



1:00 PM - Strategic Planning Session

BOARD OF DIRECTORS MEETING

September 24, 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 August 27, 2018
 - b) New Members
 - c) August 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) OCEC October Newsletter
5. Committee Reports
None
6. Meetings Attended
 - a) PNGC Monthly Meeting – September 4th & 5th – Portland – David
 - b) WRECA Legislative Committee Meeting with PUDs - September 13th – Pasco - David
 - c) WRECA Board Meeting – September 18th – Spokane – David

- d) PNGC Special Board Meeting - September 21st –
By Conference Call - David

7. Meetings to Attend

- a) PNGC Annual Meeting – Oct. 1st and 2nd –
David, Alan, Chuck, John, Sara
- b) Methow Valley Broadband Community
Meeting – October 10th – 7 PM – MV
Community Center, Twisp **(Tab 3)**
- c) WRECA Manager’s Meeting – October 17 –
Lakeview – David
- d) PNGC Special Board Meeting – October 19th
– By Conference Call - David
- e) CFC IBEC Forum – Amelia Island, Florida –
Nov. 5th to 7th - Lynn

8. General Managers Report (Tab 4)

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

ITEMS OF BUSINESS

- 1) 2019 Budget Topic - Succession Planning
- 2) Vacation Benefits for New Employees - **(Tab 5)**
- 3) 2019 Rate Increase
- 4) New Unmetered Energy Rate and Policy for
Small Communication Installations **(Tab 6)**
- 5) WRECA Draft Legislative Agenda, Carbon
Legislation Statement, Initiative 1631’s Effect on
Propane and Power Costs **(Tab 7)**
- 6) Energy Conservation – Projects/Funding
Update (Also Discuss Possible 2019 Annual
Meeting Gifts)

- 7) Approve OCEC Annual Meeting Date of April 15, 2019 and Discussion of Possible 2019 Annual Meeting Themes
- 8) Nomination Committee Members

MEMBER COMMUNICATIONS

EXECUTIVE SESSION

- 1) Nothing at this time.



BOARD MEETING

August 27, 2018

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

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

Guest: Kent Lopez; WRECA

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 3:04 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

Agenda approved by Board consensus.

4. APPROVAL OF CONSENT AGENDA ITEMS

Sara Carlberg asked to pull and discuss the Outage report during the meeting.

The Consent Agenda was approved as amended by Board consensus.

5. COMMITTEE REPORT

No report.

6. MEETINGS ATTENDED

- a. PNGC Board Meeting – August 6th & 7th – Portland – David & Dale

Items on agenda included: Search for a new CEO, Strategic Planning Timeline, Discussion of Post 2020 BPA Contracts, and Marketing of PNGC to attract new members.

7. MEETINGS TO ATTEND

- a. PNGC Monthly Meeting – September 4th & 5th – Portland – David
- b. WRECA Legislative Committee Meeting with PUD's – September 13th – Pasco – David
- c. WRECA Board Meeting – September 18th – Spokane – David
- d. PNGC Annual Meeting – Oct 1st & 2nd – David, Alan, Chuck and John
- e. CFC IBEC Forum – Amelia Island, Florida – Nov 5th to 7th - Lynn

8. GENERAL MANAGERS REPORT

Attached and reviewed.

In addition David discussed upcoming 2019 budget topics for Board consideration. Sara requested a future discussion regarding new hire employee paid time off.

David discussed current 'red flag' conditions and safety precautions such as re-closure settings at the Winthrop substation. He will include an article in the next Newsletter.

David informed the board that a contractor 'dig-in' in the Edelweiss subdivision last week forced a shut-down of the Mazama circuit from the Winthrop Substation for safety concerns.

1. Office Update

Lynn Northcott reported that Teri Parker developed a Membership Update Form sent by email or regular mail to all members for the purpose of updating phone numbers, emails, mailing addresses and signing up for email or text notifications. The response has been good.

The Revolving Loan fund has been advertised and Lynn said she has had inquiries. The availability of Loan Funds will also be in the OCEC Newsletter.

2. Operations Update

Glenn Huber reported:

- Capital Projects are ongoing, weather permitting.
- The PUD has requested that OCEC convert an overhead loop circuit at the Twisp Substation to underground. Members served by the Twisp Sub will be notified when that outage is scheduled.
- The crew has been busy wrapping up member jobs for the season.
- The new truck on order has been delayed until the 2nd quarter of 2019.
- The PUD will have a valley wide scheduled outage in October for regular maintenance.

3. Propane Update

Tracy McCabe reported she has been attending the daily fire meetings.

She noted that OCEI is not delivering or making appointments in the Level 3 Twisp River evacuation areas unless requested, the request is considered urgent, and an escort is provided by fire officials.

She reported that OCEI is partnering with Methow Housing on their first project.

ITEMS OF BUSINESS

1. Kent Lopez, WRECA

Kent provided materials on NRECA's Co-op's Vote National Program. The program is bi-partisan and encourages cooperative members to register, vote and engage with their elected representatives to support Rural America's concerns and issues.

Kent reviewed upcoming issues to be addressed in the next legislative session. He discussed HB-1631 – Washington's latest carbon fee proposal. Kent cautioned that as of now the proposed fees to be collected will be assigned to committees with no accountability for where the funds are spent.

Kent also discussed Solar Net Metering incentives – now and in the future.

2. 2019 Tree Trimming ROW Clearing Proposal

Glenn gave a presentation on current tree trimming and Right of Way (ROW) procedures and proposed ROW clearing methods. The proposal would add approximately \$20,000 to the 2019 budget.

3. 2019 Rate Increase

David reminded the Board it is on their calendar to review rates and to look at needs and proposed increases already discussed. Ray Peterson will run the existing OCEC budget model with proposed increases. Rates will be included on next month's meeting agenda.

4. Nomination Committee Members

David informed the Board that it is time to begin forming the Nomination Committee for the 2019 Election. Curtis Edwards and John Kirner are up for re-election; Curtis will not be running again and John is undecided.

Appointing a committee is a Board responsibility; the Board and Management staff will bring possible committee members names to next month's meeting. David will include an announcement in OCEC's newsletter.

5. Form 990 Review (copies available before Board Meeting)

Reviewed; no action needed.

6. Request for Detail of Board Expenses for the last Five Years

Sara Carlberg requested a review of Board spending/expenses for the last 3-4 years.

Curtis led the discussion and by Board consensus they agree that the annual dollar figure for whole board expenses should be reviewed once a year prior to the annual meeting.

MEMBER COMMUNICATION

None.

Adjourn to Executive Session at 4:38 pm.

EXECUTIVE SESSION

1. Capstone Solutions Solar Project Update
2. Litigation Update

Alan Watson, Secretary

New Members OCEC**September 24, 2018****REINSTATE**

1.

