

## BOARD OF DIRECTORS MEETING

January 27, 2020 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 December 16, 2019
  - b) New Members
  - c) December 2019 – Form 7 Pre- Audit
  - d) Statement of Operations
  - e) Power & Service Data
  - f) Capital Expenditures by Project
  - g) Cash Flow
  - h) Revolving Loan Fund
6. Committee Reports
  - a) Governance Committee
  - b) Audit/Finance Committee
7. Meetings Attended
  - a) PNGC January Meeting – January 3<sup>rd</sup> - Portland – David (by Conference Call) and Dale
  - b) OCEC/OCEI Christmas Party – January 10<sup>th</sup> - Staff and Board
  - c) Annual Audit Review – January 17<sup>th</sup> – OCEC Board and Staff
8. Meetings to Attend

- a) PNGC February Meeting – February 4<sup>th</sup> and 5<sup>th</sup> - Portland – David
- b) WRECA Board Meeting/Meetings with 7<sup>th</sup> and 12<sup>th</sup> District State Legislators - February 10<sup>th</sup> and 11<sup>th</sup> - Olympia – David
- c) State of Washington DNR/Electric Utility Fire Task Force - February 12<sup>th</sup> - Olympia – David

9. General Managers Report (Tab 3)

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

**ITEMS OF BUSINESS**

- 1) Update - 2020 Commercial Insurance
- 2) Approve – 2020 Board Dates **(Tab 4)**
- 3) Approve – Nomination Committee
- 4) Approve - Revised Policy No. 30-215 - OCEC Equipment and Right of Access **(Tab 5 contains the red-line version)**
- 5) Approve – Revised Policy No. 30-140 – Line Extension **(Tab 6 contains both the original version and the final version without redline)**
- 6) Approve - Revised Policy No. 30-310 - Theft of Electric Service **(Tab 7 contains both the original version and the final version without redline)**
- 7) Discuss – Instructing OCEC’s Member Rep to PNGC to Vote for Approval of the Agreement for UEC to Leave PNGC **(Tab 8)**

**OPEN FLOOR FOR BOARD MEMBERS**

**EXECUTIVE SESSION**

- 1) Litigation Update
- 2) 2019 GM Goals
- 3) 2020 GM Goals
- 4) Board Only Discussion



BOARD MEETING  
December 16, 2019

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

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

Members in Attendance: David Hutchinson.

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 3:00 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

Sara added Item of Business: Discussion of December 2019 Base Fee Rebate.

Agenda approved by Board consensus.

4. ADMINISTRATION OF OATH FOR NEW BOARD MEMBER

Travis Thornton read the Oath of Office at this time and is officially installed as a Director.

5. MEMBER COMMUNICATIONS

David Hutchinson introduced himself as a new member utilizing solar at his residence.

## 6. APPROVAL OF CONSENT AGENDA ITEMS

Consent Agenda approved by Board Consensus.

## 7. COMMITTEE REPORT

Governance Committee:

Michael reported the committee met to discuss the General Manager's 2020 goals, which are still under development.

Policy No. 30-410 Line Extension is being reviewed. Glenn Huber discussed the four (4) bullet points being discussed:

- Point of Service change for underground services.
- Easement language change.
- Good Neighbor policy.
- Implement an option for OCEC to require line extensions in heavily forested areas be put underground.

## 8. MEETINGS ATTENDED

### a) PNGC Monthly Meeting – Portland OR – December 3<sup>rd</sup> – David

David reported the PNGC Auditor reported a clean audit with no issues.

Negotiations are ongoing to allow UEC to leave PNGC by the October 1<sup>st</sup>, 2020. PNGC's goal in the negotiations is to keep costs stable for its members.

### b) WRECA Quarterly Meeting – December 9<sup>th</sup> & 10<sup>th</sup> – Sea Tac WA – David

David reported the legislative session is set to begin. WRECA will not be taking a position on carbon fuel pricing this session.

Reporting deadlines for The Clean Energy Transformation Act, which passed last year, are approaching:

- July 1, 2020 – Data needs to be provided to the Department of Commerce for Low Income Assistance programs.

