

11:30 AM – EES COSA Training
2:45 PM – OCEI Annual Meeting (Tab 2)



BOARD OF DIRECTORS MEETING
May 20, 2019 at 3:00 PM

AGENDA

1. Meeting Called to Order
2. Determination of Quorum
3. Approval of Agenda
4. Member Communications
5. Approval of Consent Agenda (**Tab 3**)
 - a) Minutes from April 22, 2019
 - b) New Members
 - c) April 2019 – Form 7
 - d) Statement of Operations
 - e) Cash Flow
 - f) Capital Expenditures by Project
 - g) Power & Service Data
6. Committee Reports
7. Meetings Attended
 - a) PNGC Monthly Board Meeting, Portland, May 7th and 8th – David
8. Meetings to Attend
 - b) PNGC Strategic Planning Meeting, Eureka, MT, June 3rd to 5th – David
 - c) WRECA Annual Meeting – Spokane - June 11th and 12th - David and Board

- d) NRECA Regional Meeting – September 24th – 26th
- Spokane – David and Board
- e) PNGC Annual Meeting September 30 to October
2nd – Portland - David and Board

9. General Managers Report (Tab 4)

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

ITEMS OF BUSINESS

- 1) Board Meeting Dates Review **(Tab 5)**
- 2) Standing Board Committee Assignments **(Tab 6)**

OPEN FLOOR FOR BOARD MEMBERS

EXECUTIVE SESSION

- 1) Fiber Optic Line Update



OKANOGAN COUNTY ENERGY INC

ANNUAL MEETING NOTICE

ANNUAL MEETING

Monday May 20, 2019 at the OCEC Office
2:45 pm

AGENDA

1. Call Meeting to Order – Chairman
2. Notice of Annual Meeting
3. Minutes of April 23, 2018 Annual Meeting
4. Acceptance of Financial Report
5. Election & Appointment of Okanogan County Energy, Inc. Board Members.
6. New Business.
7. Adjourn



BOARD MEETING
April 22, 2019

Present: John Kirner, Sara Carlberg, Dale Sekijima, Ray Peterson, Michael Murray, Alan Watson and Chris Legler.

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

Members in Attendance: None

PRELIMINARY

1. MEETING CALLED TO ORDER

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

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

David Gottula added Item No. 5 under business; OCEI Loan Approval/CFC, and Item No. 3 under Executive Session; Personnel Issues.

Agenda approved as amended by Board consensus.

4. ELECTION RESULTS

2019 Board election results were: John Kirner; 507 votes; Michael Murray; 474 votes, and Chris Legler; 319 votes.

The ballots will be redesigned for 2020 to mitigate member confusion.

5. OATH OF OFFICE FOR NEW BOARD MEMBER

Chris Legler read aloud and signed the Oath of Office. He will sign Policy No. 10-120 Authority and Responsibility of the GM and Board of Directors.

6. REORGANIZATION OF BOARD

Sara Carlberg opened the Board Officer Elections by reviewing OCEC By-Laws. Sara requested the Board agree on a process of elections, and she reviewed the duties of each office. Various election processes were reviewed and discussed.

Elected to one-year terms were:

President - Dale Sekijima,

Vice President - Chris Legler,

Secretary/Treasurer - Alan Watson.

Dale Sekijima conducted the meeting after 3:18.

7. REORGANIZATION OF STANDING COMMITTEES AND MEMBERS

The directors discussed the existing and ad hoc committees. It was decided to restructure committees at the May Board meeting to give Board members time to consider which committees were necessary and who would be willing to serve.

8. MEMBER COMMUNICATION

None.

9. APPROVAL OF CONSENT AGENDA ITEMS

Consent Agenda approved by Board Consensus.

10. COMMITTEE REPORT

None.

11. MEETINGS ATTENDED

a. **PNGC Monthly Board Meeting – Portland – April 2nd & 3rd - David**

David Gottula reported several topics were discussed including cost of power from BPA and current market power costs.

b. **WRECA General Manager's Meeting – Prosser – April 11 - David**

David reported that Benton REA commissioned a Broadband and Fiber Study from NRTC (National Rural Telecommunication Cooperative). The cost of the study was \$20,000. The estimated cost to build broadband and fiber to Benton's members was cost prohibitive.