NEW MEMBERS

1. KULLAS, CHRISTOPHER D & MAHAFFEY, ADRIENNE T	118113
2. GYAMERAH, DANSO & AMY	118114
3. NORWICK, JOHN	118115
4. DENHARTOG, JOE R & MARY ANN	118116
5. NESLER, MARSHA	118117
6. JOHNSON, CAROL & BRIAN	118118
7. MCPHEE, CHRISTOPHER & CLAIRE	118119
8. SARVIS, JEFF & LEVIS, SUZANNE	118120
9. HOLBROOK, MONT F	118121
10. BIELSTEIN, MATTHEW L & SZUL, KRZYSTYNA	118122
11. LEONARD, PETER	118123
12. JOHNSEINE, ANNE & ROBERT	118124
13. THRASHER, ASHLEY & RAMISKEY, CHRIS	118125
14. GUTIERREZ, SOL	118126
15. FURR, CHRIS & KATHRYN	118127
16. IRVINE, THOMAS	118128
17. JENSEN, REBEKAH	118129
18. CLIZBE, RONALD & DELAINE	118130
19. LEMIEUX, NANCY & DAVID	118131



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	8/31/2018

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.	<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; background-color: red; margin: 5px; display: flex; align-items: center; justify-content: center;">8</div> <div style="margin: 5px; display: flex; align-items: center; justify-content: center;">6</div> <div style="margin: 5px; display: flex; align-items: center; justify-content: center;">4</div> </div> <div> <p>Needs Attention</p> <p>Please Review</p> <p>Matches</p> </div> </div>	<p style="text-align: center;">A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?</p> <div style="text-align: center;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div> <p style="text-align: center;">B. Will you authorize CFC to share your data with other cooperatives?</p> <div style="text-align: center;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div>								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; border-bottom: 1px solid black;"> <div style="font-family: cursive; font-size: 1.2em; color: blue;">[Signature]</div> </td> <td style="width: 30%; border-bottom: 1px solid black;"> <div style="font-family: cursive; font-size: 1.2em; color: blue;">9/11/18</div> </td> </tr> <tr> <td style="font-size: 0.8em;">Signature of Office Manager or Accountant</td> <td style="font-size: 0.8em;">Date</td> </tr> <tr> <td style="border-bottom: 1px solid black;"> <div style="font-family: cursive; font-size: 1.2em; color: black;">[Signature]</div> </td> <td style="border-bottom: 1px solid black;"> <div style="font-family: cursive; font-size: 1.2em; color: black;">9-11-18</div> </td> </tr> <tr> <td style="font-size: 0.8em;">Signature of Manager</td> <td style="font-size: 0.8em;">Date</td> </tr> </table>		<div style="font-family: cursive; font-size: 1.2em; color: blue;">[Signature]</div>	<div style="font-family: cursive; font-size: 1.2em; color: blue;">9/11/18</div>	Signature of Office Manager or Accountant	Date	<div style="font-family: cursive; font-size: 1.2em; color: black;">[Signature]</div>	<div style="font-family: cursive; font-size: 1.2em; color: black;">9-11-18</div>	Signature of Manager	Date	
<div style="font-family: cursive; font-size: 1.2em; color: blue;">[Signature]</div>	<div style="font-family: cursive; font-size: 1.2em; color: blue;">9/11/18</div>									
Signature of Office Manager or Accountant	Date									
<div style="font-family: cursive; font-size: 1.2em; color: black;">[Signature]</div>	<div style="font-family: cursive; font-size: 1.2em; color: black;">9-11-18</div>									
Signature of Manager	Date									

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	3,838,879	3,717,588	3,508,571	392,023
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,816,429	1,843,336	1,763,950	188,291
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	48,049	63,114	48,709	5,083
7. Distribution Expense - Maintenance	418,979	403,351	407,366	39,946
8. Consumer Accounts Expense	195,111	195,742	201,556	21,058
9. Customer Service and Informational Expense	4,018	4,710	4,136	257
10. Sales Expense	1,524	4,104	0	0
11. Administrative and General Expense	535,140	385,294	450,805	44,664
12. Total Operation & Maintenance Expense (2 thru 11)	3,019,250	2,899,652	2,876,522	299,299
13. Depreciation & Amortization Expense	245,990	254,987	263,120	32,035
14. Tax Expense - Property & Gross Receipts	28,612	29,991	28,752	3,766
15. Tax Expense - Other	119,241	114,955	115,667	12,414
16. Interest on Long-Term Debt	140,746	135,569	134,515	16,889
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)	3,553,840	3,435,154	3,418,575	364,403
21. Patronage Capital & Operating Margins (1 minus 20)	285,039	282,434	89,996	27,620
22. Non Operating Margins - Interest	6,070	12,092	12,235	363
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	5,002	26,771	5,000	25,048
25. Non Operating Margins - Other	12,000	12,000	12,000	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
29. Patronage Capital or Margins (21 thru 28)	308,112	333,297	119,230	54,531

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	38	29	5. Miles Transmission	0	0
2. Services Retired	3	3	6. Miles Distribution Overhead	301	302
3. Total Services In Place	3,706	3,758	7. Miles Distribution Underground	210	212
4. Idle Services (Exclude Seasonal)	107	100	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	08/31/2018

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	13,846,341	29. Memberships	16,065
2. Construction Work in Progress	323,948	30. Patronage Capital	7,368,479
3. Total Utility Plant (1+2)	14,170,289	31. Operating Margins - Prior Years	888,188
4. Accum. Provision for Depreciation and Amort	4,639,833	32. Operating Margins - Current Year	321,297
5. Net Utility Plant (3-4)	9,530,456	33. Non-Operating Margins	12,000
6. Nonutility Property - Net	0	34. Other Margins & Equities	477,952
7. Investment in Subsidiary Companies	662,742	35. Total Margins & Equities (29 thru 34)	9,083,981
8. Invest. in Assoc. Org. - Patronage Capital	336,847	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,434,341
10. Invest in Assoc. Org. - Other - Nongeneral Funds	147,136	38. Total Long-Term Debt (36 + 37)	3,434,341
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)	1,160,225	42. Notes Payable	0
15. Cash-General Funds	757,290	43. Accounts Payable	284,123
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	149,660
17. Special Deposits	151,507	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	400,679	48. Other Current & Accrued Liabilities	298,882
21. Accounts Receivable - Net Other	816,143	49. Total Current & Accrued Liabilities (42 thru 48)	732,665
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	283,360	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,250,988
24. Prepayments	11,901	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)	2,560,307	Amounts Received This Year (Net)	299,713
27. Deferred Debits	0	TOTAL Contributions-In-Aid-Of-Construction	299,713
28. Total Assets & Other Debits (5+14+26+27)	13,250,988		

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

August 31, 2018

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,501,400	\$3,508,571	\$3,717,588	\$385,330	\$392,023
COST OF POWER	\$2,710,581	\$1,763,950	\$1,843,336	\$190,789	\$188,291
GROSS MARGINS	\$2,790,819	\$1,744,621	\$1,874,252	\$194,541	\$203,732
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$69,955	\$48,709	\$63,114	\$5,082	\$5,083
DISTRIBUTION MAINTENANCE	\$574,972	\$407,366	\$403,351	\$42,255	\$39,946
CONSUMER ACCOUNTING	\$299,885	\$201,556	\$195,742	\$25,762	\$21,058
CONSUMER SERVICE & INFO	\$5,700	\$4,136	\$4,710	\$257	\$257
SALES EXPENSE	\$0	\$0	\$4,104	\$0	\$0
ADMIN & GENERAL	\$674,637	\$450,805	\$385,294	\$58,992	\$44,664
<i>TOTAL OPERATING EXPENSES</i>	\$1,625,149	\$1,112,572	\$1,056,316	\$132,348	\$111,008
FIXED EXPENSES:					
DEPRECIATION	\$394,680	\$263,120	\$254,987	\$32,890	\$32,035
TAXES-PROPERTY	\$43,128	\$28,752	\$29,991	\$3,594	\$3,766
TAXES-OTHER	\$185,500	\$115,667	\$114,955	\$14,458	\$12,414
INTEREST	\$201,772	\$134,515	\$135,569	\$16,814	\$16,889
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$825,080	\$542,053	\$535,503	\$67,757	\$65,104
TOTAL EXPENSES	\$2,450,229	\$1,654,625	\$1,591,818	\$200,105	\$176,112
OPERATING MARGINS	\$340,590	\$89,996	\$282,434	-\$5,564	\$27,620
NONOPERATING MARGINS:					
INTEREST	\$51,154	\$17,235	\$38,863	\$795	\$25,411
OTHER	\$18,000	\$12,000	\$12,000	\$1,500	\$1,500
NET MARGINS	\$409,744	\$119,230	\$333,297	-\$3,269	\$54,531
T.I.E.R.	3.03	1.89	3.46	0.81	4.23