- December 31, 2020 - Identify how we plan to implement the Clean Energy Plan over a 10-year period.
- July 31, 2021 – A Low Income Assistance program must be fully functional and have 60% of the current needs funded.
- As the Commerce Department is having a difficult time developing the low income assistance program, the target dates related to the Low Income Assistance Program may slip.

## 9. MEETINGS TO ATTEND

- a. PNGC January Meeting – January 3<sup>rd</sup> – David by conference call
- b. OCEC/OCEI Christmas Party – January (TBD) – Staff and Board
- c. Annual Audit Review – January 17<sup>th</sup> – OCEC Board and Staff

## 10. GENERAL MANAGERS REPORT

Written report reviewed.

### a) Office Update

Lynn reported the 2019 Capital Credit checks were mailed today. The payout amount is \$323,030.80.

### b) Operations Update

Glenn reported:

- Inventory count will wrap up this week.
- Aclara was here to install sensors on OCEC lines and software in the office for tracking and collecting data. There will be a presentation at the January board meeting.
- Right of Way (ROW) clearing on secondary lines is beginning.
- The crew is beginning line inspections out of the Twisp Substation.

### c) OCEI Propane Update

Tracy reported OCEI is still very busy with the work load transitioning from service work to deliveries.

## ITEMS OF BUSINESS

### 1. 2020 Commercial Insurance Update

Lynn Northcott reported two (2) quotes have been received: Hurtado & Associates and Federated Insurance.

The quotes are close to the same cost. Lynn and David will be meeting to review and compare each policy type and coverage before a decision is made.

Lynn will report the results at the January 2020 board meeting.

### 2. Approve – Annual Meeting Date of April 20, 2020

Ray Peterson moved to accept the date of April 20, 2020 for the OCEC Annual Meeting. Seconded. Motion carried.

David noted his program will include OCEC's Fire Risk and Mitigation Plan and the Revised Line Extension Policy.

### 3. Approve – 2019 Electric Payment Write-offs

Lynn presented OCEC's 2019 write-off request in the amount of \$31.53.

Alan Watson moved to accept the 2019 write-off amount of \$31.53. Seconded. Motion carried.

### 4. Waive the December 2019 Base Fee Discussion

Alan opened the discussion with the suggestion that the Board consider setting a net margin target in the future before considering a base fee rebate. He also suggested another way to rebate members is to give back a percentage of each member's annual patronage paid to OCEC.

The discussion included how a base fee rebate benefits the members and OCEC.

Sara moved to waive the December 2019 base fee for General Service 1 through General Service 4 customers, including Rate 22, a privately owned residential account. Six votes for approval and one vote abstained. Motion carried.

### OPEN FLOOR FOR BOARD MEMBERS

No board member comments. The Board invited David Hutchinson, attending member, to make further comments if he wanted to.

David's comment was regarding OCEC and the net metering program. He discussed solar production vs. electric usage and how it is tracked by OCEC and the customer.

Meeting adjourned to Executive Session at 4:14 pm.

### EXECUTIVE SESSION

1. Union Negotiations Update
2. Operations Update
3. Litigation Update

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Alan Watson, Secretary



*Pre-Audit*

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Okanogan County Electric Coop Inc
	<b>BORROWER DESIGNATION</b>	WA032
	<b>ENDING DATE</b>	12/31/2019

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.	<p><b>8 Needs Attention</b> <b>6 Please Review</b> <b>4 Matches</b></p>	<p><b>A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?</b></p> <p><input checked="" type="radio"/> YES <input type="radio"/> NO</p>
Signature of Office Manager or Accountant _____ Date _____		<p><b>B. Will you authorize CFC to share your data with other cooperatives?</b></p> <p><input checked="" type="radio"/> YES <input type="radio"/> NO</p>
Signature of Manager _____ Date _____		

