



## BOARD OF DIRECTORS MEETING

May 21, 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 April 23, 2018
  - b) New Members
  - c) April 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
  - k) PNGC Newsletter
  - l) WRECA Newsletter
5. Committee Reports
  - a) Governance Meeting
6. Meetings Attended
  - a) PNGC Monthly Meeting – May 5th – Portland – Dale
7. Meetings to Attend

- a) PNGC Monthly Meeting – June 4th – Portland - Dale
- b) WRECA Annual Meeting - June 5 and 6<sup>th</sup> – Wenatchee – Sara & Alan
- c) PNGC Strategic Planning Meeting – June 5<sup>th</sup> to 6<sup>th</sup> – Stevenson, WA - Dale
- d) OCEC Open House – June 20
- e) NRECA Director’s Summer School – Coeur D’Alene, Idaho – June 23<sup>rd</sup> - Sara
- f) PNGC Monthly Meeting – July 3<sup>rd</sup> – Portland – Chuck Will Possibly Attend
- g) PNGC Annual Meeting – Oct. 1<sup>st</sup> and 2<sup>nd</sup> – David and Interested Board Members

Meetings Not Attending

- a) NWPPA Annual Meeting – May 20<sup>th</sup> to 23<sup>rd</sup> – Boise, Idaho
- b) CFC Forum – Indianapolis, IN – June 10<sup>th</sup> to 13<sup>th</sup>
- c) CRC Annual Meeting – Indianapolis, IN – June 11<sup>th</sup>
- d) NRECA Regional Meeting – Anchorage, AK – September 25<sup>th</sup> to 27<sup>th</sup>
- e) CFC IBEC Forum – Amelia Island, Florida – Nov. 5<sup>th</sup> to 7<sup>th</sup>.

8. General Managers Report (Tab 3)

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

**ITEMS OF BUSINESS**

- 1) Update on Commercial Electric Car Charging Stations Incentive

- 2) Review of Policy 30-155 New Single Large Loads **(Tab 4)**
- 3) CFC Financial Management Training **(Tab 5)**
- 4) Policy 10-120 Conduct of Individual Members of the Board of Directors **(Tab 6)**

## **MEMBER COMMUNICATIONS**

## **EXECUTIVE SESSION**



**BOARD MEETING**  
**April 23, 2018**

**Present:** Curtis Edwards, Chuck Armstrong, Sara Carlberg, Ray Peterson, Dale Sekijima, John Kirner and Alan Watson.

**Absent:** David Gottula; General Manager.

**Attending:** Lynn Northcott; Assistant General Manager, Tracy McCabe; OCEI Manager, Glenn Huber; Operations Manager and Teri Parker; Office Staff.

**Members in Attendance:** None

**PRELIMINARY**

**1. MEETING CALLED TO ORDER**

President Curtis Edwards 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**

Agenda approved as presented by Board consensus.

**4. Re-Organization of Board**

Directors discussed whether an election is necessary if current Officers are willing to continue in their positions.

Sara indicated she would be interested in serving as President and Alan suggested to follow the procedures in the By-Laws. Office nominations and election as follows:

**President:** Curtis Edwards, Incumbent; Sara Carlberg, Nominee.

Curtis Edwards received majority of votes; Curtis retained as President.

**Vice President:** Sara Carlberg, Incumbent; Curtis Edwards, Nominee.

Sara Carlberg received majority of votes; Sara retained as Vice President.

**Secretary/Treasurer:** Alan Watson, Incumbent.

Alan Watson received majority of votes; Alan retained as Secretary/Treasurer.

Curtis moved to keep Committees and members with no changes for this term.  
Seconded. Carried.

## 5. APPROVAL OF CONSENT AGENDA ITEMS

Consent Agenda approved by Board consensus.

## 6. COMMITTEE REPORT

### **Governance Committee:**

John Kirner reported Policy 30-370 Capital Credits was reviewed with no changes made.

Policy 10-120 Conduct of Individual Members of the Board of Directors was reviewed with a suggested change to wording under the section titled 'Good Faith and Fair Play' and edits to referenced policy that no longer exist. Staff will make the necessary changes.

The Governance also discussed the current Nominating Committee and its role in seeking nominees for replacing Directors who decide not to run for re-election. It was suggested that an open meeting between the Committee and the Board before searching for a nominee might be helpful for exchanging suggestions and expectations.

## 7. MEETINGS ATTENDED

- a. PNGC Monthly Meeting – April 3<sup>rd</sup> – Portland – David & Chuck
- b. PNGC Presentation on Transmission Issues – April 16<sup>th</sup> – 5 PM – Board & Staff
- c. OCEC Annual Meeting

Attendance and program reviewed. The Board agreed the program and meeting was successful and debated ways to increase attendance.

#### **8. MEETINGS TO ATTEND**

- a. PNGC Monthly Meeting – May 1<sup>st</sup> – Portland - Dale
- b. WRECA Annual Meeting – June 4<sup>th</sup> – 6<sup>th</sup> – Wenatchee – Sara, Alan & Chuck
- c. OCEC Open House - June 20<sup>th</sup>
- d. NRECA Director's Summer School – Coeur D'Alene ID – June 23<sup>rd</sup> - Sara
- e. PNGC Monthly Meeting – July 3<sup>rd</sup> – Portland - Dale

Chuck will possibly attend.

- f. PNGC Annual Meeting – Oct 1<sup>st</sup> & 2<sup>nd</sup> – David & Interested Board Members

#### **9. MEETINGS NOT ATTENDING**

- a) WRECA Legislative Conference – Washington DC – April 16<sup>th</sup> – 18<sup>th</sup>
- b) NWPPA Annual Meeting – May 20<sup>th</sup> – 23<sup>rd</sup> – Boise ID
- c) PNGC Strategic Planning Meeting – June 5<sup>th</sup> – 6<sup>th</sup> – Stevenson WA
- d) CFC Forum – Indianapolis IN – June 10<sup>th</sup> – 13<sup>th</sup>
- e) CRC Annual Meeting – Indianapolis IN – June 11<sup>th</sup>
- f) NRECA Regional Meeting – Anchorage AK – September 25<sup>th</sup> – 27<sup>th</sup>
- g) CFC IBEC Forum – Amelia Island FL – Nov 5<sup>th</sup> – 7<sup>th</sup>

#### **10. GENERAL MANAGERS REPORT**

Presented and reviewed.

## **1. Office Update**

Lynn reported there will be an employee meeting on Wednesday April 25<sup>th</sup> and Staff will be discussing the upcoming OCEC Open House on June 20<sup>th</sup>. They will also be setting a date for the annual 'Adopt a Road' clean-up day; OCEC has adopted a section of the West Chewuch Road. Lynn also complimented Staff on a seamless execution of the Annual Meeting.

Lynn noted there will be items to give away, by raffle, at the Open House. Items include a Power Cube Extended USB compact extension cord and a wall-mounted Electric Panel Heater.

## **2. Operations Update**

None.

## **3. OCEI Propane Update**

None.

## **ITEMS OF BUSINESS**

### **1. Discussion of OCEC Participation in Bi-Annual PNGC Survey in the Fall – Cost would be \$2,500**

The Board discussed whether the cost of adding OCEC specific questions to the survey is worth the cost or whether a website poll would be a good option.

Board consensus is to let the PNGC survey happen with no additional questions from OCEC.

### **2. Results of 2017-2018 NRECA Director's Study**

The Board discussed the surveyed results including average compensation and hours put in by a Director.

Board consensus is no changes to compensation for a Director.

### **3. Discuss Proposal to Give \$500 Incentive to Electric Car Charging Stations**

Curtis opened the discussion for input on possibility of creating a financial incentive to increase Electric Car Charging Stations in the OCEC service area. Topics discussed included; community interest or value in car charging stations, costs to operate, is the infrastructure support there and should incentives be for business and residential services alike?

The Board directed Staff to research more information to support the Board in a decision making process.

**4. Review 1<sup>st</sup> Quarter Balance Scorecard Goals**

Reviewed.

**5. New BPA Community Solar Program**

Reviewed. By Board consensus, this program does not apply to OCEC.

**MEMBER COMMUNICATION**

None.

Meeting adjourned to executive session at 4:20 pm.

