795	3,648	15,532	21,154	5,622	36.20%
22. Allowance for Funds Used During Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
23. Income (Loss) from Equity Investments	0	0	5,000	0	0	0	0	0	25,000	0	0	0	151,924	30,000	(121,924)	(80.25%)
24. Non Operating Margins - Other	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	18,000	0	0.00%
25. Generation & Transmission Capital Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
26. Other Capital Credits & Patronage Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
27. Extraordinary Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
28. Patronage Capital or Margins (20 thru 27)	63,279	41,933	9,447	(21,567)	27,800	(8,433)	11,037	(3,268)	53,114	(25,672)	112,177	149,896	888,189	409,744	(478,445)	(53.87%)
Number of Customers	3,469	3,469	3,468	3,472	3,674	3,686	3,707	3,708	3,715	3,715	3,715	3,715	0	3,592		
kWh Sold	7,489,571	5,505,303	4,414,764	3,468,528	3,464,582	3,298,970	3,847,866	3,611,592	3,369,505	3,477,240	5,539,065	7,827,505	0	55,314,491		

PART B. DATA ON TRANS AND DISTR PLANT

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Pro forma Total	Budget Total	\$ Variance	% Variance
New Services Connected (Monthly Change Only)													57	0	(57)	-100.00%
Services Retired (Monthly Change Only)													4	0	(4)	-100.00%
Total Services in Place (Month end balance)	3,697	3,697	3,697	3,697	3,697	3,697	3,697	3,697	3,697	3,697	3,697	3,697	3,693	3,697	4	0.11%
Idle Services (Exclude Seasonal) (Month end balance)	86	86	86	86	86	86	86	86	86	86	86	86	107	86	(21)	-19.63%
Miles Transmission (Month end balance)	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0.00%
Miles Distribution - Overhead (Month end balance)	301	301	301	301	301	301	301	301	301	301	301	301	301	301	0	0.00%
Miles Distribution - Underground (Month end balance)	210	210	210	210	210	210	210	210	210	210	210	210	210	210	0	0.00%
Total Miles Energized	511	511	0	0.00%												

	Pro forma Jan	Pro forma Feb	Pro forma Mar	Pro forma Apr	Pro forma May	Pro forma Jun	Pro forma Jul	Pro forma Aug	Pro forma Sep	Pro forma Oct	Pro forma Nov	Pro forma Dec
PART A. STATEMENT OF OPERATIONS												
1. Operating Revenue and Patronage Capital	\$ 776,810	\$ 622,265	\$ 512,380	\$ 404,237	\$ 368,939	\$ 351,857	\$ 413,134	\$ 389,256	\$ 370,315	\$ 429,263	\$ 513,695	\$ 711,517
2. Power Production Expense (500 - 554)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Cost of Purchased Power (555 - 567)	\$ 412,865	\$ 333,045	\$ 241,631	\$ 189,877	\$ 133,899	\$ 155,255	\$ 179,386	\$ 170,471	\$ 187,040	\$ 199,417	\$ 184,186	\$ 339,203
4. Transmission Expense (560-573)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Distribution Expense - Operation (580s)	\$ 4,681	\$ 4,166	\$ 4,697	\$ 3,268	\$ 4,445	\$ 17,692	\$ 3,228	\$ 5,872	\$ 4,293	\$ 4,212	\$ 7,033	\$ 4,535
6. Distribution Expense - Maintenance (590s)	\$ 66,208	\$ 42,497	\$ 60,143	\$ 45,040	\$ 57,068	\$ 60,078	\$ 46,229	\$ 41,715	\$ 25,176	\$ 30,089	\$ 30,980	\$ 33,463
7. Consumer Accounts Expense (901-905)	\$ 24,680	\$ 22,387	\$ 28,919	\$ 22,430	\$ 23,366	\$ 21,286	\$ 25,716	\$ 26,327	\$ 21,378	\$ 23,048	\$ 19,281	\$ 22,136
8. Customer Service and Informational Expense (907-910)	\$ 1,456	\$ 1,534	\$ 257	\$ 257	\$ -	\$ 257	\$ -	\$ 257	\$ 257	\$ -	\$ 257	\$ 514
9. Sales Expense (911-916)	\$ 1,866	\$ (100)	\$ (200)	\$ 6,286	\$ (6,273)	\$ -	\$ 507	\$ (561)	\$ (231)	\$ 21	\$ (115)	\$ (7)
10. Administrative and General Expense (920-935)	\$ 109,410	\$ 88,991	\$ 65,903	\$ 68,114	\$ 54,058	\$ 51,830	\$ 51,954	\$ 44,880	\$ 42,143	\$ 54,881	\$ 48,629	\$ 53,436
11. Total Operation & Maintenance Expense (2 thru 10)	621,166	492,520	401,350	335,272	266,563	306,398	307,019	288,961	280,056	311,668	290,250	453,280
12. Depreciation & Amortization Expense	\$ 30,756	\$ 30,688	\$ 30,636	\$ 30,633	\$ 30,869	\$ 30,785	\$ 30,800	\$ 30,823	\$ 31,272	\$ 31,134	\$ 31,117	\$ 30,978
13. Tax Expense - Property	\$ 3,215	\$ 3,628	\$ 3,628	\$ 3,628	\$ 3,628	\$ 3,628	\$ 3,628	\$ 3,628	\$ 3,628	\$ 3,628	\$ 3,628	\$ 3,628
14. Tax Expense - Other	\$ 23,583	\$ 18,821	\$ 16,002	\$ 12,271	\$ 12,081	\$ 11,094	\$ 13,090	\$ 12,299	\$ 11,309	\$ 13,400	\$ 17,257	\$ 22,198
15. Interest on Long-Term Debt: Option 1 - Manually Entered	\$ 17,838	\$ 17,838	\$ 17,389	\$ 17,688	\$ 17,688	\$ 17,232	\$ 17,536	\$ 17,536	\$ 17,341	\$ 17,341	\$ 17,476	\$ 16,507
16. Interest Charged to Construction (Credit)	\$ -	\$ (424)	\$ 424	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -
17. Interest Expense - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18. Other Deductions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19. Total Cost of Electric Service (11 thru 18)	696,558	563,071	469,430	399,492	330,829	369,137	372,074	353,248	343,606	377,171	359,729	526,591
20. Patronage Capital & Operating Margins (1 minus 19)	80,252	59,194	42,950	4,745	38,111	(17,280)	41,060	36,008	26,709	52,092	153,966	184,927
21. Non Operating Margins - Interest	\$ 945	\$ 462	\$ 459	\$ 2,285	\$ 437	\$ 439	\$ 684	\$ 360	\$ 3,414	\$ 2,290	\$ 298	\$ 3,459
22. Allowance for Funds Used During Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23. Income (Loss) from Equity Investments	\$ -	\$ -	\$ 5,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,095	\$ 3,325	\$ -	\$ 116,502
24. Non Operating Margins - Other	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
25. Generation & Transmission Capital Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26. Other Capital Credits & Patronage Dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27. Extraordinary Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28. Patronage Capital or Margins (20 thru 27)	82,696	61,156	49,912	8,530	40,048	(15,341)	43,244	37,868	58,718	59,206	155,764	306,388