12. MEETINGS TO ATTEND

a. **PNGC Monthly Board Meeting – Portland – May 7th & 8th - David**

b. **EES Consulting COSA Training – May 20th – 11:30 am – Before the May Board Meeting**

c. **WRECA Annual Meeting – Spokane WA – June 11th & 12th – David and Board Members**

David included the WRECA meeting agenda in the Board packet. Board members who are planning to attend are Alan Watson, Sara Carlberg and Chris Legler. David will also be attending.

13. GENERAL MANAGERS REPORT

Written report reviewed.

David noted there will be an article in the Methow Valley News and OCEC's May newsletter covering OCEC's new Firewise program based on David's annual meeting presentation.

a) **Office Update**

Lynn Northcott reminded the Board that OCEI's (Okanogan County Energy Inc.) Annual Meeting is on May 20th at 2:45 pm. Directors should attend.

b) Operations Update

Glenn Huber reported:

- The crew accomplished re-bussing work on the Winthrop substation during the April 11th PUD/BPA outage.
- A contractor has been hired by the PUD to build the final portion of infrastructure between the PUD transmission line and Twisp Substation. Work is beginning this week. There will be a short outage tentatively scheduled for August 2nd.
- The crew is completing tree trimming and a contractor has been hired to clean up the brush after the crew has finished an area.
- The new truck that was ordered last fall is scheduled for delivery.

c) OCEI Propane Update

Tracy McCabe reported she attended an Okanogan County Emergency Planning meeting in Okanogan. Fire season officially begins in June this year.

Tracy and Deanna Melton were invited to attend a USFS safety meeting today to address Propane and Electric safety during fire season.

Tracy informed the Board that her crew is assisting in the Methow Valley Metal Drive. Tracy also reported they are waiting on a new service truck ordered last fall.

ITEMS OF BUSINESS

1. Annual Meeting Update

Feedback included a redesign of the ballot to simplify the process for members; a discussion on how to increase attendance, the value of communication and education of the members through the annual meeting programs.

2. Board Member Training Opportunities

David reviewed training opportunities by NRECA. Training classes are being offered in Walla Walla this year which lowers the cost of attending. Directors should let David know if there are classes they would like to attend.

3. New Board Members Orientation

Board consensus is for the President to provide orientation per Policy NO. 10-100 Board Member Orientation, Continuing Education, Attendance at Classes, Conferences and Meetings with new Directors.

David Gottula suggested Board members contact him to arrange a ride-a-long to visit the Co-op's infrastructure system and give them a chance to ask questions about the Co-op.

4. Possible Implications of Recent FEMA Reimbursement on Tax Free Status for 2019

David explained that Cooperative non-profits operate on an 85/15 IRS Revenue rule to determine qualifying revenue limits. Allowed is 85% revenue from members and 15% from other revenue. The recent change in the tax code could change the way FEMA receipts are accounted for in this calculation.

David noted this is a heads up only; NRECA (National Rural Electric Cooperative Association) and the IRS are working on a legislative fix.

5. Dale suggested including time in board meetings for the Board to discuss other items that may not be on the agenda needing clarification or other consideration.

Lynn suggested adding "Other Business" at the end of each month's agenda. "Other Business" does not have to be an action item.

6. OCEI Loan from CFC

Lynn Northcott reported that OCEI is requesting approval to borrow \$150,000 from CFC for the new truck purchase. OCEC will loan the funds with interest to OCEI until later in the year when OCEC will request the funds back. At that time OCEI will take out the CFC loan.

Alan Watson moved to approve the \$150,000 loan request as stated by Lynn. Second. Motion carried.

Meeting adjourned to Executive session at 4:17 pm.

EXECUTIVE SESSION

1. 1st Quarter Subsidiary Results
2. Fiber Optic Line Update
3. Personnel Update

Alan Watson, Secretary

New Members OCEC**May 20, 2019****REINSTATE**

1.

