

2:00 PM – Roger Gray, PNGC



BOARD OF DIRECTORS MEETING
June 24, 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 2)**
 - a) Minutes from May 20, 2019
 - b) New Members
 - c) May 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 Strategic Planning Meeting, Eureka, MT, June 3rd to 5th – David
 - b) WRECA Annual Meeting – Spokane - June 11th and 12th – David, Alan, Sara
8. Meetings to Attend
 - a) None
9. General Managers Report (Tab 3)

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

ITEMS OF BUSINESS

- 1) Upcoming Board Meeting Presentations or In-Depth Discussions
 - a. July 22nd, 2 PM, Okanogan PUD
Broadband staff – Presentation on PUD Broadband system
 - b. August 26th, 2 PM, Kent Lopez,
Washington Rural Electrical Cooperative Association (WRECA) - Presentation on the legislative results from the last session and what is in the future legislatively.
 - c. September 23rd, Jennifer Sands, OCEC Attorney

- 2) Standing Committee Charters
 - a. Finance **(Tab 4)**
 - b. Governance

OPEN FLOOR FOR BOARD MEMBERS

EXECUTIVE SESSION

- 1) Litigation Update



BOARD MEETING
May 20, 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

President Dale Sekijima called the meeting of the Board of Directors of Okanogan County Electric Cooperative, Inc. (OCEC) to order at 3:05 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

The Executive Session 1) Fiber Optic Line Update is moved to after the approval of the Consent Agenda.

Under Item No. 2 Standing Board Committee Assignments, Sara added a Discussion of Standing Committee Charters.

Dale moved Item No. 2 Standing Board Committee Assignments to be discussed under Committee Reports.

Agenda approved as amended by Board consensus.

4. APPROVAL OF CONSENT AGENDA ITEMS

Consent Agenda approved by Board Consensus.

Adjourned to Executive Session at 3:08 pm.

The regular Board meeting was reconvened at 3:47 pm.

5. COMMITTEE REPORT

Dale referred to the Board Committee handouts in the meeting packets, pointed out the committee assignments, described the modifications to committee structure and opened the floor to discussion on committee structure.

Committee Assignments Are:

1. Governance (standing): Sara Carlberg, Michael Murray and John Kirner and staff determined by GM.
2. Finance (standing): Alan Watson, Ray Peterson and Chris Legler and staff determined by GM.
3. Revolving Loan (standing): Alan Watson, John Kirner and Lynn Northcott.
4. Audit: Alan Watson and Ray Peterson. (No staff on this committee)
5. Rate: Committee to be eliminated post 2019.
6. Outreach: eliminated
7. Technology & Industry Trends: Appointees depend on interest.

Floor Discussion On Committee Structure:

The Proposed Committee structure presented by Dale is:

Standing Committees: Governance, Finance and Revolving Loan Fund committees.

Ad Hoc Committees: Audit, Rates (dropped post 2019), and Technology & Industry Trends Committees.

Dropped: Outreach, and Rates (post 2019)

Sara suggested developing charters for committees. After discussion, the Board consensus is that each standing committee, beginning from a baseline provided by Dale,

and incorporating staff input, will develop a draft charter. The charter's principal objective is to define a committee's duties, responsibilities, and limitations.

Dale will provide the baseline charters to the standing committees for their further development and refinement. Charters will be reviewed and approved by board majority.

Ray Peterson moved to accept the six (6) proposed committees, and eliminations as presented. Alan seconded. Motion carried.

6. MEETINGS ATTENDED

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

David Gottula reviewed topics discussed including the possibility of capital being returned to PNGC members.

7. MEETINGS TO ATTEND

a. PNGC Strategic Planning Meeting – Eureka MT – June 3rd to 5th - David

b. WRECA Annual Meeting – Spokane – June 11th & 12th – David and Board

c. NRECA Regional Meeting – September 24th – 26th – Spokane- David and Board

d. PNGC Annual Meeting – September 30th – October 2nd – Portland – David and Board

8. GENERAL MANAGERS REPORT

Written report reviewed.

a) Office Update

Lynn Northcott reported Callie Fink is leaving. Lynn has advertised for the position and is conducting interviews this week.