**EXECUTIVE SESSION**

1. Review 1<sup>st</sup> Quarter Subsidiary Results
2. Review 1<sup>st</sup> Quarter Management Goal Results

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**Alan Watson, Secretary**

**New Members OCEC****May 21, 2018****REINSTATE**

1. GOLDIE LARRY & BRADLEY BLUE	199170
2. PRESTON ARIC	105152
3. EXE STEVEN J & HINATSU MICHELE R	117080

**NEW MEMBERS**

1. ROMMEN DAVID & KAREN	118032
2. DESTEPHANO JUDY	118033
3. DAVIS SCOTT & MARAYE	118034
4. HIGHET SHELLIE & JERRY	118035
5. LEOPARD BOW LLC	118036
6. SANDERS BRIANNA	118037
7. NEGRIS JAMES & FAGAN JANET	118038
8. BRACKETT PETE & ELIZABETH	118039
9. MCLEOD JACK & MARILYN	118040
10. BEHLINGS JOSH	118041
11. PAINTER DIANA L	118042
12. MONTEVERDE MARISA & MCMAHON MICHAEL	118043
13. JANUSZEWSKI JAMES K & PANDORA L	118044



<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Okanogan County Electric Coop Inc
	<b>BORROWER DESIGNATION</b>	WA032
	<b>ENDING DATE</b>	4/30/2018

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.	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 5px;">8</div> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 5px;">6</div> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 5px;">4</div> </div> <div> <p><b>Needs Attention</b></p> <p><b>Please Review</b></p> <p><b>Matches</b></p> </div> </div>	<p><b>A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?</b></p> <div style="display: flex; justify-content: space-around;"> <input checked="" type="radio"/> YES         <input type="radio"/> NO       </div> <p><b>B. Will you authorize CFC to share your data with other cooperatives?</b></p> <div style="display: flex; justify-content: space-around;"> <input checked="" type="radio"/> YES         <input type="radio"/> NO       </div>
Signature of Office Manager or Accountant <span style="float: right;">Date</span> 5/10/2018		
Signature of Manager <span style="float: right;">Date</span>		

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	2,315,692	2,186,676	1,938,493	401,278
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,177,418	1,145,062	1,019,829	212,906
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	16,813	22,894	16,937	4,439
7. Distribution Expense - Maintenance	213,888	225,514	202,864	42,726
8. Consumer Accounts Expense	98,416	101,218	102,020	22,593
9. Customer Service and Informational Expense	3,504	3,425	3,173	257
10. Sales Expense	7,852	1,419	0	(499)
11. Administrative and General Expense	332,418	239,947	247,684	46,940
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>1,850,309</b>	<b>1,739,480</b>	<b>1,592,507</b>	<b>329,361</b>
13. Depreciation & Amortization Expense	122,713	127,173	131,560	31,882
14. Tax Expense - Property & Gross Receipts	14,099	14,927	14,376	3,766
15. Tax Expense - Other	70,678	68,275	57,833	12,112
16. Interest on Long-Term Debt	70,753	68,168	67,257	17,042
17. Interest Charged to Construction (Credit)	0	0	0	6
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	0	0	0	0
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>2,128,552</b>	<b>2,018,022</b>	<b>1,863,534</b>	<b>394,169</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>187,140</b>	<b>168,654</b>	<b>74,959</b>	<b>7,109</b>
22. Non Operating Margins - Interest	4,151	7,288	6,134	2,339
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	5,002	1,723	5,000	0
25. Non Operating Margins - Other	6,000	6,000	6,000	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
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>202,293</b>	<b>183,665</b>	<b>92,093</b>	<b>10,948</b>

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	1	1	5. Miles Transmission	0	0
2. Services Retired	0	1	6. Miles Distribution Overhead	301	302
3. Total Services In Place	3,671	3,732	7. Miles Distribution Underground	210	212
4. Idle Services (Exclude Seasonal)	108	103	<b>8. Total Miles Energized (5+6+7)</b>	<b>511</b>	<b>514</b>



<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Okanogan County
	<b>BORROWER DESIGNATION</b>	WA032
	<b>ENDING DATE</b>	04/30/2018

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	13,727,443	29. Memberships	15,970
2. Construction Work in Progress	277,330	30. Patronage Capital	7,369,264
<b>3. Total Utility Plant (1+2)</b>	<b>14,004,773</b>	31. Operating Margins - Prior Years	888,188
4. Accum. Provision for Depreciation and Amort	4,510,647	32. Operating Margins - Current Year	177,665
<b>5. Net Utility Plant (3-4)</b>	<b>9,494,126</b>	33. Non-Operating Margins	6,000
6. Nonutility Property - Net	0	34. Other Margins & Equities	477,850
7. Investment in Subsidiary Companies	662,742	<b>35. Total Margins &amp; Equities (29 thru 34)</b>	<b>8,934,938</b>
8. Invest. in Assoc. Org. - Patronage Capital	324,323	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,467,148
10. Invest in Assoc. Org. - Other - Nongeneral Funds	147,136	<b>38. Total Long-Term Debt (36 + 37)</b>	<b>3,467,148</b>
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	<b>41. Total Other Noncurrent Liabilities (39+40)</b>	<b>0</b>
<b>14. Total Other Property &amp; Investments (6 thru 13)</b>	<b>1,147,702</b>	42. Notes Payable	0
15. Cash-General Funds	792,731	43. Accounts Payable	329,633
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	145,645
17. Special Deposits	125,874	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	448,621	48. Other Current & Accrued Liabilities	293,602
21. Accounts Receivable - Net Other	740,095	<b>49. Total Current &amp; Accrued Liabilities (42 thru 48)</b>	<b>768,881</b>
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	258,590	<b>51. Total Liabilities &amp; Other Credits (35+38+41+49+50)</b>	<b>13,170,967</b>
24. Prepayments	23,803	<b>ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION</b>	
25. Other Current & Accrued Assets	966	Balance Beginning of Year	0
<b>26. Total Current &amp; Accrued Assets (15 thru 25)</b>	<b>2,529,139</b>	Amounts Received This Year (Net)	77,390
27. Deferred Debits	0	<b>TOTAL Contributions-In-Aid-Of-Construction</b>	<b>77,390</b>
<b>28. Total Assets &amp; Other Debits (5+14+26+27)</b>	<b>13,170,967</b>		

**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**

April 30, 2018

	<b>ANNUAL BUDGET</b>	<b>Y-T-D BUDGET</b>	<b>Y-T-D ACTUAL</b>	<b>MONTH BUDGET</b>	<b>MONTH ACTUAL</b>
OPERATING REVENUE	\$5,501,400	\$1,938,493	\$2,186,676	\$370,538	\$401,278
COST OF POWER	\$2,710,581	\$1,019,829	\$1,145,062	\$195,982	\$212,906
<b>GROSS MARGINS</b>	\$2,790,819	\$918,664	\$1,041,614	\$174,556	\$188,372
<b>OPERATING EXPENSES:</b>					
DISTRIBUTION OPERATIONS	\$69,955	\$16,937	\$22,894	\$4,989	\$4,439
DISTRIBUTION MAINTENANCE	\$574,972	\$202,864	\$225,514	\$45,359	\$42,726
CONSUMER ACCOUNTING	\$299,885	\$102,020	\$101,218	\$23,662	\$22,593
CONSUMER SERVICE & INFO	\$5,700	\$3,173	\$3,425	\$257	\$257
SALES EXPENSE	\$0	\$0	\$1,419	\$0	-\$499
ADMIN & GENERAL	\$674,637	\$247,684	\$239,947	\$57,394	\$46,940
<i>TOTAL OPERATING EXPENSES</i>	\$1,625,149	\$572,678	\$594,418	\$131,661	\$116,455
<b>FIXED EXPENSES:</b>					
DEPRECIATION	\$394,680	\$131,560	\$127,173	\$32,890	\$31,882
TAXES-PROPERTY	\$43,128	\$14,376	\$14,927	\$3,594	\$3,766
TAXES-OTHER	\$185,500	\$57,833	\$68,275	\$14,458	\$12,112
INTEREST	\$201,772	\$67,257	\$68,168	\$16,814	\$17,042
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$6
<i>TOTAL FIXED EXPENSES</i>	\$825,080	\$271,027	\$278,542	\$67,757	\$64,808
<b>TOTAL EXPENSES</b>	\$2,450,229	\$843,705	\$872,960	\$199,418	\$181,263
<b>OPERATING MARGINS</b>	\$340,590	\$74,959	\$168,654	-\$24,862	\$7,109
<b>NONOPERATING MARGINS:</b>					
INTEREST	\$51,154	\$11,134	\$9,011	\$795	\$2,339
OTHER	\$18,000	\$6,000	\$6,000	\$1,500	\$1,500
<b>NET MARGINS</b>	\$409,744	\$92,093	\$183,665	-\$22,567	\$10,948
<b>T.I.E.R.</b>	3.03	2.37	3.69	-0.34	1.64