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	5,584,790	5,901,623	5,891,986	575,805
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	2,707,600	2,905,014	2,831,793	337,416
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	88,646	101,547	93,080	6,688
7. Distribution Expense - Maintenance	551,055	635,828	593,844	62,612
8. Consumer Accounts Expense	291,181	298,012	305,739	25,906
9. Customer Service and Informational Expense	5,786	5,266	3,687	290
10. Sales Expense	7,162	(2,728)	(2,988)	(369)
11. Administrative and General Expense	554,083	742,104	631,819	62,163
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>4,205,514</b>	<b>4,685,042</b>	<b>4,456,974</b>	<b>494,707</b>
13. Depreciation & Amortization Expense	374,077	375,897	391,573	31,093
14. Tax Expense - Property & Gross Receipts	45,055	41,508	41,344	81
15. Tax Expense - Other	173,425	182,097	175,255	16,986
16. Interest on Long-Term Debt	201,713	194,464	194,329	15,846
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	0	0	0	0
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>4,999,784</b>	<b>5,479,008</b>	<b>5,259,475</b>	<b>558,713</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>585,006</b>	<b>422,614</b>	<b>632,511</b>	<b>17,092</b>
22. Non Operating Margins - Interest	24,148	27,744	27,023	4,882
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	207,318	39,181	45,500	17,038
25. Non Operating Margins - Other	18,000	21,550	18,000	2,900
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	0	0	0	0
28. Extraordinary Items	0	0	0	0
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>834,473</b>	<b>511,089</b>	<b>723,034</b>	<b>41,912</b>

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

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	56	65	5. Miles Transmission	0	0
2. Services Retired	6	8	6. Miles Distribution Overhead	302	303
3. Total Services In Place	3,782	3,839	7. Miles Distribution Underground	212	221
4. Idle Services (Exclude Seasonal)	101	98	<b>8. Total Miles Energized (5+6+7)</b>	<b>514</b>	<b>524</b>



<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Okanogan County
	<b>BORROWER DESIGNATION</b>	WA032
	<b>ENDING DATE</b>	12/31/2019

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	14,542,513	29. Memberships	16,395
2. Construction Work in Progress	452,602	30. Patronage Capital	7,694,018
<b>3. Total Utility Plant (1+2)</b>	<b>14,995,115</b>	31. Operating Margins - Prior Years	834,473
4. Accum. Provision for Depreciation and Amort	4,931,278	32. Operating Margins - Current Year	489,539
<b>5. Net Utility Plant (3-4)</b>	<b>10,063,837</b>	33. Non-Operating Margins	21,550
6. Nonutility Property - Net	0	34. Other Margins & Equities	464,337
7. Investment in Subsidiary Companies	827,067	<b>35. Total Margins &amp; Equities (29 thru 34)</b>	<b>9,520,312</b>
8. Invest. in Assoc. Org. - Patronage Capital	379,786	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,566,727
10. Invest in Assoc. Org. - Other - Nongeneral Funds	144,438	<b>38. Total Long-Term Debt (36 + 37)</b>	<b>3,566,727</b>
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	13,500	40. Accumulated Operating Provisions - Asset Retirement Obligations	0
13. Special Funds	0	<b>41. Total Other Noncurrent Liabilities (39+40)</b>	<b>0</b>
<b>14. Total Other Property &amp; Investments (6 thru 13)</b>	<b>1,364,792</b>	42. Notes Payable	0
15. Cash-General Funds	479,562	43. Accounts Payable	474,974
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	159,560
17. Special Deposits	151,421	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	574,524	48. Other Current & Accrued Liabilities	175,142
21. Accounts Receivable - Net Other	921,324	<b>49. Total Current &amp; Accrued Liabilities (42 thru 48)</b>	<b>809,676</b>
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	201,829	<b>51. Total Liabilities &amp; Other Credits (35+38+41+49+50)</b>	<b>13,896,715</b>
24. Prepayments	0	<b>ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION</b>	
25. Other Current & Accrued Assets	966	Balance Beginning of Year	0
<b>26. Total Current &amp; Accrued Assets (15 thru 25)</b>	<b>2,468,086</b>	Amounts Received This Year (Net)	369,020
27. Deferred Debits	(0)	<b>TOTAL Contributions-In-Aid-Of-Construction</b>	<b>369,020</b>
<b>28. Total Assets &amp; Other Debits (5+14+26+27)</b>	<b>13,896,715</b>		

