



1:00 PM – EES COSA PRESENTATION
2:00 PM – JENNIFER SANDS – OCEC
LEGAL (Tab 8)

BOARD OF DIRECTORS MEETING
September 23, 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 August 26, 2019
 - b) New Members
 - c) August 2019 – Form 7
 - d) Statement of Operations
 - e) Power & Service Data
 - f) Capital Expenditures by Project
 - g) Cash Flow
6. Committee Reports
7. Meetings Attended
 - a) PNGC Transmission/Generation Seminar - August 27th, 2 PM - Board Room
 - b) PNGC September Board Meeting - Portland, OR, September 4th – Dale
 - c) State of Washington Wildland Fire Task Force Meeting - Olympia – September 4th - David

d) WRECA Quarterly Meeting – September 9th and 10th - North Bend – David

8. Meetings to Attend

a) PNGC Annual Meeting – Sept. 30 to Oct 2nd – David, Sara and Alan

b) WRECA Manager's Meeting – October 22nd – North Bend – David

9. General Managers Report (Tab 3)

a) Office Update

b) Operations Update

c) Propane Update

ITEMS OF BUSINESS

1) Procedural Change to Board Discussions **(Tab 4)**

2) Approval of Purchase of 2012 Prius for \$11,000.

3) Review Form 990 (Copies available prior to meeting)

4) Approve Revised Policy 30-210 Disconnection and Reconnection of Service **(Tab 5 includes both original and revised versions)**

5) Approve Deleting Policy 30-212 Disconnect Switch Interbase – Policy was incorporated into Policy 30-210 **(Tab 6)**

6) Discussion of COSA/Rates - Expectation is that there will be no change in current rate structure. Final COSA documents will be sent by a separate e-mail.

7) Discussion of Standing Committee Charters (Tab 7)

OPEN FLOOR FOR BOARD MEMBERS

EXECUTIVE SESSION

Litigation Update



BOARD MEETING
August 26, 2019

Present: Sara Carlberg, Dale Sekijima (Board Chair), Ray Peterson, John Kirner, Michael Murray and Alan Watson.

Absent: Chris Legler

Attending: David Gottula; General Manager, Lynn Northcott; CFO, 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 3:07 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

David Gottula added reports from Governance and Finance Committees under Item 6 - Committee Reports. Agenda approved as amended by Board consensus.

4. MEMBER COMMUNICATIONS

None

5. APPROVAL OF CONSENT AGENDA ITEMS

Consent Agenda approved by Board Consensus.

6. COMMITTEE REPORT

Finance Committee:

Alan Watson reported the Finance Committee met and reviewed the new CFC (Cooperative Finance Corporation) Planning Model tool which replaced the previous Excel Spreadsheet used. He noted it's a new and improved tool for David and Lynn Northcott to use for budgeting and finance.

Finance committee also reported their consensus, and anticipated recommendation, to stabilize the current equity ratio at about its current level rather than pursuing a plan to lower the ratio significantly.

- GM expressed concern that pursuing a lower equity ratio would result in raising capital credit retirement levels for a number of years followed by reduction after the target ratio is met; a situation which may aggravate members who had grown to expect the higher retirement payouts.
- A question was raised whether changing the equity ratio target potentially conflicts with OCEC's strategic plan and GM incentives.

Finance committee to present the Board with a recommendation for approval, in September, addressing, 1) an equity ratio target, 2) the approach to achieving the target, and 3) any potential conflict with the GM's goals.

Governance Committee:

Michael Murray presented the draft Governance Committee Charter for review. He asked the Board to review it and let him know if there are corrections or suggestions.

Michael reported the committee has reviewed the amended draft Policy No. 30-210 - Disconnection and Reconnection of Service. He asked the Board to review it and let him know if there are corrections or suggestions to consider before it is sent to our Legal Department. The policy will be presented to the Board for approval after legal review.

Michael is working on a calendar of tasks for the committee. It includes periodic review of Policy's and OCEC By-Laws, the Director Nomination process and communications with the GM during union negotiations.

7. MEETINGS ATTENDED

- a) PNGC August Board Meeting – Portland OR – August 6th & 7th – David, Chris Legler and Dale Sekijima.

Dale reviewed the monthly meeting.

8. MEETINGS TO ATTEND

- a. PNGC Transmission/Generation Seminar – Aug 27th – 2PM – OCEC Board Room
- b. PNGC September Board Meeting – Portland OR – Sept 4th – Dale
- c. State of Washington Wildland Fire Task Force Meeting – Olympia – Sept 4th – David
- d. PNGC Annual Meeting – Sept 30th to Oct 2nd – David and Board Members (Poll Board Members to See Who Wants to Attend)

David asked Board members who will be attending. Sara and Alan will be attending.

9. GENERAL MANAGERS REPORT

Written report reviewed.

David reported he attended the Methow Broad Band Action Committee meeting. The committee goal is to formally identify areas in the Methow in need of Broadband services and what it will take to supply the service.

David and a group from the Methow Valley attended a lunch with Congressman Dan Newhouse in Okanogan. The group was able to spend an hour with Mr. Newhouse and thanked him for his work on preventing a copper mine in the upper Methow Valley and briefed him on other issues in the valley.

a) Office Update

Lynn reported the final total for the "Over 80 Special Capital Credit Payout" is \$40,603.87. The checks were mailed on August 15, 2019.

Lynn informed the Board that a 2012 Toyota Prius (owned by Ken Westman) is for sale. She suggested the Board consider buying it as a company car for employee and board member travel uses. Board will consider purchase of the vehicle (estimated at \$11,000). Satisfaction of staff who may use the vehicle will be a factor.

Lynn attended the NRECA Interact Training Conference which covers Benefit and Insurance changes and Human Resources topics. She noted it was a very informative conference and suggested sending someone most years.

b) Operations Update

Glenn Huber reported:

- OCEC's new truck has been shipped back to Portland for corrections and repairs and should be delivered back to us in 8-10 weeks.
- Crews worked on upgrades to the Mazama and Edelweiss areas.
- Sam Israel, forester contractor, is 95% complete for the field work. The final report and data should be completed in October. The data will be used for risk management planning.
- Bob Rivard has completed OCEC right-of-way (ROW) clearing for 2019, including a USFS area at Eight Mile. ROW will continue in 2020 within budgetary allowance.

c) OCEI Propane Update

Tracy reported that OCEI had a software upgrade which improves functionality and efficiency in general and will allow a Web-Pay service for customers through the OCEI website.

She reported the last tank order of the 2019 season has arrived and she shouldn't need to order anymore tanks until 2020.

ITEMS OF BUSINESS

1. Standing Committee Charters

- a. Finance – Draft reviewed at July meeting.
- b. Governance – Draft reviewed at today's meeting.

The general consensus of the Board is the Charters are ready for approval contingent on discussion with legal counsel in September.