Okanogan County Electric Cooperative Inc  
Budget Year: 2018

Forecasted

	2017	Budget year Jan - Dec	Actual January	February	March	April	May	June	July	August	September	October	November	December
Patronage Capital or Margins	\$0	\$409,744	\$58,852	\$57,189	\$56,676	\$10,948	\$27,800	(\$8,433)	\$11,037	(\$3,268)	\$53,114	(\$25,672)	\$112,177	\$149,896
Plus Depreciation Expense	\$0	\$394,680	\$31,740	\$31,717	\$31,834	\$31,882	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890
Less Capital Credit Allocations	\$0	\$0	(\$29)	(\$751)	\$1,566	(\$120)	\$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	\$88,155	\$90,076	\$42,710	\$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)	(\$7,241)	(\$5,575)	(\$7,242)	(\$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	\$1,368	\$100,351	\$118,126	(\$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	(\$18,747)	\$13,552	\$8,459	\$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)	\$2,976	\$2,975	\$2,975	\$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	(\$21,644)	\$111,304	\$122,318	(\$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	(\$50,356)	(\$134,397)	\$20,489	\$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	\$31,381	(\$13,147)	(\$20,843)	(\$13,599)	(\$13,599)	(\$13,599)	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	(\$40,797)	\$12,272	(\$18,975)	(\$147,544)	(\$354)	(\$13,599)	(\$13,599)	(\$13,599)	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$854,070	\$202,078	\$47,535	\$53,835	\$164,674	\$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)	\$44,051	(\$14,092)	(\$5,776)	(\$97,241)	(\$96,002)	(\$81,703)	(\$52,852)	(\$63,646)	(\$52,212)	(\$52,147)	(\$55,768)
Cost to Retire Utility Plant	\$0	\$0	\$521	\$7,500	(\$12,262)	\$242	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$0	\$202,273	(\$36,843)	(\$33,795)	(\$67,376)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$277,356	\$1,152	\$302	\$11,411	\$64,525	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$20,000	\$13,678
Total Other Property and Investments	\$0	\$0	\$247	(\$762)	\$453	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies - Electric and Other	\$0	\$0	(\$1,394)	\$113	(\$2,104)	(\$8,140)	\$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)	\$14,361	(\$50,389)	(\$16,525)	(\$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	\$5	\$35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$1,250	(\$1,432)	(\$4,550)	\$1,850	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$332,239)	\$1,270	(\$1,432)	(\$36,861)	\$1,885	\$0	(\$32,807)	\$0	\$0	(\$33,305)	\$0	\$0	(\$233,811)
CASH FROM ALL ACTIVITIES	\$0	(\$64,334)	\$45,252	\$60,464	(\$33,414)	\$150,034	(\$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	\$676,109	\$642,695	\$792,729	\$745,014	\$679,169	\$636,939	\$663,126	\$691,398	\$687,507	\$612,986
TOTAL CASH END OF PERIOD	\$570,393	\$506,059	\$615,645	\$676,109	\$642,695	\$792,729	\$745,014	\$679,169	\$636,939	\$663,126	\$691,398	\$687,507	\$612,986	\$432,469

Okanogan County Electric Cooperative Inc

Capital Expenditures by Project

Apr-18

	Current Month			Year to Date			Annual	Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance
Member Requested Facilities	11,681.87	16,079.00	4,397.13	11,755.87	40,197.00	28,441.13	200,983.00	189,227.13
Replacements (Poles & Transformers)	43,124.56	8,656.00	(34,468.56)	95,817.36	37,221.00	(58,596.36)	103,872.00	8,054.64
<b>OCEC Projects:</b>	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 - Part 2	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 1	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	8,120.26	12,000.00	3,879.74	8,120.26	12,000.00	3,879.74	50,718.00	42,597.74
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
Test/Rebuild 2 sets of Regulators Sub	12,140.68	0.00	(12,140.68)	12,140.68	0.00	(12,140.68)	32,791.00	20,650.32
Paint/protect crew hallway	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00
Redo Asphalt in front & back, fix drain	0.00	0.00	0.00	0.00	25,000.00	25,000.00	25,000.00	25,000.00
Major Storm Damage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>subtotal</b>	<b>75,067.37</b>	<b>36,735.00</b>	<b>(38,332.37)</b>	<b>127,834.17</b>	<b>114,418.00</b>	<b>(13,416.17)</b>	<b>658,052.00</b>	<b>530,217.83</b>
Un Allocated Overhead	50,034.44			50,034.44	0.00	(50,034.44)		
<b>Member CIAC</b>	<b>CIAC</b>	<b>(20,000.00)</b>	<b>(44,525.12)</b>	<b>* (77,390.23)</b>	<b>(63,678.00)</b>	<b>(13,712.23)</b>	<b>(277,356.00)</b>	<b>(199,965.77)</b>
<b>Total less CIAC</b>	<b>60,576.69</b>			<b>100,478.38</b>				

\* \$74,125.33 holding in CIAC 04/30/18

<b>Meters Purchases</b>	5,940.00	0.00	(5,940.00)	21,180.00	20,000.00	(1,180.00)	20,000.00	(1,180.00)
<b>Computers &amp; Software Upgrades</b>	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00
<b>Transformers Purchases</b>	0.00	0.00	0.00	80,685.84	70,000.00	(10,685.84)	70,000.00	(10,685.84)
<b>Vehicle Replacement</b>	0.00	0.00	0.00	0.00	0.00	0.00	135,000.00	135,000.00
<b>Total</b>	<b>66,516.69</b>	<b>16,735.00</b>		<b>202,344.22</b>	<b>140,740.00</b>		<b>230,000.00</b>	<b>128,134.16</b>

Total Capital Budget less CIAC 610,696.00 408,351.78

\* Note

	Line Crew		107.25	Consultants	Transportation	Benefits	Total
	Direct Labor	Materials	Labor	Contractors			
January	2,086.84	0.00	3,436.90	0.00	2,424.24	2,020.44	9,968.42
February	2,963.79		3,041.61	0.00	1,617.04	2,183.49	9,805.93
March	8,853.87	2,671.68	9,500.00	0.00	5,729.34	6,237.56	32,992.45
April	16,562.77	10,492.77	26,772.52	0.00	9,520.08	11,719.23	75,067.37
May							
June							
July							
August							
September							
October							
November							
December							
	<b>30,467.27</b>	<b>13,164.45</b>	<b>42,751.03</b>	<b>0.00</b>	<b>19,290.70</b>	<b>22,160.72</b>	<b>127,834.17</b>

\* 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

Apr-18

W.O. #	Monthly Allocation	Contractor	Labor	Labor O/H	AP Vendor & Material	Material O/H	Material Retire/Scrap	Benefits	Trans	Total	
12078	12,140.68	16	3,851.08	3,910.66				2,533.94	1,845.00	12,140.68	
12081	(370.38)	8	182.82	183.71			(942.81)	132.10	73.80	(370.38)	
12082	(204.46)	8					(204.46)			(204.46)	
12092	1,583.67	8	484.10	491.59				349.80	258.18	1,583.67	
12093	2,192.90	8	386.96	392.95	198.32	639.85		279.62	295.20	2,192.90	
12096	2,076.76	8			491.38	1,585.38				2,076.76	
12100	7,807.24	8	2,302.04	2,328.87				1,663.43	1,512.90	7,807.24	
12101	16,469.90	8	4,891.44	4,962.83				3,534.48	3,081.15	16,469.90	
12102	7,433.08	8	1,931.07	1,957.92	709.63			1,395.36	1,439.10	7,433.08	
12103	1,495.04	8	546.02	554.47				394.55		1,495.04	
12113	353.53	7	129.12	131.12				93.29		353.53	
12114	148.00	7			148.00					148.00	
12115	2,775.66	8	537.80	546.12	300.72	970.23	(263.02)	388.61	295.20	2,775.66	
11216	8,120.26	12	86.08	87.41	7,847.67			62.20	36.90	8,120.26	
11219	11,106.34	7	605.03	614.39	2,174.52	6,777.06		437.19	498.15	11,106.34	
12120	245.03	8	91.41	91.85			(41.18)	66.05	36.90	245.03	
12122	74.00	7			74.00					74.00	
12128	1,620.12	8	537.80	546.11				388.61	147.60	1,620.12	
	75,067.37		0.00	16,562.77	16,800.00	11,944.24	9,972.52	(1,451.47)	11,719.23	9,520.08	75,067.37

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 Test/Rebuild 2 sets of Regulators Sub
- 17 Paint/protect crew hallway
- 18 Redo Asphalt in front & back, fix drain
- 19 Major Storm Damage

OCEC Work Orders

16	12078 OCEC - Regulators	12,140.68
8	12081 WDFW-1102650	(370.38)
8	12082 WDFW-3104200	(204.46)
8	12092 Service Orders (temp Disc)	1,583.67
8	12093 Cutouts 2018.01	2,192.90
8	12096 OCEC-Conduit 2018.1	2,076.76
8	12100 OCEC-Deed's Wood Lot	7,807.24
8	12101 OCEC-Foster Davis Rd	16,469.90
8	12102 OCEC-Airport Line	7,433.08
8	12103 OCEC-Mazama 25KV Move.Phase 1	1,495.04
8	11215 OCEC-W36 1R 1R SP R	2,775.66
12	11216 OCEC-Davis Lake 2018	8,120.26
8	12120 Term-Sam's Place	245.03
8	12128 OCEC-Mclean Hill	1,620.12

63,385.50

CapEx/O&M Labor Distribution

Labor is split between Capital and O&M based on work performed. The following is a comparison between how labor was split.