Okanogan County Electric Cooperative Inc
Budget Year: 2018

Forecasted

	2017	Budget year		Actual										
		Jan - Dec	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	\$30,456	\$23,954	\$40,690	\$54,531	\$53,114	(\$25,672)	\$112,177	\$149,896
Plus Depreciation Expense	\$0	\$394,680	\$31,740	\$31,717	\$31,834	\$31,882	\$31,899	\$31,872	\$32,009	\$32,035	\$32,890	\$32,890	\$32,890	\$32,890
Less Capital Credit Allocations	\$0	\$0	(\$29)	(\$751)	\$1,566	(\$120)	(\$683)	\$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	\$61,672	\$55,826	\$72,699	\$86,566	\$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)	(\$6,409)	(\$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	\$61,068	(\$451)	(\$24,125)	\$11,450	\$4,282	\$10,106	(\$188,438)	(\$121,979)
Accounts Receivable - Other (Net)	\$0	\$137,184	\$24,009	(\$18,747)	\$13,552	\$8,459	\$47,501	\$11,416	(\$142,487)	\$7,522	\$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	\$2,976	\$2,975	\$2,975	\$2,976	\$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	\$105,137	\$7,532	(\$170,045)	\$15,539	\$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	(\$78,408)	\$113,082	(\$34,297)	(\$45,887)	\$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)	\$24,095	(\$36,981)	\$1,650	\$16,516	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	(\$40,797)	\$12,272	(\$18,975)	(\$147,544)	(\$354)	(\$54,313)	\$76,101	(\$32,647)	(\$29,371)	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$854,070	\$202,078	\$47,535	\$53,835	\$164,674	\$112,496	\$139,459	(\$129,993)	\$72,734	\$95,223	\$18,321	(\$42,374)	\$95,384
INVESTMENT ACTIVITIES														
Total Utility Plant	\$0	(\$863,521)	(\$360,896)	\$44,051	(\$14,092)	(\$5,776)	(\$2,007)	(\$10,754)	(\$63,085)	(\$43,052)	(\$63,646)	(\$52,212)	(\$52,147)	(\$55,768)
Cost to Retire Utility Plant	\$0	\$0	\$521	\$7,500	(\$12,262)	\$242	\$6,504	(\$12,477)	(\$1,278)	\$8,622	\$0	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$0	\$202,273	(\$36,843)	(\$33,795)	(\$67,376)	(\$58,546)	(\$143,843)	\$2,318	(\$69,169)	\$0	\$0	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$277,356	\$1,152	\$302	\$11,411	\$64,525	\$73,167	\$76,580	\$40,918	\$31,958	\$30,000	\$30,000	\$20,000	\$13,678
Total Other Property and Investments	\$0	\$0	\$247	(\$762)	\$453	\$0	\$0	\$0	\$0	(\$12,524)	\$0	\$0	\$0	\$0
Materials & Supplies - Electric and Other	\$0	\$0	(\$1,394)	\$113	(\$2,104)	(\$8,140)	\$1,869	(\$5,149)	(\$18,228)	(\$3,262)	\$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)	\$20,987	(\$95,643)	(\$39,355)	(\$87,427)	(\$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	\$15	\$40	\$20	\$20	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$1,250	(\$1,432)	(\$4,550)	\$1,850	\$1,460	\$1,150	\$950	\$455	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$332,239)	\$1,270	(\$1,432)	(\$36,861)	\$1,885	\$1,475	(\$31,617)	\$970	\$475	(\$33,305)	\$0	\$0	(\$233,811)
CASH FROM ALL ACTIVITIES	\$0	(\$64,334)	\$45,252	\$60,464	(\$33,414)	\$150,034	\$134,958	\$12,199	(\$168,378)	(\$14,218)	\$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	\$927,687	\$939,886	\$771,508	\$757,290	\$785,562	\$781,671	\$707,150
TOTAL CASH END OF PERIOD	\$570,393	\$506,059	\$615,645	\$676,109	\$642,695	\$792,729	\$927,687	\$939,886	\$771,508	\$757,290	\$785,562	\$781,671	\$707,150	\$526,633

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

	Actual	Current Month		Actual	Year to Date		Annual Budget	Annual Balance	
		Budget	Variance		Budget	Variance			
Member Requested Facilities	32,039.92	24,118.00	(7,921.92)	182,189.31	136,669.00	(45,520.31)	200,983.00	18,793.69	
Replacements (Poles & Transformers)	29,872.02	17,610.00	(12,262.02)	158,456.19	98,707.00	(59,749.19)	103,872.00	(54,584.19)	
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 - Part 2	0.00	24,859.00	24,859.00	0.00	49,718.00	49,718.00	49,718.00	49,718.00	
Replace 2500' of URD at Edelweiss - Part 1	19,356.92	0.00	(19,356.92)	1,928.40	43,468.00	41,539.60	57,957.00	56,028.60	
Convert 3500' of OH to URD at Bear Crk	0.00	0.00	0.00	0.00	41,859.00	41,859.00	41,859.00	41,859.00	
Replace 3000' of URD at Davis Lake	0.00	12,906.00	12,906.00	17,674.73	24,906.00	7,231.27	50,718.00	33,043.27	
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	3,092.13	10,000.00	6,907.87	10,000.00	6,907.87	
Fire Retardant/Treatment on Poles	0.00	0.00	0.00	0.00	17,479.00	17,479.00	17,479.00	17,479.00	
Test/Rebuild 2 sets of Regulators Sub	0.00	0.00	0.00	48,453.93	32,791.00	(15,662.93)	32,791.00	(15,662.93)	
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	15,029.49	0.00	(15,029.49)	0.00	(15,029.49)	
subtotal	81,268.86	79,493.00	(1,775.86)	426,824.18	480,597.00	53,772.82	658,052.00	231,227.82	
Un Allocated Overhead	59,481.08			59,481.08	0.00	(59,481.08)			
Member CIAC CIAC	(31,958.26)	(30,000.00)	(1,958.26)	* (299,713.00)	(153,687.00)	(146,026.00)	(277,356.00)	22,357.00	
Total less CIAC	108,791.68			186,592.26					
								* \$75,301.61 holding in CIAC 08/31/18	
Meters Purchases	0.00	0.00	0.00	21,180.00	20,000.00	(1,180.00)	20,000.00	(1,180.00)	
Computers & Software Upgrades	0.00	0.00	0.00	7,200.00	5,000.00	(2,200.00)	5,000.00	(2,200.00)	
Transformers Purchases	0.00	0.00	0.00	92,019.79	70,000.00	(22,019.79)	70,000.00	(22,019.79)	
Vehicle Replacement	0.00	0.00	0.00	0.00	0.00	0.00	135,000.00	135,000.00	
Total	108,791.68	49,493.00		306,992.05	421,910.00		230,000.00	109,600.21	
							Total Capital Budget less CIAC	610,696.00	303,703.95