BALANCE SHEET
Okanogan County Electric Cooperative Inc
Budget Year: 2018
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In progress

Select Month → Enter Form 7 Transactions Enter Current year Transactions Enter Budget year Transactions

0 - Dec Dec 31 Jan - Dec Dec 31

2017 2017 2018 2018

PART C. ASSETS AND OTHER DEBITS

	\$	13,176,371	\$	-	\$	13,176,371	\$	36,707	\$	13,213,079
Land and Land Rights	\$	-	\$	-	\$	-	\$	-	\$	-
Production Plant	\$	-	\$	-	\$	-	\$	-	\$	-
Transmission Plant	\$	-	\$	-	\$	-	\$	-	\$	-
Distribution Plant	\$	-	\$	-	\$	-	\$	80,165	\$	80,165
General Plant	\$	13,390,730	\$	-	\$	13,390,730	\$	178,000	\$	13,568,730
1. Total Utility Plant in Service	\$	13,390,730	\$	-	\$	13,390,730	\$	258,165	\$	13,648,894
Land and Land Rights	\$	-	\$	-	\$	-	\$	-	\$	-
Production Plant	\$	-	\$	-	\$	-	\$	-	\$	-
Transmission Plant	\$	-	\$	-	\$	-	\$	-	\$	-
Distribution Plant	\$	418,979	\$	-	\$	418,979	\$	-	\$	418,979
General Plant	\$	-	\$	-	\$	-	\$	-	\$	-
2. Total Construction Work in Progress (WIP)	\$	418,979	\$	-	\$	418,979	\$	-	\$	418,979
3. Total Utility Plant	\$	13,809,709	\$	-	\$	13,809,709	\$	258,165	\$	14,067,874
4. Accum. Provision for Depreciation and Amort	\$	4,387,473	\$	-	\$	4,387,473	\$	66,680	\$	4,454,153
5. Net Utility Plant (3 minus 4)	\$	9,422,236	\$	-	\$	9,422,236	\$	191,485	\$	9,613,720
6. Nonutility Property - Net	\$	-	\$	-	\$	-	\$	-	\$	-
7. Investment in Subsidiary Companies	\$	662,742	\$	-	\$	662,742	\$	-	\$	662,742
8. Invest. in Assoc. Org. - Patronage Capital (See Below)	\$	324,014	\$	-	\$	324,014	\$	-	\$	324,014
9. Invest. in Assoc. Org. - Other - General Funds	\$	-	\$	-	\$	-	\$	-	\$	-
10. Invest in Assoc. Org. - Other - Nongeneral Funds	\$	147,383	\$	-	\$	147,383	\$	-	\$	147,383
11. Investments in Economic Development Projects	\$	-	\$	-	\$	-	\$	-	\$	-
12. Other Investments	\$	13,500	\$	-	\$	13,500	\$	-	\$	13,500
13. Special Funds	\$	-	\$	-	\$	-	\$	-	\$	-
14. Total Other Property & Investments (6 thru 13)	\$	1,147,639	\$	-	\$	1,147,639	\$	-	\$	1,147,639
15. Cash-General Funds	\$	570,393	\$	-	\$	570,393	\$	(64,334)	\$	506,059
16. Cash-Construction Funds-Trustee	\$	-	\$	-	\$	-	\$	-	\$	-
17. Special Deposits	\$	100,241	\$	-	\$	100,241	\$	76,899	\$	177,139
18. Temporary Investments	\$	138,460	\$	-	\$	138,460	\$	-	\$	138,460
19. Notes Receivable - Net	\$	-	\$	-	\$	-	\$	-	\$	-
20. Accounts Receivable - Net Sales of Energy	\$	782,004	\$	-	\$	782,004	\$	(30,158)	\$	751,846
21. Accounts Receivable - Net Other	\$	767,368	\$	-	\$	767,368	\$	(137,184)	\$	630,184
22. Materials & Supplies - Electric and Other	\$	247,065	\$	-	\$	247,065	\$	-	\$	247,065
23. Prepayments	\$	-	\$	-	\$	-	\$	-	\$	-
24. Other Current & Accrued Assets	\$	966	\$	-	\$	966	\$	-	\$	966
25. Total Current & Accrued Assets (15 thru 24)	\$	2,606,496	\$	-	\$	2,606,496	\$	(154,777)	\$	2,451,719
26. Regulatory Assets	\$	-	\$	-	\$	-	\$	-	\$	-
27. Deferred Debits	\$	-	\$	-	\$	-	\$	-	\$	-
28. Total Assets & Other Debits (5 + 14 + 25 thru 27)	\$	13,176,371	\$	-	\$	13,176,371	\$	36,707	\$	13,213,079

