



11:30 AM – Board Opening Interviews

BOARD OF DIRECTORS MEETING November 22, 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 October 28, 2019
 - b) New Members
 - c) October 2019 – Form 7
 - d) Statement of Operations
 - e) Power & Service Data
 - f) Capital Expenditures by Project
 - g) Cash Flow
6. Committee Reports
 - a) Governance Committee
7. Meetings Attended
 - a) PNGC Monthly Meeting - Portland, OR, November 4th and 5th – David by Conference Call
 - b) CFC IBES Conference/ CFC Compass Financial Model Training - November 11th to 13th – Huntington Beach, CA – David
 - c) Washington State Electric Utilities Wildland Fire Task Force Meeting - November 15 – Olympia – David

8. Meetings to Attend
 - a) PNGC November Meeting – December 3rd and 4th -
Portland – David
 - b) WRECA Quarterly Meeting – December 10th –
SeaTac – David

9. General Managers Report (Tab 3)
 - a) Office Update
 - b) Operations Update
 - c) Propane Update

ITEMS OF BUSINESS

- 1) 2020 Commercial Insurance Update
- 2) Board Position Opening

OPEN FLOOR FOR BOARD MEMBERS

EXECUTIVE SESSION

- 1) Litigation Update
- 2) Operations Issue



BOARD MEETING
October 28, 2019

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

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

Members in Attendance: Phil Millam and Tracy Ross.

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 2:58 pm.

Adjourn to Executive Session for litigation update.
Adjourn Executive Session at 3:25 pm.

President Dale Sekijima called the regular Board Meeting to order at 3:30 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

Dale Sekijima added Business Item No. 1 – Election of Vice President.

Agenda approved by Board consensus.

4. MEMBER COMMUNICATIONS

None.

5. APPROVAL OF CONSENT AGENDA ITEMS

Consent Agenda approved by Board Consensus.

6. COMMITTEE REPORT

Governance Committee: Michael Murray reported the committee is currently reviewing policies that haven't been reviewed for three (3) years or longer. The current policies being looked at are Line Extensions, Member's Request for Information, Whistleblower, and Outdoor lighting.

Staff is reviewing whether policies with no changes need to be sent to Legal for review. Policies with and without changes will be brought before the Board for approval.

7. MEETINGS ATTENDED

- a) PNGC Annual Meeting – Portland OR – Sept 30th & Oct 1st – David & Alan

Alan reported it was a good experience and encouraged other Board members to consider attending future PNGC Annual Meetings. He reported on subjects covered by panels and the input they had regarding various subjects.

- b) PNGC Special Board Meeting – Oct 11th – By Conference Call - David

David reported the topic of the meeting was a discussion of PNGC's purchasing strategy.

- c) WRECA Manager's Meeting – Oct 22nd – North Bend - David

8. MEETINGS TO ATTEND

- a. PNGC November Meeting – Nov 4th & 5th – David by Conference Call
- b. CFC IBES Conference/CFC Compass Financial Model Training – Nov 11th – 13th – Huntington Beach, CA - David
- c. Washington State Electric Utilities Wildland Fire Task Force Meeting – Nov 15th – Olympia – David

David reported the purpose of the Task Force is to establish a model agreement for danger tree removal outside of existing easements and the potential for a third party to investigate fires involving electric lines.

The Task force will report their findings and suggestions to the State Legislature when complete by December 2020.

9. GENERAL MANAGERS REPORT

Written report reviewed.

Michael asked for clarification on the PNGC Demand Billing Determinant. A PNGC billing discussion followed.

a) Office Update

Lynn reported OCEC's and OCEI's mobile Apps are up and running.

b) Operations Update

Glenn Huber reported:

- OCEC has purchased a Polaris Ranger ATV (side by side) and it has been delivered.
- A contractor has been hired to begin work on the Stud Horse underground replacement project now with completion scheduled for next year.
- A multiple fault located on East County Road is scheduled to be fixed before winter.

c) OCEI Propane Update

Tracy reported the OCEI webpage now takes online payments. Customer response has been very good and in the first month approximately 5% of customers have registered online. She noted OCEI drivers are very proactive in spreading the word of the new payment option.

