

## 2 PM – Board Training – Equity Management

### BOARD OF DIRECTORS MEETING

December 17, 2018 at **3:00 PM**



#### AGENDA

1. Meeting Called to Order
2. Determination of Quorum
3. Approval of Agenda
4. Member Communications **(Tab 2)**
5. Approval of Consent Agenda **(Tab 3)**
  - a) Minutes from November 26, 2018
  - b) New Members
  - c) November 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
6. Committee Reports
  - a) Finance Committee
7. Meetings Attended
  - a) PNGC Monthly Board Meeting, Portland, December 4<sup>th</sup> – David
8. Meetings to Attend
  - a) Christmas Party – Staff and Board - January 4<sup>th</sup> - 6:30 PM – Wood Stone Pizzeria **(Tab 4)**

b) PNGC Monthly Board Meeting, Portland, January 3<sup>rd</sup> – David and Dale

9. General Managers Report (Tab 5)

- a) Office Update
- b) Operations Update
- c) Propane Update

**ITEMS OF BUSINESS**

- 1) Discussion for Open Board Position
- 2) Acknowledgement of OCEC Policy NO. 10-120 Conduct of Individual Members of the Board of Directors **(Tab 6)**
- 3) Approve Revised Policy No. 30-210 Disconnect and Reconnect Policy **(Tab 7)**
- 4) Approve Revised Policy No. 20-030 Attendance at Board Meetings **(Tab 8)**
- 5) Balanced Scorecard November Results **(Tab 9)**
- 6) Request for Write off
- 7) Update – Major 11-hour Transmission Outage in April
- 8) Mazama Project Brief
- 9) Board E-Mail
- 10) Base Charge Discussion

**EXECUTIVE SESSION**

- 1) Broadband Discussion
- 2) 2019 Management Goals
- 3) Litigation Update
- 4) Open Board Position

**From:** Don Rudolph <[donrudolph920@gmail.com](mailto:donrudolph920@gmail.com)>

**Sent:** Monday, December 03, 2018 8:51 AM

**To:** info <[info@ocec.coop](mailto:info@ocec.coop)>

**Subject:** Thank you

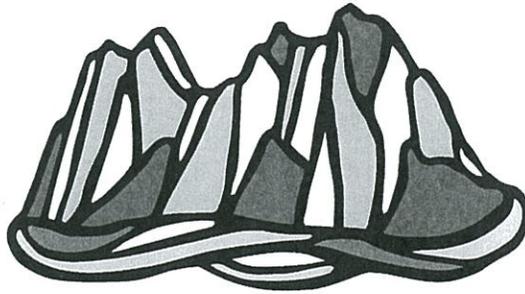
Team OCEC,

We had an outage this weekend, and the response time was incredibly fast, we were back up in less than one hour. Thank you for the terrific service, keep up the good work!

Regards,

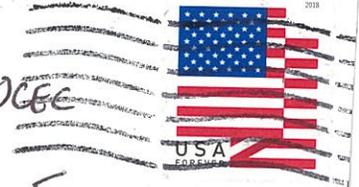
Don Rudolph

81 Homestead Hills Rd.



**OLD SCHOOLHOUSE**  
METHOW **BREWERY** VALLEY

DEAR DAVID, JESSICA & CREEW  
THANK YOU FOR THE USE OF THE OCEC  
BOARD ROOM - IT WAS THE PERFECT SPOT FOR  
OUR TEAM TO MEET AND DISCUSS.



WISHING YOU HAPPY  
HOLIDAYS - FROM OUR  
TEAM AT OSB -  
SINCERELY,

OCEC  
93 W CHEWUCH RD  
WINTHROP WA 98862

JACOB YOUNG, NATHAN YOUNG, TROY ANDERSON



**BOARD MEETING  
November 26, 2018**

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

**Attending:** David Gottula; General Manager, Lynn Northcott; CFO/Office Manager, Deanna Melton; Staking Tech, Tracy McCabe; OCEI Propane Manager, and Teri Parker; Office Staff.

**Members in Attendance:** Ashley Thrasher

**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**

Lynn Northcott added 2018 Write-Offs to the agenda. Agenda approved as amended by Board Consensus.

**4. MEMBER COMMUNICATION**

Three letters from members were reviewed by the Board.

**5. APPROVAL OF CONSENT AGENDA ITEMS**

David noted the December 2018 Newsletter has been changed. The Newsletter will feature OCEC's Revolving Loan Fund instead of 2019 Legislative Goals for OCEC.

The Consent Agenda was approved by Board consensus.

## **6. COMMITTEE REPORT**

Governance Committee:

John Kirner discussed staff-recommended modifications for Policy No. 30-210 Disconnection and Re-connection of Service. The Governance Committee also recommended a minor change to Policy 20-030. These policies will be sent to Legal before coming to the Board for approval.

A discussion was held regarding OCEC's Conflict of Interest Policy(s) and whether it is necessary for Directors to sign a Conflict of Interest form. It was decided to have staff add signature lines for Directors to sign annually.

At this point of the meeting, Curtis invited Ashley Thrasher to make comments or ask questions; she thanked the Board and had no questions or comments at the time.

## **7. MEETINGS ATTENDED**

- a. PNGC Monthly Board Meeting and CEO Interviews Nov. 5<sup>th</sup> thru 8<sup>th</sup> – David

David reported that seven (7) interviews for the CEO position were conducted. PNGC selected Roger Gray as its new CEO.

- b. CFC IBES Conference and Budget Pro Training – Nov 5<sup>th</sup> to 7<sup>th</sup> – Amelia Island FL – Lynn Northcott

Lynn reviewed the conference and training session and noted she attended several breakout sessions and was able to make new contacts regarding Broadband and easement issues.

## **8. MEETINGS TO ATTEND**

- a. PNGC Monthly Board Meeting – Portland – Dec. 4<sup>th</sup> - David

**b. WRECA Board Meeting – Dec. 11<sup>th</sup> - Sea Tac - David**

David noted that for 2019 Washington State Legislative session, carbon mitigation and the 100% clean energy proposal will be prominent.

**9. GENERAL MANAGERS REPORT**

Attached and reviewed.