2. Proposal to Engage Consultant to Develop Long-Term HQ Facilities Plan

David presented the Scope of Service of OCEC HQ Facilities Planning Study to the Board noting that this proposal is first-stage planning only.

Discussion included:

- Cost of the consultant/project: should an RFP (Request for Proposals) be sent out for comparisons?
- Could an Architect be used for a project of this scope?
- Should OCEI pay a portion of the consultant cost? Board consensus is no – OCEI is a tenant and pays rent to OCEC. OCEC owns the facility and is responsible for it.
- Make sure the consultant is familiar with a propane company and regulations that may be required.
- What is the scope of the Board role, responsibility or involvement in a project of this size?
- What is the level of detail included in the master plan – will it allow for options or other scenarios such as further expansion?
- Is there a sample Master Plan available for review?

The Board directed staff to develop an RFP to gather more proposals, rather than sole source the project, for comparisons of qualifications, experience, and cost for the project.

Board Chair requested inclusion of a milestone/deliverable which describes potential alternatives in detail sufficient for the Board to conclude that a reasonable diversity of alternatives is being considered. The milestone will be completed before development of a master plan.

3. Proposal for Additional Capital Project for Line Sensors - \$31,000.

In David's GM report he notes: One of OCEC's goals is to develop and test one or more idea or method to quickly identify and locate larger system outages. Staff has selected an Aclara product/device to test at an initial cost of \$31,000.

The device would give OCEC coverage of status of the four circuits out of Winthrop. This is the first phase of the project.

Discussion raised the issue of newer technologies (e.g., new generation meters) obsoleting the system outage approach being tested. Board consensus was that newer technology products are prohibitively expensive. In addition, OCEC is not contemplating large scale meter replacement.

In answer to the question of full rollout expense, assuming a successful first phase, the GM felt the cost would be roughly \$100,000.

Ray Peterson moved to approve \$31,000 for Additional Capital Project for line sensors from Aclara. Seconded. Motion carried.

OPEN FLOOR FOR BOARD MEMBERS

Dale noted, for procedural purposes, that Directors should let him know if they will be unable to attend a scheduled meeting. Attendance would determine if a quorum could be met or if a meeting would need to be rescheduled.

Meeting adjourned 5:01 pm.

EXECUTIVE SESSION

None.

Alan Watson, Secretary

New Members OCEC**September 23, 2019****REINSTATE**

1. CHAMBERS, LARRY & MARY	180133
2. DESTEFANO, TOM	105049
3. LEVY, ROBERT & BUDISELICH, ANNIE	114130
4. RAMOS, VALLEJANO MARISOL	117151

NEW MEMBERS

1. LEMOINE, TOM	119116
2. GRIGNON, LAURA	119117
3. WRAY, MARK & CONSTANCE K	119118
4. WANG, SHARON & GEORGE	119119
5. HOMESTREAM PARK	119120
6. MACKOFF, JULIE & BENNETT, JOHN	119121
7. KIMMERLING, ROBERT & KRISTIN	119122
8. ALUMBAUGH, BRET D & KELLY L	119123
9. LIVE WORK PLAY LLC	119124
10. CARR, ROBERT & JOHNSON, AMANDA	119125
11. LUNDY, DENISE	119126
12. CLEARY, SEAN & ANITA K	119127
13. JEPSON, RONALD T & SHELLEY D	119128
14. PIPPIN, RICK	119129
15. SNOWLEE, BETH & ELIJAH	119130
16. YOUNG, ANNE NATHAN	119131
17. JELINEK, GREGORY MONNIX & EMERICK, INGRID A	119132
18. BENSON, DANIEL V	119133
19. HALL, HARRY V & ELLEN J	119134
20. VOID	119135
21. CHASE, PAUL & SHELLEY	119136
22. CHASE, CLAYTON	119137
23. BANASZYNSKI, JACQUELINE M	119138



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	8/31/2019

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.		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: 9/16/19		<input checked="" type="radio"/> YES <input type="radio"/> NO
Signature of Manager: <i>[Signature]</i> Date: 9/16/19		B. Will you authorize CFC to share your data with other cooperatives?
		<input checked="" type="radio"/> YES <input type="radio"/> NO

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	3,717,588	3,915,538	3,848,348	398,441
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,843,336	1,926,129	1,878,103	179,182
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	63,114	72,015	57,769	7,770
7. Distribution Expense - Maintenance	403,351	475,294	438,755	41,726
8. Consumer Accounts Expense	195,742	196,836	206,208	22,088
9. Customer Service and Informational Expense	4,710	3,868	2,659	257
10. Sales Expense	4,104	467	(2,988)	2,091
11. Administrative and General Expense	385,294	497,885	451,634	52,637
12. Total Operation & Maintenance Expense (2 thru 11)	2,899,652	3,172,494	3,032,140	305,751
13. Depreciation & Amortization Expense	254,987	253,252	260,432	29,843
14. Tax Expense - Property & Gross Receipts	29,991	30,129	27,575	3,766
15. Tax Expense - Other	114,955	120,660	119,370	12,550
16. Interest on Long-Term Debt	135,569	130,569	130,304	16,266
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	3,435,154	3,707,103	3,569,822	368,175
21. Patronage Capital & Operating Margins (1 minus 20)	282,434	208,435	278,526	30,265
22. Non Operating Margins - Interest	12,092	15,096	14,681	375
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	26,771	(1,554)	5,000	(9,940)
25. Non Operating Margins - Other	12,000	12,000	12,000	1,500
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	0	0	0	0
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	333,297	233,977	310,207	22,200

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	29	38	5. Miles Transmission	0	0
2. Services Retired	3	6	6. Miles Distribution Overhead	302	303
3. Total Services In Place	3,758	3,814	7. Miles Distribution Underground	212	221
4. Idle Services (Exclude Seasonal)	100	99	8. Total Miles Energized (5+6+7)	514	524



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogon County
	BORROWER DESIGNATION	WA032
	ENDING DATE	08/31/2019

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	14,065,927	29. Memberships	16,370
2. Construction Work in Progress	320,888	30. Patronage Capital	8,000,195
3. Total Utility Plant (1+2)	14,386,815	31. Operating Margins - Prior Years	834,473
4. Accum. Provision for Depreciation and Amort	4,831,683	32. Operating Margins - Current Year	221,977
5. Net Utility Plant (3-4)	9,555,132	33. Non-Operating Margins	12,000
6. Nonutility Property - Net	0	34. Other Margins & Equities	481,638
7. Investment in Subsidiary Companies	827,067	35. Total Margins & Equities (29 thru 34)	9,566,652
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)	3,305,398
10. Invest in Assoc. Org. - Other - Nongeneral Funds	144,438	38. Total Long-Term Debt (36 + 37)	3,305,398
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)	1,337,622	42. Notes Payable	0
15. Cash-General Funds	831,873	43. Accounts Payable	324,478
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	157,360
17. Special Deposits	94,530	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	390,311	48. Other Current & Accrued Liabilities	266,650
21. Accounts Receivable - Net Other	989,139	49. Total Current & Accrued Liabilities (42 thru 48)	748,489
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	262,683	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,620,539
24. Prepayments	19,823		
25. Other Current & Accrued Assets	966	ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
26. Total Current & Accrued Assets (15 thru 25)	2,727,785	Balance Beginning of Year	0
27. Deferred Debits	0	Amounts Received This Year (Net)	264,324
28. Total Assets & Other Debits (5+14+26+27)	13,620,539	TOTAL Contributions-In-Aid-Of-Construction	264,324