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

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

**STATEMENT OF OPERATIONS**

December 31, 2019

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,891,986	\$5,891,986	\$5,901,623	\$703,127	\$575,805
COST OF POWER	\$2,831,793	\$2,831,793	\$2,905,014	\$297,785	\$337,416
<b>GROSS MARGINS</b>	\$3,060,193	\$3,060,193	\$2,996,609	\$405,342	\$238,389
<b>OPERATING EXPENSES:</b>					
DISTRIBUTION OPERATIONS	\$93,080	\$93,080	\$101,547	\$8,526	\$6,688
DISTRIBUTION MAINTENANCE	\$593,844	\$593,844	\$635,828	\$53,056	\$62,612
CONSUMER ACCOUNTING	\$305,739	\$305,739	\$298,012	\$26,706	\$25,906
CONSUMER SERVICE & INFO	\$3,687	\$3,687	\$5,266	\$257	\$290
SALES EXPENSE	-\$2,988	-\$2,988	-\$2,728	\$0	-\$369
ADMIN & GENERAL	\$631,819	\$631,819	\$742,104	\$18,116	\$62,163
<i>TOTAL OPERATING EXPENSES</i>	\$1,625,181	\$1,625,181	\$1,780,028	\$106,662	\$157,291
<b>FIXED EXPENSES:</b>					
DEPRECIATION	\$391,573	\$391,573	\$375,897	\$32,785	\$31,093
TAXES-PROPERTY	\$41,344	\$41,344	\$41,508	\$3,442	\$81
TAXES-OTHER	\$175,255	\$175,255	\$182,097	\$13,971	\$16,986
INTEREST	\$194,329	\$194,329	\$194,464	\$15,968	\$15,846
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$802,502	\$802,502	\$793,966	\$66,167	\$64,006
<b>TOTAL EXPENSES</b>	\$2,427,682	\$2,427,682	\$2,573,994	\$172,829	\$221,297
<b>OPERATING MARGINS</b>	\$632,511	\$632,511	\$422,614	\$232,513	\$17,092
<b>NONOPERATING MARGINS:</b>					
INTEREST	\$72,523	\$72,523	\$66,925	\$20,328	\$21,920
OTHER	\$18,000	\$18,000	\$21,550	\$1,500	\$2,900
<b>NET MARGINS</b>	\$723,034	\$723,034	\$511,089	\$254,342	\$41,912
<b>T.I.E.R.</b>	4.72	4.72	3.63	16.93	3.65

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

**POWER & SERVICE DATA**

December-19

	September 2019	October 2019	November 2019	December 2019	December 2018
<b>POWER DATA:</b>					
COST OF POWER	\$185,532	\$255,924	\$200,013	\$337,416	\$332,298
KWH PURCHASED	3,504,995	5,146,360	6,589,070	8,659,575	8,389,405
KWH SOLD & OCEC USE	3,165,203	4,782,885	6,155,319	8,136,426	7,862,788
KWH LOST	339,792	363,475	433,751	523,149	526,617
LINE LOSS %	9.69%	7.06%	6.58%	6.04%	6.28%
COST PER KWH	\$0.0529	\$0.0497	\$0.0304	\$0.0390	\$0.0396
<b>BILLING DATA:</b>					
ACCOUNTS BILLED	3,823	3,807	3,651	3,661	3,586
AVG. KWH/CONSUMER	828	1,256	1,686	2,222	2,193
BILLING REVENUE	\$363,237	\$472,001	\$568,869	\$573,250	\$548,801
AVERAGE BILL	\$95.01	\$123.98	\$155.81	\$156.58	\$153.04
REVENUE/KWH SOLD	\$0.1148	\$0.0987	\$0.0924	\$0.0705	\$0.0698
<b>SERVICE DATA:</b>					
NEW	5	5	12	5	2
RETIRED	0	0	1	1	1
TOTAL END OF MONTH	3819	3824	3835	3839	3782
IDLE SERVICES	98	98	98	98	101
<b>TRANSPORTATION:</b>					
TOTAL MILES	7,322	7,967	5,088	5,346	4,800
COST OF OPERATION	\$13,223	\$18,098	\$12,514	\$17,801	\$15,969
AVG. COST PER MILE	\$1.806	\$2.272	\$2.459	\$3.330	\$3.327
<b>MATERIALS:</b>					
ISSUES	\$11,450	\$21,667	\$4,936	\$109,956	\$129,974
INVENTORY	\$262,051	\$264,477	\$298,901	\$201,829	\$193,724