David discussed Washington State's Solar Incentive's and noted that Little Star School has dropped most if not all of their proposed project. Classroom in Bloom has applied by the deadline with the capacity freed up from Little Star for a community solar project on the Methow Valley School Campus. This will be tied into the Methow Valley School metering,

David reviewed and discussed PNGC costs for Fiscal Year 2018 including possible capital credits retirement from PNGC.

**1. Office Update**

Lynn Northcott reported OCEC will be sending capital credits for 1997 & 1998 on or around December 15, 2018. She noted 'best practices' is for the letter sent with the check be signed by the General Manager. We have re-written the letter and David Gottula will sign it.

**2. Operations Update**

Deanna Melton reported:

- Work for 2018 is being wrapped up and paperwork being completed so that inventory can begin.
- Operations is looking at changing the timing for monthly safety meetings. Current meetings are on a Monday morning; mid-week and/or midday would be a better time.
- Deanna attended and reviewed a Disaster Response training presented by a Washington State FEMA Representative.
- She discussed OCEC transformers: Inventory, budgeting, ordering - sizes needed and used.

**3. OCEI Propane**

Tracy McCabe reported an ongoing discussion with a local business complaint regarding competition of appliance sales. She noted the Board should be aware of the situation.

OCEI employee, Byron Odion, began working for OCEI in 2011. He is retiring and his last day is November 30, 2018.

## **ITEMS OF BUSINESS**

### **1. 2018 Write Off Request**

Lynn reported the 2018 bad debt total is \$793.33 and the write-off request total is \$269.77 after capturing discounted capital credits

Dale moved to accept the write-off's as presented. Second. Motion carried.

### **2. 2019 Budget Topics**

#### **a. Capital Budget**

David and the Board reviewed and discussed the presented 2019 Capital Budget report.

It was noted the Capital Budget will be approved in February 2019 after the annual audit is completed. The Finance Committee will meet to discuss budget details to present to the Board for approval.

#### **b. Board Room TV Projector**

After discussion, the Board expressed support for the TV Projector project and encouraged upgrading to video conferencing also.

### **3. Approval of EES 2019 COSA Agreement**

David presented the EES Consulting proposal for a COSA (Cost of Service Analysis). The estimated cost is \$25,000.00 plus other expenses. The proposal was reviewed and discussed.

Modifications suggested are to change the timing to coordinate with the release of BPA's rates in July or August of each year.

Dale moved to accept the EES Consulting Proposal, with suggested timing modifications. Second. Motion Carried.

### **MEMBER COMMUNICATION**

Curtis invited Ashley to make any comments or ask questions at this point of the meeting.

Ashley noted that she is involved with Broadband development through Twisp Works and thanked the Board for its continuing work and involvement for increasing access for the Methow Valley. She also noted she works with MVCC (Methow Valley Citizens Council) and she appreciates OCEC's work for Carbon and Clean Energy efforts.

#### **4. Bylaw Discussion**

Curtis Edwards recommended no changes to the Bylaws in regards to Article III Directors: Section 3 Nominations.

He noted the existing Bylaws already address an appointed Director to fill a vacancy and the following elections.

#### **5. Process Discussion for Open Board Position**

Five (5) applications have been received to fill the vacancy on the Board.

After discussion it was proposed to:

1. Send a letter to each applicant to outline the position requirements and include current policies and Bylaws. Curtis will draft the letter.
2. Timeline: fill the vacancy ideally before the December 17<sup>th</sup> Board Meeting if possible.
3. Schedule interviews.

Adjourn at 4:53 pm.

**EXECUTIVE SESSION**

1. Broadband Discussion
2. 2019 Management Goals
3. Litigation Update

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**Alan Watson, Secretary**

**New Members OCEC****December 17, 2018****REINSTATE**

1.

**NEW MEMBERS**

1. BINGEN, SCOTT & KING, MEGHAN	118178
2. WALKER, ELIZABETH	118179
3. GILLARD, DON & JONI	118180
4. CHRASTINA, NATHANAEL & SARAH	118181
5. SAND, ANNA & BERTELSEN, BRANDON	118182
6. ADAMS, ERIK & CHERYL	118183
7. MILLS, DUSTIN	118184
8. TWO CEDARS LLC	118185
9. HUNSDORFER, PETER & SALLY	118186
10.WOLFE, PAIGE	118187
11.AMUNDSON, GAIL	118188
12.DAHLIN, ANDREW	118189
13.BURNETT, DIANE & MCGARRY, ERNIE	118190
14.BUSH, MICHAEL & KNODELL, SALLY	118191



<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>	11/30/2018

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="border: 1px dashed black; padding: 5px; margin-right: 10px;"> <div style="background-color: red; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">8</div> <div style="background-color: yellow; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">6</div> <div style="background-color: green; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">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: center; gap: 20px;"> <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: center; gap: 20px;"> <input checked="" type="radio"/> YES           <input type="radio"/> NO         </div>				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; border-bottom: 1px solid black;"> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;">12/12/18</div> </div> </td> <td style="width: 20%; border-bottom: 1px solid black; text-align: center;">Date</td> </tr> <tr> <td style="border-bottom: 1px solid black;"> <div style="display: flex; align-items: center;"> <div style="margin-left: 10px;">12-13-18</div> </div> </td> <td style="border-bottom: 1px solid black; text-align: center;">Date</td> </tr> </table>	<div style="display: flex; align-items: center;"> <div style="margin-left: 10px;">12/12/18</div> </div>	Date	<div style="display: flex; align-items: center;"> <div style="margin-left: 10px;">12-13-18</div> </div>	Date		
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<div style="display: flex; align-items: center;"> <div style="margin-left: 10px;">12-13-18</div> </div>	Date					