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

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

STATEMENT OF OPERATIONS

August 31, 2019

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,891,986	\$3,848,348	\$3,915,538	\$420,834	\$398,441
COST OF POWER	\$2,831,793	\$1,878,103	\$1,926,129	\$199,490	\$179,182
GROSS MARGINS	\$3,060,193	\$1,970,245	\$1,989,409	\$221,344	\$219,259
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$93,080	\$57,769	\$72,015	\$8,308	\$7,770
DISTRIBUTION MAINTENANCE	\$593,844	\$438,755	\$475,294	\$41,943	\$41,726
CONSUMER ACCOUNTING	\$305,739	\$206,208	\$196,836	\$27,385	\$22,088
CONSUMER SERVICE & INFO	\$3,687	\$2,659	\$3,868	\$257	\$257
SALES EXPENSE	-\$2,988	-\$2,988	\$467	\$0	\$2,091
ADMIN & GENERAL	\$631,819	\$451,634	\$497,885	\$77,687	\$52,637
TOTAL OPERATING EXPENSES	\$1,625,181	\$1,154,037	\$1,246,365	\$155,580	\$126,569
FIXED EXPENSES:					
DEPRECIATION	\$391,573	\$260,432	\$253,252	\$32,785	\$29,843
TAXES-PROPERTY	\$41,344	\$27,575	\$30,129	\$3,442	\$3,766
TAXES-OTHER	\$175,255	\$119,370	\$120,660	\$13,971	\$12,550
INTEREST	\$194,329	\$130,304	\$130,569	\$16,120	\$16,266
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
TOTAL FIXED EXPENSES	\$802,502	\$537,682	\$534,609	\$66,319	\$62,425
TOTAL EXPENSES	\$2,427,682	\$1,691,719	\$1,780,974	\$221,899	\$188,993
OPERATING MARGINS	\$632,511	\$278,526	\$208,435	-\$555	\$30,265
NONOPERATING MARGINS:					
INTEREST	\$72,523	\$14,681	\$15,096	\$364	\$375
OTHER	\$18,000	\$17,000	\$10,446	\$1,500	-\$8,440
NET MARGINS	\$723,034	\$310,207	\$233,977	\$1,309	\$22,200
T.I.E.R.	4.72	3.38	2.79	1.08	2.36

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
August-19

	May 2019	June 2019	July 2019	August 2019	August 2018
POWER DATA:					
COST OF POWER	\$158,652	\$171,040	\$186,320	\$179,182	\$188,291
KWH PURCHASED	3,658,630	3,555,950	3,986,765	4,066,370	4,000,505
KWH SOLD & OCEC USE	3,348,953	3,021,501	3,748,447	3,729,235	3,575,416
KWH LOST	309,677	534,449	238,318	337,135	425,089
LINE LOSS %	8.46%	15.03%	5.98%	8.29%	10.63%
COST PER KWH	\$0.0434	\$0.0481	\$0.0467	\$0.0441	\$0.0471
BILLING DATA:					
ACCOUNTS BILLED	3,792	3,819	3,817	3,816	3,759
AVG. KWH/CONSUMER	883	791	982	977	951
BILLING REVENUE	\$375,977	\$359,538	\$396,963	\$395,642	\$388,878
AVERAGE BILL	\$99.15	\$94.14	\$104.00	\$103.68	\$103.45
REVENUE/KWH SOLD	\$0.1123	\$0.1190	\$0.1059	\$0.1061	\$0.1088
SERVICE DATA:					
NEW	6	9	6	6	5
RETIRED	0	2	0	0	0
TOTAL END OF MONTH	3795	3802	3808	3814	3758
IDLE SERVICES	102	101	99	99	100
TRANSPORTATION:					
TOTAL MILES	7,522	8,813	4,535	7,382	7,583
COST OF OPERATION	\$21,803	\$19,406	\$18,963	\$7,761	\$16,970
AVG. COST PER MILE	\$2.899	\$2.202	\$4.182	\$1.051	\$2.238
MATERIALS:					
ISSUES	\$8,291	\$16,546	\$16,417	\$18,680	\$3,595
INVENTORY	\$258,861	\$250,787	\$241,661	\$262,683	\$283,360

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

	Current Month			Year to Date			Annual	Annual	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance	
Member Requested Facilities	14,325.25	22,354.00	8,028.75	129,833.55	165,905.00	36,071.45	288,855.00	159,021.45	
Replacements (Poles & Transformers)	18,127.04	11,703.00	(6,424.04)	149,378.93	36,083.00	(113,295.93)	65,925.00	(83,453.93)	
Misc URD/OH Replacement Projects	(1,290.66)	10,584.00	11,874.66	42,004.88	52,893.00	10,888.12	72,685.00	30,680.12	
Replace 2500' of URD at Stud Horse - Part 2	0.00	28,304.00	28,304.00	0.00	56,608.00	56,608.00	56,609.00	56,609.00	
Replace 2500' of URD at Edelweiss - Part 2	14,948.02	8,831.00	(6,117.02)	34,841.86	62,841.00	27,999.14	123,217.00	88,375.14	
Mazama Upgrade (first of multiple phases)	24,320.39	0.00	(24,320.39)	31,027.96	13,349.00	(17,678.96)	51,897.00	20,869.04	
Complete URD loop at Sky Ranch	5,131.10	18,870.00	13,738.90	15,281.39	18,870.00	3,588.61	37,739.00	22,457.61	
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	6,598.00	6,598.00	4,625.60	9,667.00	5,041.40	16,264.00	11,638.40	
Raise level of Garage Door to match others	0.00	0.00	0.00	✓ 10,161.71	10,000.00	(161.71)	10,000.00	(161.71)	
Pole Inspections	0.00	0.00	0.00	17,929.03	10,000.00	(7,929.03)	10,000.00	(7,929.03)	
Fire Retardant/Treatment on Poles	0.00	0.00	0.00	22,409.19	20,739.00	(1,670.19)	20,739.00	(1,670.19)	
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	✓ 5,656.30	18,000.00	12,343.70	18,000.00	12,343.70	
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	75,561.14	107,244.00	31,682.86	469,100.40	480,955.00	11,854.60	802,930.00	333,829.60	
Un Allocated Overhead	21,765.17			21,765.17	0.00	(21,765.17)			
Member CIAC	CIAC	(75,442.00)	(50,000.00)	(25,442.00)	(264,683.42)	(136,650.00)	(128,033.42)	(340,000.00)	(75,316.58)
Total less CIAC	21,884.31			226,182.15			462,930.00		
							* \$107,515.40 holding in CIAC 08/31/19		
Meters Purchases	0.00	0.00	0.00	20,449.80	35,000.00	14,550.20	35,000.00	14,550.20	
Computers & Software Upgrades	0.00	0.00	0.00	2,397.71	18,000.00	15,602.29	18,000.00	15,602.29	
Transformers Purchases	0.00	0.00	0.00	165,812.17	130,000.00	(35,812.17)	130,000.00	(35,812.17)	
FEMA Reimbursement	0.00	0.00	0.00	(176,985.17)	(174,000.00)	2,985.17	(174,000.00)	2,985.17	
Vehicle Replacement	197,060.94	39,000.00	(158,060.94)	197,060.94	220,000.00	22,939.06	220,000.00	22,939.06	
Total	197,180.08	96,244.00		413,152.43	573,305.00		229,000.00	20,264.55	
							Total Capital Budget less CIAC		
							691,930.00	278,777.57	