Mark is in the process of implementing Smart Apps for phones and in-house testing will begin soon.

The office is preparing for the "Over 80 Capital Credit Retirement" scheduled for August 2019 payout.

b) Operations Update

Glenn Huber reported:

- As part of OCEC's risk management program, Glenn toured our system with Sam Israel, Certified Forester, to create a plan for right-of-ways, hazard trees, etc.
- Glenn attended an Operations group meeting in Prosser where Risk Management Assessment was the main topic.
- The BPA/PUD outage scheduled for August could happen sooner due to construction work being ahead of schedule.
- OCEC has hired a new Lineman. He is scheduled to begin on May 28th.
- Glenn reviewed the status of 'GenerLink', a device used between the meter and the meter base to allow member owned generators to 'plug-in' at the meter, disconnect from the power grid, and serve the house through the house circuits. This device will need to be owned by the utility, not the member, per Labor and Industries. As the 'GenerLink' goes through the approval process, staff will continue to monitor and come up with an implementation plan.

c) OCEI Propane Update

Tracy McCabe reported that May is a typically a slower month. However OCEI in May picked up two (2) new commercial accounts and won the seasonal bid for another large one.

ITEMS OF BUSINESS

1. Board Meeting Date Review

David reviewed the 2019 board meeting calendar and asked if any changes are needed.

After discussion the November meeting will be moved to November 22nd and the December meeting will be moved to December 16th.

John Kirner moved to accept the Board meeting date changes as discussed. Second. Motion carried.

2. Standing Board Committee Assignments

Discussed under Committee Reports.

OPEN FLOOR FOR BOARD MEMBERS

Michael Murray shared an article regarding a Minnesota Board being investigated by the Minnesota Attorney General for 'kickbacks' from selling a subsidiary.

Dale asked when Kent Lopez from WRECA will be visiting OCEC again. David noted he generally visits once per year around October, but OCEC could schedule him earlier if needed.

Meeting adjourned 4:50 pm.

EXECUTIVE SESSION

1. Fiber Optic Line Update

Moved to discussion after the Approval of the Consent Agenda.

Alan Watson, Secretary

New Members OCEC

June 24, 2019

REINSTATE

1. FINK, RILEY 116008

NEW MEMBERS

1. BUSH, KELLY & DALTON, RUSS 119036
2. STEPHENS, SARAH & THOMAS, MAX 119037
3. ATKINSON-BURCH, VERONICA 119038
4. KUEHL, CHAD & COLLEEN 119039
5. MOORE, JONATHAN A 119040
6. PICKARD, MATTHEW & MORATTI, LOUISA 119041
7. SULLIVAN, JEREMIAH 119042
8. SUNDT, PETER 119043
9. VOID 119044
10. WICKANDER, JIL 119045
11. GARING, LUKE 119046
12. VOID 119047
13. GUTIERREZ-ZAMORA, LEURISA & DANTE 119048
14. MARION, GAIL 119049
15. JONES, SHAWN 119050
16. BLACKER, SONYA 119051
17. REKART, TRACY & MCCARTHY, NEIL 119052
18. VIZZINI, LISA & KULIN, DANIEL 119053
19. HERDMAN, ELIZABETH & HARRY 119054
20. ALEXANDER, ROBERT W & CLARK, BARBARA A 119055