Service work is very busy this time of year and they are working to keep the schedule to no more than two weeks out if possible.

Tracy reviewed national wholesale pricing and how OCEI compares.

ITEMS OF BUSINESS

1. Election for Vice President

Dale opened the discussion to elect a new Vice President at this meeting. The Board agreed there would be no reason to wait. Dale suggested using the same ballot method used for officer elections at the April Board Meeting.

Results from the Ballot Count:

Ray Peterson	– 1
Michael Murray	– 4
John Kirner	– 1

Michael Murray is elected as Vice President until elections are held in April 2020.

2. Approve Equity Management Proposal

Alan Watson reviewed OCEC's equity background, assets, equity and equity ratio. He presented the Equity Management Proposal (summary and considerations) and his proposed motion to the Board.

Alan motioned as follows: I move that:

1. OCEC policy is to pay out capital credits annually equal to 5% of total patronage capital outstanding.
2. OCEC will borrow funds from CFC when necessary to maintain cash reserves close to \$450,000.
3. The General Manager's Goal #4 is amended to read: "4. (30%) Develop and implement a plan to manage equity, debt, and capital credit payouts over the next ten years."

Sara seconded the motion.

Dale called for discussion.

Sara moved for an amendment to the motion, to eliminate number three (3) from the motion as a subject that should be discussed in Executive Session with other General Manager goals. Ray seconded the motion for amendment.

Dale called for discussion and a vote. Amendment passed unanimously.

Dale called for discussion on the amended motion as follows:

1. OCEC policy shall be to pay out capital credits annually equal to 5% of total patronage capital outstanding.
2. OCEC will borrow funds from CFC when necessary to maintain cash reserves close to \$450,000.

No further discussion. Motion passed unanimously.

Full text of motion as amended is attached

3. Decision on Possible New Rates

Ray Peterson reviewed the results of OCEC's COSA (cost of service analysis).

The summary and conclusion is that the current rates for General Service 1-4 are sufficient for 2020 revenues. The subsidy for Irrigation and Second Meter members is close to the 20% previously discussed and agreed upon: Irrigation is a 21.1% to 21.9% subsidy rate and the Second Meter is at 14%.

Ray moved to keep the current Rate Structure with no changes for 2020. Sara seconded.

Discussion points were the EES COSA versus a CFC COSA and how the models and costs to OCEC compare.

Sara requested the members be informed of subsidies for specified rate classes in order to be as transparent as possible to members. The Board consensus was to address subsidies in the OCEC Newsletter.

Motion passed.

4. Approve 2019 Capital Credit Retirement

Alan Watson moved to approve years 1999, 2000, 2001 and 2002 for the December 15, 2019 capital credit general retirement payout. Ray seconded.

5. Approve New Banking Resolution

Lynn Northcott reported that OCEC's 95 West Chewuch rental has a new tenant. Per OCEC Attorney the security deposit is to be kept in a separate savings account. Treasurer Alan Watson needs to sign the bank resolution to complete the process.

Michael Murray moved to approve the opening of the savings account for the rental property deposits and authorize Treasurer Alan Watson to sign the Farmers State Bank banking resolution. John Kirner seconded. Motion passed.

OPEN FLOOR FOR BOARD MEMBERS

Alan would like the Board to consider moving the Annual Meeting to a different month in order to encourage a higher attendance.

Meeting adjourned to Executive Session at 4:41 pm.