* Note

	Line Crew Direct Labor	Materials	107.25 Labor	Consultants Contractors	Transportation	Benefits	Total
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	14,115.42	134.06	16,434.36	0.00	6,233.76	10,260.91	47,178.51
June	16,712.98	52,849.74	20,000.00	24,678.94	7,579.99	10,450.36	132,272.01
July	6,874.61	10,431.18	10,819.48	0.00	4,398.54	5,746.83	38,270.64
August	15,738.13	1,520.60	20,241.26	26,617.32	8,915.34	8,236.20	81,268.85
September							
October							
November							
December							
	83,908.41	78,100.03	110,246.13	51,296.26	46,418.33	56,855.02	426,824.18

* 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
 Aug-18

W.O. #	Monthly Allocation	Contractor	Labor	Labor O/H	AP Vendor & Material	Material O/H	Material Retire/Scrap	Benefits	Trans	Total	
12037	1284.3	7	415.44	527.94				219.12	121.8	1,284.30	
12056	2,785.99	7	908.56	1,154.60				479.23	243.60	2,785.99	
12060	900.04	7	249.10	316.56				131.38	203.00	900.04	
12085	1,874.81	7	553.92	703.92				292.17	324.80	1,874.81	
12092	5,740.73	8	1,645.29	2,090.83				867.81	1,136.80	5,740.73	
12094	316.54	8			231.04	85.50				316.54	
12123	248.09	7	88.66	112.67				46.76		248.09	
12153	428.09	7	138.48	175.98				73.03	40.60	428.09	
12154	1,664.05	7	493.12	626.66				260.10	284.17	1,664.05	
12158	3,280.91	7	969.36	1,231.86				511.29	568.40	3,280.91	
12160	23,814.74	8	3546.32	5,644.74	7,173.33	372.69		2,977.33	4,100.33	23,814.74	
12167	856.20	7	276.96	351.96				81.20	146.08	856.20	
12174	19,356.92	10	14747.71	1,429.54	1,816.66			754.01	609.00	19,356.92	
12176	856.20	7	276.96	351.96				146.08	81.2	856.20	
12180	856.20	7	276.96	351.96				146.08	81.20	856.20	
12181	166.30	7			10.54	155.76				166.30	
12182	428.09	7	138.48	175.98				73.03	40.60	428.09	
12185	99.00	7			99.00					99.00	
12186	15,536.27	7	8323.29	2,055.24	2,611.80	609.33		1,084.05	852.56	15,536.27	
12187	577.38	7	177.32	225.33				93.53	81.20	577.38	
12188	99.00	7			99.00					99.00	
12191	99.00	7			99.00					99.00	
	81,268.85		26,617.32	15,738.13	20,000.00	1,520.60	241.26	0.00	8,236.20	8,915.34	81,268.85

7 Member Requested Facilities

8 Replacements (Poles & Transformers)

OCEC Work Orders

OCEC Projects:

8	12092 Service Orders (temp Disc)	5740.73
8	12094 Transformers 2018.1	316.54
8	12160 OCEC - 2018 T Sub	23,814.74
10	12174 OCEC-2017 Edelweiss	19,356.92
		<u>49,228.93</u>
	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	

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

Labor Capitalized	Capitalization in Percentage												
	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Actual	5%	12%	18%	27%	23%	25%	19%	27%					
2018 Budget	3%	12%	15%	15%	35%	37%	41%	37%	37%	37%	15%	3%	24%
2017 Actual	1%	1%	2%	8%	22%	29%	35%	49%	55%	41%	43%	12%	25%

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	\$ 23,318	\$ 23,747	\$ 18,625	\$ 26,716	\$ -	\$ -	\$ -	\$ -	
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												
	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Actual	98%	88%	82%	73%	77%	75%	81%	73%					
2018 Budget	97%	88%	85%	85%	65%	63%	59%	63%	63%	63%	85%	97%	76%
2017 Actual	99%	99%	98%	92%	78%	71%	65%	51%	45%	59%	77%	88%	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	\$ 78,925	\$ 69,568	\$ 80,898	\$ 70,858	\$ -	\$ -	\$ -	\$ -	\$ 645,416
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

Total Labor YTD	2018	\$ 136,004	\$ 84,581	\$ 92,451	\$ 89,999	\$ 102,243	\$ 93,316	\$ 99,523	\$ 97,573					\$ 795,690
Total Labor YTD	2017	\$ 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
August 31, 2018

Beginning RLF Balance		\$73,234.38
LOUP LOUP SKI ED FOUNDATION LOAN #2		
PAYOFF AUGUST 01, 2019	MONTH	TO DATE
PAYMENTS RECEIVED	\$420.84	\$47,546.20
ADMINISTRATIVE FEE (1%)	\$4.17	\$2,712.50
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$45,833.69
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$4,166.31
LOUP LOUP SKI ED FOUNDATION LOAN #3		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$445.83	\$21,187.47
ADMINISTRATIVE FEE (1%)	\$29.16	\$1,603.98
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$19,583.49
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$30,416.51
TOWN OF TWISP		
PAYOFF AUGUST 01, 2019	MONTH	TO DATE
PAYMENTS RECEIVED	\$79.05	\$7,611.19
ADMINISTRATIVE FEE (1%)	\$2.30	\$472.14
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$7,137.51
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOAN		\$2,072.49
MVSTA LOAN #2		
PAYOFF JULY 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$866.66	\$67,971.38
ADMINISTRATIVE FEE (1%)	\$33.33	\$4,638.30
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$62,499.75
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOAN		\$37,500.25
MEDICINE WHEEL WEB DESIGN		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$510.00	\$24,320.00
ADMINISTRATIVE FEE (1%)	\$10.00	\$830.00
PRINCIPLE PAYMENT TO LOAN	\$500.00	\$23,500.00
ORIGINAL AMOUNT OF LOAN		\$30,000.00
BALANCE REMAINING ON LOAN		\$6,500.00
TOWN OF WINTHROP		
PAYOFF NOVEMBER 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$870.83	\$7,837.47
ADMINISTRATIVE FEE (1%)	\$79.17	\$712.53
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$7,125.03
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOAN		\$87,874.97
TOTAL BALANCE REMAINING ON LOANS		\$168,530.53
ENDING RLF BALANCE		\$76,269.47

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

For the Month Ending
August 31, 2018

Beginning RLF Balance	\$71,863.91	
AERO RESCUE		
PAYOFF NOVEMBER 1, 2020	MONTH	TO DATE
PAYMENTS RECEIVED	\$2,060.00	\$20,300.00
ADMINISTRATIVE FEE (1%)	\$60.00	\$12,360.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$188,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOAN		\$52,000.00
TOWN OF WINTHROP LOAN #2		
PAYOFF JUNE 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$177.67	\$13,577.66
ADMINISTRATIVE FEE (1%)	\$6.84	\$936.24
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$12,641.42
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOAN		\$7,858.58
MVSTA LOAN #3		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$624.16	\$29,602.03
ADMINISTRATIVE FEE (1%)	\$40.84	\$2,350.89
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$27,416.51
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOAN		\$42,583.49
PINETOOTH CREATIVE		
PAYOFF July 01, 2026	MONTH	TO DATE
PAYMENTS RECEIVED	\$84.25	\$2,118.01
ADMINISTRATIVE FEE (1%)	\$6.96	\$184.96
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$1,933.23
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOAN		\$7,341.77
EQPD		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$297.92	\$5,462.56
ADMINISTRATIVE FEE (1%)	\$27.08	\$487.46
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$4,875.10
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$27,624.90
Little Star Montessorri School		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$295.21	\$5,643.82
ADMINISTRATIVE FEE (1%)	\$24.38	\$498.45
PRINCIPLE PAYMENT TO LOAN	\$270.83	\$5,145.77
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$27,354.23
ENDING RLF BALANCE	\$75,237.03	