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

	Current Month			Year to Date			Annual	Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance
Member Requested Facilities	29,833.58	11,177.00	(18,656.58)	303,102.57	288,855.00	(14,247.57)	288,855.00	(14,247.57)
Replacements (Poles & Transformers)	34,936.23	7,958.00	(26,978.23)	258,640.58	65,925.00	(192,715.58)	65,925.00	(192,715.58)
Misc URD/OH Replacement Projects	0.00	0.00	0.00	51,641.14	72,685.00	21,043.86	72,685.00	21,043.86
Replace 2500' of URD at Stud Horse - Part 2	21,100.68	0.00	(21,100.68)	37,521.87	56,609.00	19,087.13	56,609.00	19,087.13
Replace 2500' of URD at Edelweiss - Part 2	40,884.42	0.00	(40,884.42)	91,641.71	123,217.00	31,575.29	123,217.00	31,575.29
Mazama Upgrade (first of multiple phases)	0.00	749.00	749.00	55,348.35	51,897.00	(3,451.35)	51,897.00	(3,451.35)
Complete URD loop at Sky Ranch	0.00	0.00	0.00	20,412.49	37,739.00	17,326.51	37,739.00	17,326.51
Cordination Study - Part 1 of 2	0.00	0.00	0.00	0.00	15,000.00	15,000.00	15,000.00	15,000.00
Major Storm Damage	0.00	0.00	0.00	4,625.60	16,264.00	11,638.40	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	470.55	0.00	(470.55)	18,399.58	10,000.00	(8,399.58)	10,000.00	(8,399.58)
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	13,103.68	10,000.00	(3,103.68)	10,000.00	(3,103.68)
<b>subtotal</b>	<b>127,225.46</b>	<b>19,884.00</b>	<b>(107,341.46)</b>	<b>898,614.77</b>	<b>802,930.00</b>	<b>(95,684.77)</b>	<b>802,930.00</b>	<b>(95,684.77)</b>
Un Allocated Overhead	0.00			0.00	0.00	0.00		
<b>Member CIAC</b>	<b>CIAC</b>	<b>16,156.12</b>	<b>(10,000.00)</b>	<b>26,156.12</b>	<b>(369,020.00)</b>	<b>(340,000.00)</b>	<b>(29,020.00)</b>	<b>(340,000.00)</b>
<b>Total less CIAC</b>	<b>143,381.58</b>			<b>529,594.77</b>			<b>462,930.00</b>	
<b>* \$29,232.42 holding in CIAC 12/31/19</b>								
<b>Meters Purchases</b>	0.00	0.00	0.00	20,449.80	35,000.00	14,550.20	35,000.00	14,550.20
<b>Computers &amp; Software Upgrades</b>	0.00	0.00	0.00	2,397.71	18,000.00	15,602.29	18,000.00	15,602.29
<b>Transformers Purchases</b>	0.00	0.00	0.00	183,967.87	130,000.00	(53,967.87)	130,000.00	(53,967.87)
<b>FEMA Reimbursement</b>	0.00	0.00	0.00	(176,985.17)	(174,000.00)	2,985.17	(174,000.00)	2,985.17
<b>Vehicle Replacement</b>	197,243.00	0.00	(197,243.00)	227,081.34	220,000.00	(7,081.34)	220,000.00	(7,081.34)
<b>Sensors</b>	15,488.53	0.00	(15,488.53)	42,538.53	0.00	(42,538.53)	0.00	(42,538.53)
<b>Total</b>	<b>356,113.11</b>	<b>9,884.00</b>		<b>829,044.85</b>	<b>691,930.00</b>		<b>229,000.00</b>	<b>(27,911.55)</b>
<b>Total Capital Budget less CIAC</b>							<b>691,930.00</b>	<b>(94,576.32)</b>