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	5,152,152	5,033,001	4,819,941	530,324
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	2,387,072	2,375,302	2,378,853	172,451
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	63,587	80,820	64,409	8,151
7. Distribution Expense - Maintenance	505,224	500,527	523,380	25,719
8. Consumer Accounts Expense	258,818	267,409	275,581	19,640
9. Customer Service and Informational Expense	4,532	5,272	5,338	257
10. Sales Expense	1,200	6,520	0	1,625
11. Administrative and General Expense	680,793	538,443	620,213	61,812
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>3,901,226</b>	<b>3,774,293</b>	<b>3,867,774</b>	<b>289,655</b>
13. Depreciation & Amortization Expense	339,514	345,034	361,790	28,972
14. Tax Expense - Property & Gross Receipts	39,496	41,289	39,534	3,766
15. Tax Expense - Other	161,207	157,326	171,042	17,768
16. Interest on Long-Term Debt	192,904	185,455	184,958	16,733
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
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>4,634,346</b>	<b>4,503,397</b>	<b>4,625,097</b>	<b>356,894</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>517,805</b>	<b>529,604</b>	<b>194,844</b>	<b>173,430</b>
22. Non Operating Margins - Interest	12,072	19,373	17,506	351
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	35,422	27,132	30,000	0
25. Non Operating Margins - Other	16,500	16,500	16,500	1,500
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	0	0	0	0
28. Extraordinary Items	0	0	0	0
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>581,800</b>	<b>592,609</b>	<b>258,850</b>	<b>175,281</b>

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

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	68	54	5. Miles Transmission	0	0
2. Services Retired	4	5	6. Miles Distribution Overhead	301	302
3. Total Services In Place	3,735	3,781	7. Miles Distribution Underground	210	212
4. Idle Services (Exclude Seasonal)	105	101	<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>	11/30/2018

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	13,835,564	29. Memberships	16,165
2. Construction Work in Progress	419,924	30. Patronage Capital	7,367,542
<b>3. Total Utility Plant (1+2)</b>	<b>14,255,488</b>	31. Operating Margins - Prior Years	888,188
4. Accum. Provision for Depreciation and Amort	4,733,754	32. Operating Margins - Current Year	576,109
<b>5. Net Utility Plant (3-4)</b>	<b>9,521,733</b>	33. Non-Operating Margins	16,500
6. Nonutility Property - Net	0	34. Other Margins & Equities	478,719
7. Investment in Subsidiary Companies	662,742	<b>35. Total Margins &amp; Equities (29 thru 34)</b>	<b>9,343,223</b>
8. Invest. in Assoc. Org. - Patronage Capital	337,136	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,401,036
10. Invest in Assoc. Org. - Other - Nongeneral Funds	147,136	<b>38. Total Long-Term Debt (36 + 37)</b>	<b>3,401,036</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>1,160,514</b>	42. Notes Payable	0
15. Cash-General Funds	841,892	43. Accounts Payable	310,934
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	152,105
17. Special Deposits	26,427	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	532,293	48. Other Current & Accrued Liabilities	259,212
21. Accounts Receivable - Net Other	934,437	<b>49. Total Current &amp; Accrued Liabilities (42 thru 48)</b>	<b>722,251</b>
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	306,812	<b>51. Total Liabilities &amp; Other Credits (35+38+41+49+50)</b>	<b>13,466,510</b>
24. Prepayments	2,975	<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>2,784,263</b>	Amounts Received This Year (Net)	492,211
27. Deferred Debits	0	<b>TOTAL Contributions-In-Aid-Of-Construction</b>	<b>492,211</b>
<b>28. Total Assets &amp; Other Debits (5+14+26+27)</b>	<b>13,466,510</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**

November 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	\$4,819,941	\$5,033,001	\$559,380	\$530,324
COST OF POWER	\$2,710,581	\$2,378,853	\$2,375,302	\$243,628	\$172,451
<b>GROSS MARGINS</b>	\$2,790,819	\$2,441,088	\$2,657,699	\$315,752	\$357,873
<b>OPERATING EXPENSES:</b>					
DISTRIBUTION OPERATIONS	\$69,955	\$64,409	\$80,820	\$5,546	\$8,151
DISTRIBUTION MAINTENANCE	\$574,972	\$523,380	\$500,527	\$50,280	\$25,719
CONSUMER ACCOUNTING	\$299,885	\$275,581	\$267,409	\$25,107	\$19,640
CONSUMER SERVICE & INFO	\$5,700	\$5,338	\$5,272	\$362	\$257
SALES EXPENSE	\$0	\$0	\$6,520	\$0	\$1,625
ADMIN & GENERAL	\$674,637	\$620,213	\$538,443	\$56,817	\$61,812
<b>TOTAL OPERATING EXPENSES</b>	\$1,625,149	\$1,488,921	\$1,398,991	\$138,112	\$117,204
<b>FIXED EXPENSES:</b>					
DEPRECIATION	\$394,680	\$361,790	\$345,034	\$32,890	\$28,972
TAXES-PROPERTY	\$43,128	\$39,534	\$41,289	\$3,594	\$3,766
TAXES-OTHER	\$185,500	\$171,042	\$157,326	\$14,458	\$17,768
INTEREST	\$201,772	\$184,958	\$185,455	\$16,814	\$16,733
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<b>TOTAL FIXED EXPENSES</b>	\$825,080	\$757,323	\$729,104	\$67,757	\$67,239
<b>TOTAL EXPENSES</b>	\$2,450,229	\$2,246,244	\$2,128,095	\$205,869	\$184,443
<b>OPERATING MARGINS</b>	\$340,590	\$194,844	\$529,604	\$109,883	\$173,430
<b>NONOPERATING MARGINS:</b>					
INTEREST	\$51,154	\$47,506	\$46,505	\$795	\$351
OTHER	\$18,000	\$16,500	\$16,500	\$1,500	\$1,500
<b>NET MARGINS</b>	\$409,744	\$258,850	\$592,609	\$112,178	\$175,281
<b>T.I.E.R.</b>	3.03	2.40	4.20	7.67	11.48