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	5/31/2019

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.	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; background-color: red; margin: 5px; display: flex; align-items: center; justify-content: center;">8</div> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; background-color: yellow; margin: 5px; display: flex; align-items: center; justify-content: center;">6</div> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; background-color: green; margin: 5px; display: flex; align-items: center; justify-content: center;">4</div> </div> <div> <p>Needs Attention</p> <p>Please Review</p> <p>Matches</p> </div> </div>	<p>A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?</p> <div style="display: flex; justify-content: space-around;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div> <p>B. Will you authorize CFC to share your data with other cooperatives?</p> <div style="display: flex; justify-content: space-around;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div>	
Signature of Office Manager or Accountant Date <i>[Signature]</i> 6/12/19			
Signature of Manager Date <i>[Signature]</i> 6-13-19			

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	2,550,076	2,755,128	2,631,060	378,861
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,290,468	1,389,587	1,279,292	158,652
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	28,386	44,354	34,156	17,897
7. Distribution Expense - Maintenance	285,726	313,825	315,248	48,796
8. Consumer Accounts Expense	126,058	129,675	132,066	24,949
9. Customer Service and Informational Expense	3,939	3,354	1,888	257
10. Sales Expense	5,044	(2,994)	(2,988)	(2,478)
11. Administrative and General Expense	270,466	346,416	274,881	56,279
12. Total Operation & Maintenance Expense (2 thru 11)	2,010,088	2,224,217	2,034,544	304,353
13. Depreciation & Amortization Expense	159,071	163,392	162,605	32,857
14. Tax Expense - Property & Gross Receipts	18,693	18,830	17,306	3,766
15. Tax Expense - Other	79,969	84,295	77,457	12,107
16. Interest on Long-Term Debt	85,210	82,064	81,794	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)	2,353,032	2,572,799	2,373,706	369,496
21. Patronage Capital & Operating Margins (1 minus 20)	197,044	182,328	257,354	9,365
22. Non Operating Margins - Interest	7,854	9,210	9,011	347
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	7,500	7,500	7,500	1,500
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	0	0	0	0
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	214,122	202,424	278,865	11,211

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	7	17	5. Miles Transmission	0	0
2. Services Retired	1	4	6. Miles Distribution Overhead	302	303
3. Total Services In Place	3,738	3,795	7. Miles Distribution Underground	212	221
4. Idle Services (Exclude Seasonal)	102	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	
		05/31/2019	
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	14,212,240	29. Memberships	16,245
2. Construction Work in Progress	257,704	30. Patronage Capital	8,040,262
3. Total Utility Plant (1+2)	14,469,944	31. Operating Margins - Prior Years	834,473
4. Accum. Provision for Depreciation and Amort	4,898,640	32. Operating Margins - Current Year	194,924
5. Net Utility Plant (3-4)	9,571,304	33. Non-Operating Margins	7,500
6. Nonutility Property - Net	0	34. Other Margins & Equities	479,764
7. Investment in Subsidiary Companies	827,067	35. Total Margins & Equities (29 thru 34)	9,573,167
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	954,218	43. Accounts Payable	341,490
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	153,855
17. Special Deposits	72,022	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	413,638	48. Other Current & Accrued Liabilities	254,605
21. Accounts Receivable - Net Other	877,482	49. Total Current & Accrued Liabilities (42 thru 48)	749,950
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	258,861	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,659,664
24. Prepayments	34,690	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)	2,750,338	Amounts Received This Year (Net)	82,339
27. Deferred Debits	401	TOTAL Contributions-In-Aid-Of-Construction	82,339
28. Total Assets & Other Debits (5+14+26+27)	13,659,664		
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