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
August-18

	May 2018	June 2018	July 2018	August 2018	August 2017
POWER DATA:					
COST OF POWER	\$145,406	\$165,471	\$199,106	\$188,291	\$170,471
KWH PURCHASED	3,443,600	3,472,835	4,348,875	4,000,505	4,210,650
KWH SOLD & OCEC USE	3,144,751	3,162,798	4,003,758	3,575,416	3,771,549
KWH LOST	298,849	310,037	345,117	425,089	439,101
LINE LOSS %	8.68%	8.93%	7.94%	10.63%	10.43%
COST PER KWH	\$0.0422	\$0.0476	\$0.0458	\$0.0471	\$0.0405
BILLING DATA:					
ACCOUNTS BILLED	3,733	3,745	3,760	3,759	3,708
AVG. KWH/CONSUMER	842	845	1,065	951	1,017
BILLING REVENUE	\$360,224	\$356,762	\$411,464	\$388,878	\$385,709
AVERAGE BILL	\$96.50	\$95.26	\$109.43	\$103.45	\$104.02
REVENUE/KWH SOLD	\$0.1145	\$0.1128	\$0.1028	\$0.1088	\$0.1023
SERVICE DATA:					
NEW	6	9	8	5	10
RETIRED	0	0	2	0	1
TOTAL END OF MONTH	3738	3747	3753	3758	3706
IDLE SERVICES	102	103	101	100	107
TRANSPORTATION:					
TOTAL MILES	5,148	5,379	6,424	7,583	7,033
COST OF OPERATION	\$17,104	\$14,373	\$17,705	\$16,970	\$13,297
AVG. COST PER MILE	\$3.322	\$2.672	\$2.756	\$2.238	\$1.891
MATERIALS:					
ISSUES	\$7,235	\$38,106	\$10,627	\$3,595	\$28,799
INVENTORY	\$256,721	\$261,870	\$280,098	\$283,360	\$299,700

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	-	-	7,464	17,938	76.0%	2958	6115	6.064	2.067	3.155
Feeder 1 = Chewuch	2,360	-	-	554	2,914	12.3%	590	952	4.940	1.614	3.061
Feeder 2 = Mazama	3,764	-	-	6,066	9,830	41.6%	941	2985	10.447	3.172	3.293
Feeder 3 = Sun Mtn	2,984	-	-	22	3,006	12.7%	746	767	4.029	1.028	3.919
Feeder 4 = Winthrop	2,724	-	-	822	3,546	15.0%	681	1411	5.206	2.072	2.513
Twisp Substation (2)	2,456	-	-	3,218	5,674	24.0%	614	1490	9.241	2.427	3.808
Feeder 1 = Airport	112	-	-	866	978	4.1%	28	227	34.916	8.107	4.307
Feeder 2 = Loup	776	-	-	128	904	3.8%	194	226	4.659	1.165	3.999
Feeder 3 = Twisp	1,568	-	-	2,224	3,792	16.1%	392	1037	9.674	2.645	3.657
Totals					23,612		3572	7605	6.610	2.129	3.28
CFC Summary	240	-	-	179.42							

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 = 37

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	-	-	###	-	-	-	-	7,235
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	56	-	-	-	-	-	-	-	59
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	-	-	-	-	-	-	-	-	67	-	-	-	-	67
MOTOR VEHICLE	-	-	1,802	-	-	-	-	-	-	-	-	-	-	1,802
AIRCRAFT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIRE	-	-	-	-	-	-	-	0	-	-	-	-	-	0
PUBLIC CUTS TREE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VANDALISM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SWITCHING ERROR OR CAUSED BY CONSTRUCTION / MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER													TOTAL	
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNKNOWN													TOTAL	
CAUSE UNKNOWN	57	-	19	1	2	9	7	###	-	-	-	-	-	1,264

****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	-	-	4,123	-	-	-	-	-	-	-	-	-	4,123
DIST-SOURCE SIDE FUSE	-	-	2	-	-	-	-	-	-	-	-	-	2
DIST-CIRCUIT BREAKER	-	-	-	-	-	-	-	747	-	-	-	-	747
DIST-SWITCH	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-METERING EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-DISTRIBUTION SUBSTATION , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-												4,873
POLES AND FIXTURES													
POL-POLES	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-CROSSARM OR CROSSARM BRACE	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-ANCHOR OR GUY	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-POLES AND FIXTURES, OTHER	-	-	113	-	-	-	-	-	-	-	-	-	113
TOTALS:	-												113
OVERHEAD													
OVR-OVERHEAD	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-LINE CONDUCTOR	-	-	1,809	1	2,912	-	-	-	-	-	-	-	4,721
OVR-CONNECTOR OR CLAMP	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-SPLICE OR DEAD END	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-JUMPER	-	-	-	-	32	-	-	-	-	-	-	-	32
OVR-INSULATOR	-	-	-	-	10	-	-	-	-	-	-	-	10
OVR-LIGHTNING ARRESTER LINE	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-FUSE CUTOFF	57	0	19	2	36	9	5	3	-	-	-	-	131
OVR-RECLOSER OR SECTIONALIZER	-	-	-	-	-	-	-	420	-	-	-	-	420
OVR-OVERHEAD LINE CONDUCTORS AND DEVICES	-	-	-	-	-	133	-	-	-	-	-	-	133
TOTALS:	57												5,447

OCEC 2018 Outage
Detailed Summary By Cause

DETAILED SUMMARY BY CAUSE												
UNDERGROUND												
UG-PRIMARY CABLE	-	-	-	-	15	-	3	179	-	-	-	197
UG-SPLICE OR FITTING	-	-	-	-	-	-	-	-	-	-	-	-
UG-SWITCH ELBOW ARRESTER	-	-	-	-	-	-	-	-	-	-	-	-
UG-SECONDARY CABLE OR FITTINGS	-	-	-	-	-	-	-	-	-	-	-	-
UG-ELBOW	-	-	-	-	-	-	-	-	-	-	-	-
UG-POTHEAD OR TERMINATOR	-	-	-	-	-	-	-	-	-	-	-	-
UG-UNDERGROUND, OTHER	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-	-	-	-	-	-	-	-	-	-	-	197
TRANSFORMER												
XFMR-TRANSFORMER BAD	-	-	-	-	-	-	-	53	-	-	-	53
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	-	-	-	-	-	-	0	-	-	-	-	0
SEC-XFMR-NO EQUIP FAILURE	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-	-	-	-	-	-	-	-	-	-	-	53
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:	-	-	-	-	-	-	-	-	-	-	-	-



Okanogon County Electric Co-op Newsletter

October 2018

Office Info:

Starting October 1st
Winter Office Hours:
Mon - Fri
8 am - 4:30 pm

Our customer service
call center is available
24/7/365 to handle most
electric & propane
concerns.
(509) 996-2228

OCEC Board:

Chuck Armstrong
(carmstrong@ocec.coop)

Sara Carlberg
(scarlberg@ocec.coop)

Curtis Edwards
(cedwards@ocec.coop)

John Kirner
(jkirner@ocec.coop)

Ray Peterson
(rpeterson@ocec.coop)

Dale Sekijima
(dsekijima@ocec.coop)

Alan Watson
(awatson@ocec.coop)

Contacts:

General Manager
David Gottula
(dgottula@ocec.coop)

Information
(info@ocec.coop)

Electric & Propane Companies Represented at Fire Meetings

During emergency events such as Wildland fires, a “cooperators” group is established consisting of members of the Fire Team which includes the Incident Commander, a Liaison Officer, Operations Manager, and their Public Information Officer. This team also invites key members of local agencies and groups, which varies depending on the location and nature of the event. For the Crescent & McLeod fires, it includes Okanogon County Fire District 6, Police – Local, County and State, Aero Methow, public land agency reps such as the Forest Service, WDFW and DNR, the Town Mayors, and both the Electric and Propane companies.