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	\$30,456	\$23,954	\$40,690	\$54,531	\$16,107	\$67,924	\$175,281	\$149,896
Plus Depreciation Expense	\$0	\$394,680	\$31,740	\$31,717	\$31,834	\$31,882	\$31,899	\$31,872	\$32,009	\$32,035	\$32,046	\$29,029	\$28,972	\$32,890
Less Capital Credit Allocations	\$0	\$0	(\$29)	(\$751)	\$1,566	(\$120)	(\$683)	\$0	\$0	\$0	\$0	(\$170)	\$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	\$48,153	\$96,783	\$204,253	\$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)	(\$6,331)	(\$5,652)	\$137,063	(\$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	(\$1,860)	(\$1,751)	(\$128,003)	(\$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	\$11,390	\$6,777	(\$136,462)	\$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	\$2,975	\$2,975	\$2,976	\$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	\$6,174	\$2,349	(\$124,426)	(\$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)	\$59,471	(\$44,976)	\$12,316	\$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	(\$30,661)	(\$26,385)	\$17,376	\$0
Increase/(Decrease) in Operating Liabilities	\$0	(\$40,797)	\$12,272	(\$18,975)	(\$147,544)	(\$354)	(\$54,313)	\$76,101	(\$32,647)	(\$29,371)	\$28,810	(\$71,361)	\$29,692	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$854,070	\$202,078	\$47,535	\$53,835	\$164,674	\$112,496	\$139,459	(\$129,993)	\$72,734	\$83,137	\$27,771	\$109,519	\$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)	(\$37,040)	(\$4,030)	\$51,847	(\$55,768)
Cost to Retire Utility Plant	\$0	\$0	\$521	\$7,500	(\$12,262)	\$242	\$6,504	(\$12,477)	(\$1,278)	\$8,622	\$6,631	\$2,837	(\$5,594)	\$0
Construction Work-in-Progress	\$0	\$0	\$202,273	(\$36,843)	(\$33,795)	(\$67,376)	(\$58,546)	(\$143,843)	\$2,318	(\$69,169)	(\$69,924)	(\$94,900)	(\$123,499)	\$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	\$63,525	\$46,472	\$82,350	\$13,678
Total Other Property and Investments	\$0	\$0	\$247	(\$762)	\$453	\$0	\$0	\$0	\$0	(\$12,524)	(\$289)	\$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)	(\$17,704)	(\$1,959)	(\$3,789)	\$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)	(\$54,801)	(\$51,580)	\$1,315	(\$42,090)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$200,000)												(\$209,468)
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	\$35	\$55	\$10	\$0
Consumers Deposits	\$0	\$0	\$1,250	(\$1,432)	(\$4,550)	\$1,850	\$1,460	\$1,150	\$950	\$455	\$1,295	\$600	\$550	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$332,239)	\$1,270	(\$1,432)	(\$36,861)	\$1,885	\$1,475	(\$31,617)	\$970	\$475	(\$31,975)	\$655	\$560	(\$243,279)
CASH FROM ALL ACTIVITIES	\$0	(\$64,334)	\$45,252	\$60,464	(\$33,414)	\$150,034	\$134,958	\$12,199	(\$168,378)	(\$14,218)	(\$3,639)	(\$23,154)	\$111,395	(\$189,985)
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	\$753,651	\$730,498	\$841,893
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	\$753,651	\$730,498	\$841,893	\$651,908



Okanogan County Electric Cooperative Inc

Capital Expenditures by Project

Nov-18

W.O. #	Monthly Allocation	Contractor	Labor	Labor O/H	AP Vendor & Material	Material O/H	Material Retire/Scrap	Benefits	Trans	Total	
12093	3380.16	8	487.22	1765.46	203.5	216.73	-143.5	431.98	418.77	3,380.16	
12095	508.55	8			366.72	508.55	(366.72)			508.55	
12096	1,410.44	8	1,063.07	44.33	160.63	22.54	34.04	39.31	46.52	1,410.44	
12123	1,070.95	7			426.62	644.33				1,070.95	
12133	290.80	7	44.33	160.63				39.31	46.53	290.80	
12160	(1,820.56)	8					(1,820.56)			(1,820.56)	
12174	5,221.33	10	14,588.71				(9,367.38)			5,221.33	
12186	(4,330.06)	8					(4,330.06)			(4,330.06)	
12188	436.21	7	66.50	240.97				58.96	69.78	436.21	
12193	6,111.72	7	553.92	2,007.15	1,055.93	1,445.26		491.10	558.36	6,111.72	
12197	8,916.94	7	1,407.18	5,098.97				1,247.61	1,163.18	8,916.94	
12205	3,411.49	7			1,358.99	2,052.50				3,411.49	
12207	1,130.62	8	188.30	682.31				166.95	93.06	1,130.62	
12210	6,869.75	7	1,052.53	3,813.88				933.18	1070.16	6,869.75	
12212	290.80	7	44.33	160.63				39.31	46.53	290.80	
12214	31,924.64	7	5,025.36	18,209.59				4,455.49	4234.2	31,924.64	
12215	8,814.92	7	797.94	2,891.37	1,426.36	2,154.25		707.46	837.54	8,814.92	
12216	1,712.21	7	276.96	1,003.58				245.55	186.12	1,712.21	
12217	3,424.41	7	553.92	2,007.15				491.10	372.24	3,424.41	
12218	1,902.71	7	365.62	1,324.84	22.80	34.43	(262.19)	324.15	93.06	1,902.71	
12220	9,342.66	7	1,484.44	5,378.93				1,316.10	1,163.19	9,342.66	
12222	2,035.54	8	310.31	1,124.41				275.11	325.71	2,035.54	
12227	(106.21)	8			(106.21)					(106.21)	
	91,950.02		15,651.78	12,703.19	46,030.50	4,777.25	7,090.09	(16,290.41)	11,262.67	10,724.95	91,950.02

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

8	12093 OCEC - Cutouts	3380.16
8	12095 OCEC - Warehouse 2018.1	508.55
8	12096 OCEC - Conduit 2018.1	1410.44
8	12160 OCEC- 2018 T Sub	(1820.56)
10	12174 OCEC - 2018 Edelweiss	5221.33
8	12186 OCEC - Wolf Crk Park Ln	(4330.06)
8	12207 OCEC - Pole Test RPLC 2018.1	1130.62
8	12222 OCEC - State Park Restroom	2035.54
8	12227 OCEC - Conduit 2019.1	(106.21)
		<hr/>
		7429.81

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%	23%	25%	19%	27%	24%	28%	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**

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	\$ 21,615	\$ 27,830	\$ 25,493	\$ -	
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%	77%	75%	81%	73%	76%	72%	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	\$ 68,042	\$ 72,475	\$ 68,749	\$ -	\$ 854,682
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	\$ 102,243	\$ 93,316	\$ 99,523	\$ 97,573	\$ 89,657	\$ 100,305	\$ 94,242	\$ 1,079,894
<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	\$ 1,117,229