1) YTD Actual 2018 2) YTD Budget 2018 3) YTD Actual 2017

**Capitalization in Percentage**

Labor Capitalized	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Actual		5%	12%	18%	27%								
2018 Budget		3%	12%	15%	15%	35%	37%	41%	37%	37%	15%	3%	24%
2017 Actual		1%	1%	2%	8%	22%	29%	35%	49%	55%	41%	43%	12%

**Capitalization in Dollars**

**Capitalization in Dollars**

Capitalization in Dollars	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Work Order Actual	\$ 7,222	\$ 9,924	\$ 16,540	\$ 24,183				\$ -	\$ -	\$ -	\$ -	\$ -	
2018 Budget	\$ 3,611	\$ 11,284	\$ 13,541	\$ 13,541	\$ 31,595	\$ 33,851	\$ 37,462	\$ 33,851	\$ 33,851	\$ 33,851	\$ 13,541	\$ 3,159	\$ 263,138
2017 Actual	\$ 1,648	\$ 436	\$ 1,992	\$ 6,742	\$ 21,066	\$ 25,337	\$ 31,850	\$ 47,668	\$ 49,075	\$ 39,586	\$ 39,459	\$ 10,259	\$ 275,119

**O&M Labor Expensed**

**O& M Expense in Percentage**

O&M Labor Expensed	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Actual		98%	88%	82%	73%								
2018 Budget		97%	88%	85%	85%	65%	63%	59%	63%	63%	85%	97%	76%
2017 Actual		99%	99%	98%	92%	78%	71%	65%	51%	45%	59%	77%	77%

**O&M Expense in Dollars**

O&M Expense in Dollars	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Actual	\$ 128,782	\$ 74,657	\$ 75,912	\$ 65,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345,167
2018 Budget	\$ 131,896	\$ 70,236	\$ 75,888	\$ 72,552	\$ 61,788	\$ 51,623	\$ 54,649	\$ 62,333	\$ 50,115	\$ 62,333	\$ 78,570	\$ 84,880	\$ 856,863
2017 Actual	\$ 125,143	\$ 82,097	\$ 88,798	\$ 77,316	\$ 74,643	\$ 60,689	\$ 58,310	\$ 48,695	\$ 39,823	\$ 56,821	\$ 52,041	\$ 77,734	\$ 842,110

<b>Total Labor YTD</b>	<b>2018</b>	\$ 136,004	\$ 84,581	\$ 92,451	\$ 89,999									\$ 403,035
<b>Total Labor YTD</b>	<b>2017</b>	\$ 126,790	\$ 82,533	\$ 90,790	\$ 84,058	\$ 95,709	\$ 86,026	\$ 90,161	\$ 96,363	\$ 88,898	\$ 96,407	\$ 91,500	\$ 87,993	\$ 1,117,229

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

**For the Month Ending**  
**April 30, 2018**

<b>Beginning RLF Balance</b>		<b>\$60,260.68</b>
<b>LOUP LOUP SKI ED FOUNDATION LOAN #2</b>		
<b>PAYOFF AUGUST 01, 2019</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$425.00	\$46,850.36
ADMINISTRATIVE FEE (1%)	\$8.33	\$2,683.34
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$44,167.01
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOANS		\$5,832.99
<b>LOUP LOUP SKI ED FOUNDATION LOAN #3</b>		
<b>PAYOFF OCTOBER 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$445.83	\$19,404.15
ADMINISTRATIVE FEE (1%)	\$29.16	\$1,487.34
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$17,916.81
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOANS		\$32,083.19
<b>TOWN OF TWISP</b>		
<b>PAYOFF AUGUST 01, 2019</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$79.05	\$7,294.99
ADMINISTRATIVE FEE (1%)	\$2.30	\$462.94
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$6,830.51
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOANS		\$2,379.49
<b>MVSTA LOAN #2</b>		
<b>PAYOFF JULY 01, 2022</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$875.00	\$64,479.72
ADMINISTRATIVE FEE (1%)	\$41.67	\$4,479.96
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$59,166.43
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOANS		\$40,833.57
<b>MEDICINE WHEEL WEB DESIGN</b>		
<b>PAYOFF OCTOBER 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$510.00	\$22,280.00
ADMINISTRATIVE FEE (1%)	\$10.00	\$790.00
PRINCIPLE PAYMENT TO LOAN	\$500.00	\$21,500.00
ORIGINAL AMOUNT OF LOAN		\$30,000.00
BALANCE REMAINING ON LOANS		\$8,500.00
<b>TOWN OF WINTHROP</b>		
<b>PAYOFF NOVEMBER 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$870.83	\$4,354.15
ADMINISTRATIVE FEE (1%)	\$79.17	\$395.85
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$3,958.35
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOANS		\$91,041.65
<b>TOTAL BALANCE REMAINING ON LOANS</b>		<b>\$180,670.89</b>
<b>ENDING RLF BALANCE</b>		<b>\$64,129.11</b>

**OKANOGAN COUNTY ELECTRIC COOPERATIVE INC**

**REVOLVING LOAN FUND #2**

**MONTHLY REPORT**

*For the Month Ending*

**April 30, 2018**

<b>Beginning RLF Balance</b>		<b>\$58,371.43</b>
<b>AERO RESCUE</b>		
<b>PAYOFF NOVEMBER 1, 2020</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$2,060.00	\$192,060.00
ADMINISTRATIVE FEE (1%)	\$60.00	\$12,120.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$180,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOANS		\$60,000.00
<b>TOWN OF WINTHROP LOAN #2</b>		
<b>PAYOFF JUNE 01, 2022</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$179.37	\$12,863.58
ADMINISTRATIVE FEE (1%)	\$8.54	\$905.48
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$11,958.10
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOANS		\$8,541.90
<b>MVSTA LOAN #3</b>		
<b>PAYOFF OCTOBER 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$624.16	\$27,105.39
ADMINISTRATIVE FEE (1%)	\$40.84	\$2,187.53
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$25,083.19
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOANS		\$44,916.81
<b>PINETOOTH CREATIVE</b>		
<b>PAYOFF July 01, 2026</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$84.25	\$1,781.01
ADMINISTRATIVE FEE (1%)	\$6.96	\$157.12
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$1,624.07
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOANS		\$7,650.93
<b>EQPD</b>		
<b>PAYOFF February 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$297.92	\$4,270.88
ADMINISTRATIVE FEE (1%)	\$27.08	\$379.14
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$3,791.74
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOANS		\$28,708.26
<b>Little Star Montessorri School</b>		
<b>PAYOFF February 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$295.21	\$4,462.98
ADMINISTRATIVE FEE (1%)	\$24.38	\$400.93
PRINCIPLE PAYMENT TO LOAN	\$270.83	\$4,062.45
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOANS		\$28,437.55
<b>ENDING RLF BALANCE</b>		<b>\$61,744.55</b>

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

**POWER & SERVICE DATA**

**April-18**

	January 2018	Febraury 2018	March 2018	April 2018	April 2017
<b>POWER DATA:</b>					
COST OF POWER	\$310,626	\$360,427	\$261,103	<b>\$212,906</b>	\$189,877
KWH PURCHASED	7,789,025	7,309,665	5,927,840	<b>4,105,730</b>	4,152,605
KWH SOLD & OCEC USE	7,308,362	6,859,122	5,546,608	<b>3,785,326</b>	3,838,957
KWH LOST	480,663	450,543	381,232	<b>320,404</b>	313,648
LINE LOSS %	6.17%	6.16%	6.43%	<b>7.80%</b>	7.55%
COST PER KWH	\$0.0399	\$0.0493	\$0.0440	<b>\$0.0519</b>	\$0.0457
<b>BILLING DATA:</b>					
ACCOUNTS BILLED	3,539	3,536	3,529	<b>3,536</b>	3,472
AVG. KWH/CONSUMER	2,065	1,940	1,572	<b>1,071</b>	1,106
BILLING REVENUE	\$636,810	\$613,212	\$517,635	<b>\$397,993</b>	\$392,751
AVERAGE BILL	\$179.94	\$173.42	\$146.68	<b>\$112.55</b>	\$113.12
REVENUE/KWH SOLD	\$0.0871	\$0.0894	\$0.0933	<b>\$0.1051</b>	\$0.1023
<b>SERVICE DATA:</b>					
NEW	0	0	0	<b>1</b>	3
RETIRED	2	1	0	<b>1</b>	0
TOTAL END OF MONTH	3733	3732	3732	<b>3732</b>	3674
IDLE SERVICES	106	106	106	<b>103</b>	106
<b>TRANSPORTATION:</b>					
TOTAL MILES	3,807	6,224	6,481	<b>5,405</b>	6,237
COST OF OPERATION	\$20,390	\$18,958	\$17,384	<b>\$16,752</b>	\$16,807
AVG. COST PER MILE	\$5.356	\$3.046	\$2.682	<b>\$3.099</b>	\$2.695
<b>MATERIALS:</b>					
ISSUES	\$466	\$113	\$1,894	<b>\$9,843</b>	\$1,310
INVENTORY	\$248,459	\$248,346	\$250,450	<b>\$258,590</b>	\$272,549