Daily meetings occur where discussions include current and expected fire behavior, public communication and coordination of appropriate agency responses. Attending the meetings establishes personal contact with the Incident Commander, and strengthens existing relationships between the local agencies. These positive interactions pay dividends during this and future responses to emergency situations.

Propane Manager Tracy McCabe and Staking Technician Deanna Melton attended daily Cooperators meetings at the fire camp. Deanna even attended on her birthday and received a present from the Incident Command staff.



OCEI Propane Manager Tracy McCabe and Staking Technician Deanna Melton.



Deanna Melton receives a birthday present from the Fire Team.

BPA Environmental Issues Delay Redundant Power for the Methow Valley

The Pateros-Twisp transmission line is completed. Because of a BPA environmental delay the final step to connect Winthrop and Mazama residents will not be finished until sometime next year. In preparation for the new connection, Okanogon County PUD has installed a new switch in the Twisp substation and OCEC has converted an overhead distribution line to underground in order to mitigate clearance issues. Once BPA completes its environmental review, the project can move forward providing the valley residents with redundant power.



Upcoming Transmission Outage

The Okanogan PUD will have a transmission outage on their Loup Line which feeds the Winthrop Substation starting Thursday, October 25th at 11:30 PM and ending Friday, October 26th at 6:00 AM. This outage will last approximately six and a half hours. Please check our website for any changes. As a reminder OCEC will also send out text messages before this outage.

While our members out of the Twisp substation will remain on, members served from the Winthrop Substation will be out of power during this time period.

New Solar Incentives Maxed Out

In 2017 the Washington State Legislature approved a new solar incentive program named the Renewable Energy System Incentive Program (RESIP). The RESIP program provides incentives for utility customers to install grid-tied solar power. Certified residential systems can earn up to 50% of install costs and up to \$5,000 annually for eight years. Funding for the program is based on each utility which has: A specific annual cap that limits total annual incentive payments to 1.5% of their calendar year 2014 power sales, and Project-specific caps (for shared commercial and community solar, and commercial solar projects).



Residential solar install located on Balky Hill.

Demand for the program was high and OCEC reached the new limit on solar incentives on September 12th. Approximately 25 residential units and one community solar were able to use the new additional incentives approved for 2018. Therefore OCEC is no longer accepting new applications at this time. OCEC will have a total of 48 residential, one commercial and three community solar units using all the Washington State incentives which includes both the legacy and the new participants.

Energy from OCEC is 96.5% Carbon Free

Below is a breakdown of the sources of energy for OCEC.

- Hydro – 86.3%
- Nuclear - 10.2%
- Coal – 2.4%
- Natural Gas – 1%
- Community Solar - .1%
- Other - .9%

Facts About Hydropower

Hydropower keeps your lights on!

About 61% (approximately 33,000 megawatts) of the Pacific Northwest region's generating capacity comes from hydroelectric dams. The lower Snake River dams alone have the capability to produce 3,000 megawatts of clean, renewable, energy.



Broadband and the Methow Valley :: TwispWorks



Because reliable, high speed internet plays such a vital role in the economic health of our valley, TwispWorks has identified rural broadband internet as a top priority advocacy issue and has been working to improve access for all residents. In the Spring of 2018, TwispWorks began leading the discussion convening meetings between our local internet service providers, governments and interested citizens.

[The Partners for Rural Washington \(PRW\)](#), through a grant from [Communities of Concern](#), has teamed with TwispWorks, Okanogan County and the town of Twisp to perform a valley-wide, rural broadband internet needs assessment. At the end of the study, PRW will provide a written report outlining the possible next steps (and cost estimates) for enhancing broadband service in our rural community. This grant funded work is being done at no cost to the towns or county and you can read the Memorandum of Understanding between the Partners for Rural Washington and Okanogan County, Twisp and Winthrop below.

[Read/download the Methow Broadband MOU](#)

Over 13% of Methow Valley residents work remotely and rely on the internet to earn their livelihood. Every day, valley businesses rely on the internet for marketing and financial transactions. Students rely on the internet to complete assignments and parents actively monitor their progress through the internet. Here in the Methow Valley, we are fortunate to have great, local internet service providers who are committed to quality and customer service. But it's no secret that some valley residents either do not have the service that they require or are unaware of how to get the service that they want. With input from area experts, elected officials and community members, we've created this roadmap to help achieve this ambitious goal:

1. Assemble a team to develop a community broadband vision;
2. Facilitate a planning process to understand community broadband needs;
 - a. Perform a valley-wide needs assessment and identify gaps in service;
 - b. Evaluate and chose appropriate technology and service options;
 - c. Create a broadband plan;
3. Implement a community led plan;
 - a. Identify funding opportunities;

b. Complete identified infrastructure improvements as necessary.

What can you do to help? Take this **survey** and pass it on to your friends, family, co-workers or anyone else you know who lives here! And join us on **Wednesday, October 10 at 7:00 pm at the Methow Valley Community Center** for a community discussion. Mario Villanueva, the Executive Director for Partners for Rural Washington will share insights from the survey and lead a community conversation on what your internet experiences and needs are. Join us!



Memorandum of Understanding

Between Town of Twisp, Town of Winthrop, Okanogan County and
Partners for Rural Washington

for

Broadband Planning for the Methow Valley, Okanogan County
August 2018

This Memorandum of Understanding (the "MOU") effective the 3rd day of August 2018 states the terms and conditions that govern the voluntary working arrangement between and among the Town of Twisp, the Town of Winthrop, Okanogan County and Partners for Rural Washington having their principal places of business at the following:

- Town of Twisp - 118 S Glover St, Twisp, WA 98856 ("Client")
- Town of Winthrop - 206 Riverside Ave, Winthrop, WA 98862 ("Client")
- Okanogan County - 123 5th Ave N # 150, Okanogan, WA 98840 ("Client")
- Partners for Rural Washington, 1000 2nd Avenue, Seattle WA ("Consultant")

WHEREAS, the Consultant offers consulting services in the field of rural broadband planning and development technical assistance,

WHEREAS, the Clients desire to be the beneficiaries of the services of the Consultant to render consulting services with regard to an assessment of need and plan for expanding high speed rural broadband services in the Methow Valley region of Okanogan County according to the terms and conditions herein.

NOW, THEREFORE, the Consultant and Clients (individually, each a "Party" and collectively, the "Parties") intend as follows:

1. Term

This MOU shall begin on August 3rd, 2018 and continue until December 31st, 2018.