NEW MEMBERS

1. KOGER, KYLE	119025
2. PFLUEGER, RYAN & COREY	119026
3. SMITH, JAY N & GAIL A	119027
4. KING, SUZANNE & MARK	119028
5. BROWN, NICHOLAS & PORTER, CAROLYN	119029
6. S&P COASTAL	119030
7. FULLER, LESTER	119031
8. METHOW HOUSING TRUST	119032
9. JONES, JOE	119033
10. WILKINS, CHRISTY & GARY	119034
11. INGMAN, JOHN	119035



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	4/30/2019

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

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION CHOICES
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.		A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?
Signature of Office Manager or Accountant <i>[Signature]</i> Date 5/13/19 Signature of Manager <i>[Signature]</i> Date 5-13-19		<input checked="" type="radio"/> YES <input type="radio"/> NO <input checked="" type="radio"/> YES <input type="radio"/> NO

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	2,186,676	2,376,267	2,215,540	396,502
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,145,062	1,230,935	1,114,169	187,142
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	22,894	26,456	26,695	7,758
7. Distribution Expense - Maintenance	225,514	265,029	252,026	42,722
8. Consumer Accounts Expense	101,218	104,726	105,655	32,512
9. Customer Service and Informational Expense	3,425	3,097	1,028	0
10. Sales Expense	1,419	(516)	(2,988)	888
11. Administrative and General Expense	239,947	290,137	247,468	65,084
12. Total Operation & Maintenance Expense (2 thru 11)	1,739,480	1,919,864	1,744,054	336,106
13. Depreciation & Amortization Expense	127,173	130,535	130,084	32,787
14. Tax Expense - Property & Gross Receipts	14,927	15,064	13,921	3,766
15. Tax Expense - Other	68,275	72,188	63,486	11,998
16. Interest on Long-Term Debt	68,168	65,651	65,524	16,413
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)	2,018,022	2,203,303	2,017,069	401,070
21. Patronage Capital & Operating Margins (1 minus 20)	168,654	172,964	198,471	(4,568)
22. Non Operating Margins - Interest	7,288	8,863	8,647	2,370
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	1,723	3,385	5,000	0
25. Non Operating Margins - Other	6,000	6,000	6,000	1,500
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	0	0	0	0
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	183,665	191,212	218,118	(698)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	1	11	5. Miles Transmission	0	0
2. Services Retired	1	4	6. Miles Distribution Overhead	302	303
3. Total Services In Place	3,732	3,789	7. Miles Distribution Underground	212	221
4. Idle Services (Exclude Seasonal)	103	102	8. Total Miles Energized (5+6+7)	514	524



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County
	BORROWER DESIGNATION	WA032
	ENDING DATE	04/30/2019

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	14,213,174	29. Memberships	16,215
2. Construction Work in Progress	214,651	30. Patronage Capital	8,040,459
3. Total Utility Plant (1+2)	14,427,825	31. Operating Margins - Prior Years	834,473
4. Accum. Provision for Depreciation and Amort	4,860,179	32. Operating Margins - Current Year	185,212
5. Net Utility Plant (3-4)	9,567,646	33. Non-Operating Margins	6,000
6. Nonutility Property - Net	0	34. Other Margins & Equities	479,826
7. Investment in Subsidiary Companies	827,067	35. Total Margins & Equities (29 thru 34)	9,562,184
8. Invest. in Assoc. Org. - Patronage Capital	352,616	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,336,547
10. Invest in Assoc. Org. - Other - Nongeneral Funds	144,438	38. Total Long-Term Debt (36 + 37)	3,336,547
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)	1,337,621	42. Notes Payable	0
15. Cash-General Funds	948,710	43. Accounts Payable	338,404
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	151,805
17. Special Deposits	64,418	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	415,470	48. Other Current & Accrued Liabilities	231,791
21. Accounts Receivable - Net Other	885,086	49. Total Current & Accrued Liabilities (42 thru 48)	722,000
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	222,708	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,620,731
24. Prepayments	39,646	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)	2,715,464	Amounts Received This Year (Net)	48,264
27. Deferred Debits	0	TOTAL Contributions-In-Aid-Of-Construction	48,264
28. Total Assets & Other Debits (5+14+26+27)	13,620,731		