EXECUTIVE SESSION

1. Subsidiary Update
2. Board member replacement

3. General Manager's Goals Update

Alan Watson, Secretary



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	10/31/2019

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="margin: 5px; text-align: center;">Needs Attention</div> </div> <div style="margin-right: 10px;"> <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="margin: 5px; text-align: center;">Please Review</div> </div> <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 style="margin: 5px; text-align: center;">Matches</div> </div> </div>	A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?			
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"> <div style="display: flex; justify-content: space-between;"> [Signature] 11/20/19 </div> </td> <td style="width: 40%; border-bottom: 1px solid black;">Date</td> </tr> <tr> <td style="border-bottom: 1px solid black;"> <div style="display: flex; justify-content: space-between;"> [Signature] 11-21-19 </div> </td> <td style="border-bottom: 1px solid black;">Date</td> </tr> </table>		<div style="display: flex; justify-content: space-between;"> [Signature] 11/20/19 </div>	Date	<div style="display: flex; justify-content: space-between;"> [Signature] 11-21-19 </div>	Date
<div style="display: flex; justify-content: space-between;"> [Signature] 11/20/19 </div>	Date				
<div style="display: flex; justify-content: space-between;"> [Signature] 11-21-19 </div>	Date				
		B. Will you authorize CFC to share your data with other cooperatives?			
		<div style="text-align: center; margin-top: 10px;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div>			

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	4,502,677	4,754,808	4,645,311	473,970
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	2,202,851	2,367,585	2,282,754	255,924
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	72,668	90,107	74,089	11,290
7. Distribution Expense - Maintenance	474,808	551,800	513,783	39,189
8. Consumer Accounts Expense	247,770	246,765	254,073	25,386
9. Customer Service and Informational Expense	5,015	4,382	3,173	257
10. Sales Expense	4,896	5,233	(2,988)	939
11. Administrative and General Expense	476,631	631,757	548,108	74,082
12. Total Operation & Maintenance Expense (2 thru 11)	3,484,638	3,897,629	3,672,991	407,068
13. Depreciation & Amortization Expense	316,062	313,931	326,003	30,633
14. Tax Expense - Property & Gross Receipts	37,523	37,661	34,460	3,766
15. Tax Expense - Other	139,558	146,173	147,313	14,317
16. Interest on Long-Term Debt	168,723	162,502	162,392	16,116
17. Interest Charged to Construction (Credit)	0	(430)	0	(430)
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	4,146,504	4,557,466	4,343,159	471,471
21. Patronage Capital & Operating Margins (1 minus 20)	356,174	197,343	302,152	2,498
22. Non Operating Margins - Interest	19,022	22,572	21,831	2,601
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	27,132	22,143	30,000	0
25. Non Operating Margins - Other	15,000	15,750	15,000	2,250
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)	417,327	257,807	368,983	7,350

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	52	48	5. Miles Transmission	0	0
2. Services Retired	5	6	6. Miles Distribution Overhead	302	303
3. Total Services In Place	3,779	3,824	7. Miles Distribution Underground	212	221
4. Idle Services (Exclude Seasonal)	102	98	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	10/31/2019

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	14,257,092	29. Memberships	16,385
2. Construction Work in Progress	291,263	30. Patronage Capital	8,023,198
3. Total Utility Plant (1+2)	14,548,355	31. Operating Margins - Prior Years	834,473
4. Accum. Provision for Depreciation and Amort	4,897,167	32. Operating Margins - Current Year	242,057
5. Net Utility Plant (3-4)	9,651,188	33. Non-Operating Margins	15,750
6. Nonutility Property - Net	0	34. Other Margins & Equities	455,303
7. Investment in Subsidiary Companies	827,067	35. Total Margins & Equities (29 thru 34)	9,587,166
8. Invest. in Assoc. Org. - Patronage Capital	363,731	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,273,771
10. Invest in Assoc. Org. - Other - Nongeneral Funds	144,438	38. Total Long-Term Debt (36 + 37)	3,273,771
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)	1,348,737	42. Notes Payable	0
15. Cash-General Funds	647,185	43. Accounts Payable	408,172
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	157,910
17. Special Deposits	138,992	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	434,276	48. Other Current & Accrued Liabilities	152,002
21. Accounts Receivable - Net Other	939,786	49. Total Current & Accrued Liabilities (42 thru 48)	718,084
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	264,477	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,579,021
24. Prepayments	9,912	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)	2,574,053	Amounts Received This Year (Net)	353,047
27. Deferred Debits	5,044	TOTAL Contributions-In-Aid-Of-Construction	353,047
28. Total Assets & Other Debits (5+14+26+27)	13,579,021		