* Note

	Line Crew	Materials	107.25	Consultants	Transportation	Benefits	Total
	Direct Labor		Labor	Contractors			
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	18,998.45	19,053.32	31,000.00	0.00	8,709.26	10,711.76	88,472.79
July	21,470.46	49,686.41	35,699.47	0.00	8,324.69	16,343.53	131,524.56
August	18,953.79	10,877.44	30,000.00	0.00	3,962.22	11,767.69	75,561.14
September							0.00
October							0.00
November							0.00
December							0.00
	97,397.74	103,168.14	143,399.47	0.00	41,052.03	62,315.01	447,332.39

* Note: 107.25 is Capitalized Labor that includes: cost estimates, line staking, development & research for construction projects that no work order has been established. Along with Stores account 163.00 material stocking.

Okanogan County Electric Cooperative Inc
Capital Expenditures by Project

Aug-19

W.O. #	Monthly Allocation	Contractor	Labor	Labor O/H	AP Vendor & Material	Material O/H	Material Retire/Scrap	Benefits	Trans	Total
12207	2,149.49	8			4,286.52	1,017.00	(3,154.03)			2,149.49
12224	9,435.82	8	2,761.74	4,459.88				1,714.66	499.54	9,435.82
12225	1,247.49	8	330.92	534.40	270.99	64.29	(224.26)	205.45	65.70	1,247.49
12227	4,832.17	8	707.50	1,142.53	3,594.70	852.86	(2,036.08)	439.26	131.40	4,832.17
12251	5,131.10	13			4,174.29	990.37	(33.56)			5,131.10
12254	481.74	8			955.32	226.65	(700.23)			481.74
12264	462.07	8			373.46	88.61				462.07
12265	14,948.02	11	4,290.66	6,928.91				2,663.91	1,064.54	14,948.02
12271	490.39	7	145.46	234.90				90.32	19.71	490.39
12273	(1,772.40)	9			259.68		(2,032.08)			(1,772.40)
12281	7,535.53	7	2,184.67	3,527.98				1,356.38	466.50	7,535.53
12282	973.04	7	282.44	456.11				175.36	59.13	973.04
12284	4,997.44	12	1,426.30	2,303.31	135.25	96.38	(112.13)	885.53	262.80	4,997.44
12285	991.61	7	285.26	460.66	34.19	8.11		177.11	26.28	991.61
12287	19,322.95	12	5,614.34	9,066.50				3,485.73	1,156.38	19,322.95
12288	1,431.96	7	273.96	442.41	397.02	69.64		170.09	78.84	1,431.96
12290	1,722.28	7	273.96	442.41	663.89	93.09		170.09	78.84	1,722.28
12291	662.94	7	376.58	-				233.80	52.56	662.94
12295	103.50	7			103.50					103.50
12296	103.50	7			103.50					103.50
12298	207.00	7			207.00					207.00
12300	103.50	7			103.50					103.50
	75,561.14	-	18,953.79	30,000.00	15,662.81	3,507.00	(8,292.37)	11,767.69	3,962.22	75,561.14

7 Member Requested Facilities

8 Replacements (Poles & Transformers)

9 Misc URD/OH Replacement Projects

10 Replace 2500' of URD at Stud Horse - Part 2

11 Replace 2500' of URD at Edelweiss - Part 2

12 Mazama Upgrade (first of multiple phases)

13 Complete URD loop at Sky Ranch

14 Cordination Study - Part 1 of 2

15 Major Storm Damage

16 Raise level of Garage Door to match others

17 Pole Inspections

18 Fire Retardant/Treatment on Poles

19 Meter Projects (replace CTs)

20 Purchase Pole Tamper and other tools

21 Purchase Phase Tracker

22 Roof Extension on Back Walkway

OCEC Work Orders

8	12207	OCEC - Pole Test RPLC 2018.1	2,149.49
8	12224	OCEC - Service Orders (Temp)	9,435.82
8	12225	OCEC - Cutouts 2019.01	1,247.49
8	12227	OCEC - Cutouts 2019.1	4,832.17
13	12251	OCEC - Sky Ranch Entrance	5,131.10
8	12254	OCEC - Pole A21	481.74
8	12264	OCEC - Outage 6.19.19	462.07
11	12265	OCEC - Edelweiss 2019	14,948.02
9	12273	OCEC - Sims Canyon 2019	(1,772.40)
12	12284	OCEC - Mazama Voltage Upgrade	4,997.44
12	12287	OCEC - Edelweiss River Xing	19,322.95
			61,235.89