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

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

STATEMENT OF OPERATIONS

April 30, 2019

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,891,986	\$2,215,540	\$2,376,267	\$392,144	\$396,502
COST OF POWER	\$2,831,793	\$1,114,169	\$1,230,935	\$214,917	\$187,142
GROSS MARGINS	\$3,060,193	\$1,101,371	\$1,145,332	\$177,227	\$209,360
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$93,080	\$26,695	\$26,456	\$7,331	\$7,758
DISTRIBUTION MAINTENANCE	\$593,844	\$252,026	\$265,029	\$44,862	\$42,722
CONSUMER ACCOUNTING	\$305,739	\$105,655	\$104,726	\$26,082	\$32,512
CONSUMER SERVICE & INFO	\$3,687	\$1,028	\$3,097	\$257	\$0
SALES EXPENSE	-\$2,988	-\$2,988	-\$516	\$0	\$888
ADMIN & GENERAL	\$631,819	\$247,468	\$290,137	\$35,796	\$65,084
<i>TOTAL OPERATING EXPENSES</i>	\$1,625,181	\$629,885	\$688,929	\$114,328	\$148,964
FIXED EXPENSES:					
DEPRECIATION	\$391,573	\$130,084	\$130,535	\$32,521	\$32,788
TAXES-PROPERTY	\$41,344	\$13,921	\$15,064	\$3,385	\$3,766
TAXES-OTHER	\$175,255	\$63,486	\$72,188	\$13,971	\$11,998
INTEREST	\$194,329	\$65,524	\$65,651	\$16,270	\$16,413
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$802,502	\$273,015	\$283,439	\$66,147	\$64,965
TOTAL EXPENSES	\$2,427,682	\$902,900	\$972,368	\$180,475	\$213,929
OPERATING MARGINS	\$632,511	\$198,471	\$172,963	-\$3,248	-\$4,569
NONOPERATING MARGINS:					
INTEREST	\$72,523	\$8,647	\$8,863	\$2,264	\$2,370
OTHER	\$18,000	\$11,000	\$9,385	\$1,500	\$1,500
NET MARGINS	\$723,034	\$218,118	\$191,212	\$516	-\$698
T.I.E.R.	4.72	4.33	3.91	1.03	0.96