BALANCE SHEET

Okanogan County Electric Cooperative Inc

Budget Year: 2018

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Select Month	Form 7	Enter	Current year	Enter	Budget year
	Dec 2017	Transactions 0 - Dec 2017	Dec 31 2017	Transactions Jan - Dec 2018	Dec 31 2018

PART C. LIABILITIES AND OTHER CREDITS

	\$	13,176,371	\$	-	\$	13,176,371	\$	36,707	\$	13,213,079
29. Memberships	\$	15,910	\$	-	\$	15,910	\$	-	\$	15,910
30. Patronage Capital	\$	6,626,172	\$	-	\$	6,626,172	\$	545,783	\$	7,171,955
31. Operating Margins - Prior Years	\$	745,783	\$	-	\$	745,783	\$	7,902	\$	753,685
32. Operating Margins - Current Year	\$	753,685	\$	-	\$	753,685	\$	(343,941)	\$	409,744
33. Non-Operating Margins	\$	18,000	\$	-	\$	18,000	\$	-	\$	18,000
34. Other Margins & Equities	\$	590,994	\$	-	\$	590,994	\$	-	\$	590,994
35. Total Margins & Equities (30 thru 35)	\$	8,750,544	\$	-	\$	8,750,544	\$	209,744	\$	8,960,288
36. Long-Term Debt - RUS (Net)	\$	-	\$	-	\$	-	\$	-	\$	-
37. Long-Term Debt - RUS - Econ. Devel.	\$	-	\$	-	\$	-	\$	-	\$	-
38. Long-Term Debt - REA Guaranteed	\$	-	\$	-	\$	-	\$	-	\$	-
39. Long-Term Debt - Other - RUS Guaranteed	\$	-	\$	-	\$	-	\$	-	\$	-
40 a. Long-Term Debt - Other	CFC	\$ 3,499,464	\$	-	\$	3,499,464	\$	(132,239)	\$	3,367,225
40 b. Long-Term Debt - Other	CFC LOC	\$ -	\$	-	\$	-	\$	-	\$	-
40 c. Long-Term Debt - Other	Enter Description	\$ -	\$	-	\$	-	\$	-	\$	-
40 d. Long-Term Debt - Other	Enter Description	\$ -	\$	-	\$	-	\$	-	\$	-
40 e. Long-Term Debt - Other	Enter Description	\$ -	\$	-	\$	-	\$	-	\$	-
Less Payments-Unapplied (Normally entered as a negative number)	\$	-	\$	-	\$	-	\$	-	\$	-
41. Total Long-Term Debt (36 Thru 40)	\$	3,499,464	\$	-	\$	3,499,464	\$	(132,239)	\$	3,367,225
42. Obligations Under Capital Leases	\$	-	\$	-	\$	-	\$	-	\$	-
43. Accumulated Operating Provisions	\$	-	\$	-	\$	-	\$	-	\$	-
44. Total Other Noncurrent Liabilities (42 plus 43)	\$	-	\$	-	\$	-	\$	-	\$	-
45. Notes Payable	\$	-	\$	-	\$	-	\$	-	\$	-
46. Accounts Payable	\$	464,388	\$	-	\$	464,388	\$	-	\$	464,388
47. Consumers Deposits	\$	148,527	\$	-	\$	148,527	\$	-	\$	148,527
48. Current Maturities Long-Term Debt	\$	-	\$	-	\$	-	\$	-	\$	-
49. Current Maturities Long-Term Debt-Economic Development	\$	-	\$	-	\$	-	\$	-	\$	-
50. Current Maturities Capital Leases	\$	-	\$	-	\$	-	\$	-	\$	-
51. Other Current and Accrued Liabilities	\$	268,372	\$	-	\$	268,372	\$	(40,797)	\$	227,575
52. Total Current and Accrued Liabilities (45 thru 51)	\$	881,288	\$	-	\$	881,288	\$	(40,797)	\$	840,491
53. Regulatory Liabilities	\$	-	\$	-	\$	-	\$	-	\$	-
54. Other Deferred Credits	\$	45,076	\$	-	\$	45,076	\$	-	\$	45,076
55. Total Liabilities and Other Credits (35 + 41 + 44 + 52 thru 54)	\$	13,176,371	\$	-	\$	13,176,371	\$	36,707	\$	13,213,079

BALANCE SHEET

Okanogan County Electric Cooperative Inc

Budget Year: 2018

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Form 7

Dec

2017

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Transactions
0 - Dec
2017

Current year
Dec 31
2017

Enter
Transactions
Jan - Dec
2018

Budget year
Dec 31
2018

OTHER BALANCE SHEET CHANGES

8. Invest. in Assoc. Org. - Patronage Capital			
Change from worksheets	\$	-	\$ -
Other Input	\$	-	\$ -
Total Change	\$	-	\$ -
22. Materials & Supplies - Electric and Other			
Salvage value of plant retired	\$	-	\$ -
Other Input	\$	-	\$ -
Total Change	\$	-	\$ -
32. Operating Margins - Current Year			
Change from worksheets	\$	-	\$ 409,744
Other Input	\$	-	\$ (753,685)
Total Change	\$	-	\$ (343,941)
34. Other Margins & Equities			
Change from worksheets	\$	-	\$ -
Other Input	\$	-	\$ -
Total Change	\$	-	\$ -
43. Accumulated Operating Provisions			
Change from worksheets	\$	-	\$ -
Other Input	\$	-	\$ -
Total Change	\$	-	\$ -

STATEMENT OF CHANGES IN CASH FLOW
Okanogan County Electric Cooperative Inc
Budget Year: 2018