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
<b>Winthrop Substation (1)</b>	<b>11,832</b>	-	-	<b>6,174</b>	17,938	77.0%	2958	5128	6.064	1.734	3.511
Feeder 1 = Chewuch	2,360	-	-	222	2,582	11.1%	590	771	4.376	1.307	3.349
Feeder 2 = Mazama	3,764	-	-	5,930	9,694	41.6%	941	2896	10.302	3.078	3.347
Feeder 3 = Sun Mtn	2,984	-	-	14	2,998	12.9%	746	756	4.019	1.013	3.966
Feeder 4 = Winthrop	2,724	-	-	8	2,732	11.7%	681	705	4.012	1.035	3.875
<b>Twisp Substation (2)</b>	<b>2,456</b>	-	-	<b>2,917</b>	5,373	23.0%	614	1288	8.750	2.098	4.171
Feeder 1 = Airport	112	-	-	866	978	4.2%	28	227	34.916	8.107	4.307
Feeder 2 = Loup	776	-	-	122	898	3.9%	194	222	4.628	1.144	4.044
Feeder 3 = Twisp	1,568	-	-	1,929	3,497	15.0%	392	839	8.922	2.140	4.168
<b>Totals</b>					<b>23,311</b>		<b>3572</b>	<b>6416</b>	<b>6.526</b>	<b>1.796</b>	<b>3.64</b>
<b>CFC Summary</b>	<b>240</b>	-	-	<b>152.71</b>							

SAIDI = Defined as sum of customer interruption durations divided by the total # of customers server  
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 = 24

**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	-	-	4,123	-	2,948	-	-	-	-	-	-	-	7,071
INSTALLATION FAULT	-	-	-	-	-	-	-	-	-	-	-	-	-
CONDUCTOR SAG OR INADEGUATE CLEARANCE	-	-	-	-	-	-	-	-	-	-	-	-	-
OVERLOAD	-	-	-	-	-	-	-	-	-	-	-	-	-
MISCOORDINATION OF PROTECTION DEVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER EQUIPMENT INSTALLATION / DESIGN	-	-	120	-	-	-	-	-	-	-	-	-	120
MAINTENANCE													TOTAL
DECAY / AGE OF MATERIAL / EQUIP	-	-	2	1	15	-	-	-	-	-	-	-	18
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	-	1	-	-	-	-	-	-	-	-	2
LARGE ANIMAL	-	-	-	-	-	-	-	-	-	-	-	-	-
ANIMAL DAMAGE - GNAW OR BORE	-	-	-	-	-	-	-	-	-	-	-	-	-
ANIMAL , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-

OCEC 2018 Outage  
Summary By Cause

SUMMARY BY CAUSE														
PUBLIC													TOTAL	
CUSTOMER CAUSED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MOTOR VEHICLE	-	-	1,802	-	-	-	-	-	-	-	-	-	-	1,802
AIRCRAFT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC CUTS TREE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VANDALISM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SWITCHING ERROR OR CAUSED BY CONSTRUCTION / MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER													TOTAL	
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNKNOWN													TOTAL	
CAUSE UNKNOWN	57	-	19	1	2	-	-	-	-	-	-	-	-	78

**\*\*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	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	14,288												14,288
<b>DISTRIBUTION SUBSTATION</b>													
DIST-POWER TRANSFORMER	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-VOLTAGE REGULATOR	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-LIGHTNING ARRESTER	-	-	4,123	-	-	-	-	-	-	-	-	-	4,123
DIST-SOURCE SIDE FUSE	-	-	2	-	-	-	-	-	-	-	-	-	2
DIST-CIRCUIT BREAKER	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-SWITCH	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-METERING EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-DISTRIBUTION SUBSTATION , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-												4,126
<b>POLES AND FIXTURES</b>													
POL-POLES	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-CROSSARM OR CROSSARM BRACE	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-ANCHOR OR GUY	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-POLES AND FIXTURES, OTHER	-	-	113	-	-	-	-	-	-	-	-	-	113
<b>TOTALS:</b>	-												113
<b>OVERHEAD</b>													
OVR-OVERHEAD	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-LINE CONDUCTOR	-	-	1,809	1	2,906	-	-	-	-	-	-	-	4,715
OVR-CONNECTOR OR CLAMP	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-SPLICE OR DEAD END	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-JUMPER	-	-	-	-	32	-	-	-	-	-	-	-	32
OVR-INSULATOR	-	-	-	-	10	-	-	-	-	-	-	-	10
OVR-LIGHTNING ARRESTER LINE	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-FUSE CUTOUT	57	0	19	2	2	-	-	-	-	-	-	-	80
OVR-RECLOSER OR SECTIONALIZER	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-OVERHEAD LINE CONDUCTORS AND DEVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	57												4,837

OCEC 2018 Outage  
Detailed Summary By Cause

DETAILED SUMMARY BY CAUSE													
<b>UNDERGROUND</b>													
UG-PRIMARY CABLE	-	-	-	-	15	-	-	-	-	-	-	-	15
UG-SPLICE OR FITTING	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-SWITCH ELBOW ARRESTER	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-SECONDARY CABLE OR FITTINGS	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-ELBOW	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-POTHEAD OR TERMINATOR	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-UNDERGROUND, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-	-	-	-	-	-	-	-	-	-	-	-	15
<b>TRANSFORMER</b>													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>WEATHER</b>													
WTR-RAIN	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-LIGHTNING	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-WIND	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-SNOW ICE	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-SLEET	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-EXTREME COLD	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-EXTREME HEAT	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-WEATHER OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-CLEAR, CALM	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

# PNGC Power Pulse

April 2018

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## Legislative Rally 2018

Each year, NRECA invites cooperative grassroots advocates to Washington, D.C. for the national trade association's annual Legislative Conference. This is a chance for directors, managers, and employees of member-owned electric cooperatives to come from across the country to spend time on Capitol Hill talking with elected officials and congressional staff about legislative priorities impacting electric cooperatives and their members. It is truly NRECA's grassroots strength that allows the co-op program to "punch above its political weight" in our nation's capital.

This year Beth Looney, PNGC Power President and CEO, and Ashley Slater, PNGC Power Vice President of Government Affairs and Policy, went to the April 8-10 rally, which was attended by 2,200 other cooperative advocates from across the country. Ashley and Beth used the two days to run between buildings trying to meet with as many offices as possible. "PNGC has service territory in seven states, so it's both fun and challenging to get a chance to meet with everyone's congressional delegations," Slater said.



Beth Looney and Ashley Slater

Looney and Slater used the Capitol Hill meetings as an opportunity to advocate for PNGC's member owners on a variety of federal policy issues related to the maintenance of reliable, low-cost, carbon free energy. This year was particularly exciting as PNGC staff successfully elevated a Northwest issue to national prominence. This year because of the significant groundwork laid by PNGC's government affairs and policy staff, NRECA agreed to include H.R. 3144 as one of only a handful of legislative priorities for the nationwide electric cooperative advocacy effort. Activating NRECA's grassroots in support of a regionally-focused legislative effort was a great boon for PNGC. It raised PNGC's national profile within the co-op program and puts the company front and center in the effort to protect a federal hydropower resource that has served as the region's economic backbone since the 1930s. H.R. 3144 is a federal science-backed legislative fix to forced spill at the federal dams, and a remedy that

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*"Grassroots advocacy is what we are all about...that's our real muscle"*

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PNGC has been driving to combat court-ordered spill that is harmful to both utility ratepayers and Endangered Species Act salmon species. Slater tells the story of watching H.R. 3144 getting marked-up in the House Natural Resources Committee. "In fact, the Committee rearranged the schedule in order to mark-up H.R. 3144 when they did, to take advantage of the 2,200 rural electric cooperative advocates that were in Washington D.C. right then," Slater said. "We packed the hearing room and cheered when the bill passed out of Committee on a bi-partisan vote. It was pretty remarkable to see the cooperative grassroots in action."

Watching the progression of H.R. 3144 and its journey through the legislative process has also been remarkable, Slater went on. "Going from Beth's testimony in October 2017 to this vote in the House Natural Resources Committee demonstrates PNGC's political influence, strong relationships, and deep policy knowledge."

PNGC will continue to follow H.R. 3144 as well as our other legislative priorities. "Grassroots advocacy is what we are all about," Beth Looney said. "That's our real muscle."

## Spill and H.R. 3144: What Now?

On April 2, The Ninth Circuit Court of Appeals panel decided in favor of additional spill for the Federal Columbia River Power System. This decision, which undercuts the best available federal science, creates a new multi-million dollar obligation for Northwest ratepayers, on top of the Fish and Wildlife mitigation program already in place, which currently accounts for about 1/3 of Bonneville Power Administration's (BPA) rates.

BPA issued a statement in response, "...we at BPA are committed to delivering on our vast public responsibilities through a commercially successful business. We are analyzing the full impacts of this court decision and we will make more information available in the coming weeks."

As you know, we have been following this story, and on April 11, H.R. 3144 passed out of the House Natural Resources Committee (reported above), which means that it may get a stand-alone vote on the House of Representatives floor. It may still be a long shot, and the opposition is ready to list reasons why this bill shouldn't pass. However, as our own Ashley Slater stated, "Let's prove them wrong: H.R. 3144 is pro-environment, protecting our largest source of carbon-free energy. It is for rural Americans who can no longer sustain double digit wholesale rate increases, not to mention 20 more years of litigation driven uncertainty. And, most importantly, it is to prove that dams and salmon can co-exist."