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

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

<b>Beginning RLF Balance</b>		<b>\$79,227.81</b>
<b>LOUP LOUP SKI ED FOUNDATION LOAN #2</b>		
PAYOFF AUGUST 01, 2019	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$420.84	\$47,967.04
ADMINISTRATIVE FEE (1%)	\$4.17	\$2,716.67
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$46,250.36
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$3,749.64
<b>LOUP LOUP SKI ED FOUNDATION LOAN #3</b>		
PAYOFF OCTOBER 01, 2024	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$445.83	\$21,633.30
ADMINISTRATIVE FEE (1%)	\$29.16	\$1,633.14
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$20,000.16
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$29,999.84
<b>TOWN OF TWISP</b>		
PAYOFF AUGUST 01, 2019	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$78.29	\$7,769.31
ADMINISTRATIVE FEE (1%)	\$1.54	\$476.76
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$7,367.76
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOAN		\$1,842.24
<b>MVSTA LOAN #2</b>		
PAYOFF JULY 01, 2022	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$866.66	\$70,571.36
ADMINISTRATIVE FEE (1%)	\$33.33	\$4,738.29
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$64,999.74
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOAN		\$35,000.26
<b>MEDICINE WHEEL WEB DESIGN</b>		
PAYOFF OCTOBER 01, 2024	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$510.00	\$25,850.00
ADMINISTRATIVE FEE (1%)	\$10.00	\$860.00
PRINCIPLE PAYMENT TO LOAN	\$500.00	\$25,000.00
ORIGINAL AMOUNT OF LOAN		\$30,000.00
BALANCE REMAINING ON LOAN		\$5,000.00
<b>TOWN OF WINTHROP</b>		
PAYOFF NOVEMBER 01, 2027	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$870.83	\$10,449.96
ADMINISTRATIVE FEE (1%)	\$79.17	\$950.04
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$9,500.04
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOAN		\$85,499.96
<b>Smiling Woods Yurts</b>		
PAYOFF NOVEMBER 01, 2028	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$366.66	\$366.66
ADMINISTRATIVE FEE (1%)	\$33.33	\$33.33
PRINCIPLE PAYMENT TO LOAN	\$333.33	\$333.33
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$39,666.67
<b>TwisworksFoundation</b>		
PAYOFF DECEMBER 01, 2028	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$366.66	\$0.00
ADMINISTRATIVE FEE (1%)	\$33.33	\$0.00
PRINCIPLE PAYMENT TO LOAN	\$333.33	\$0.00
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$40,000.00
<b>TOTAL BALANCE REMAINING ON LOANS</b>		<b>\$240,758.61</b>
<b>ENDING RLF BALANCE</b>		<b>\$4,041.39</b>

**OKANOGAN COUNTY ELECTRIC COOPERATIVE INC**

**REVOLVING LOAN FUND #2**

**MONTHLY REPORT**

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

<b>Beginning RLF Balance</b>	<b>\$78,610.15</b>	
<b>AERO RESCUE</b>		
<b>PAYOFF NOVEMBER 1, 2020</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$2,040.00	\$26,460.00
ADMINISTRATIVE FEE (1%)	\$40.00	\$12,500.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$194,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOAN		\$46,000.00
<b>TOWN OF WINTHROP LOAN #2</b>		
<b>PAYOFF JUNE 01, 2022</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$177.67	\$14,110.67
ADMINISTRATIVE FEE (1%)	\$6.84	\$956.76
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$13,153.91
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOAN		\$7,346.09
<b>MVSTA LOAN #3</b>		
<b>PAYOFF OCTOBER 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$618.33	\$31,468.68
ADMINISTRATIVE FEE (1%)	\$40.84	\$2,473.41
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$29,166.50
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOAN		\$40,833.50
<b>PINETOOTH CREATIVE</b>		
<b>PAYOFF July 01, 2026</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$81.14	\$2,367.65
ADMINISTRATIVE FEE (1%)	\$3.85	\$202.73
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$2,165.10
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOAN		\$7,109.90
<b>EQPD</b>		
<b>PAYOFF February 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$295.21	\$6,350.90
ADMINISTRATIVE FEE (1%)	\$24.37	\$563.28
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$5,687.62
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$26,812.38
<b>Little Star Montessorri School</b>		
<b>PAYOFF February 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$295.21	\$6,529.45
ADMINISTRATIVE FEE (1%)	\$24.38	\$571.59
PRINCIPLE PAYMENT TO LOAN	\$270.83	\$5,958.26
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$26,541.74
<b>Winthrop Ice &amp; Sports Rink</b>		
<b>PAYOFF November 01, 2028</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$582.09	\$582.09
ADMINISTRATIVE FEE (1%)	\$52.92	\$52.92
PRINCIPLE PAYMENT TO LOAN	\$529.17	\$529.17
ORIGINAL AMOUNT OF LOAN		\$63,500.00
BALANCE REMAINING ON LOAN		\$62,970.83
<b>TOTAL BALANCE REMAINING ON LOANS</b>		<b>\$218,143.61</b>
<b>ENDING RLF BALANCE</b>		<b>\$22,385.56</b>

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

**POWER & SERVICE DATA**  
**November-18**

	August 2018	September 2018	October 2018	November 2018	November 2017
<b>POWER DATA:</b>					
COST OF POWER	\$188,291	\$174,731	\$184,784	\$172,451	\$184,186
KWH PURCHASED	4,000,505	3,523,645	4,367,480	6,025,725	6,039,500
KWH SOLD & OCEC USE	3,575,416	3,204,941	4,022,143	5,625,132	5,526,863
KWH LOST	425,089	318,704	345,337	400,593	512,637
LINE LOSS %	10.63%	9.04%	7.91%	6.65%	8.49%
COST PER KWH	\$0.0471	\$0.0496	\$0.0423	\$0.0286	\$0.0305
<b>BILLING DATA:</b>					
ACCOUNTS BILLED	3,759	3,762	3,780	3,588	3,545
AVG. KWH/CONSUMER	951	852	1,064	1,568	1,559
BILLING REVENUE	\$388,878	\$362,624	\$416,350	\$527,697	\$510,769
AVERAGE BILL	\$103.45	\$96.39	\$110.15	\$147.07	\$144.08
REVENUE/KWH SOLD	\$0.1088	\$0.1131	\$0.1035	\$0.0938	\$0.0924
<b>SERVICE DATA:</b>					
NEW	5	8	15	2	11
RETIRED	0	1	1	0	0
TOTAL END OF MONTH	3758	3765	3779	3781	3735
IDLE SERVICES	100	101	102	101	105
<b>TRANSPORTATION:</b>					
TOTAL MILES	7,583	5,718	7,820	5,446	5,824
COST OF OPERATION	\$16,970	\$17,940	\$16,599	\$19,680	\$18,906
AVG. COST PER MILE	\$2.238	\$3.137	\$2.123	\$3.614	\$3.246
<b>MATERIALS:</b>					
ISSUES	\$3,595	\$15,319	\$23,484	\$10,407	\$31,710
INVENTORY	\$283,360	\$301,064	\$303,023	\$306,812	\$287,977