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kWh Option 1

kWh Option 2

PNGC Forecast

kWh Option 3

	Current year 0 - Dec 2017	Budget year Jan - Dec 2018
Patronage Capital or Margins	\$0	\$409,744
Plus Depreciation Expense	\$0	\$394,680
Less Capital Credit Allocations	\$0	\$0
Plus FAS 158 Amortization	\$0	\$0
Total (Funds From Operations)	\$0	\$804,424
Cash Construction Funds - Trustee	\$0	\$0
Special Deposit	\$0	(\$76,899)
Temporary Investment	\$0	\$0
Accounts Receivable - Sale of Energy (Net)	\$0	\$30,158
Accounts Receivable - Other (Net)	\$0	\$137,184
Regulatory Assets	\$0	\$0
Deferred Debits	\$0	\$0
Prepayments	\$0	\$0
Other Current & Accrued Asset	\$0	\$0
(Increase)/Decrease in Operating Assets	\$0	\$90,443
Notes Payable	\$0	\$0
Accounts Payable	\$0	\$0
Accumulated Operating Provisions	\$0	\$0
Regulatory Liabilities	\$0	\$0
Other Deferred Credits	\$0	\$0
Other Current and Accrued Liabilities	\$0	(\$40,797)
Increase/(Decrease) in Operating Liabilities	\$0	(\$40,797)
CASH FROM OPERATING ACTIVITIES	\$0	\$854,070
INVESTMENT ACTIVITIES		
Total Utility Plant	\$0	(\$863,521)
Cost to Retire Utility Plant	\$0	\$0
Construction Work-in-Progress	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$277,356
Total Other Property and Investments	\$0	\$0
Materials & Supplies - Electric and Other	\$0	\$0
Notes Receivable (Net)	\$0	\$0
CASH FROM INVESTMENT ACTIVITIES	\$0	(\$586,165)
FINANCING ACTIVITIES		
Margins & Equities	\$0	(\$200,000)
LT Debt - Additional Debt	\$0	\$0
LT Debt - Debt Service Payment	\$0	(\$132,239)
LT Debt - Other	\$0	\$0
Total LT Debt	\$0	(\$132,239)
LT Debt - Payments Unapplied	\$0	\$0
LT Debt - Current maturities	\$0	\$0
Obligations Under Capital Leases	\$0	\$0
Consumers Deposits	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$332,239)
CASH FROM ALL ACTIVITIES	\$0	(\$64,334)
TOTAL CASH BEGINNING OF PERIOD	\$570,393	\$570,393
TOTAL CASH END OF PERIOD	\$570,393	\$506,059

Okanogan County Electric Cooperative Inc
Budget Year: 2018

Forecasted

	2017	Budget year												
		Jan - Dec	January	February	March	April	May	June	July	August	September	October	November	December
Patronage Capital or Margins	\$0	\$409,744	\$63,279	\$41,933	\$9,447	-\$21,567	\$27,800	-\$8,433	\$11,037	-\$3,268	\$53,114	-\$25,672	\$112,177	\$149,896
Plus Depreciation Expense	\$0	\$394,680	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890
Less Capital Credit Allocations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus FAS 158 Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total (Funds From Operations)	\$0	\$804,424	\$96,169	\$74,823	\$42,337	\$11,323	\$60,690	\$24,457	\$43,927	\$29,622	\$86,004	\$7,218	\$145,067	\$182,786
Cash Construction Funds - Trustee	\$0	\$0												
Special Deposit	\$0	(\$76,899)	-\$6,408	-\$6,408	-\$6,408	-\$6,408	-\$6,408	-\$6,408	-\$6,408	-\$6,408	-\$6,408	-\$6,408	-\$6,408	-\$6,408
Temporary Investment	\$0	\$0												
Accounts Receivable - Sale of Energy (Net)	\$0	\$30,158	\$65,960	\$146,768	\$75,180	\$53,071	-\$28,562	\$17,202	-\$21,852	\$18,420	\$4,282	\$10,106	-\$188,438	-\$121,979
Accounts Receivable - Other (Net)	\$0	\$137,184	\$7,405	\$10,428	\$11,278	\$7,405	\$7,405	\$11,312	\$7,405	\$7,405	\$11,345	\$7,405	\$7,405	\$40,985
Regulatory Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Debits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepayments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current & Accrued Asset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Increase)/Decrease in Operating Assets	\$0	\$894,867	\$66,957	\$150,788	\$80,050	\$54,068	-\$27,565	\$22,106	-\$20,855	\$19,417	\$9,219	\$11,103	-\$187,441	-\$87,402
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounts Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Operating Provisions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deferred Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current and Accrued Liabilities	\$0	(\$40,797)	\$0	\$0	\$0	\$0	-\$13,599	-\$13,599	-\$13,599	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	(\$40,797)	\$0	\$0	\$0	\$0	-\$13,599	-\$13,599	-\$13,599	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$854,070	\$163,126	\$225,611	\$122,387	\$65,391	\$19,526	\$32,964	\$9,473	\$49,039	\$95,223	\$18,321	-\$42,374	\$95,384
INVESTMENT ACTIVITIES														
Total Utility Plant	\$0	(\$863,521)	-\$73,164	-\$34,107	-\$78,556	-\$126,123	-\$97,241	-\$96,002	-\$81,703	-\$52,852	-\$63,646	-\$52,212	-\$52,147	-\$55,768
Cost to Retire Utility Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$277,356	\$13,678	\$10,000	\$20,000	\$20,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$20,000	\$13,678
Total Other Property and Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies - Electric and Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Notes Receivable (Net)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM INVESTMENT ACTIVITIES	\$0	(\$586,165)	-\$59,486	-\$24,107	-\$58,556	-\$106,123	-\$67,241	-\$66,002	-\$51,703	-\$22,852	-\$33,646	-\$22,212	-\$32,147	-\$42,090
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$200,000)												-\$200,000
LT Debt - Additional Debt		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LT Debt - Debt Service Payment		(\$132,239)	\$0	\$0	-\$32,316	\$0	\$0	-\$32,807	\$0	\$0	-\$33,305	\$0	\$0	-\$33,811
LT Debt - Other		\$0												
Total LT Debt	\$0	(\$132,239)	\$0	\$0	-\$32,316	\$0	\$0	-\$32,807	\$0	\$0	-\$33,305	\$0	\$0	-\$33,811
LT Debt - Payments Unapplied	\$0	\$0	\$0											
LT Debt - Current maturities	\$0	\$0	\$0											
Consumer Membership	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$332,239)	\$0	\$0	-\$32,316	\$0	\$0	-\$32,807	\$0	\$0	-\$33,305	\$0	\$0	-\$233,811
CASH FROM ALL ACTIVITIES	\$0	(\$64,334)	\$103,640	\$201,504	\$31,515	-\$40,732	-\$47,715	-\$65,845	-\$42,230	\$26,187	\$28,272	-\$3,891	-\$74,521	-\$180,517
TOTAL CASH BEGINNING OF PERIOD	\$570,393	\$570,393	\$570,393	\$674,033	\$875,537	\$907,052	\$866,320	\$818,605	\$752,760	\$710,530	\$736,717	\$764,989	\$761,098	\$686,577
TOTAL CASH END OF PERIOD	\$570,393	\$506,059	\$674,033	\$875,537	\$907,052	\$866,320	\$818,605	\$752,760	\$710,530	\$736,717	\$764,989	\$761,098	\$686,577	\$506,060