The battle is not over and we will continue to work with others in public power to shape and influence this conversation.

## Employee Spotlight: Greg Mendonca

Greg Mendonca is PNGC Power's Vice President of Power Supply, and has been a part of the team for years. Starting in 2006 Greg has been a Real Time Trader (when PNGC had a 24 hour trading floor), a Resource Analyst, as well as the Manager of Term Planning, and the Manager of Resource Planning.

In his role as Vice President of Power Supply, Greg works on the Members' behalf on a variety of issues including the development of the integrated resource plan, current rate case issues, power purchase planning, new resource investigation, BPA issues, and so much more. "I wear many hats at PNGC, but that's because we deal with so many moving pieces," Greg said. "The power industry is constantly changing, and it's our mission to stay ahead of the curve by being informed and involved in power policy discussions and our future as a cooperative."

Greg came to PNGC with a wealth of education, obtaining his Bachelor of Arts in Accounting, as well as a Master of Business Administration, from Oregon State University. Recently, Greg completed an intensive program in electric utility management with the University of Wisconsin – Madison. The Robert I. Kabat Management Internship Program (known as MIP) is a series of educational workshops offered by the National Rural Electric Cooperative Association in conjunction with the University. The most exclusive educational programs in the nation for electric cooperative management, the program guides participants through all facets of the electric utility industry, including the many changes in the industry that are on the horizon. "The program was intense, but it really highlighted focusing on providing Member value as a part of day-to-day decision making," Greg said. "Well worth it!"

Greg lives in Portland with his wife, Jess, and their two young children, Cora and Miles.

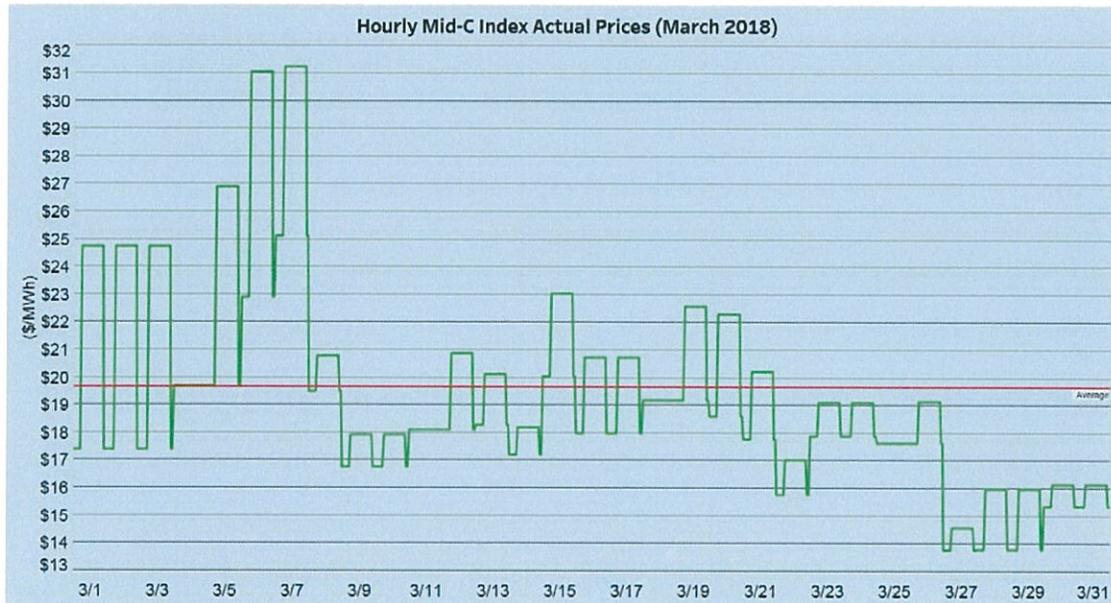


Above: Greg receives his certificate of completion of the Robert I. Kabat Management Internship Program.  
Below: Greg, his wife Jess, and their two children



## Mid-C Pricing

The graph below shows Mid-C Pricing for the month of March 2018



## Upcoming PNGC Events

April 21	Blachly-Lane Annual Meeting
April 21	Umatilla Electric Annual Meeting
April 21	OPALCO Annual Meeting
April 30	Board Training with Tom Traynor (PNGC Offices)
May 1	PNGC Board Meeting (PNGC Offices)
May (3, 8, 10, 15, 17)	Lane Electric Annual Meetings
May 12	Northern Lights Annual Meeting
May 21-23	NWPPA Annual Meeting (Boise, ID)



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### About PNGC Power

PNGC Power is a Portland-based electric generation and transmission (G & T) cooperative owned by 15 Northwest electric distribution cooperative utilities with service territory in seven western states (Oregon, Washington, Idaho, Montana, Utah, Nevada and Wyoming). The company creates value for its member systems by providing power supply, transmission, and other management services. PNGC Power is an aggregator of geographically diverse loads in the region.

## Comparison of BPA Power Costs for YTD FY 2017 and FY 2018

	FY 2017			FY 2018		
	KWH Purchased	Cost	Cents per KWH	KWH Purchased	Cost	Cents per KWH
Oct	4,247,850	\$ 179,765	4.2	4,617,795	\$ 199,417	4.3
Nov	4,840,000	\$ 167,067	3.5	6,039,500	\$ 211,428	3.5
Dec	9,195,205	\$ 354,871	3.9	8,870,180	\$ 339,203	3.8
Jan	9,911,795	\$ 412,865	4.2	7,789,025	\$ 310,626	4.0
Feb	7,558,410	\$ 333,045	4.4	7,309,665	\$ 361,998	5.0
March	5,913,945	\$ 243,202	4.1	5,927,840	\$ 262,674	4.4
April	4,152,605	\$ 191,448	4.6	4,105,730	\$ 214,477	5.2
May						
June						
Total	45,819,810	1,882,263		44,659,735	1,899,823	
Overall Cents/KWH	4.11			4.25		
Overall % Increase	3.6%					

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

## Comparison of BPA Power Costs for CY 2017 and CY2018

	CY 2017			CY 2018		
	KWH Purchased	Cost	Cents per KWH	KWH Purchased	Cost	Cents per KWH
Jan	9,911,795	\$ 412,865	4.2	7,789,025	\$ 310,626	4.0
Feb	7,558,410	\$ 333,045	4.4	7,309,665	\$ 361,998	5.0
March	5,913,945	\$ 243,202	4.1	5,927,840	\$ 262,674	4.4
April	4,152,605	\$ 191,448	4.6	4,105,730	\$ 214,477	5.2
May						
June						
Total	27,536,755	1,180,560		25,132,260	\$ 1,149,775	
Overall Cents/KWH	4.29			4.57		
Overall % Increase	6.7%					
Estimated \$ in CY 2018 Attributable to Increase in KWH rate				\$ 72,301		
Estimated \$ in FY 2018 Attributable to Increase in KWH rate				\$ 65,216		

**POLICY: 30-155****DATE: April 25, 2016****SUBJECT: New Single Large Loads****I. PURPOSE:**

To set forth the procedure for serving OCEC members with large electrical loads.

**II. TYPE OF SERVICE:** New single or cumulative loads of one (1) megawatt or higher, served by three phase, 60 cycle, at a voltage available and approved by OCEC.

**III. POLICY CONTENT:**

Any single customer seeking electrical service (whether a new service or expansion of an existing service), resulting in a use of one (1) megawatt or more in a single month (a "large load" ) must enter into a separate power sale agreement with OCEC prior to the provision of such electric service. The agreement shall identify terms, rates, and conditions for providing the electrical service and shall address any special provisions applicable to the provision of the electrical service.

This requirement applies to a "single customer" regardless of the number or billing name or names of the metering points resulting in the creation of the large load, and the separate agreement may not be avoided by spreading the large load over multiple metering points or different billing names.

For the purpose of this policy, a "single customer" shall include all persons or entities "under common control" that obtain power from the OCEC. "Under common control" shall mean those persons or entities of whatsoever nature (whether trusts, partnerships, corporations, limited liability companies) in which the same individual or individuals directly or indirectly hold more than 50% of the voting or capital or profit and loss interest. For the purpose of calculating ownership of voting, capital or profit and loss, the interests of spouses, domestic partners, siblings and lineal descendants shall be aggregated to determine whether or not the 50% ownership threshold exists.

Prior to negotiating a power sales agreement the requesting customer shall provide OCEC with a detailed and verifiable estimate of the electrical power they require **IV.**

**RESPONSIBILITY:**

The General Manager is responsible for implementation of the policy.

**ATTESTING:**

\_\_\_\_\_  
**President**

\_\_\_\_\_  
**Secretary**

\_\_\_\_\_  
**Date**





## CFC Financial Management Training

### CFC Financial Services and Products

Part of CFC's vision is to provide a range of **“financial training products”** and **“best practice courses”** that will enable our member systems' staff and directors to be successful in their roles, thereby strengthening the entire cooperative network. CFC is more than just a **“financial institution”** and is pleased to offer a menu of financial workshops again this year. These services are available through RVP's or HQ staff with specialized expertise in a particular area. You can request these products or workshops through your local RVP.