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>7,932</b>	17,938	74.2%	2958	6481	6.064	2.191	3.050
Feeder 1 = Chewuch	2,360	-	-	593	2,953	12.2%	590	974	5.005	1.651	3.032
Feeder 2 = Mazama	3,764	-	-	6,496	10,260	42.4%	941	3329	10.904	3.538	3.082
Feeder 3 = Sun Mtn	2,984	-	-	22	3,006	12.4%	746	767	4.029	1.028	3.919
Feeder 4 = Winthrop	2,724	-	-	822	3,546	14.7%	681	1411	5.206	2.072	2.513
<b>Twisp Substation (2)</b>	<b>2,456</b>	-	-	<b>3,781</b>	6,237	25.8%	614	1653	10.158	2.692	3.773
Feeder 1 = Airport	112	-	-	866	978	4.0%	28	227	34.916	8.107	4.307
Feeder 2 = Loup	776	-	-	150	926	3.8%	194	249	4.774	1.284	3.719
Feeder 3 = Twisp	1,568	-	-	2,765	4,333	17.9%	392	1177	11.054	3.003	3.681
<b>Totals</b>					<b>24,175</b>		<b>3572</b>	<b>8134</b>	<b>6.768</b>	<b>2.277</b>	<b>3.20</b>
<b>CFC Summary</b>	<b>240</b>	-	-	<b>196.75</b>							

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 = 50

**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	-	-	57	###	-	-	-	7,246
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	-	-	-	-	-	-	-	-	-	###	-	-	518
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	-	-	-	-	-	0	-	-	2
LARGE ANIMAL	-	-	-	-	-	-	-	-	-	-	-	-	-
ANIMAL DAMAGE - GNAW OR BORE	-	-	-	-	-	-	-	-	-	-	-	-	-
ANIMAL , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-

OCEC 2018 Outage  
Summary By Cause

SUMMARY BY CAUSE													
PUBLIC													TOTAL
CUSTOMER CAUSED	-	-	-	-	-	-	-	11	57	-	-	-	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	###	###	###	-	14	1,767

**\*\*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	-	-	-	-	-	-	-	747	-	-	-	-	747
DIST-SWITCH	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-METERING EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-DISTRIBUTION SUBSTATION , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-												4,873
<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	2,912	-	-	-	-	518	-	-	5,239
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	1	32	-	14	177
OVR-RECLOSER OR SECTIONALIZER	-	-	-	-	-	-	-	-	447	430	-	-	877
OVR-OVERHEAD LINE CONDUCTORS AND DEVICES	-	-	-	-	-	133	-	-	-	-	-	-	133
<b>TOTALS:</b>	57												6,468

OCEC 2018 Outage  
Detailed Summary By Cause

DETAILED SUMMARY BY CAUSE													
<b>UNDERGROUND</b>													
UG-PRIMARY CABLE	-	-	-	-	15	-	3	14	175	-	-	-	207
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>	-	-	-	-	-	-	-	-	-	-	-	-	207
<b>TRANSFORMER</b>													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-	-	-	-	-	-	-	-	-	-	-	-	53
<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>	-	-	-	-	-	-	-	-	-	-	-	-	-



## *You are Invited*

**When: JANUARY 4, 2019 from 6:30 pm to 9:00 pm**

**What: HOLIDAY PARTY**

**Who: OCEC & OCEI Employees and Directors  
Plus 1-Guest each**

**Where: The Woodstone Pizzeria**

**AT THE ROLLING HUTS - 18381 HIGHWAY 20 – ASK LYNN OR DAVID IF YOU NEED DIRECTIONS**

**All you can eat Ala Carte Buffett  
No-Host Bar if you wish to purchase Beer or Wine**

**RSVP REQUIRED FOR HEAD COUNT**

**Please return to Teri or Lynn by December 14, 2018**

*YES: I will be attending \_\_\_\_\_ (print name)*

*I will bring 1-guest **Y** or **N***

## General Manager’s Report to the Board – December 2018

### General Discussion:

- BPA started its rate case including a partial settlement of the transmission part and the contested power portion. PNGC’s modeling’s of our FY 2019 and 2020 rates based on the filed tariffs indicate an all-in rate of \$45.47 for FY 2019 (a 4.24% increase from FY 2018) and an all-in rate of \$46.42 for FY 2020 (a 2.2% increase from FY 2019). This is about a \$178,000 per year increase (or about a 6.4%) for these two years.

### Financial Discussion

- **ALMOST A RECORD YEAR** - OCEC is having one of its best year-to date performances in terms of operating margins ever. OCEC is only \$272 under the record YTD November operating margins of \$529,876 set in 2015.
- For YTD November 2018, operating margins were \$12,000 over corresponding 2017 amounts and \$335,000 over 2018 budgeted amounts.
- For YTD November 2018, nonpower expenses were \$119,000 under corresponding 2017 amounts and \$118,000 under budget.
- Equity ratio for November 2018 is 69.4%. Equity ratio for November 2017 was 66.7%.