Executive Session Material

Background Material for Discussion of OCEC Fiber Optic Line Between Twisp and Winthrop

Goal – Discussion and request for direction from the Board on how to proceed with the OCEC fiber line and related contract with Methownet.

Background:

- In 2008, Methownet collaborated with OCEC to install 11 miles of fiber optics between Twisp and Winthrop to bring fiber optics and better communications to Winthrop.
- Methownet paid for the line based on a ten-year agreement. By the end of 2018, the line will be paid for.
- The OCEC Board decided not to collect the maintenance fee described in Section 3 of the contract in 2012.
- OCEC collects \$408 a year in pole contacts.

Concerns:

- Easements
- Parts of the line are located on the pole that is in the electrical zone.
- A large part of the line was burned during the Rising Eagle fire. FEMA paid for the reconstruction.

Possible options:

- Transfer line to Methownet. Treat like any other line attachment.
- Renegotiate contract – see sheet from Methownet on their ideas.
- Other ideas?

Attached Materials:

- Copy of Existing Contract
- Suggested contact changes from Methownet

Contract Change Ideas From Methownet

In 2008, Medicine Wheel Website Design, Inc, DBA as Methownet.com collaborated with OCEC to install 11 miles of fiber optic line to serve customers north of Twisp. At the end 2018, Methownet.com will have completed payment for the cost of the fiber line installation.

With this in mind, we wish to adjust our initial agreement to reflect current circumstances and future long term stability. Our areas of consideration are two-fold; looking at the maintenance and lease arrangements.

Maintenance: Methownet.com has the expertise and equipment to troubleshoot and repair the fiber line. OCEC has the experience and equipment to access and lower fiber line to the ground where Methownet.com can perform maintenance and repairs.

Methownet.com is willing to assume responsibility for line maintenance and repair if we can rely on the timely response of OCEC line crew to collaborate on the work. In 2016 we paid OCEC \$13k for just such line work. We are willing to commit to a minimum annual payment of \$2500 to be applied to line work during the commensurate 12 month period.

Lease: Given Methownet.com has paid for the fiber installation cost in it's entirety and we are assuming responsibility for maintenance, we suggest the lease be kept to a minimum and compensation to OCEC be in the form of the maintenance arrangement.

We would also like to see the option to renew the agreement extended to a duration commensurate with key infrastructure.

Methownet.com is exploring additional and alternative fiber rings within the OCEC distribution area in order to extend service and provide line redundancy.

LEASE OF FIBER OPTIC CABLE

THIS AGREEMENT is made under date 2/10, 2009, between OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC., a Washington cooperative association, herein the Co-op, and MEDICINE WHEEL WEBSITE DESIGN, INC., a Washington corporation, herein Medicine Wheel, as follows:

RECITALS

A. The Co-op has or is constructing and installing, a fiber optic cable (48 strands) to run from the terminus of the Okanogan County Public Utility District # 1 fiber optic line in the Town of Twisp, Washington, to the Town of Winthrop, Washington (herein the cable), for the purpose of providing a backbone for high speed internet access, to stimulate business growth in the area of the Town of Winthrop, and to improve the quality of life for the Co-op customers and to help make the services available in the Co-op service area more equivalent to the amenities available in more urban areas, and to provide additional income and to help fund an IT person for the Co-op.

B. Medicine Wheel is in the business of being a retail internet service provider (ISP) in the general geographic area of the Co-op service area; and Medicine Wheel desires to lease the dark cable from the Co-op pursuant to the terms of this Agreement.

AGREEMENT

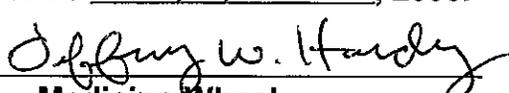
NOW, THEREFORE, The Co-op agrees to lease to Medicine Wheel, and Medicine Wheel agrees to lease from the Co-op, the dark cable (48 strands) installed by the Co-op, upon the terms and conditions herein set forth, and each of which shall be deemed material.

1. **Term:** The term of this Agreement shall be for ten (10) years, commencing upon final installation of the cable by the Co-op and when the cable is ready for hookup, and terminating on the tenth anniversary of such commencement date. The parties agree to insert the commencement date herein and each initial the same upon its occurrence:

The commencement date is agreed to be 12/01, 2008.