May 31, 2019

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,891,986	\$2,631,060	\$2,755,128	\$415,520	\$378,861
COST OF POWER	\$2,831,793	\$1,279,292	\$1,389,587	\$165,123	\$158,652
GROSS MARGINS	\$3,060,193	\$1,351,768	\$1,365,541	\$250,397	\$220,209
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$93,080	\$34,156	\$44,354	\$7,461	\$17,897
DISTRIBUTION MAINTENANCE	\$593,844	\$315,248	\$313,825	\$63,222	\$48,796
CONSUMER ACCOUNTING	\$305,739	\$132,066	\$129,675	\$26,411	\$24,949
CONSUMER SERVICE & INFO	\$3,687	\$1,888	\$3,354	\$860	\$257
SALES EXPENSE	-\$2,988	-\$2,988	-\$2,994	\$0	-\$2,478
ADMIN & GENERAL	\$631,819	\$274,881	\$346,416	\$27,413	\$56,279
<i>TOTAL OPERATING EXPENSES</i>	\$1,625,181	\$755,252	\$834,630	\$125,367	\$145,701
FIXED EXPENSES:					
DEPRECIATION	\$391,573	\$162,605	\$163,392	\$32,521	\$32,857
TAXES-PROPERTY	\$41,344	\$17,306	\$18,830	\$3,385	\$3,766
TAXES-OTHER	\$175,255	\$77,457	\$84,295	\$13,971	\$12,107
INTEREST	\$194,329	\$81,794	\$82,064	\$16,270	\$16,413
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$802,502	\$339,162	\$348,582	\$66,147	\$65,143
TOTAL EXPENSES	\$2,427,682	\$1,094,414	\$1,183,212	\$191,514	\$210,844
OPERATING MARGINS	\$632,511	\$257,354	\$182,328	\$58,883	\$9,365
NONOPERATING MARGINS:					
INTEREST	\$72,523	\$9,011	\$9,210	\$364	\$347
OTHER	\$18,000	\$12,500	\$10,885	\$1,500	\$1,500
NET MARGINS	\$723,034	\$278,865	\$202,424	\$60,747	\$11,211
T.I.E.R.	4.72	4.41	3.47	4.73	1.68

Okanogan County Electric Cooperative Inc
Budget Year: 2019

	2018	Budget year												
		Jan - Dec	January	February	March	Actual		June	July	Forecasted				
					April	May			August	September	October	November	December	
Patronage Capital or Margins	\$0	\$723,035	\$61,097	\$128,143	\$2,671	(\$698)	\$11,211	\$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	\$32,857	\$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	(\$258)	\$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	\$43,810	\$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	\$1,832	(\$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	(\$401)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepayments	\$0	\$0	(\$54,513)	\$4,955	\$4,956	\$4,956	\$4,956	\$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	\$50,196	\$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)	\$3,086	\$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)	\$22,814	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	\$0	\$133,513	\$139,947	(\$128,132)	(\$159,388)	\$25,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$1,026,474	\$65,621	\$246,742	\$58,476	\$98,888	\$76,096	\$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)	\$934	(\$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	\$5,604	\$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)	(\$77,128)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$340,000	(\$2,742)	\$3,173	\$12,128	\$35,705	\$34,075	\$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)	(\$36,153)	\$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)	(\$72,668)	(\$70,611)	(\$55,611)	(\$57,261)	(\$65,611)	(\$65,611)	(\$75,611)	(\$95,611)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$300,000)							\$0	(\$25,000)				(\$250,000)
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	\$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	\$5	(\$30)	\$5	\$30	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$1,100	(\$2,450)	\$500	(\$150)	\$2,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$425,567)	\$1,105	(\$2,481)	(\$30,173)	(\$120)	\$2,080	(\$31,149)	\$0	\$0	(\$31,627)	\$0	\$0	(\$282,113)
CASH FROM ALL ACTIVITIES	\$0	(\$118,953)	\$21,260	\$275,801	(\$27,427)	\$28,560	\$5,508	(\$56,746)	(\$42,812)	(\$29,298)	(\$29,435)	(\$21,330)	\$50,753	(\$96,728)
TOTAL CASH BEGINNING OF PERIOD	\$570,393	\$650,516	\$650,516	\$671,776	\$947,577	\$920,150	\$948,711	\$954,219	\$897,473	\$854,661	\$825,363	\$795,928	\$774,598	\$825,351
TOTAL CASH END OF PERIOD	\$570,393	\$531,563	\$671,776	\$947,577	\$920,150	\$948,711	\$954,219	\$897,473	\$854,661	\$825,363	\$795,928	\$774,598	\$825,351	\$728,622