### Comparison of OCEC 2017 and 2018 YTD November Key Statistics

	<u>YTD November</u> <u>2017</u>	<u>YTD November</u> <u>2018</u>	<u>%</u> <u>Difference</u>
Purchased kWh	57,360,110	54,314,925	-5.3%
Cost of Power	\$2,387,072	\$2,378,853	-0.3%
Revenue per KWH purchased (cents)	8.98	9.27	3.2%
Cost of Power per kWh (cents)	4.16	4.38	5.2%
Non-power expenses per KWH (cents)	3.92	3.92	0%

# Okanogon County Electric Cooperative , Inc.

Margins per KWH (cents)	0.90	0.98	8%
EBITDA/kwh (cents)	2.18	2.32	6%

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

	<u>YTD November 2017</u>	<u>YTD November 2018</u>	<u>Difference</u>
Operating Revenue	\$5,152,152	\$5,033,001	\$(119,151)
Cost of Power	<u>2,387,072</u>	<u>2,375,302</u>	\$(11,770)
Gross Margins	2,765,080	2,657,699	\$(107,381)
Non-Power Expenses	<u>2,247,274</u>	<u>2,128,095</u>	\$(119,179)
Operating Margins	\$517,806	\$529,604	\$11,798
EBITDA	1,250,926	1,258,708	\$7,782

## Comparison of YTD November 2018 Budget Results for O&M

	<u>YTD November 2018 Budget</u>	<u>YTD November 2018 Actual</u>	<u>Difference</u>
Operating Revenue	\$4,819,941	\$5,033,001	\$213,060
Cost of Power	<u>2,378,853</u>	<u>2,375,302</u>	\$(3,551)
Gross Margins	2,441,088	2,657,699	\$216,611
Non-Power Expenses	<u>2,246,244</u>	<u>2,128,095</u>	\$(118,149)
Operating Margins	\$194,844	\$529,604	\$334,760

**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
- Revised 11/30/2018

**Acknowledgement of OCEC Policy NO. 10-120  
Conduct of Individual Members of the Board of Directors**

**Procedure (Complete the following steps)**

- 1. Read Policy NO. 10-120.**
- 2. Sign and date in the space provided below.**

**Signature:**

**By signing below, I acknowledge that I have received, read, and understand OCEC Policy NO. 10-120 Conduct of Individual Members of the Board of Directors:**

Signed: \_\_\_\_\_  
Director OCEC

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

**POLICY NO. 30-210****REVISION DATE: September 28, 2015****SUBJECT: DISCONNECTION AND RECONNECTION OF SERVICE****I. PURPOSE:**

To set forth the practices and procedures for disconnection and reconnection of service due to members failing to meet their obligations, and to provide guidance regarding installation and use of a ~~disconnect~~ Disconnect switch ~~Switch~~ interbase Interbase.

**II. DEFINITIONS:**

Disconnect Switch Interbase: An automated switch, typically installed between an electric meter and electric service panel, that allows OCEC to remotely disconnect and reconnect service for that location.

**III. POLICY:**

Any of the following is cause for disconnection of service:

1. Non-payment, including returned checks, denied credit cards or other fees, of any amount owed OCEC that is more than 30 days past due
2. Failure to meet the terms of a payment arrangement with OCEC
3. Tampering with or bypassing an electric meter
4. Non-compliance with the OCEC articles of incorporation, by-laws or policies
5. The existence of a known hazardous condition

A member will be provided with reasonable notice prior to disconnection of service EXCEPT that disconnection may be done immediately upon discovery of a hazardous condition.

Disconnection for non-payment shall occur according to this timeline:

- a) Month A, 1<sup>st</sup> - 5<sup>th</sup>: A regular monthly bill is sent to the member for the previous month's usage
- b) Month A, last business day: The bill for the previous month's usage is due
- c) Month B, approximately on or before the 10<sup>th</sup>: A delinquent notice is sent to the member and a \$10 late fee is charged, in addition to any other fees for interest, returned checks or denied credit cards
- d) Month B, on approximately the ~~30<sup>th</sup>~~ 15<sup>th</sup>: disconnection of service may occur at any time after this date subject to the notice set forth below

Any service disconnected for more than one year shall be inspected and approved by Labor and Industries prior to being re-energized. The member is responsible for arranging and paying for that inspection.

OCEC, at its discretion, may install a ~~disconnect~~ Disconnect switch ~~Switch~~ interbase Interbase if it has reasonable cause to believe disconnection and reconnection will be

a recurring event, such as when a member is repeatedly delinquent on paying amounts due OCEC.

#### IV. DISCONNECTION PROCEDURE

At least five (5) days prior to disconnection a notice will be provided to the member in whose name the account is registered. The notice will be sent by mail to the last known address of the member and/or by email if the member has agreed to electronic communication from OCEC.

The notice will include the cause for disconnection, the amount owed and the scheduled date of disconnection.

If the member does not respond to the notice by the disconnection date specified the service will be disconnected.

Disconnection will not occur on a Saturday, Sunday or legal holiday unless OCEC determines that a danger to life or property exists that warrants immediate disconnection.

#### V. RECONNECTION PROCEDURE:

If service has been disconnected, reconnection will be scheduled after the member takes the following steps.

1. Pays in full all amounts due OCEC, including a \$50 disconnection fee for each service disconnected along with all other additional fees and costs associated with the disconnection.
2. Pays a reconnection fee for the reconnection of the service, in addition to any disconnection fee. Payment may be required in cash or cashier's check or not considered received until member's personal check has cleared. The reconnection fee is \$50 for each service reconnected ~~if~~ a request for reconnection is made before 3:00 p.m. on a regularly scheduled workday. If the request for reconnection is made after 3:00 p.m. or outside of normal working hours, ~~whichever is sooner~~, the reconnection fee will be \$150.00 for each service reconnected, PROVIDED the reconnection occurs that same day. If reconnection does not occur until the next business day the reconnection fee will be \$50.

2-a. Disconnect Switch Interbase reconnection can only be done via remote connection from the OCEC office during regular business hours.

3. Corrects any hazardous conditions that OCEC has identified and made the member aware of.
4. Pays the cost of repairing any OCEC equipment damaged by the member, in an amount determined by the OCEC.

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5. Provides the OCEC with any additional security deposits, pre-payments or guarantees that the OCEC requires.
6. Agrees to comply with reasonable requirements to protect the OCEC against further infractions.

Disconnect and reconnect charges shall be the same for those with a ~~disconnect~~ ~~Disconnect switch~~ ~~Switch~~ ~~interbase~~ ~~Interbase~~ installed.

**RESPONSIBILITY:**

The General Manager shall be responsible for implementation of the policy.