1 Any Party may terminate this MOU for any reason with 5 days written notice to the other Parties.

2. Scope of Consulting Services

The Consultant commits to lending its expertise to the Clients for the Scope of Consulting Services (the Consulting Services) as follows:

- Help set convenings of community stakeholders from the local community, regional, governmental (local, county, state, tribal) non-governmental agency and private business sectors to gather direct input on the perceived level of current broadband services in the Methow Valley region and as applicable, the surrounding regions of Okanogan County.
- Document community based feedback on the perceived level of current broadband services and as applicable, the need for increased capacity. This includes ensuring outreach to low income and communities of color to ensure their involvement in this process.
- Work in particular with public and private broadband service and infrastructure providers in the region to identify the levels of existing broadband services and location of current "backbone" and service delivery infrastructure. This will include identifying current and future plans to increase capacity and current technologies being employed to provide broadband services.

- Provide a general written assessment to identify general areas where lack of broadband services are the greatest in the Methow Valley region.
- Provide a written assessment of how broadband needs, as identified by public, private and business sources, can be met and what technologies and delivery systems could be used to accomplish this.
- Provide a general development cost budget of methods and technologies that could potentially help meet the need for broadband services as identified in the aforementioned written assessment for the Methow Valley.
- Provide a written detail of financing resources potentially available to help meet the need for improving the level broadband services in the Methow Valley and if applicable, the surrounding regions.

3. Client Commitment

The Clients commit to these activities:

- Being available to attend planning and work review sessions related to the scope of work.
- Garnering support under this MOU from their respective governing bodies.
- Ensuring that efforts are made to demonstrate public support for this broadband planning project.
- Providing in kind support such as providing meeting venues and minimal staff support for this work.

4. Compensation

No compensation is due from the Clients to Consultant in connection with scope of work identified in this MOU. Any future work done by the Consultant outside the scope of work in the MOU may require compensation and, if so, will be covered by a written contract or agreement that complies with Washington and local contracting laws and regulations.

5. Intellectual Property Rights in Work Product

The Parties acknowledge and agree that the Consultant will hold all intellectual property rights in any work product resulting from the Consulting Services including, but not limited to, copyright and trademark rights. The Clients agree not to claim any such ownership in such work products intellectual property at any time prior to or after the completion and delivery of such work product to the Clients. The Clients shall each be provided with 5 copies of any written assessments, reports, budgets, and related work product for their own use.

6. Confidentiality

Unless authorized in writing by the Parties to do so, the Consultant shall not disclose to any third party any details regarding the Clients' business, including, without limitation any information regarding any of the Clients' customer information, business plans, or price points (the Confidential Information), (ii) make copies of any Confidential Information or any content based on the concepts contained within the Confidential Information for personal use or for distribution unless requested to do so by the Clients, or (iii) use Confidential

Information other than solely for the benefit of the Clients.

7. No Representations

The Consultant makes no representations concerning the services provided to the Clients.

8. Binding Effect

This MOU is effective only when signed by all Parties. No modification of this MOU shall be valid unless in writing and signed by all Parties.

9. Applicable Law

This Consulting MOU and the interpretation of its terms shall be governed by and construed in accordance with the laws of the State of Washington and subject to the exclusive jurisdiction of the federal and state courts located in Okanogan County, Washington State.

IN WITNESS WHEREOF, each of the Parties has executed this Consulting MOU, all Parties by their duly authorized officers, as of the day and year set forth below.

Town of Twisp

Soo

Ing-Moody

Mayor

Town of Winthrop

Sally

Ranzau

Mayor

Okanogan County

Andy

Hover

Commissioner

Partners for Rural Washington

Kim

Herman

Board Chairman

General Manager's Report to the Board – September 2018

General Discussion:

- While we did not have any facilities damaged by the recent large fires in the Valley, one of the lessons learned from this event was to have a small quantity of the Fire Guard on hand during fire season. We use Fire Guard to protect our poles from fires. In this particular situation, we would have been able to safely get into the upper Twisp River area to treat the poles where the fire could have been a threat.
- After review of the websites of both companies, staff has decided to revamp of both of these websites. This will be included as Incentive Goals for 2019. We will budget necessary funding accordingly.
- At WRECA, we have started working on our legislative agenda for the upcoming session. It is looking like we will be on the defensive for the most part with many legislative proposals that could potentially increase costs to OCEC. Initiative 1631 (Carbon tax), if passed, will increase costs of both propane and electricity. For propane, the tax will be approximately 8.5 cents per gallon with a 1.1 cent per gallon per year escalator. For the gallons sold in 2017, the tax would have been \$85,000. For electricity, the tax will be approximately \$15,000 per year with a \$2,000 per year escalator. These are just estimates as if the initiative is passed, there will be rule making which will determine how these exactly this tax is calculated.
- At PNGC, we have begun the search for a new CEO. We have received good initial response (32 applicants) and will begin a series of Board meetings to narrow these down. I will conference call into these meetings instead of attending in person. We plan to have interviews in Portland the first week of November and I will attend these interviews in person. It is hoped that person selected can start around the first of the year.
- We have begun planning for the OCEC Annual Meeting this coming April. This year is the 80th year of the Co-op and the 20th year of the propane company. We will discuss possible themes at the Board meeting.
- The new solar incentives have been very popular with our members and because of this, we have reached the new incentive limit and have discontinued accepting new solar incentive applications. We have five installations including one community solar project in the development stage and we will accept these. We are putting this notification on the website and in the October OCEC newsletter. WSU Energy Department will also

update their website. As recommended by the WSU Energy Department, we do have a small cushion in case energy production is greater than expected. The reason for the cushion is that if incentives from energy production are greater than what we have tax credits for, OCEC would be responsible for this cost.

Financial Discussion

- For YTD August 2018, operating margins were \$3,000 under corresponding 2017 amounts and \$192,000 over 2018 budgeted amounts.
- For YTD August 2018, nonpower expenses were \$146,000 under corresponding 2017 amounts and \$62,000 under budget.
- For Management Goal #2 which looks at A&G and the Customer Accounts, we were \$66,647 or 11.2% under budget for YTD August.
- Equity ratio for August 2018 is 68.3%. Equity ratio for August 2017 was 65.6%.
- Power costs continue to show a major increase compared to last year. For the first eight months of 2018, BPA power costs have increased 8.4 % on a kwh basis compared with 2017. So far for 2018, the estimated cost attributable to the increase in kwh rate is \$143,679. This is a little higher than expectations.

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	3,623,220	\$ 133,899	3.7	3,443,600	145,406	4.2
June	3,421,650	\$ 155,255	4.5	3,472,835	165,471	4.8
July	4,336,360	\$ 179,386	4.1	4,348,875	199,106	4.6

Okanogan County Electric Cooperative , Inc.

August	<u>4,210,650</u>	\$	<u>170,471</u>	4.0	<u>4,000,505</u>	<u>188,291</u>	4.7
Total	43,128,635	\$	1,819,571		40,398,075	1,848,049	
Overall Cents/KWH	4.22				4.57		
Overall % Increase on a kwh basis.	8.4%						
Estimated \$ in CY 2018 attributable to Increase in KWH rate		\$			143,679		

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.

Eleven of thirteen cooperatives responded.

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. Our 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.

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.

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.

POLICY NO. 30-165 DRAFT**EFFECTIVE DATE: January 1, 2019 to December 31, 2019****SUBJECT: UNMETERED ENERGY RATE SCHEDULE**

AVAILABILITY: Available to small fixed loads such as communication amplifiers, repeaters, traffic signals, and broad band equipment where load is constant and can be calculated. Loads must be 1 KW or less.