Okanogan County Electric Cooperative Inc
Budget Year: 2019

	2018	Budget year	Actual					Forecasted						
		Jan - Dec	January	February	March	April	May	June	July	August	September	October	November	December
Patronage Capital or Margins	\$0	\$723,035	\$61,097	\$128,143	\$2,671	(\$698)	\$60,747	\$18,624	\$11,409	\$1,309	\$41,149	\$17,627	\$99,710	\$254,342
Plus Depreciation Expense	\$0	\$391,571	\$32,521	\$32,535	\$32,691	\$32,787	\$32,521	\$32,521	\$32,521	\$32,785	\$32,785	\$32,785	\$32,785	\$32,785
Less Capital Credit Allocations	\$0	\$0	(\$3,435)	(\$1,702)	\$1,384	\$7	\$0	\$0	(\$25,000)	\$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	\$1,114,606	\$90,183	\$158,976	\$36,746	\$32,096	\$93,268	\$51,145	\$18,930	\$34,094	\$73,934	\$50,412	\$132,495	\$287,127
Cash Construction Funds - Trustee	\$0	\$0												
Special Deposit	\$0	(\$89,275)	(\$7,862)	(\$7,333)	(\$8,146)	(\$7,408)	(\$7,604)	(\$7,604)	(\$7,604)	(\$7,604)	(\$7,111)	(\$7,111)	(\$7,111)	(\$7,111)
Temporary Investment	\$0	\$0												
Accounts Receivable - Sale of Energy (Net)	\$0	(\$88,132)	(\$103,691)	(\$57,136)	\$139,128	\$221,224	(\$6,131)	(\$6,131)	(\$6,131)	(\$6,131)	(\$6,131)	(\$6,131)	(\$6,131)	(\$6,131)
Accounts Receivable - Other (Net)	\$0	\$89,275	\$7,991	\$7,333	\$13,924	\$7,408	\$7,604	\$7,604	\$7,604	\$7,111	\$7,111	\$7,111	\$7,111	\$7,111
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	(\$54,513)	\$4,955	\$4,956	\$4,956	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current & Accrued Asset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Increase)/Decrease in Operating Assets	\$0	\$1,026,474	(\$67,892)	\$106,795	\$186,608	\$258,276	\$87,137	\$45,014	\$12,799	\$27,963	\$67,803	\$44,281	\$126,363	\$280,995
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounts Payable	\$0	\$0	\$135,626	\$104,102	(\$108,304)	(\$140,749)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Operating Provisions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deferred Credits	\$0	\$0	(\$53,905)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current and Accrued Liabilities	\$0	\$0	\$51,791	\$35,845	(\$19,828)	(\$18,639)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	\$0	\$133,513	\$139,947	(\$128,132)	(\$159,388)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$1,026,474	\$65,621	\$246,742	\$58,476	\$98,888	\$87,137	\$45,014	\$12,799	\$27,963	\$67,803	\$44,281	\$126,363	\$280,995
INVESTMENT ACTIVITIES														
Total Utility Plant	\$0	(\$1,233,860)	(\$221,241)	(\$6,978)	(\$67,672)	(\$56,248)	(\$112,848)	(\$112,848)	(\$112,848)	(\$112,848)	(\$112,848)	(\$112,848)	(\$112,848)	(\$112,848)
Cost to Retire Utility Plant	\$0	\$0	(\$984)	(\$46,715)	\$6,821	\$7,217	\$7,238	\$7,238	\$7,238	\$7,238	\$7,238	\$7,238	\$7,238	\$7,238
Construction Work-in-Progress	\$0	\$174,000	\$188,906	\$99,244	(\$5,414)	(\$56,801)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$340,000	(\$2,742)	\$3,173	\$12,128	\$35,705	\$35,000	\$35,000	\$50,000	\$48,350	\$40,000	\$40,000	\$30,000	\$10,000
Total Other Property and Investments	\$0	\$0	\$264	\$2,201	(\$1,742)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies - Electric and Other	\$0	\$0	(\$9,669)	(\$19,383)	\$149	(\$81)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Notes Receivable (Net)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM INVESTMENT ACTIVITIES	\$0	(\$719,860)	(\$45,466)	\$31,540	(\$55,730)	(\$70,208)	(\$70,611)	(\$70,611)	(\$55,611)	(\$57,261)	(\$65,611)	(\$65,611)	(\$75,611)	(\$95,611)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$300,000)							\$0					(\$275,000)
LT Debt - Additional Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LT Debt - Debt Service Payment	\$0	(\$125,567)	\$0	\$0	(\$30,678)	\$0	\$0	(\$31,149)	\$0	\$0	(\$31,627)	\$0	\$0	(\$32,113)
LT Debt - Other	\$0	\$0												
Total LT Debt	\$0	(\$125,567)	\$0	\$0	(\$30,678)	\$0	\$0	(\$31,149)	\$0	\$0	(\$31,627)	\$0	\$0	(\$32,113)
LT Debt - Payments Unapplied	\$0	\$0	\$0	\$0										
LT Debt - Current maturities	\$0	\$0	\$0	\$0										
Consumer Membership	\$0	\$0	\$5	(\$30)	\$5	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$1,100	(\$2,450)	\$500	(\$150)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$425,567)	\$1,105	(\$2,481)	(\$30,173)	(\$120)	\$0	(\$31,149)	\$0	\$0	(\$31,627)	\$0	\$0	(\$307,113)
CASH FROM ALL ACTIVITIES	\$0	(\$118,953)	\$21,260	\$275,801	(\$27,427)	\$28,560	\$16,526	(\$56,746)	(\$42,812)	(\$29,298)	(\$29,435)	(\$21,330)	\$50,753	(\$121,728)
TOTAL CASH BEGINNING OF PERIOD	\$570,393	\$650,516	\$650,516	\$671,776	\$947,577	\$920,150	\$948,711	\$965,237	\$908,491	\$865,679	\$836,381	\$806,946	\$785,616	\$836,368
TOTAL CASH END OF PERIOD	\$570,393	\$531,563	\$671,776	\$947,577	\$920,150	\$948,711	\$965,237	\$908,491	\$865,679	\$836,381	\$806,946	\$785,616	\$836,368	\$714,640

Okanogon County Electric Cooperative Inc
 Capital Expenditures by Project
 Apr-19