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)	\$11,211	(\$2,152)	\$11,504	\$22,200	\$41,149	\$17,627	\$99,710	\$254,342
Plus Depreciation Expense	\$0	\$391,571	\$32,521	\$32,535	\$32,691	\$32,787	\$32,857	\$29,809	\$30,207	\$29,843	\$32,785	\$32,785	\$32,785	\$32,785
Less Capital Credit Allocations	\$0	\$0	(\$3,435)	(\$1,702)	\$1,384	\$7	(\$258)	(\$933)	\$4,332	(\$41,593)	\$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	\$26,725	\$46,044	\$10,450	\$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)	(\$7,937)	(\$6,967)	(\$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	\$11,945	\$15,847	(\$4,465)	(\$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	\$13,439	(\$132,063)	\$6,967	\$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)	\$206	\$195	\$0	\$0	\$0	\$0	\$0
Prepayments	\$0	\$0	(\$54,513)	\$4,955	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$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	\$49,666	(\$72,959)	\$10,941	\$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	\$155,462	\$31,445	(\$203,919)	\$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	(\$15,157)	\$5,584	\$21,618	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	\$0	\$133,513	\$139,947	(\$128,132)	(\$159,388)	\$25,900	\$140,305	\$37,029	(\$182,301)	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$1,026,474	\$65,621	\$246,742	\$58,476	\$98,888	\$76,096	\$189,971	(\$35,930)	(\$171,360)	\$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	(\$190,163)	\$152,859	\$183,617	(\$112,848)	(\$112,848)	(\$112,848)	(\$112,848)
Cost to Retire Utility Plant	\$0	\$0	(\$984)	(\$46,715)	\$6,821	\$7,217	\$5,604	\$3,009	(\$137,436)	(\$22,389)	\$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)	(\$86,494)	(\$130,101)	(\$28,933)	\$0	\$0	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$340,000	(\$2,742)	\$3,173	\$12,128	\$35,705	\$34,075	\$50,872	\$56,030	\$75,442	\$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)	\$8,074	\$9,126	(\$21,022)	\$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)	(\$214,701)	(\$49,523)	\$186,715	(\$65,611)	(\$65,611)	(\$75,611)	(\$95,611)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$300,000)								\$0	\$0			(\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$40	\$5	\$80	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$1,100	(\$2,450)	\$500	(\$150)	\$2,050	\$1,650	\$355	\$1,500	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$425,567)	\$1,105	(\$2,481)	(\$30,173)	(\$120)	\$2,080	(\$29,459)	\$360	\$1,580	(\$31,627)	\$0	\$0	(\$282,113)
CASH FROM ALL ACTIVITIES	\$0	(\$118,953)	\$21,260	\$275,801	(\$27,427)	\$28,560	\$5,508	(\$54,189)	(\$85,092)	\$16,935	(\$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	\$900,030	\$814,938	\$831,873	\$802,438	\$781,108	\$831,861
TOTAL CASH END OF PERIOD	\$570,393	\$531,563	\$671,776	\$947,577	\$920,150	\$948,711	\$954,219	\$900,030	\$814,938	\$831,873	\$802,438	\$781,108	\$831,861	\$735,132

General Manager's Report to the Board – September 2019

General Discussion:

- I attended a seminar on the new Washington Clean Energy Transformation Act (CETA) put on by WRECA. The Commerce Department is taking the lead in developing regulations to implement this new law. Based on what we know now, this will not affect OCEC much in the we are already 97% compliant, i.e. 97% carbon free. The way we think the rule will be written is that BPA will be able to direct compliant resources to Washington utilities to satisfy the law. This law though will require a lot of paperwork in term of reports to the state and formal plans submitted. Since cooperatives are all in the same boat, we are going to work together to develop prototype reports which individual cooperatives and adapt to fit their individual needs.

The largest change for us will be in the low-income energy assistance part. It is being noted that the legislature specifically used the word “energy” in this section instead of “electricity”. Energy could mean energy other than electricity including propane and wood used for heating. While the rules are being developed still, it could be that electric utilities will need to develop programs to fund the “energy” needs (including propane and wood for heating) of low-income members. This is one reason why WRECA is very involved in the rule making part of this law.

Financial Discussion

- As construction season begins to wind down, capital expenditures are very close to budgeted amounts. The biggest variances are that we had more member construction than budgeted. Also, we did not start on the Stud Horse underground replacement project. This project will be carried over next year. We also were able to do more of the Mazama project than budgeted. The majority of the capital budget underrun (\$160K) is due to more CIAC collected than budgeted.
- YTD August 2019 results for the O&M budget show an overage of \$89k or 5.2%.
- The equity ratio in August 2019 is 70.2%. The equity ratio in August 2018 was 68.6%.

To: OCEC Board
From: Dale Sekijima: OCEC Board President
Cc: David Gottula: General Manager, Lynn Northcott CFO
Date: Sep 17, 2019
Re: Procedural Changes To Board Discussion

The following defines some procedural changes to Board discussion to improve utilization of Board meeting time. The goal is a balance between informality and getting enough focus to increase efficiency.

These changes, which bring us a bit closer to Roberts Rules of Order, are intended to focus discussion during consideration of an approval motion for an item of business and give everyone a chance to participate in an orderly manner. Outside the changes described below the Board will continue to handle other business in an informal manner.

An item of business calling for Board approval will need a motion and a second to begin discussion. This places responsibility on the committee/staff/Board member sponsoring a business item to have A) presented the business item at an earlier Board meeting seeking questions and input for refinement, B) formulated a Board motion concise enough to focus discussion.

The initial presentation allows Board members to ask clarifying questions and raise points of information, but it is not a venue for debate. When the business item is brought to the Board again for approval, the objective is to vote on the proposal.

The principal possible actions for a business item under motion are:

1. Approval/disapproval as proposed
2. Amendment of the motion before Approval/disapproval vote
3. Referral to a committee
4. Postponement until a specific action or future event occurs
5. Withdrawal of the proposal

Discussion will have the following structure

- a. Time is held to 2 minutes per Board member with the business item sponsor speaking first.
- b. All Board members will be given the opportunity to speak, one at a time, for or against the business item and must focus on the proposal. Board members are allowed to speak without interruption but may not solicit open discussion. A Board member, having spoken, must wait until others have had the opportunity to speak before speaking a second/subsequent time.
- c. Discussion ends when Board members have finished or when the Board chair closes discussion.
- d. Actions 2-5 above may occur during discussion based on a member motion plus a majority vote.
- e. If no deferral action is taken, an up or down majority vote decision follows the close of discussion.

A small but important example handling a business item efficiently:

The proposed Prius purchase, a business item for approval at the Sept. Board meeting. Lynn Northcott brought the item up in August describing the cost/benefits, soliciting the Board's questions/concerns and asking the Board to consider purchase. Based on the Board's general support she committed to ascertain the staff's interest and bring the Prius purchase for approval at the upcoming Board meeting.

POLICY NO. 30-210**REVISION DATE: December 17, 2018 (Original)****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 Switch 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, 1st - 5th: 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, on or before the 10th: 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 15th: 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 Switch 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 the reconnection fee will be \$150 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.
 - 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.
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 Switch Interbase installed.

RESPONSIBILITY:

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

ATTESTING:

Secretary

President

Date

- Revised 12/17/18
- 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. 30-210**REVISION DATE: September 23, 2019 (Revised Version)****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.

To provide guidance regarding installation and use of Disconnect Switch Interbase (DSI) equipped meters.

II. DEFINITIONS:

Disconnect Switch Interbase: (DSI) An automated switch, typically installed between an electric meter and electric service panel or incorporated into the meter itself, that allows OCEC to remotely disconnect and reconnect service for that location. In the long term, as meters are changed out, DSI technology will be incorporated into all OCEC meters. In the short term, as set forth in this policy, OCEC may install a DSI equipped meter for certain members as set forth in this Policy.

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, including refusal to grant a duly authorized representative of OCEC access to equipment located upon the served premises at reasonable times for inspection, maintenance or replacement provided OCEC has given the member reasonable advance notice of the need for access and proposed reasonable times for inspection.
5. The existence of a known hazardous condition.