UNMETERED ENERGY RATE

MONTHLY RATE: Monthly Service Charge: \$32.00 per month
Kilowatt-hour charge: \$.0810 per kWh

Type of Service

Single phase, 60 cycles, 120 volts, 1 kw or less.

Billing

Billing will be once a year in January for the entire annual amount for that calendar year.

General Provisions

1. Member must install a disconnect switch that can be locked by the cooperative.
2. The member must provide fusing to protect their equipment.
3. Kilowatt hour usage shall be calculated based on the device drawing rated current (as determined by the manufacturer's recommended fuse size) at 120 volts at unity power factor for 8,760 hours per year.
4. For partial years, billing will be calculated when installed for the rest of the calendar year.

Electrical and Harmonic Interference:

The member agrees to maintain an average total harmonic distortion (THD) level of the load current that is consistent with the IEEE 519 (1992) standard for distribution system customers. If the Cooperative determines that the member load is contributing to excess THD on the distribution system, the member will install the necessary filtering or compensation to maintain the THD at or below the level required by the Cooperative, within thirty (30) days of the Cooperative's written request to the member. Failure to install the necessary preventative equipment will result in disconnection of service.

STATE AND MUNICIPAL TAXES: All state and municipal taxes, in areas where applicable, will be charged to affected members.

ATTESTING:

President

Secretary

Date



WRECA

Washington's Electric Cooperatives

PO Box 7219
Olympia, WA 98507
360.357.6048
www.wreca.coop

Your Touchstone Energy Partner 

DRAFT - 2019 Legislative Objectives

1. WRECA supports a Washington State energy policy that:
 - recognizes the value of the Northwest's clean and predominantly carbon-free electricity resources,
 - avoids shifting the costs of carbon pollution mitigation to cooperatives that do not use carbon emitting resources, and
 - supports carbon mitigation policies which do not adversely impact jobs in Washington State or place our businesses at a competitive disadvantage.
2. Concerning the Renewable Portfolio Standard (RCW 19.285), WRECA:
 - supports amendments to allow incremental power generated as a result of efficiency improvements at federal hydro facilities to count towards a utility's RPS requirements, and
 - opposes increases in RPS standards, or utility inclusion requirements.
3. WRECA supports the coordination of danger tree removal permissions and liability with the Department of Natural Resources (Utilities must have the right to proactively manage trees that are outside of standard Rights-of-Way or a waiver from liability if access permissions are not granted.)
4. WRECA supports the electric cooperatives' rights to determine the appropriate permitting, safe placement, permitting and rates for pole attachments. Due to safety and cybersecurity concerns, WRECA opposes third party access to any utility infrastructure. ~~(The diversity of density and topography of utility service areas makes it important to maintain a utility's ability to determine the most appropriate placement, rates and the permitting process for pole attachments.)~~
5. WRECA is a strong advocate for the propagation of rural broadband and realizes the successful build-out must be safe, environmentally sensitive, aesthetically acceptable and economically sustainable.
6. WRECA supports the electric cooperatives' right to eminent domain
7. WRECA does not support any amendments to the state's net metering statute.
8. WRECA supports allowing easements on state-owned land for locating renewable generation in perpetuity at no cost.
- 7.9. WRECA supports state energy policy that ensures the reliability of the electric transmission and distribution systems.



WRECA

Washington's Electric Cooperatives

PO Box 7219
Olympia, WA 98507
360.357.6048
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Your Touchstone Energy® Partner 

WRECA Carbon Legislation Statement

WRECA and its member-owned electric cooperatives seek to collaborate with legislators and stakeholders to shape energy policy so that it recognizes the value of the Northwest's clean and predominantly carbon-free electricity resources and avoid shifting the costs of carbon pollution mitigation to cooperatives that do not use carbon emitting resources. WRECA will only support carbon mitigation policies which do not adversely impact rural electric cooperative jobs in Washington State or place our businesses at a competitive disadvantage.

WRECA members assume that:

1. Carbon legislation would accelerate new kWh sales via the electrification of space heating and transportation sectors.
2. Our environment benefits from dramatically less carbon in the atmosphere.
3. Our cooperative members benefit because electricity is more efficient than fossil fuels and will decrease their total energy expense.

The WRECA members have identified specific principles that any carbon mitigation legislation must address:

1. Policies and regulations should be complementary, across all sectors, toward achieving the primary goal of carbon reduction, which in turn will promote new renewable resources, energy efficiency, and new energy technologies.
2. Electric system reliability must be the cornerstone of any carbon mitigation policy.
3. The timing and scale of investments in new resources and technologies should be aligned with each utility's needs for resources.
4. State policies should regulate carbon uniformly at the broadest scale possible and be technology neutral while providing compliance flexibility for utilities that pursue cross-sector carbon reductions.
5. State policies should allocate allowances or distribute revenues associated with carbon regulation in a way that fairly allocates costs and distributes benefits to the areas with the most needs and sustainability; specifically, back to utilities for renewable development, beneficial electrification of transportation sector and to rural communities for broadband expansion.

As carbon mitigation legislation is developed, WRECA members believe that to meet the principles listed above, the legislation must meet the following requirements:



Business/Organization Member Form

Our organization/business is opposed to Initiative 1631, the deeply flawed, unfair energy tax that would force Washington families, small businesses and consumers to pay billions more for gasoline, electricity, and natural gas, while providing no clear guidelines or accountability for how the money would be spent. Filled with unfair exemptions that make no sense, and with no specific plan for spending, I-1631 provides no guarantee of significantly reducing greenhouse gases. You may list our organization/business publicly as a member of NO on 1631.

Business/Organization Name (please print)

Name & Title of person signing

Signature

Mailing address

City, State, Zip

County

Date signed

Contact Phone Number

Cell Phone Number

Email address

Number of members/employees

Yes! In addition to listing our business/organization as a member, please add my name (signing officer) as an individual coalition member.

Yes! We are interested in helping in other ways. Please contact the person designated below to let us know what we can do to help further support this effort!

Contact Person

Contact Phone and Email

Please mail, email or fax this completed form to:

NO on 1631
PO Box 7035
Olympia, WA 98507

Toll-Free Phone: 1-877-539-4443

Toll-Free Fax: 1-877-262-0752

Email: info@VoteNOon1631.com

Paid for by NO on 1631 (Sponsored by Western States Petroleum Association), PO Box 7035, Olympia, WA 98507
Top 5 Contributors: Andeavor, BP America, Chevron U.S.A. Inc., Phillips 66, U.S. Oil & Refining Company

NO on 1631 Coalition

Individual Member Form

I oppose Initiative 1631, the costly and flawed measure that would create damaging policies for our state. This initiative proposed for the November 2018 statewide ballot in Washington represents a poor approach to environmental policy for our state and would unfairly hurt Washington families, small businesses and our economy. You may list me publicly as a member of the official coalition of Washington citizens, organizations and businesses who have joined together to oppose this harmful proposal.

Name (please print)

Signature

Current occupation or job title*

Employer or organization*

Mailing address

City, State

Zip

County

Phone Number

Cell Phone Number

Email address

Date signed

On the lines below, please list any other notable current or former titles or affiliations you may have, including other job titles, organizational positions, awards, etc.*

*Titles and affiliations are for identification purposes only and will be indicated as such on any published lists.

Please mail, email or fax this completed form to:

NO on 1631
PO Box 7035
Olympia, WA 98507

Toll-Free Phone: 1-877-539-4443

Toll-Free Fax: 1-877-262-0752

Email: info@VoteNOon1631.com

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