	Current Month			Year to Date			Annual	Annual		
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance		
Member Requested Facilities	35,384.32	33,532.00	(1,852.32)	36,710.70	42,957.00	6,246.30	288,855.00	252,144.30		
Replacements (Poles & Transformers)	0.00	0.00	0.00	14,438.87	24,380.00	9,941.13	65,925.00	51,486.13		
Misc URD/OH Replacement Projects	26,339.70	14,076.00	(12,263.70)	26,339.70	21,141.00	(5,198.70)	72,685.00	46,345.30		
Replace 2500' of URD at Stud Horse - Part 2	0.00	0.00	0.00	0.00	0.00	0.00	56,609.00	56,609.00		
Replace 2500' of URD at Edelweiss - Part 2	0.00	0.00	0.00	0.00	0.00	0.00	123,217.00	123,217.00		
Mazama Upgrade (first of multiple phases)	0.00	0.00	0.00	0.00	0.00	0.00	51,897.00	51,897.00		
Complete URD loop at Sky Ranch	0.00	0.00	0.00	0.00	0.00	0.00	37,739.00	37,739.00		
Cordination Study - Part 1 of 2	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	15,000.00		
Major Storm Damage	0.00	0.00	0.00	0.00	3,069.00	3,069.00	16,264.00	16,264.00		
Raise level of Garage Door to match others	10,161.71	0.00	(10,161.71)	10,161.71	0.00	(10,161.71)	10,000.00	(161.71)		
Pole Inspections	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00		
Fire Retardant/Treatment on Poles	0.00	0.00	0.00	0.00	0.00	0.00	20,739.00	20,739.00		
Meter Projects (replace CTs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Purchase Pole Tamper and other tools	0.00	0.00	0.00	0.00	0.00	0.00	18,000.00	18,000.00		
Purchase Phase Tracker	5,950.00	6,000.00	50.00	5,950.00	6,000.00	50.00	6,000.00	50.00		
Roof Extension on Back Walkway	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00		
subtotal	77,835.73	53,608.00	(24,227.73)	93,600.98	97,547.00	3,946.02	802,930.00	709,329.02		
Un Allocated Overhead	58,889.61			58,889.61	0.00	(58,889.61)				
Member CIAC	CIAC	(35,705.29)	(25,000.00)	(10,705.29)	*	(48,264.02)	(51,650.00)	3,385.98	(340,000.00)	(291,735.98)
Total less CIAC	101,020.05			104,226.57			462,930.00			
							* \$57,608.08 holding in CIAC 04/30/19			
Meters Purchases	0.00	0.00	0.00	16,987.40	17,000.00	12.60	35,000.00	18,012.60		
Computers & Software Upgrades	0.00	0.00	0.00	0.00	0.00	0.00	18,000.00	18,000.00		
Transformers Purchases	0.00	116,000.00	116,000.00	125,321.57	116,000.00	(9,321.57)	130,000.00	4,678.43		
FEMA Reimbursement	0.00	0.00	0.00	(176,985.17)	0.00	176,985.17	(174,000.00)	2,985.17		
Vehicle Replacement	0.00	181,000.00	0.00	0.00	181,000.00	181,000.00	220,000.00	220,000.00		
Total	42,130.44	325,608.00		10,660.76	359,897.00		229,000.00	263,676.20		
							Total Capital Budget less CIAC			
							691,930.00	681,269.24		

* Note

	Line Crew		107.25	Consultants			
	Direct Labor	Materials	Labor	Contractors	Transportation	Benefits	Total
January	1,196.50	60.00	1,200.00	0.00	775.28	1,107.37	4,339.15
February	692.40	2,192.47	1,500.00	0.00	534.46	529.70	5,449.03
March	1,717.07	60.00	2,000.00	0.00	1,049.81	1,150.19	5,977.07
April	18,457.94	3,279.74	22,000.00	0.00	8,131.73	9,854.61	61,724.02
May							0.00
June							0.00
July							0.00
August							0.00
September							0.00
October							0.00
November							0.00
December							0.00
	22,063.91	5,592.21	26,700.00	0.00	10,491.28	12,641.87	77,489.27

* 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.