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

Disconnection for non-payment shall occur according to the following timeline:

- a) Month A, 1st - 5th: A regular monthly bill is sent to the member for the previous month's usage.
- b) Month A, last business day as defined in Policy No. 30-190: The bill for the previous month's usage is due.

- c) Month B, approximately the 10th: A delinquent notice is sent to the member and a \$10 late fee is charged, in addition to any other penalties due, returned checks or fees for denied credit cards.
- d) Month B, approximately the 15th: Disconnection of service may occur at any time after this date subject to the notice set forth below

The cause for installing a DSI equipped meter prior to any otherwise scheduled meter change includes, without limitation, the following:

1. 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;
2. Discovery of meter tampering or bypassing or other fraud; or
3. Failure to comply with the Articles of Incorporation, Bylaws, or policies of the Cooperative.

If OCEC determines that cause exists to install a DSI equipped meter outside the otherwise scheduled ordinary course of changing a meter, the member shall bear the cost of such installation.

Per Policy 30-211 (Idle Service Policy) any service disconnected for more than one year shall, by law, be inspected and approved by Washington State Dept. of Labor and Industries prior to being re-energized. The member is solely responsible for arranging and paying for that inspection.

Because of the differences in technology and costs, the disconnection and reconnection of service of DSI equipped and non DSI equipped meters are different. The different procedures and fees are described below.

NON DSI EQUIPPED METERS

IV. DISCONNECTION PROCEDURE FOR NON DSI EQUIPPED METERS

At least five (5) days prior to disconnection, a delinquent 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 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 by the date stated in the delinquent notice, a door hanger/collection notice will be delivered to the premises served giving the member three (3) days to pay the amount owing. A \$50.00 charge for the door hanger/collection notice will be charged to the member's account and immediately due and payable.

If the member has not responded to OCEC by the date stated in the door hanger/collection notice, the service will be disconnected.

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

V. RECONNECTION PROCEDURE FOR NON DSI EQUIPPED METERS:

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 additional fees and costs associated with the disconnection. A \$50 reconnect fee for each service disconnected will be charged to the member's account.
2. Payment may be required in cash or cashier's check or not considered received until the member's personal check has cleared. If a request for reconnect and tender of payment are made before 3:00 PM on a regularly scheduled workday, the fee is \$50.00 for each service connected. If the request and tender of payment are made after 3:00 p.m. or outside of normal working hours, the reconnection fee will be \$150.00 for each service connected outside of regular business hours.
3. Corrects any hazardous conditions that OCEC has identified and notified the member of.
4. The member confirms home/service is safe for reconnection including removing any hazardous conditions in any structure.
5. Pays the cost of repairing any OCEC equipment damaged by the member's actions or inactions, in an amount determined by OCEC.
6. Provides OCEC with any additional security deposits, pre-payments or guarantees that the OCEC requires.
7. Agrees to comply with reasonable requirements to protect OCEC against further infractions.

DSI EQUIPPED METERS

VI. DISCONNECTION PROCEDURE FOR DSI EQUIPPED METERS

At least five (5) days prior to disconnection, a delinquent 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 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 has not responded to OCEC by the date stated in the delinquent notice, the service will be disconnected remotely without further notice.

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

VII. RECONNECTION PROCEDURE FOR DSI EQUIPPED METERS:

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 additional fees and costs associated with the disconnection.
2. Payment may be required in cash or cashier's check or not considered received until the member's personal check has cleared. If a request for reconnect and tender of payment are made before 4:00 PM on a regularly scheduled workday, there is no reconnect fee. If the request and tender of payment are made after 4:00 p.m. or outside of normal working hours, the reconnection fee will be \$150.00 for each service connected outside of regular business hours.
3. Corrects any hazardous conditions that OCEC has identified and notified the member of.
4. The member confirms that the home/service is safe for reconnection, including removing any hazardous conditions in any structure.
5. Pays the cost of repairing any OCEC equipment damaged by the member's actions or inactions, in an amount determined by OCEC.
6. Provides the OCEC with any additional security deposits, pre-payments or guarantees that OCEC requires.
7. Agrees to comply with reasonable requirements to protect OCEC against further infractions.

RESPONSIBILITY:

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

ATTESTING:

Secretary

President

Date

POLICY NO. 30-212

DATE: November 22, 2011

SUBJECT: DISCONNECT SWITCH INTERBASE



I. PURPOSE

To provide guidance regarding installation and disconnecting of a service associated with a Disconnect Switch Inter-base system.

II. POLICY CONTENT

Guidelines intended for the use of a Disconnect Switch Inter-base on a meter.

III. PROCEDURES

The following practices and procedures shall apply to the provisions of the policy:

The cause for installing a Disconnect Switch Inter-base on a meter is as followed but not limited to:

1. Non-payment of an account which has generated 3 collections in a year or
2. Discovery of meter tampering or bypassing or
3. Failure to comply with the Articles of Incorporation, Bylaws, or policies of the Cooperative.

Prior to disconnect of any account for any reason, other than the discovery of a hazardous situation, two people from the Account Receivable staff will review the account. Once determination has been made that a disconnect is necessary the staff will schedule the disconnect.

Disconnect of accounts where a hazardous condition exists may be done immediately and the account will remain disconnected until the hazard is eliminated.

If service has been disconnected, reconnection will be scheduled if the member takes the following steps:

1. The member confirms that the home/service is safe for reconnection.
2. Pays in full all amounts due the Cooperative up to the current meter read, including all collection fees.

- 3. Corrects hazardous conditions, if applicable.
- 4. In the case of Cooperative property damage, pays the cost of repairing any Cooperative equipment, which has been damaged, if applicable.
- 5. Provides the Cooperative with any additional security deposits, pre-payments or guarantees that the Cooperative requires.
- 6. Agrees to comply with reasonable requirements to protect the Cooperative against further infractions.

When reconnection is authorized, the Cooperative will notify the member, who shall then be responsible for assuring that it is safe to restore power, including removing any hazardous conditions in any structure.