#### Training logistics, cost and other important information:

- The one-half hour to one and one-half hour training modules are available as stand-alone, or can be “customized for your convenience (some modules may require more time...)”
- The content for all modules is directed at distribution system directors and staff
- There is no charge for these sessions; however, for one-half or full day sessions it would be helpful if the cooperative could provide a light working lunch and beverages for the attendees.
- CFC will provide all training materials, including training booklets. To assist us in preparing these materials, we would appreciate a “head count” on the number of expected attendees approximately two weeks prior to the session.

#### For further information or to arrange a training session, please contact:

**Dan Kessler**, CFC Regional Vice President, Tel: (509-466-9317), Email: [Dan.Kessler@nrucfc.coop](mailto:Dan.Kessler@nrucfc.coop) or  
**Rodney Sanford**, CFC Member Services Coordinator, Tel: (703-467-2734) Email: [Rodney.Sanford@nrucfc.coop](mailto:Rodney.Sanford@nrucfc.coop)

**CFC offers, 6 “core” training module areas... what follows the 6 areas, are related courses/modules that will also continue to be made available by myself! There can be “customized” training made available, if you don't see your needs covered here!**

#### Course descriptions:

- 1.) Capital Credits:** Capital credits are one of the foundational points of the cooperative business model. This session looks at the history and trends of patronage capital in electric cooperatives. It also reviews the philosophical and practical decisions directors need to consider involving allocating, retiring, tax issues, legal issues, public relations and more.
- 2.) Key Ratio Trend Analysis (KRTA):** Reviewing and looking for trends key to **your** cooperative's financial health is an important due diligence duty of all cooperative directors. This module analyzes important financial trends for **your** cooperative by using data from **your** cooperative's personal KRTA. *\*(new data available for each cooperative approximately July/August, each year)* Participants will learn how they can use this tool to assess the overall financial and operational health of their system. **Ask me** about our new “certification program”...

**3.) Debt Portfolio Management:** Today, there are many options available to a cooperative for managing both its cash and the debt portfolio it carries on the balance sheet. This module explores a number of the opportunities a cooperative can utilize to manage its cash, making the most of the member's money. Additionally, it explores why and how a cooperative should manage its debt portfolio.

**4.) Equity Management:** What is the right balance between equity and debt financing for your cooperative? This module covers equity management planning and includes in-depth discussion on growth of assets, capital credits, and margin requirements to help "manage" to appropriate equity "targets and ranges". It will be helpful to have the most recent "5 years of Year-end Form 7's (pages 1-2) prior to this session.

**5.) Strategic Financial Planning and Facilitation:** Identifying the "framework", to set out the goals, strategies and action planning/implementation for a cooperative to focus on, beyond providing energy to its member's, is the focus of this strategic planning. Strategic planning integrates the strategic plan discussion/conclusions with business functions, providing a map/framework from which to manage toward a set of goals. Spelling out the strategic goals and seeing that management accomplishes the work necessary to achieve the goals, without interfering with its development or execution is critical for Board's, and a cooperative's success. This module is best achieved with a day and a half schedule (can be accelerated to a full day) and requires a "survey" of Board and Staff (attending) prior to the meeting, to move the "process" along... *(this module requires a discussion before scheduling)*

**6.) 21<sup>st</sup> Century Rate Challenges and Strategies:** Electric rates are the financial underpinnings for electric cooperatives. It is more important than ever, that rates are properly designed to ensure their financial integrity, while maintaining member support. Each system faces unique issues and circumstances. It is important that each cooperative's approach to rates be grounded in its unique circumstances, including its financial targets, power cost expectations, member acceptance, and regulatory and competitive issues. This session will cover terminology, environmental scan, rate strategies, cost of providing service and rate design issues.

**The following training modules are available through myself or HQ staff with specialized expertise in a particular area. Please request these products or workshops through myself ...**

**Financial Decision Making in the Boardroom:** This training module will take the participants through the various financial statements contained in the Annual Form 7 and the Audit Report. It will review the ratios of TIER and MDSC, as well as other financial statement ratios. The participants will see how their decisions impact these financial statements.

**The Audit Function of the Board:** This module includes a discussion of the annual audit process, the various sections of the audit report, functioning of board audit committees (if appropriate), impacts of the Sarbanes-Oxley legislation, and compliance with lender loan covenants.

**Long-Term Plant Investment:** As distribution systems age and grow, significant investment needs to occur to keep reliability at levels our members expect. This module, explores the impact large investments in plant has on both reliability and on the cooperative's finances. It includes a high-level discussion of capital planning, best practice approaches, long-range and short-range construction planning, financial forecasting, equity management, and retail rate impacts. The module is designed to bring value to both directors and staff.

**Commitment to Excellence Overview:** As regulators, Congress, and the corporate world reacted to scandals, a renewed focus on the fiduciary responsibility of directors to the financial reporting of corporations has occurred. This session introduces the board to CFC's "*Commitment to Excellence: A Guide to Developing Board Policies for Financial Best Practices*" and shows how it might be used to meet this new focus on appropriate governance head on. Sample board policy templates are included, as part of each topical area. Although this is one of CFC's "older" primers, we still get many requests for it!

**Financial Literacy - Understanding the Board's Role:** Electric cooperatives are highly capital intensive, requiring close attention to the financial stewardship of the member-owners' enterprise. In order to most effectively oversee and provide policy direction for the financial and accounting functions of a cooperative, board members must be financially literate. This module explores ways that a board is able to increase its knowledge in financial areas so that it can meet its fiduciary responsibilities.

**Code of Ethics:** Does your cooperative have an updated Code of Ethics or Code of Conduct? This module describes why developing and maintaining an effective Code of Ethics is critical in today's corporate environment. A Code of Ethics can spell out exactly what conduct is acceptable and what is prohibited at your cooperative. It can define what conflicts of interest are. We'll describe why having a good Code of Ethics is not just developing another policy - it's an integral part of the cooperative's culture.

**Internal Control Systems:** Protecting the cooperative against theft, loss of assets and other financial risks, as well as scandals eroding public confidence, requires a sound accounting system. Duties for handling assets must be separated from those of maintaining related accounting records. This module will help you strengthen your internal control system.

**Business Recovery Planning:** Cooperatives have a proven track record of moving quickly and effectively to restore power to their consumers. What about the cooperative's internal business operations? This module explores how a cooperative can prepare itself to recover from a fire, flood, computer catastrophe or other event that interrupts its business operations.

**Budget Pro:** CFC has developed a new excel-based budgeting model that conforms to your Form 7 format and provides an excellent tool for developing and maintaining your annual departmental budgets. This is a comprehensive model that allows you to input data, make changes, and print budget reports for routine update reporting to executive staff and board.

**Retail Rates Examination:** This module will offer expertise from CFC's Regulatory Affairs staff. It will be technically focused on current rate issues, including formulary rates, cost of service-based rates, contributions in aid of construction and serving large loads, as well as what you should know about cost of service studies.

**CFC Banker Perspective:** It's more than just the "Bottom Line"...What are the "key" ratios, system operating characteristics, strategic planning and industry issues that CFC considers as it monitors the overall cooperative sector? What do we look at when evaluating your system? How can these insights help you to better position yourself? This session will delve into the area's most concerning to those who have the responsibility to understand your portfolio as much as you do! This module goes well with a review of your KRTA's.

**Planning - A Key to the Future:** Often members will ask our RVPs, “What steps can we take in order to position ourselves to be successful in the future?” This module, with handouts, is a very high-altitude attempt to answer that question. We normally offer this as a way of beginning an off-site executive team retreat. It’s an “environmental scan” to view the cooperative from all aspects of planning, with particular emphasis on Strategic Financial Planning (SFP). If you’re thinking of doing a Strategic Financial Planning session, this would be a great session to consider and identify initially, all that needs to go in to the SFP and what a good one consists of. Also, the review of “essential tools” in each departmental area is helpful.

**Board Evaluation:** This is a new module that I have been doing for the past few years. The objective of this evaluation is to be certain the Board is making the most efficient and effective use of its capabilities and fulfilling its responsibilities. Emphasis is placed on the Board performance as a group. Areas addressed in the assessment are: By-Law and Contractual Requirements; Fiduciary Responsibility, Confidentiality and Conflict of Interest; Effectiveness of Board meetings and the Decision Making Process; Maintaining an Effective CEO/General Manager Relationship; Relationship with the Attorney and Auditor; and Director Education and Development. A “survey/questionnaire” is required prior to the “evaluation”, and a report of the compiled information is distributed to each board member. A discussion on development of short and long term plans of action is essential. This is really, a Board Strategic Plan!

**Succession Planning:** Throughout the coming years, more and more of our “key” staff and directors will be leaving the program. Replacing those folks will be easier for some...not so much for others! This session will look at ways to plan for replacement (career development, training, reorganization, etc.) and plan for “in-house” replacements or assess the skills necessary for and “outside” replacement to fit in to the cooperative environment.