Co-op



Medicine Wheel

Medicine Wheel shall have the option to renew this Agreement for up to five (5) successive renewal terms of five (5) years each, upon the same terms and

conditions as herein set forth, Provided that rental/maintenance payments for the renewal term(s) shall be as set forth below. Medicine Wheel may renew this Agreement by giving written notice to the Co-op of its intent to renew not less than ninety (90) days prior to the expiration of the then current term.

2. Consideration: As rental consideration for the initial term of this lease, Medicine Wheel agrees to pay to the Co-op, the total sum of \$ 98,500⁰⁰, which sum together with interest thereon and on the unpaid amounts thereof at the rate of 6.9% per annum (being the rate charged by the National Rural Electric Cooperative Association, Cooperative Finance Corporation(CFC) to the Co-op for the loan in such amount) shall be paid by Medicine Wheel to the Co-op in equal monthly payments amortized over the ten year lease term (\$ 1,174.36 per month). Payments shall be due in advance on the ___ day of each monthly term. Interest shall commence on the date that CFC gives the loan to the Co-op and interest thereon commences from the Co-op to CFC, whether or not such date shall precede the actual commencement date of this Agreement. Medicine Wheel shall be entitled to prepay this amount in whole or in part, at any time, provided that any partial prepayment shall be applied against the payments last coming due hereunder and shall not diminish the amount of the next monthly payments coming due.

As rental for any renewal terms of this lease Agreement, Medicine Wheel shall pay only the maintenance payment amounts as set forth in section 3 below.

3. Maintenance Payment: Medicine Wheel further agrees to pay to the Co-op, in addition to the rental payments set forth above, an annual maintenance payment in the initial amount of \$25,000 per year, such payment to be made in monthly installments of \$2,083.33 each, payable on the same day as the rental payment pursuant to section 2 above. The parties agree to renegotiate the maintenance payment amount prior to the third anniversary date of this Agreement, such renegotiation to be based upon a review of the actual Co-op maintenance costs (including costs of its IT employee), and/or the revenue base of Medicine Wheel or Medicine Wheel's customer numbers; provided that if the parties are unable to reach any agreement on a new maintenance payment amount, then the maintenance payments for the remainder of the contract shall remain at the annual amount of \$25,000, to be paid as set forth above in this section 3.

Maintenance payments for each successive renewal term of this lease Agreement shall be renegotiated between the parties based upon a review of the actual Co-op maintenance costs (including costs of its IT employee(s)), and a nominal income amount to the Co-op, and the revenue base of Medicine Wheel or Medicine Wheel's customer numbers; provided that if the parties are unable to reach any agreement on a new maintenance payment amount for a renewal term prior to the commencement thereof, then the maintenance payments for the renewal term shall be in an annual amount equal to the annual maintenance

payment for the term just ending, Plus the sum of \$2,500., to be paid in equal monthly installments due on the same day of each month as in the preceding Agreement term.

4. Co-op Maintenance Obligations: During the term of this Agreement, including any renewal terms, the Co-op shall use all reasonable diligence to keep and maintain the fiber optic cable in good operating condition. Medicine Wheel shall be allowed at its sole expense to attach fiber line extensions to the Co-op electric poles to serve Medicine Wheel customers, without additional consideration, subject to the rules and regulations of the Co-op. The Co-op agrees that when it shall rebuild any main electric distribution feeders underground, it shall supply and install at its expense an additional 2" conduit, into which Medicine Wheel shall have access to run fiber optic cable at the sole expense of Medicine Wheel; provided that Medicine Wheel shall not have exclusive rights to use of such 2" conduit.

5. Additional ISP Connections: In the event that an additional retail ISP provider (or providers) shall desire to lease dark cable from the Co-op during the term of this Agreement, the parties agree that such additional lease(s) shall be granted as follows:

a. Each additional ISP lessee shall be allowed an equal amount of cable strands with all other ISP lessees (thus reducing the amount of strands to each existing lessee). The Co-op shall limit the total number of ISP leases to not more than four (to preserve sufficient cable strands for each lessee), unless all existing lessees shall consent in writing to additional ISP lease(s), which consent shall not be unreasonably withheld.

b. Any additional ISP seeking to lease cable from the Co-op shall pay a latecomer fee equal to the sum of the following, and which shall be due and payable to the Co-op upon hookup by the new ISP:

i) Ten (10) percent of the total rental payment (as set forth in Section 2 above), one half of which amount (5%) shall be retained by the Co-op, and one-half of which amount (5%) shall be paid by the Co-op to Medicine Wheel; and

ii) one-half (1/2) of the total amount of rental and maintenance payments then paid by Medicine Wheel to the Co-op for the first such additional ISP hookup, which sum shall be paid by the Co-op to Medicine Wheel upon receipt. Should an additional (3rd) ISP enter into a cable lease as herein provided, the 3rd ISP shall pay a sum equal to one-third of the total amount of rental and maintenance payments then paid by all ISPs to the Co-op., which sum upon receipt shall be paid by the Co-op, 1/2 to Medicine Wheel and 1/2 to the 2nd ISP which had previously hooked up. The Co-op shall be entitled to change the percentage comprising the portion of the late-comer fee as set forth in i) above, so long as one-half of the fee so charged is paid to Medicine Wheel.

c. Upon an additional ISP leasing cable as herein set forth, the new ISP lessee shall pay a rental payment equal to one-half of the unpaid rental

payment still owing by Medicine Wheel, for a term equal to the unexpired initial term of this Agreement; and thereafter the balance of the rental payment then due from Medicine Wheel shall be reduced by one-half (1/2) and the monthly payments may be reduced to amortize the new balance due, plus interest, over the then remaining term of this Agreement.

d. Upon an additional ISP leasing cable as herein set forth, the Co-op may in its sole discretion reduce the annual maintenance payment thereafter due from Medicine Wheel (prorated for any portion of a year), and each new ISP lessee shall pay an amount to the Co-op as their annual maintenance payment which amount shall be not less than the annual maintenance payment being paid by Medicine Wheel.