Okanogan County Electric Cooperative Inc
 Capital Expenditures by Project
 May-19

	Current Month			Year to Date			Annual	Annual	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance	
Member Requested Facilities	23,731.79	33,532.00	9,800.21	60,442.49	76,480.00	16,037.51	288,855.00	228,412.51	
Replacements (Poles & Transformers)	33,483.30	0.00	(33,483.30)	47,922.17	24,380.00	(23,542.17)	65,925.00	18,002.83	
Misc URD/OH Replacement Projects	0.00	10,584.00	10,584.00	26,339.70	31,725.00	5,385.30	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	24,643.00	24,643.00	0.00	24,643.00	24,643.00	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	10,150.29	0.00	(10,150.29)	10,150.29	0.00	(10,150.29)	37,739.00	27,588.71	
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	0.00	0.00	0.00	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	6,919.25	0.00	(6,919.25)	6,919.25	0.00	(6,919.25)	20,739.00	13,819.75	
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	1,832.30	9,000.00	7,167.70	1,832.30	9,000.00	7,167.70	18,000.00	16,167.70	
Purchase Phase Tracker	0.00	0.00	0.00	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	76,116.93	77,759.00	1,642.07	169,717.91	175,297.00	5,579.09	802,930.00	633,212.09	
Un Allocated Overhead	59,180.18			59,180.18	0.00	(59,180.18)			
Member CIAC	CIAC	(34,075.03)	(35,000.00)	924.97	* (82,339.05)	(86,650.00)	4,310.95	(340,000.00)	(257,660.95)
Total less CIAC	101,222.08			146,559.04			462,930.00		
							* \$57,525.41 holding in CIAC 05/31/19		
Meters Purchases	3,462.40	0.00	(3,462.40)	20,449.80	17,000.00	(3,449.80)	35,000.00	14,550.20	
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	165,812.17	116,000.00	(49,812.17)	130,000.00	(35,812.17)	
FEMA Reimbursment	0.00	0.00	0.00	(176,985.17)	(174,000.00)	2,985.17	(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	45,504.30	339,759.00		96,655.66	228,647.00		229,000.00	219,723.20	
							Total Capital Budget less CIAC		
							691,930.00	595,274.34	

* Note

	Line Crew Direct Labor	Materials	107.25 Labor	Consultants 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	15,911.13	17,958.76	20,000.00	0.00	9,564.58	10,850.16	74,284.63
June							0.00
July							0.00
August							0.00
September							0.00
October							0.00
November							0.00
December							0.00
	37,975.04	23,550.97	46,700.00	0.00	20,055.86	23,492.03	151,773.90

* 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

May-19

	February 2019	March 2019	April 2019	May 2019	May 2018
POWER DATA:					
COST OF POWER	\$372,787	\$337,606	\$187,142	\$158,652	\$145,406
KWH PURCHASED	8,785,370	6,708,685	3,851,602	3,658,630	3,443,600
KWH SOLD & OCEC USE	8,359,180	6,165,609	3,520,637	3,348,953	3,144,751
KWH LOST	426,190	543,076	330,965	309,677	298,849
LINE LOSS %	4.85%	8.10%	8.59%	8.46%	8.68%
COST PER KWH	\$0.0424	\$0.0503	\$0.0486	\$0.0434	\$0.0422
BILLING DATA:					
ACCOUNTS BILLED	3,581	3,589	3,594	3,792	3,733
AVG. KWH/CONSUMER	2,334	1,718	980	883	842
BILLING REVENUE	\$721,796	\$562,428	\$384,605	\$375,977	\$360,224
AVERAGE BILL	\$201.56	\$156.71	\$107.01	\$99.15	\$96.50
REVENUE/KWH SOLD	\$0.0863	\$0.0912	\$0.1092	\$0.1123	\$0.1145
SERVICE DATA:					
NEW	0	3	5	6	6
RETIRED	0	2	0	0	0
TOTAL END OF MONTH	3783	3784	3789	3795	3738
IDLE SERVICES	101	101	102	102	102
TRANSPORTATION:					
TOTAL MILES	4,194	5,269	7,757	7,522	5,148
COST OF OPERATION	\$16,331	\$14,597	\$16,159	\$21,803	\$17,104
AVG. COST PER MILE	\$3.894	\$2.770	\$2.083	\$2.899	\$3.322
MATERIALS:					
ISSUES	\$2,542	\$4,597	\$3,055	\$8,291	\$7,235
INVENTORY	\$222,776	\$222,627	\$222,708	\$258,861	\$256,721