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

October 31, 2019

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,891,986	\$4,645,311	\$4,754,808	\$404,152	\$473,970
COST OF POWER	\$2,831,793	\$2,282,754	\$2,367,585	\$213,331	\$255,924
GROSS MARGINS	\$3,060,193	\$2,362,557	\$2,387,223	\$190,821	\$218,046
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$93,080	\$74,089	\$90,107	\$8,836	\$11,290
DISTRIBUTION MAINTENANCE	\$593,844	\$513,783	\$551,800	\$32,615	\$39,189
CONSUMER ACCOUNTING	\$305,739	\$254,073	\$246,765	\$20,622	\$25,386
CONSUMER SERVICE & INFO	\$3,687	\$3,173	\$4,382	\$257	\$257
SALES EXPENSE	-\$2,988	-\$2,988	\$5,233	\$0	\$939
ADMIN & GENERAL	\$631,819	\$548,108	\$631,757	\$48,462	\$74,082
<i>TOTAL OPERATING EXPENSES</i>	\$1,625,181	\$1,390,237	\$1,530,044	\$110,791	\$151,144
FIXED EXPENSES:					
DEPRECIATION	\$391,573	\$326,003	\$313,931	\$32,785	\$30,633
TAXES-PROPERTY	\$41,344	\$34,460	\$37,661	\$3,442	\$3,766
TAXES-OTHER	\$175,255	\$147,313	\$146,173	\$13,971	\$14,317
INTEREST	\$194,329	\$162,392	\$162,502	\$15,968	\$16,116
OTHER DEDUCTIONS	\$0	\$0	-\$430	\$0	-\$430
<i>TOTAL FIXED EXPENSES</i>	\$802,502	\$670,168	\$659,837	\$66,167	\$64,403
TOTAL EXPENSES	\$2,427,682	\$2,060,405	\$2,189,881	\$176,958	\$215,547
OPERATING MARGINS	\$632,511	\$302,152	\$197,343	\$13,863	\$2,498
NONOPERATING MARGINS:					
INTEREST	\$72,523	\$21,831	\$22,572	\$2,264	\$2,601
OTHER	\$18,000	\$45,000	\$37,893	\$1,500	\$2,250
NET MARGINS	\$723,034	\$368,983	\$257,807	\$17,627	\$7,350
T.I.E.R.	4.72	3.27	2.59	2.10	1.46

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
October-19

	July 2019	August 2019	September 2019	October 2019	October 2018
POWER DATA:					
COST OF POWER	\$186,320	\$179,182	\$185,532	\$255,924	\$184,784
KWH PURCHASED	3,986,765	4,066,370	3,504,995	5,146,360	4,367,480
KWH SOLD & OCEC USE	3,748,447	3,729,235	3,165,203	4,782,885	4,022,143
KWH LOST	238,318	337,135	339,792	363,475	345,337
LINE LOSS %	5.98%	8.29%	9.69%	7.06%	7.91%
COST PER KWH	\$0.0467	\$0.0441	\$0.0529	\$0.0497	\$0.0423
BILLING DATA:					
ACCOUNTS BILLED	3,817	3,816	3,823	3,807	3,780
AVG. KWH/CONSUMER	982	977	828	1,256	1,064
BILLING REVENUE	\$396,963	\$395,642	\$363,237	\$472,001	\$416,350
AVERAGE BILL	\$104.00	\$103.68	\$95.01	\$123.98	\$110.15
REVENUE/KWH SOLD	\$0.1059	\$0.1061	\$0.1148	\$0.0987	\$0.1035
SERVICE DATA:					
NEW	6	6	5	5	15
RETIRED	0	0	0	0	1
TOTAL END OF MONTH	3808	3814	3819	3824	3779
IDLE SERVICES	99	99	98	98	102
TRANSPORTATION:					
TOTAL MILES	4,535	7,382	7,322	7,967	7,820
COST OF OPERATION	\$18,963	\$7,761	\$13,223	\$18,098	\$16,599
AVG. COST PER MILE	\$4.182	\$1.051	\$1.806	\$2.272	\$2.123
MATERIALS:					
ISSUES	\$16,417	\$18,680	\$11,450	\$21,667	\$23,484
INVENTORY	\$241,661	\$262,683	\$262,051	\$264,477	\$303,023