6. PUD Fees: The Co-op shall not be responsible for any fees or costs charged or levied by the PUD for connection to its fiber optic line or purchase of bandwidth, and any and all such fees, costs or charges shall be the sole responsibility of Medicine Wheel (and any other ISPs hereafter leasing cable).

7. Default: In the event of default by Medicine Wheel as to any term or condition of this Contract, and should such default not be fully cured within twenty days of written notice thereof given by the Co-op, then the Co-op shall be entitled to terminate this Agreement and/or invoke any other remedies available at law or in equity for such default; provided that notwithstanding early termination of this Contract for such default, the full amount of the rental payment as specified in Section 2 above shall be immediately due and payable. Interest on any sums in default shall accrue at the rate of twelve percent (12%) per annum.

In the event that there shall be a disruption of fiber optic service caused by a problem with the Co-op fiber optic lines, and which disruption is not due to any action or failure to act by Medicine Wheel, then there shall be allowed a reduction in the monthly maintenance payment for the month to be made by Medicine Wheel in the month in which such disruption first occurs, in the following amount:

Less than five (5) hours of service disruption- no reduction of payment-
Five hours of service disruption- reduction of 5% of the monthly payment-
For each additional hour of service disruption after five hours, there shall be allowed an additional 5% reduction in the monthly payment; provided that in no event shall the reduction exceed 100% of one month's maintenance payment.

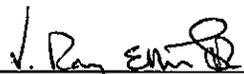
8. Assignment: Medicine Wheel shall be entitled to assign this Contract and all its rights and obligations hereunder, to a purchaser of substantially all of the ISP business of Medicine Wheel, and provided that the Co-op shall be given not less than 60 days' prior written notice of such intended assignment, and the Co-op must approve in writing of the credit of the intended assignee within the 60 days, and all costs of such credit review and assignment shall be paid by

Medicine Wheel. Should the Co-op not approve of the credit of the intended assignee then such assignment by Medicine Wheel shall not be permitted.

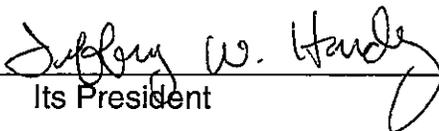
9. Attorney Fees and Venue: In the event that either party shall be required to bring action to enforce any term or provision of this Agreement, or to determine the rights of either party hereto, then the substantially prevailing party in such action shall be entitled to judgment against the substantially nonprevailing party for all costs and fees of such action, including reasonable attorney fees incurred therein and in any appeal thereof. Venue for any such action shall lie in Okanogan County, Washington. Any notice required to be given to either party hereto shall be in writing and delivered either personally, or by first class mail to the address of such party set forth below, or to such other address as such party shall in writing direct.

IN WITNESS WHEREOF, the parties have hereto set their hands under date above written.

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

By:  Address: P.O. Box 69
Its General Manager Winthrop, WA 98862

MEDICINE WHEEL WEBSITE DESIGN, INC.

By:  Address: P.O. Box 636
Its President Winthrop, WA 98862

Survey of Washington Cooperatives Benefits Relating to Sick Leave and Vacation

Electric cooperatives in the State of Washington were surveyed in January 2018 concerning certain benefit levels. Specifically, the following questions were asked:

- When an employee leaves the cooperative, how is unused sick time handled?
- How much vacation time is able to be accrued while the employee is employed?

Below is synopsis of responses received concerning the answer to these questions.

Twelve of thirteen cooperatives responded.

Okanogan County Electric Cooperative

When an employee leaves the cooperative, how is unused sick time handled?

When an employee leaves the cooperative, he/she has two choices. Either any unused accrued sick leave is cashed-in at 1/3 value or an employee can opt to convert the unused sick leave at 100% at time of separation to pay the health insurance premiums. Any unused sick leave with this option is cashed in at 1/3 value.

How much vacation time is able to be accrued while the employee is employed?

- An employee accrues annual vacation based on an hourly basis as determined by the years of employment.

0-yrs thru 5-yrs	10/8-hr days per year
6-yrs thru 10-yrs	15/8-hr days per year
11-yrs thru 20-yrs	20/8-hr days per year
Over 20-yrs	25/8-hr days per year
- Up to two years vacation time may be accrued at any point in time. Vacation time accrued in excess of two years' time shall be cashed in for ½ hourly pay for each vacation hour accrued, upon employee's anniversary date.

Benton REA

When an employee leaves the cooperative, how is unused sick time handled?

- Sick leave is accrued at 8 hours a month and there is no limit on how much can be accumulated.
- Employees that use less than 5 sick leave days a year, receive an additional day of vacation which must be used the next year and is not cumulative.
- Except for termination for cause, unused sick leave at the time of termination shall be converted to cash value using the following percentages based on years of employment:
 - 20 or more years - 100%
 - 15 thru 19 years – 75%

- 10 thru 14 years – 50%
- 7 thru 9 years – 45%
- 5 to 6 years 40%
- Under 5 years – 0%
- When an employee retires, the cash value can be used to reimburse medical insurance premiums.
- For retirees 65 or under, the Cooperative pays 50% of the medical insurance premiums with the remainder of the funds coming from the cash value of the unused sick leave.
- Non-retiree terminations do not get any funds from sick leave conversions except for use for medical premiums.

How much vacation time is able to be accrued while the employee is employed?

- Maximum vacation accrued is 400 hours but can be extended with prior arrangements.

Note: Benton REA supplied their entire Benefit policy.

Big Bend Electric Cooperative

Big Bend is on a PTO system. Employees are eligible for up to 288 hours of PTO per year.