IV. RESPONSIBILITY

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

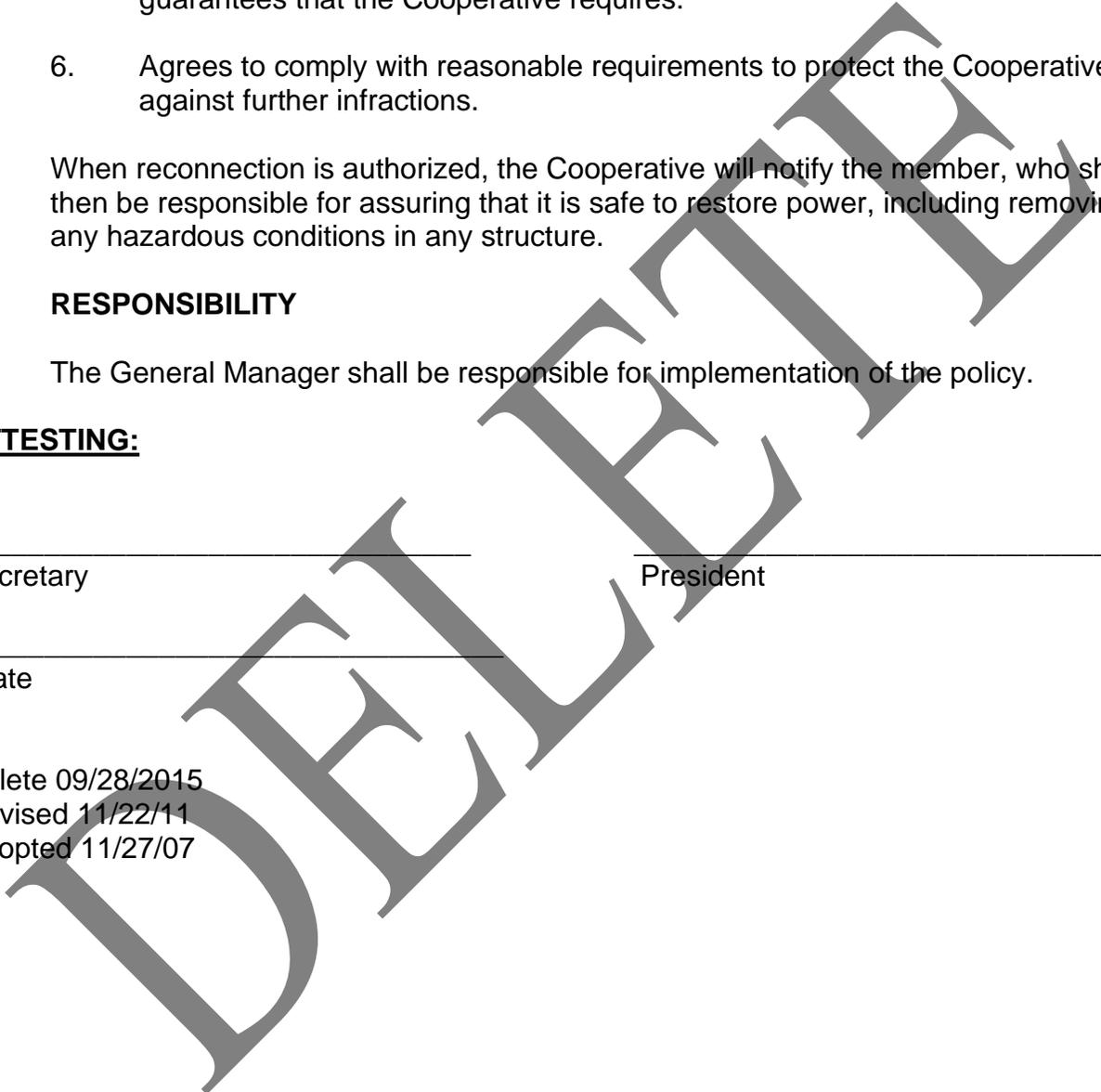
ATTESTING:

Secretary

President

Date

Delete 09/28/2015
Revised 11/22/11
Adopted 11/27/07



Okanogan County Electric Cooperative
Governance Committee Charter
September 23, 2019

Constitution: The Governance Committee is constituted by the Board of Directors in accordance with OCEC Policy 10-110, Board Committees. The Committee shall consist of three Board members plus staff. Staff, whose attendance shall be determined by the GM, shall be non-voting members. The Committee members shall designate a Committee Chair.

Purpose: The Governance Committee's role is to: 1) Assist the Board in all governance issues including, but not limited to, maintenance of OCEC Bylaws and Policies, 2) Assist the Board in selecting, compensating and evaluating the General Manager (GM), and 3) Review areas of communication with OCEC members. The Committee will also undertake specific projects as suggested by the Board. The Committee will report its findings and concerns to the Board on a timely basis.

Tasks:

Board Governance

1. Periodically review the OCEC Bylaws and Policies and make recommendations to the Board.
2. Plan annual meeting and elections of Board members with the aid of the GM.
3. Make recommendations to the Board concerning the director nominations process, and take the lead in appointing and instructing a Nominations Committee for open board positions.
4. Provide process recommendations for the Board's periodic self-evaluation.
5. Provide process for periodic update to the strategic plan.
6. Maintain regular communication with the GM during union negotiations prior to Board approval.
7. Collaborate with the GM to evaluate and select the cooperative's legal counsel.
8. Periodically review this charter and suggest changes to the Board.

GM Goals and Review

1. Propose GM annual performance goals.
2. Propose process for GM annual performance review.
3. Review and evaluate GM compensation package.
4. Periodically review the GM's job description.
5. Lead new GM search and selection process.

Member Communication

1. Review staff's recommendations and programs related to communication between OCEC and its members; customer service and satisfaction; OCEC opinions on state and federal legislative and administrative matters; and public availability and access of OCEC related information.

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.

Okanogan County Electric Co-op Charter of Board Finance Committee

Purpose:

The purpose of the Finance Committee of the Board of Directors of the Okanogan County Electric Cooperative (OCEC) is to assist the Board in 1) working with management in setting overall financial goals and objectives and 2) review and oversight of management's strategies, budgets, forecasts, and financial plans and programs to enable the OCEC to meet these goals and objectives. In addition, the Finance Committee is responsible for assisting the Board in its oversight of the integrity of the financial statements and compliance with legal and regulatory requirements.

Structure:

The Finance Committee will consist of:

- Three (3) Board members appointed by the Board Chairman, one of which shall be the Board Treasurer
- The General Manager and appropriate staff member responsible for accounting functions. Staff shall participate in an ex-officio capacity.

The Chair of the Finance Committee shall be the Board Treasurer.

All ex-officio members of the Committee shall be non-voting members.

The Finance committee shall make assessments and recommendations on projects assigned by the Board. Projects are assigned via Board consensus and the committee does not unilaterally initiate projects or analysis. Assessments and recommendations shall be based on appropriate research and moved forward to the Board on a unanimous vote basis. If a unanimous vote can not be obtained, both a majority and minority opinion will be moved forward for Board discussion and consideration.

Duties:

The primary function of the Finance committee is oversight of (1) the integrity of the financial statements of the OCEC, (2) the independent auditor's qualifications and independence, (3) the performance of the OCEC's internal audit function and the independent auditors, (4) the compliance by the OCEC with legal and regulatory requirements; and (5) the OCEC's policies and practices with respect to major financial risk exposures.

The Finance Committee shall be responsible for other duties/projects assigned to it by vote of the Board of Directors.

The committee may report to the Board quarterly on financial performance against the operation and capital budgets; and on a mutually agreed upon schedule for projects which the Board assigns to it.