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

	Current Month			Year to Date			Annual Budget	Annual Balance	
	Actual	Budget	Variance	Actual	Budget	Variance			
Member Requested Facilities	57,038.83	44,709.00	(12,329.83)	228,401.30	244,146.00	15,744.70	288,855.00	60,453.70	
Replacements (Poles & Transformers)	20,660.62	6,671.00	(13,989.62)	188,648.33	54,457.00	(134,191.33)	65,925.00	(122,723.33)	
Misc URD/OH Replacement Projects	0.00	9,208.00	9,208.00	40,232.48	62,101.00	21,868.52	72,685.00	32,452.52	
Replace 2500' of URD at Stud Horse - Part 2	291.96	0.00	(291.96)	291.96	56,608.00	56,316.04	56,609.00	56,317.04	
Replace 2500' of URD at Edelweiss - Part 2	0.00	10,063.00	10,063.00	49,789.88	110,896.00	61,106.12	123,217.00	73,427.12	
Mazama Upgrade (first of multiple phases)	0.00	12,475.00	12,475.00	55,348.35	25,824.00	(29,524.35)	51,897.00	(3,451.35)	
Complete URD loop at Sky Ranch	0.00	0.00	0.00	20,412.49	37,740.00	17,327.51	37,739.00	17,326.51	
Cordination Study - Part 1 of 2	0.00	5,000.00	5,000.00	0.00	5,000.00	5,000.00	15,000.00	15,000.00	
Major Storm Damage	0.00	6,598.00	6,598.00	4,625.60	16,265.00	11,639.40	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	10,000.00	10,000.00	0.00	10,000.00	10,000.00	10,000.00	10,000.00	
subtotal	77,991.41	104,724.00	26,732.59	649,856.62	687,776.00	37,919.38	802,930.00	153,073.38	
Un Allocated Overhead	6,352.32			6,352.32	0.00	(6,352.32)			
Member CIAC	CIAC	(35,872.00)	(40,000.00)	4,128.00	(353,047.00)	(300,000.00)	(53,047.00)	(340,000.00)	13,047.00
Total less CIAC	48,471.73			303,161.94			462,930.00		
							* \$40,156.48 holding in CIAC 10/31/19		
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	18,155.70	0.00	(18,155.70)	183,967.87	130,000.00	(53,967.87)	130,000.00	(53,967.87)	
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	29,838.34	0.00	(29,838.34)	29,838.34	220,000.00	190,161.66	220,000.00	190,161.66	
Total	90,113.45	64,724.00		356,478.17	616,776.00		229,000.00	169,331.45	
Total Capital Budget less CIAC							691,930.00	335,451.83	

* 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	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	20,024.10	32,587.10	30,000.00	0.00	6,804.77	13,348.84	102,764.81
October	21,277.22	18,413.10	21,390.17	0.00	5,956.15	10,954.77	77,991.41
November							0.00
December							0.00
	138,699.06	154,168.34	194,789.64	0.00	53,812.95	86,618.62	628,088.61