POWER & SERVICE DATA

April-19

	January 2019	February 2019	March 2019	April 2019	April 2018
POWER DATA:					
COST OF POWER	\$333,400	\$372,787	\$337,606	\$187,142	\$212,906
KWH PURCHASED	8,465,310	8,785,370	6,708,685	3,851,602	4,105,730
KWH SOLD & OCEC USE	7,943,835	8,359,180	6,165,609	3,520,637	3,785,326
KWH LOST	521,475	426,190	543,076	330,965	320,404
LINE LOSS %	6.16%	4.85%	8.10%	8.59%	7.80%
COST PER KWH	\$0.0394	\$0.0424	\$0.0503	\$0.0486	\$0.0519
BILLING DATA:					
ACCOUNTS BILLED	3,588	3,581	3,589	3,594	3,536
AVG. KWH/CONSUMER	2,214	2,334	1,718	980	1,071
BILLING REVENUE	\$687,138	\$721,796	\$562,428	\$384,605	\$397,993
AVERAGE BILL	\$191.51	\$201.56	\$156.71	\$107.01	\$112.55
REVENUE/KWH SOLD	\$0.0865	\$0.0863	\$0.0912	\$0.1092	\$0.1051
SERVICE DATA:					
NEW	3	0	3	5	1
RETIRED	2	0	2	0	1
TOTAL END OF MONTH	3783	3783	3784	3789	3732
IDLE SERVICES	101	101	101	102	103
TRANSPORTATION:					
TOTAL MILES	5,497	4,194	5,269	7,757	5,405
COST OF OPERATION	\$18,359	\$16,331	\$14,597	\$16,159	\$16,752
AVG. COST PER MILE	\$3.340	\$3.894	\$2.770	\$2.083	\$3.099
MATERIALS:					
ISSUES	\$16,224	\$2,542	\$4,597	\$3,055	\$9,843
INVENTORY	\$203,393	\$222,776	\$222,627	\$222,708	\$258,590

General Manager's Report to the Board – May 2019

General Discussion:

- I attended an evening FireWise meeting for residents in the upper Twisp River and presented OCEC 's FireWise program. Our program was met generally with a thumbs-up response. I am planning on presenting this program at a session of the Chamber of Commerce soon.
- The Washington State legislature ended on schedule. WRECA is working up a synopsis of what passed that may affect electric cooperatives. There was not anything very different than the updates that have been provided. Probably the next major step in the rules development for the Clean Air Act. WRECA will be very involved in this process.
- One very positive piece of legislation signed by the Governor appears to allow the use of "GenerLink" device between the meter and the member's meter socket. The purpose of this device is to allow member owned generators to "plug-in" at the meter, disconnect from the power grid, and serve the house through the house circuits without to install an expensive disconnect switch. This is particularly important here in the Methow where the water wells are located away from the house and the main electric panels. I had worked on getting this approved through Washington Labor and Industries four years ago to no avail. There are 49 states that allow this. Washington is the only state that does not allow this device. As this device will need to be owned by the utility, we will develop a program and Board approved policy for installing this device. I will explain how this device works in more depth at the Board meeting.
- Roger Gray, CEO of PNGC Power, will be the June OCEC Board meeting. One of the topics we will discuss is the looming electric supply shortage during critical peak conditions. With the coal plants shutting down, pressure to breach the Snake

River dams, and no political support to build dispatchable generation on a large scale, this problem is only going to get worse. If we were to have power shortages during peak conditions, OCEC may need to implement rolling blackouts to reduce loads.

Financial Discussion

- Referring the April 2019 Form 7 in Tab 2, “Administration and General Expenses” (A&G) have the largest variance (\$43k) from budgeted amounts. In the budgeting process, actual A&G expenses from 2018 was used as a basis with increases in training and other items as was discussed during the budgeting process. In 2018, actual A&G was \$554K. This amount was increased by \$78k for the final 2019 budgeted amount of \$632k. The major factors for the YTD variance of \$43k in A&G are:
 - 1) An extraordinary credit was taken in 2018 for disposal of surplus fiber optic line that was in stock. This was not backed out of the 2019 budget.
 - 2) Training expenses are \$12k over budgeted amounts. This is a timing issue as training was spread out through the year in the budgeting process. Besides the timing issue, training expenses are close to what was presented during the 2019 budgeting process.
 - 3) Increase in liability insurance costs of \$4k. The large increase in liability insurance costs of was not reflected in the 2019 budget. For 2019, liability insurance increased \$35k or 50% from 2018 levels.
- The equity ratio in April 2019 is 70.2%. The equity ratio in April 2018 was 67.8%.