**Strategic Thinking/Facilitation:** Facilitating a discussion with cooperative leadership on “strategic issues” that have been identified by the CEO/Board or from a preplanning survey. It could be “limited” in scope, to the issues identified prior to the session, but in any case, and action plan for each issue will be developed as required.

**POLICY NO. 10-120****REVISION DATE: May 21, 2018****SUBJECT: CONDUCT OF INDIVIDUAL  
MEMBERS OF THE BOARD OF  
DIRECTORS****I. PURPOSE:**

To describe conduct expected of individual Directors, identify unacceptable or inappropriate conduct; provide for appropriate action to protect the Cooperative in the event of misconduct or improper exercise of authority by a Director; and provide for due process protections to an accused Director.

**II. POLICY CONTENT:**

Directors will exercise the powers of the Cooperative conferred upon them in good faith and in a manner they believe to be in the best interest of the Cooperative.

**PERSONAL CONDUCT:** The Cooperative recognizes and respects a Director's right to privacy and to engage in personal activities outside the scope of service to the Cooperative. However, Directors will refrain from personal conduct that harms, or appears to harm, the Cooperative or conflict with its mission.

**GENERAL CONDUCT:** In all dealings or activities while representing the Cooperative, Directors will conduct themselves in a professional, fair, honest and ethical manner that does not reflect negatively upon the Cooperative,

**LEGAL REQUIREMENTS:** No Director shall do anything in the conduct of business which violates any local, state, or federal laws,

**POLITICAL ACTIVITY:** Directors may engage in political activity at Cooperative facilities or as representatives of the Cooperative provided the activity is sanctioned by the

Cooperative. Personal political activities must be on the Director's own time and outside the Cooperatives facilities, and it must be clear that the Director is not acting on behalf of the Cooperative. Political activity includes, but is not limited to, campaigning, speeches or presentations, editorials, fund raising, signs or displays and gathering petition signatures.

**LOYALTY TO THE COOPERATIVE:** Each Director will remain loyal to the Cooperative, will place the interests of the Cooperative over any personal interests of their own, and will abide by, and carry out, the decisions made by the Board. However, a dissenting Director may disclose to member/owners that he or she dissented on a particular decision, and why, provided that such disclosure does not divulge confidential information.

**GIFTS, GRATUITIES AND ENTERTAINMENT:** When it is in the Cooperative's best interest the General Manager, or Directors acting on behalf of the General Manager, may give, offer or promise something of value as an incentive to do business with the Cooperative or its subsidiaries. However, Directors shall not make such gifts, offers or promises without the knowledge and approval, in advance, of the General Manager.

A Director or his/her immediate family members shall not accept gifts, gratuities or entertainment of more than nominal value from any person, company, or entity doing or seeking to do business with the Cooperative when it might reasonably be inferred that the purpose is to influence the Director in the conduct of the Cooperative's business with the donor.

**GOOD FAITH AND FAIR PLAY:** Each Director will deal in good faith and fair play with every other Director and the General Manager and, in particular, will:

1. reveal all information or interest which he or she may have or know of that may bear upon any action being considered by the Board or the General Manager;
2. demonstrate mutual respect, allow ample opportunity for every other Director to be heard on any matter being considered by the Board and pay careful attention to what other Directors have to offer regarding such matters;
3. not pursue a position, inquiry, recommendation or motion to unduly harass or annoy other Directors, the General Manager, or employees or independent

- contractors of the Cooperative;
4. acknowledge that their role is policy setting and oversight, and as individual Directors, refrain from discussing employment, personnel or management matters with Cooperative employees, other than the General Manager; and
  5. direct any requests for information regarding the Cooperative or its operations to the General Manager.

**CONFLICT OF INTEREST:** A conflict of interest could compromise a Director's loyalty, objectivity and ability to act solely in the interest of the Cooperative. Therefore, no member will be eligible to become or remain a Director if she or he is employed by, involved with, or holds - directly or indirectly - a material financial interest in a competing enterprise or business, or is in any other situation which may be considered a conflict of interest between a Director's personal interest and that of the Cooperative, such that a Director may not be able to exercise independent and objective judgment to serve the best interest of the Cooperative in a given matter, as may be determined on a case-by-case basis by the Board.

A "material financial interest" means a Director or close relative holding stock or any other direct financial interest.

A "competing enterprise or business" is one selling, or potentially selling, wholesale or retail power, propane, power transmission, related ancillary services, or related materials and supplies

A "close relative" is a spouse, parent, child, step relation, sibling, or registered domestic partner or cohabitating partner, or anyone living in the same household as a Director.

A Director who is aware that he or she has an existing or potential conflict of interest must bring it, and all material facts related thereto, to the attention of the Board. As the Board learns of any conflict of interest involving a Director, it will, while excluding the potentially conflicted Director, decide whether there is no conflict, a minor conflict dealing with only limited aspects of the Cooperative's operations or a major conflict.

If the Board decides there is no conflict no action will be taken. If the Board decides that a minor conflict exists, the Director with the conflict will be excluded from all discussions and

voting on issues related to the conflict. If the Board decides that there is a major conflict that Director will be asked to either eliminate the conflict or resign from the Board. If the Director refuses to eliminate the conflict or resign, a vote will be held at either the annual meeting of the membership or a special meeting of the membership to consider the removal of the Director as provided for in Article III – Section 2 of the By- Laws.

The Cooperative and this Policy cannot describe or contemplate all situations that might create a conflict of interest. Directors should contact the Board President or General Manager concerning any questions relative to potential conflicts. Directors are expected to be diligent and attentive to unauthorized conduct that could result in economic loss or public embarrassment to the Cooperative and report such conduct to the Board President or General Manager. Violations by the General Manager may be reported to the Board President or to the Cooperative's attorney.

Directors are also expected to remain aware of and make all reasonable effort to avoid the appearance of conflict of interest, whether or not a conflict actually exists, since such appearance may impair the Director's ability to serve the best interest of the Cooperative.

**SEXUAL HARASSMENT AND OTHER CONDUCT:** While representing the Cooperative and in their capacities as Directors, Directors are prohibited from any conduct or activity that constitutes sexual harassment.

Sexual harassment means unwelcome sexual advances, requests for sexual favors, verbal and non-verbal communication or physical proximity or contact of a sexual nature as perceived by reasonable person when:

1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
2. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual;
3. such conduct has the purpose or effect of interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment;  
or
4. the behavior persists after a recipient has indicated that

it is offensive or unwanted.

Prohibited activities include, but are not limited to, the deliberate or careless:

1. creation of an atmosphere of sexual harassment or intimidation;
2. expression of jokes, comments, remarks or gestures of a sexual nature to or in the presence of others who may find them offensive; and
3. dissemination or display of materials which have sexual content to or in the presence of others who may find such materials offensive.

In addition, to sexual harassment described above, while representing the Cooperative, while on Cooperative premises, attending meetings or otherwise executing their duties as a Director, each Director shall not take any action inconsistent with the Cooperative's drug-free workplace and equal opportunity treatment policies.

Any employee or Director who feels that they have been subjected to, or witnessed an incident of, sexual harassment or Director misconduct in any form by a Director will report the incident immediately to the Cooperative General Manager, who will then advise the Board President of the complaint. If the complaint is about the Board President the Board Vice President will be advised. Complaints will be kept confidential to the extent possible, while allowing an investigation to proceed. The General Manager and Board President or Vice-President, as the case may be, will then conduct an investigation of the allegation that includes interviewing the alleged harasser. The General Manager and the President or the Vice President, as the case may be, may, at their discretion, either attempt to resolve the matter informally or request the filing of a formal written complaint.

The General Manager and President or Vice President, as the case may be, will report allegations of sexual harassment or Director misconduct to the Board for review, exclusive of the accused Director. The accused Director will have the right and opportunity to hear the complaint and all evidence of misconduct (including the results of any investigation of sexual harassment) and to address the remainder of the Board on such allegations. The Board of Directors, exclusive of the accused Director, will consider all evidence and make a

determination (by majority vote) whether Director misconduct has occurred. If the Board determines that Director misconduct has occurred, the Board will recommend appropriate action which may include (but not be limited to) mandatory training, a request for the resignation of the accused Director, or commencement by the Cooperative of a judicial proceeding for removal of the accused Director pursuant to the By Laws of the Cooperative and RCW 23B.08.090 et seq., which provisions are hereby made applicable to the Cooperative by this reference. The Board's determination made pursuant to this Policy will be final and binding.

Any form of retaliation, including but not limited to derogatory comments, against individuals making harassment complaints, witnesses, or any other involved employees is strictly prohibited. Retaliatory activities will be treated as a violation of this policy.

**III. RESPONSIBILITY:**

Implementation of this policy will be the responsibility of the Board of Directors.

President: \_\_\_\_\_

Secretary: \_\_\_\_\_

Date: \_\_\_\_\_

Revised 05/21/18  
Revised 11/25/13  
Revised 06/22/10