* 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

Okanogan County Electric Cooperative Inc
Budget Year: 2019

	2018	Budget year												
		Jan - Dec	January	February	March	April	Actual			August	September	October	Forecasted	
						May	June	July				November	December	
Patronage Capital or Margins	\$0	\$723,035	\$61,097	\$128,143	\$2,671	(\$698)	\$11,211	(\$2,152)	\$11,504	\$22,200	\$16,481	\$7,350	\$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	\$30,046	\$30,633	\$32,785	\$32,785
Less Capital Credit Allocations	\$0	\$0	(\$3,435)	(\$1,702)	\$1,384	\$7	(\$258)	(\$933)	\$4,332	(\$41,593)	(\$1,401)	(\$1,930)	\$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	\$45,126	\$36,053	\$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)	(\$7,075)	(\$37,387)	(\$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)	\$30,840	(\$74,805)	(\$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	\$12,966	\$36,387	\$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	(\$1,189)	(\$3,855)	\$0	\$0
Prepayments	\$0	\$0	(\$54,513)	\$4,955	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$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	\$85,624	(\$38,651)	\$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)	\$232	\$83,462	\$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	(\$30,210)	(\$84,438)	\$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)	(\$29,978)	(\$976)	\$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)	\$55,646	(\$39,627)	\$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	(\$63,602)	(\$127,563)	(\$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)	\$2,320	\$2,485	\$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)	(\$62,649)	\$3,911	\$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	\$52,491	\$35,872	\$30,000	\$10,000
Total Other Property and Investments	\$0	\$0	\$264	\$2,201	(\$1,742)	\$0	\$0	\$0	\$0	\$0	(\$11,115)	\$0	\$0	\$0
Materials & Supplies - Electric and Other	\$0	\$0	(\$9,669)	(\$19,383)	\$149	(\$81)	(\$36,153)	\$8,074	\$9,126	(\$21,022)	\$632	(\$2,426)	\$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	(\$81,923)	(\$87,721)	(\$75,611)	(\$95,611)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$300,000)							\$0	\$0				(\$328,553)
LT Debt - Additional Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LT Debt - Debt Service Payment		(\$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				
LT Debt - Current maturities	\$0	\$0	\$0	\$0										
Consumer Membership	\$0	\$0	\$5	(\$30)	\$5	\$30	\$30	\$40	\$5	\$80	\$15	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$1,100	(\$2,450)	\$500	(\$150)	\$2,050	\$1,650	\$355	\$1,500	\$200	\$350	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$425,567)	\$1,105	(\$2,481)	(\$30,173)	(\$120)	\$2,080	(\$29,459)	\$360	\$1,580	(\$31,412)	\$350	\$0	(\$360,666)
CASH FROM ALL ACTIVITIES	\$0	(\$118,953)	\$21,260	\$275,801	(\$27,427)	\$28,560	\$5,508	(\$54,189)	(\$85,092)	\$16,935	(\$57,689)	(\$126,999)	\$50,753	(\$175,281)
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	\$774,184	\$647,185	\$697,938
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	\$774,184	\$647,185	\$697,938	\$522,657

General Manager's Report to the Board – November 2019

General Discussion:

- I recently participated as part of the Methow Valley Broadband Action Team on interviews for a consultant to develop the Broadband infrastructure plan for the Valley. While we have not finished interviews as of this writing, we will have a very experienced consultant to develop this plan. It most likely will take 6 to 9 months to complete.

Once this plan is completed, we can use it to apply for funding sources for actual broadband infrastructure construction. An example of how this will work is upper Twisp River. The PUD has surveyed the area and knows how much money is needed for them to deploy fiber in the area. The plan will incorporate this information. We will be able to use the plan as the documentation needed to secure additional funding from either federal, state or private sources to bring fiber to this area and the other areas of the Valley lacking adequate broadband.

- We received the sensors for the project of testing a system to identify and locate large outages. We are installing the software and scheduling training for the system. This is the first part of an overall system deployment. These sensors will look at the four circuits at the Winthrop Substation.
- With the end of the fiscal year at PNGC, the costs of belonging to PNGC are shown on the following sheet. Listed are the costs of PNGC for FY 2018, FY 2019, and the projected cost of FY 2020. On a related note, we are working with PNGC on having a webinar on how power billing works for an upcoming Board meeting.
- A large emphasis at the CFC conference I attended was electric vehicles. One of the main takeaways was to start thinking about possible incentives and different rate structures needed as electric vehicles become more plentiful. Staff may take this as a goal in 2020 and investigate what different co-ops and other electric companies are doing. From this staff would develop alternatives about what could work for OCEC.