Meetings of the Finance Committee will be called as necessary by the Committee Chair when the Board has assigned the Committee a specific task. Minutes are kept at the Committee's discretion.

The Following roles are set out for further clarification of the Finance Committee's duties

1. Financial Planning and Operating Budget Role:

Assist the Board in working with Management in setting the overall financial goals and objectives.

The committee shall review any additional long-term loans by either the cooperative or its subsidiaries and may make recommendations to the Board to approve such.

The Finance Committee shall assist the entire Board to ensure there is detailed consideration of the reasonableness of management's annual proposed budget.

The Finance Committee shall participate in a line item review of the annual proposed budget before it is presented to the Board of Directors for approval.

Review management's recommendations on capital credit payout policy, financing activities, capital investment, and cash management to verify that they are in line with the overall financial goals determined by the Board.

2. Audit Role:

Meet with the independent auditors and OCEC management to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof, review such audit, including any comments or recommendations of the independent auditors.

The independent auditor is responsible for expressing an opinion on the conformity of financial statements with generally accepted accounting principles. The Finance committee shall review any opinions the independent auditor expresses regarding the adequacy and effectiveness of OCEC accounting and financial controls and elicit

recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable.

Review the results of the independent annual audit, any changes in accounting principles and practices, significant adjustments, and any unresolved disagreements between management and the independent auditors concerning accounting and financial disclosure matters.

When directed by the Board, work with management in requesting proposals for new auditors or for keeping the current auditor. The Finance Committee may make a recommendation during this process but the Board has final decision in the selection of the auditor.

3. Employee Benefit Plan Investment Fiduciary Role:

The committee shall assist the Board as the Board exercises its fiduciary responsibility for the control and management of the assets of employee pension or retirement benefit plan(s) sponsored by OCEC.

4. Rates

5. Revolving loan

Limitation of Duties:

While the Finance Committee has the responsibilities set forth in this Charter, it is not the duty of the Finance Committee to determine that management has established and maintained appropriate internal control over financial reporting, that OCEC's financial statements and disclosures are complete and accurate and have been prepared in accordance with generally accepted accounting principles, or that the audit of OCEC's financial statements by the independent auditor has been carried out in accordance with generally accepted auditing standards. Management is responsible for the financial statements and the reporting process, including the system of internal controls, and the independent auditor is responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles.

The Finance committee may not commit OCEC to operational, financial, or audit obligations; such as contracts, agreements or relationships without the consent of the full Board of directors and the General Manager as appropriate.

The Finance committee's principal role is one of review and oversight. The committee shall not be involved in managing or directing operational staff unless requested by the General Manager.



About Us

Ogden Murphy Wallace, P.L.L.C. is a leading multispecialty law firm committed to providing practical, cost-effective legal services to businesses, municipal entities, and individuals. We have served Pacific Northwest clients for over 100 years, providing valuable legal services as our clients' affairs have prospered and expanded. We address each client's needs with the most appropriate expertise available in our firm, using a team approach to draw on the specialized knowledge of attorneys best qualified to meet those needs.

OMW has served cities and municipal districts for over 40 years and currently represents more Washington cities than any other law firm in the Northwest.

Our commercial clients include hospitals and healthcare providers, banks, agri-business concerns, construction contractors, architects, insurance companies, manufacturers, information technology companies, and restaurants. We assist businesses with a wide range of services, including mergers and acquisitions, tax counseling, local and international commercial transactions, labor and employment, real estate and land use, litigation, and much more.

We also provide counsel to individuals on estate and tax planning and litigation. In addition, we handle serious personal injury and wrongful death matters.

Ogden Murphy Wallace, P.L.L.C. strives not to be the biggest law firm in town, but the most responsive to its clients' needs and the most effective and efficient in what it accomplishes for clients.

History

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Jennifer Sands Member | Wenatchee



Email: jsands@omwlaw.com

Phone: (509) 662-1954

Fax: (509) 663-1553

Jennifer Sands is a member in the firm's Wenatchee office, where her practice focuses on general business law, property transactions, estate planning and choice of entity. Jennifer is licensed in Washington and California. Prior to returning to her hometown and joining Ogden Murphy Wallace, Jennifer practiced in a business and transactional firm in Fresno, California. She is a member of the Chelan-Douglas County Bar Association, the Washington State Bar Association, and the California Bar Association.

Jennifer obtained her J.D. from Tulane University, graduating *cum laude* and earning honors for academic excellence in the areas of Legal Research and Writing, Advanced Estate Planning and Taxation, and Constitutional Law. During law school, she was a member of Phi Delta Phi and the *Journal of International and Comparative Law*. Jennifer received her undergraduate degree from the University of Washington in French and Political Science.

Before graduating from law school, Jennifer lived and worked in France and Germany. She speaks fluent French.

Practice Areas

Business, Real Estate, Estate Planning, Commercial Transactions

Association Memberships

Washington State Bar Association

Chelan-Douglas County Bar Association

California Bar Association

Education

J.D., Tulane University, *cum laude*

B.A., University of Washington

Professional and Community Activities

Washington State Bar Association

Chelan-Douglas County Bar Association

California Bar Association

Geoff Bridgman Managing Member | Seattle



Email: gbridgman@omwlaw.com

Phone: (206) 447-7000

Fax: (206) 447-0215

Geoff is the Managing Member of Ogden Murphy Wallace, P.L.L.C. His practice focuses on complex litigation such as insurance, products liability, breach of warranty, contract interpretation, and construction claims. Geoff's practice also includes general litigation matters for a variety of clients and he is experienced in all aspects of litigation including discovery, motions, mediation, other forms of ADR, and trial. He has been admitted *pro hac vice* in courts throughout the country including Texas, California and Virginia.

Geoff received a B.A. in Philosophy, *magna cum laude*, from Central Washington University in 1988 and his J.D., *summa cum laude*, from Seattle University School of Law in 1995. He joined Ogden Murphy Wallace upon graduation.

Practice Areas

Litigation

Association Memberships

- Washington State Bar Association
- Washington Defense Trial Lawyers Association
- Washington State Association for Justice
- Washington State Trial Lawyers Association

Education

J.D., Seattle University School of Law, *summa cum laude*, 1995

B.A., Central Washington University, Philosophy, *magna cum laude*, 1988

Publications

Document	Author(s)	Date	Category
Ninth Circuit Dismisses \$9 Million Claim Against Insurer That Refused to Cover Tongue Piercing Causing "Flesh Eating Bacteria"	Geoffrey J. M. Bridgman	06/15/2011	General
Construction Contract Notice, Protest and Claim Requirements	Geoffrey J. M. Bridgman	08/04/2006	Municipal Case Reports
Enforcement of Noncompetition Agreements – Dispelling the Myth of Unenforceability	Karen Sutherland, Geoffrey J. M. Bridgman	06/10/2003	Employment and Labor

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