**ATTESTING:**

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

Revised 09/28/15  
Revised 10/22/12  
Revised 03/21/00  
Revised 01/23/08  
Revised 11/27/07  
Revised 04/22/05



**POLICY NO. 20-030 REVISED**

**REVISION DATE: June 27, 2016**

**SUBJECT: ATTENDANCE OF MEMBERS OR OTHERS  
AT BOARD OF DIRECTOR MEETINGS**

**I. PURPOSE**

To establish appropriate procedures relating to member attendance at Board Meetings.

**II. POLICY CONTENT**

It is understood that Directors of Okanogan County Electric Cooperative (Cooperative) are elected by the membership to serve as fiduciaries on behalf of the members and to fulfill all aspects of that responsibility under federal and state laws/ regulations, the Cooperative's Articles of Incorporation and the Cooperative's Bylaws.

Notwithstanding this representative structure, members of the Cooperative may wish to attend a Board meeting for the purpose of presenting an issue to the Board or observing the Board's deliberation regarding the business and affairs of the Cooperative. The purpose of this policy is to establish procedures which shall accommodate a member's or a guest's desire to attend a Board meeting and to establish procedures which shall assure that such attendance shall not unduly encumber the Board in its statutorily prescribed duty to make prudent, well-considered and fully deliberated decisions in the management of the business and affairs of the Cooperative in the best overall interest of the Cooperative.

**III. PROCEDURES**

**A.** A member desiring to attend a Board meeting for observational purposes may do so subject to the seating limitations of the Board room.

**B.** A member or guest desiring to be placed on the Board's agenda shall complete/sign the attached form of request and submit it to the presiding officer or the General Manager not less than seven (7) days prior to the next scheduled meeting of the Board of Directors.

1. Subject to provisions outlined below, a member may attend a Board meeting for any lawful purpose, which may include:
  - Presenting a specific request
  - Presenting a recommendation

- Bringing a complaint to the Board, provided the member or guest has made a good faith effort to resolve the complaint or controversial matter
  - 2. A member or a guest requesting to be put on the meeting agenda to speak shall be given three(3) minutes to address the Board. The Board may allot additional time if it warrants it necessary.
  - 3. At the conclusion of the speaker's comments, the presiding officer shall determine the appropriate type of response and may comment or ask questions of those present.
  - 4. All members or guests taking part in the Board meeting are expected to be courteous, reasonable, and businesslike.
- C.** The Board shall set aside time ~~during at the end of~~ its regular session for any member to speak to the Board about any subject. Each speaker has a three (3) minute time limit. The Board may allot additional time if it warrants it necessary.
- D.** Notwithstanding the foregoing, no member shall be entitled to attend an Executive Session of the Board. The Board may convene in Executive Session at any time for one or more of the following purposes:
- 1. Consideration of a pending or threatened lawsuit or claim against the Cooperative
  - 2. Consideration of personnel issues
  - 3. Consideration of matters, which if disclosed to members might
    - i. Violate a person's right to privacy, violate any agreement with third parties with respect to trade secrets, or adversely affect the Cooperative in its negotiations with third parties
    - ii. Adversely affect the Cooperative
    - iii. Violate the privilege of confidential communication between the Cooperative and its attorney.
- E.** Notwithstanding the foregoing, nothing herein shall be construed as a declaration or elections by the Board to subject the Cooperative to the provisions of the Open Public Meetings Act set forth in RCW 42.30.

### **RESPONSIBILITY**

It shall be the responsibility of the General Manager to administer this policy.

**ATTESTING:**

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

| Revised 12/17/18  
Revised 6/27/2016  
Revised 12/29/11  
Amended 6/22/10

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

2018 Goals

Strategic Objective	Operational Performance	Percent of Award	YTD Results	2018 Goals			Comments	Bonus Tally
				Minimum	Target	Maximum		
<b>Increase Subsidiary Revenue and Operational Efficiencies</b>	1) Propane Sales (in Thousands)	10%	857	760	895	Open	Total propane gallons sold. For every 5,000 gallons sold over target, and additional \$5 is added to bonus.	
	2) Electric Year-end Inventory Audit Adjustments	10%	N/A	\$ 7,237	\$ 6,031	Open	Target is calculated from adding together both the positive and the negative differences of the inventory adjustments without regards to whether they are positive or negative adjustments. The goal is to reduce both positive and negative inventory adjustments. There is a \$10 increase in bonus for every \$1,000 less than target.	
	3) Propane Year-end Inventory Audit Adjustments	10%	N/A	\$ 5,656	\$ 4,713	Open	See Electric Inventory Audit above for description.	
	4) Installed coop-owned propane tanks - net	10%	98	50	75	Open	Target is a net increase in coop owned tanks. For every net tank over target, an additional \$5 added to bonus.	
<b>Maintain Public and Employee Safety</b>	1) Random Vehicle Inspection	5%	9	7	8	9	Randomly inspect 2 or 3 vehicles a month starting in March. Create checklist i.e. windows, interior, exterior, bins, mechanical ect. Pass/Fail per category. Need 80% of each vehicle to pass. Target is to pass 8 months out of the year.	
	2) Increase Office Training on EAP, Bulk Propane, Mayday procedures. Perform two simulated drill in office.	5%	1	1	2	*	Perform office training on EAP, Bulk Tank, Mayday procedures. Target is to conduct two actual simulated drills, one planned and one unplanned.	
	3) Facility Safety Inspection and Remedies	10%	7	6	7	8	Safety committee has inspected facilities and noted 8 problems. The goal in to resolve these problems by December 1st.	
<b>Increase Reliability</b>	1) Number of Electric Outages	10%	51	120	100	Open	Target is based on average of 2014 to 2016 total number of outages. For every 10 less outages than target, the bonus will increase by \$5.	
<b>Satisfied, Well informed Members</b>	1) Increase number of members that can be texted to update on outages, ect. .	10%	1137	800	1000	Open	Our opted-in "Text Outage Alert" count is at ?. The year-end target is 1000 members. The maximum amount is open-ended. For every 50 additional, the incentive comp is increased by \$5.	
	2) Open House in June for Community to do an Arc Demo ect.	10%	1	*	1	*	Conduct and open house in June.	
<b>Develop Employees</b>	1) All employees involved in either an off-site or on-line training activity.	10%	100%	*	100%	*	The goal is for all employees to take at least one off-site or on-line training. Only make goal if ALL employees have training .	

100%

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