2019 OCEC Board Schedule

JANUARY						
s	m	t	w	t	f	s
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY						
s	m	t	w	t	f	s
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

MARCH						
s	m	t	w	t	f	s
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL						
s	m	t	w	t	f	s
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY						
s	m	t	w	t	f	s
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE						
s	m	t	w	t	f	s
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY						
s	m	t	w	t	f	s
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST						
s	m	t	w	t	f	s
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER						
s	m	t	w	t	f	s
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER						
s	m	t	w	t	f	s
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER						
s	m	t	w	t	f	s
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER						
s	m	t	w	t	f	s
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

All meeting start at 3:00 pm except May 20th at 11:30 am

OCEC Board Committees

The following sets Standing Committee assignments effective until the next director election in 2020. New directors have been appointed to the Standing Committees, providing them a better opportunity to form working relationships with existing directors and, in Legler's case, absorb some of Ray Peterson's rate analysis experience in Ray's last year.

In addition, and separate from the Standing Committee assignments, I am recommending some restructure of the OCEC board committees. The restructure has two objectives: 1) Increase board focus on oversight and longer term planning and 2) Bring Board function vs staff function into better alignment with OCEC policy 10-140. The recommendations will be brought forward for discussion and approval at the May OCEC board meeting.

Standing Committee Assignments

Finance:

Alan Watson
Ray Peterson
Chris Legler
Staff participants selected by Gottula

Governance:

John Kirner
Sara Carlberg
Michael Murray
Staff participants selected by Gottula

Revolving loan

Alan Watson
John Kirner
Lynn Northcott

Recommendations For Committee Restructure (refer to Tables 1 and 2)

1. Ad Hoc committee functions transferred to standing committees or, as appropriate, to staff.
 - a. Rates (ad hoc) – The 2019 COSA may identify inequities between the revenue requirement vs rate revenue generated for some service classes. I anticipate Ray Peterson and his spreadsheet work will play a primary role with staff in establishing alternative rate scenarios to mitigate any inequities. I expect Ray to make his analysis approach open to any interested director and staff member as an educational opportunity. Looking past 2019 (and consistent with Policy 10-40), staff should play a more central role in the rate proposal process, with the Board functioning as rate 'approver'. This transition should eliminate the need for an ad hoc Rate Committee, allowing the initial rate review to be performed by the Finance Committee.
 - b. OCEC bylaws (Article III, Section 3) direct the Board to appoint the OCEC member staffed nominating committee. I recommend the Governance Committee take the central role in appointing the nominating committee, defining their role, and communicating with nominees regarding interview logistics/results. This is a transition from the GM taking the lead role.
 - c. Outreach Committee (ad hoc) -- eliminate
2. Longer term planning
Establish an ad hoc committee for assessment of important industry trends and technology. As the Board identifies trends in wholesale power markets and the utility industry overall, and at the Board's initiation, the committee's role would review a specific industry trend and/or technology with significant potential impact on OCEC operations. Typically the committee's output is a fact based presentation/paper that educates the Board on a complex topic, assesses the potential impact on OCEC, and outlines the appropriate timeframe for action. The information establishes a baseline for planning purposes. The committee's work would be an early step in collaboration with the GM for longer term development of goals and courses of action.

Committee membership will vary from topic to topic and is somewhat dependent on each Board member's interest and expertise.

Table 1 -- Current OCEC Committee Structure

Standing Committees

Governance Committee

Sara Carlberg
Michael Murray
John Kirner

Finance Committee

Dale Sekijima
Alan Watson (Chair)
Ray Peterson

Revolving Loan Fund Committee

John Kirner
Alan Watson
~~Sub: Curtis Edwards~~
Lynn Northcott

Ad Hoc Committees

Audit Committee

Dale Sekijima (Chair)
Alan Watson
Ray Peterson

Outreach Committee

~~Curtis Edwards~~

Rate Committee

Ray Peterson
Dale Sekijima
Alan Watson
John Kirner

Table 2 -- Proposed Committee Structure

Standing Committees

Governance Committee

Sara Carlberg
Michael Murray
John Kirner

Finance Committee

Alan Watson
Ray Peterson
Chris Legler

Revolving Loan Fund Committee

Alan Watson
John Kirner
Lynn Northcott

Ad Hoc Committees

Audit Committee

Alan Watson
Ray Peterson

Rate Committee

Eliminate post 2019

Technology and industry trends

Appointees depend on interest