Accumulation levels for employees in unlimited except for employees stated after November 1st, 2017 in which case accumulation level is 800 hours.

Employees may cash out parts of their PTO bank at 100% of current pay anytime.

Columbia REA

When an employee leaves the cooperative, how is unused sick time handled?

- Employees earn 8 hours of sick leave a month and are not allowed to carry over 750. Once the max is received, employees are automatically cashed out. At the end of their employment, employees are paid out according to the following “vesting” schedule:

Years of Employment	Qualification Percentage
10 or More	100%
7 thru 9	75%
4 thru 6	50%

- Each year, the sick leave is recalculated (indexed) at their current rate and placed in a sick leave bank.

How much vacation time is able to be accrued while the employee is employed?

- Employees can carry up to 240 hours of vacation. Balances in excess of 240 are automatically paid out. Employees earn beginning at 80 hours per year of service and increase one day per year to a maximum of 184 hours which is reached on their 14th year of employment.

Elmhurst Mutual

When an employee leaves the cooperative, how is unused sick time handled?

- Regarding sick leave, all employees accrue 1 day a month and the accrual amount is unlimited. Upon retirement or departure from Elmhurst not involving involuntary termination, sick leave is paid out at 100% up to 520 hours and anything over 520 hours is paid at 25 cents on the dollar.

How much vacation time is able to be accrued while the employee is employed?

- As far as vacation, employees accrue vacation on a scale that increases with longevity. The maximum amount of vacation that can be carried over is 240 hours and if more than that is on the books at the end of the calendar year the excess is lost.

Inland Power and Light

Inland has a PTO system.

- Each employee received from 19 days to 39 days a year in PTO.
- Employees can accrue 750 hours if they were hired before 12/31/16 and 400 hours if hired after this date.
- Employees can cash out PTO at 100% anytime with certain restrictions.
- Union employees have the traditional vacation/sick leave program.

Lakeview Light and Power

- Lakeview lumps vacation and sick leave all into one PTO bucket. Beginning PTO balance for new employees is 200 hours (5 weeks). Many of our employees receive additional longevity based upon their tenure here.
- We front load our PTO banks so beginning Jan 1st our employees have a new PTO bank for the year. Employees are permitted to carryforward no more than 80 hours of PTO from the previous year. Any remaining balance of PTO over 80 hours from the previous period is cashed out to the employee at year-end. For example, if I had 90 hours remaining near the end of 2017, I could elect to carryforward 80 hours of that time into my 2018 PTO bank. The remaining 10 hours would either have to be used up in 2017 or paid out at the end of the year.

Modern Electric Water Company

Modern Electric has a PTO system.

- Each employee received from 17 days to 37 days a year in PTO.
- Employees can accrue 500 hours.
- Employees can cash out PTO at 100% upon separation or to keep bank at under 500 hours.

Nespelem Valley Electric Cooperative

- If a non-union employee leaves the cooperative they are paid out 100% of their sick and vacation time at their current rate of pay.
- In our union contract, union employees who leave service are paid out 100% of their vacation and 25% of their sick leave.
- All employees have a limit of 240 hours of vacation and 600 hours of sick time. If an employee has more than this in their bank, we pay out on December 31st or whatever the last day of the year is.

Orcas Power and Light Company

When an employee leaves the cooperative, how is unused sick time handled?

- When an employee leaves the cooperative, any unused accrued sick leave is forfeited. However, if an employee leaves due to retirement, they are allowed to convert the unused sick leave to pay the health insurance premium (and or dependents – if covered before retirement) for an amount of time equal to the employee’s sick leave.

How much vacation time is able to be accrued while the employee is employed?

- An employee accrues annual vacation based on an hourly basis as determined by the months of employment.

- 0 to 60 months -15 days
- 61 to 168 months – 18 days
- 169 to 228 months – 21 days
- 229 to 288 months – 24 days
- 289 months and thereafter – 25 days

- If an employee has unused vacation at calendar year end, they are allowed to carry over the vacation, but only to the amount of the current year’s accrual. This amount will vary dependent on the level of the accrual.

Parkland Light and Water Company

When an employee leaves the cooperative, how is unused sick time handled?

- As for sick leave, we cash out retiring employees at 100% up to 520 hours. Any hours over 520 hours is paid at a 25% benefit level. There is unlimited sick leave accumulation.

How much vacation time is able to be accrued while the employee is employed?

- PL&W allows a max 240 hours of vacation to be carried forward each year.

Tanner Electric

Personal Time Off (PTO)

Full-time employees are eligible to receive paid PTO time for vacations, brief illness, and other personal needs. Eligibility to earn PTO time is based on your time and service starting with your date of hire.

The following provisions apply to all regular, full-time employees of the Cooperative.

PTO leave shall be scheduled and approved by department manager so as to meet the operation requirements for the Cooperative and as far as practical, to the preference of the employee. *Payment* for PTO may be made to an employee, who during any year was not granted the PTO to which such an employee was entitled, solely on account of the inability of the Cooperative to grant said PTO.

Employees shall accrue PTO at the rate set in the table below. PTO time will accrue on a monthly basis. Each full-time employee shall be entitled to PTO in accord with the following schedule:

Years of Service	Total PTO in Days	PTO Cap in Hours	Max amount eligible for employee payback after cap is reached
0 through 4	22	240	5.5
5 through 9	27	240	6.75
10 through 14	32	300	8
15 through 19	37	300	9.25
20 +	42	360	10.5

1. If an employee has PTO in excess of his or her cap on December 31 of any year, TEC will pay that employee for any the PTO hours that do not exceed twenty-five percent (25%) of the employee's current PTO accrual rate. Any excess PTO days will be forfeited without payment.
2. Employees may be compensated for additional PTO hours only when PTO leave is not granted by TEC because due to operating requirements.