General Manager's Report to the Board – May 2019

General Discussion:

- The transmission outage on June 30 represents the final piece of the puzzle that brings a looped transmission system to the Methow Valley. This project was started in the 1980's and its completion is a major milestone for OCEC. The "looped" concept is very common in the electric utility industry and will mark a major advancement in the increase in the reliability to our system. While most transmission projects do not take 30 years to complete, this project should have been completed over a decade ago.
- Staff is starting to look at the long-term needs of the building campus. This includes what to eventually do with house and land behind the co-op that belongs to the co-op. We are considering hiring a consultant that will assist in this effort. If staff decides to go forward, we will include this proposal as part of the 2020 budget.

Financial Discussion

- YTD May 2019 results for the capital budget show an overage of \$49k. This is after adjusting for the timing of the payment of the new truck. The main reason for this variance is increased transformer costs over the budgeted amount of \$49k.
- YTD May 2019 results for the O&M budget show an overage of \$80k. The majority of this variance is from "Admin and General (A&G)". The major factors for the A&G variance are:
 - Timing of certain expenses (COSA, training, etc.)
 - Increase in liability insurance costs that were not reflected in the budget.
- The equity ratio in May 2019 is 70.1%. The equity ratio in May 2018 was 68.2%.

Okanogan County Electric Cooperative
Finance Committee Charter
June 16, 2019

Constitution: The Finance Committee is constituted by the Board of Directors in accordance with OCEC bylaws and policies. The Committee shall consist of three Board members plus the General Manager and the Chief Financial Officer. The staff shall be ex officio, non-voting members. The Board Treasurer shall be the Committee Chair.

Purpose: The Finance Committee's role is to gather and interpret information about OCEC's finances in order to inform and advise the Board of Directors. The Committee shall help management to set financial goals and objectives consistent with board policy, and shall review management's strategies, budgets, forecasts, financial plans, and programs. The Committee will assist the Board in its oversight of the integrity of the financial statements and compliance with legal and regulatory requirements. The Committee will also undertake specific projects as assigned by the Board. The Committee will report its findings and concerns to the Board on a timely basis.

Tasks:

1. Evaluate and ensure the integrity of OCEC's financial statements.
2. Review the independent auditor's qualifications and independence before the audit, and review the auditor's reports and recommendations at the conclusion of the audit.
3. Review and evaluate annual budgets before approval by the Board.
4. Evaluate and monitor capital investments, financing activities, and capital credit payouts, to ensure that they are reasonable and consistent with the policies and objectives approved by the Board.
5. Monitor debt and recommend debt management strategies to the board.
6. Evaluate exposure to financial risks.
7. Evaluate the financial impact of changes in Cost of Power resulting from BPA rate cases.
8. Assess compliance with legal and regulatory financial requirements.
9. Evaluate the likely financial effects of proposed electric rates.
10. Periodically review this charter and suggest appropriate changes to the Board.

Limitations: Under no circumstances shall the Committee do or say anything that would commit the Board or OCEC to any course of action, either explicitly or implicitly. The Committee shall not manage or direct operational staff.