\* Note

	Line Crew		107.25	Consultants			
	Direct Labor	Materials	Labor	Contractors	Transportation	Benefits	Total
January	1,196.50	60.00	1,200.00	0.00	775.28	1,107.37	4,339.15
February	692.40	2,192.47	1,500.00	0.00	534.46	529.70	5,449.03
March	1,717.07	60.00	2,000.00	0.00	1,049.81	1,150.19	5,977.07
April	18,457.94	3,279.74	22,000.00	0.00	8,131.73	9,854.61	61,724.02
May	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	21,284.54	26,432.60	30,210.96	0.00	11,210.81	19,108.10	108,247.01
December	5,425.06	107,199.71	22,796.75	0.00	2,714.83	4,577.64	142,713.99
	<b>165,408.66</b>	<b>287,800.65</b>	<b>247,797.35</b>	<b>0.00</b>	<b>67,738.59</b>	<b>110,304.36</b>	<b>879,049.61</b>

\* 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

Okanogan County Electric Cooperative Inc  
Budget Year: 2019

	Budget year		Actual											
	2018	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	\$16,481	\$7,350	\$211,370	\$41,912
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	\$30,873	\$31,093
Less Capital Credit Allocations	\$0	\$0	(\$3,435)	(\$1,702)	\$1,384	\$7	(\$258)	(\$933)	\$4,332	(\$41,593)	(\$1,401)	(\$1,930)	\$2,997	(\$323,146)
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	\$245,240	(\$250,141)
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)	(\$6,270)	(\$6,158)
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)	(\$160,490)	\$20,242
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	\$6,366	\$12,096
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)	\$5,044	\$0
Prepayments	\$0	\$0	(\$54,513)	\$4,955	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956	\$4,956
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)	\$94,846	(\$219,005)
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	(\$70,474)	\$137,276
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)	\$53,382	(\$30,242)
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)	(\$17,092)	\$107,034
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)	\$77,753	(\$111,971)
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)	(\$28,546)	(\$256,875)
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	(\$7,118)	(\$20,737)
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	(\$102,930)	(\$70,223)
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	\$27,970	(\$16,156)
Total Other Property and Investments	\$0	\$0	\$264	\$2,201	(\$1,742)	\$0	\$0	\$0	\$0	\$0	(\$11,115)	\$0	\$0	(\$16,055)
Materials & Supplies - Electric and Other	\$0	\$0	(\$9,669)	(\$19,383)	\$149	(\$81)	(\$36,153)	\$8,074	\$9,126	(\$21,022)	\$632	(\$2,426)	(\$34,424)	\$97,072
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)	(\$145,049)	(\$282,974)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$300,000)								\$0	\$0			\$0
LT Debt - Additional Debt		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$325,000
LT Debt - Debt Service Payment		(\$125,567)	\$0	\$0	(\$30,678)	\$0	\$0	(\$31,149)	\$0	\$0	(\$31,627)	\$0	\$0	(\$32,044)
LT Debt - Other		\$0												
Total LT Debt	\$0	(\$125,567)	\$0	\$0	(\$30,678)	\$0	\$0	(\$31,149)	\$0	\$0	(\$31,627)	\$0	\$0	(\$32,044)
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	\$10	\$0
Consumers Deposits	\$0	\$0	\$1,100	(\$2,450)	\$500	(\$150)	\$2,050	\$1,650	\$355	\$1,500	\$200	\$350	\$1,750	(\$100)
CASH FROM FINANCING ACTIVITIES	\$0	(\$425,567)	\$1,105	(\$2,481)	(\$30,173)	(\$120)	\$2,080	(\$29,459)	\$360	\$1,580	(\$31,412)	\$350	\$1,760	\$292,856
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)	(\$65,535)	(\$102,089)
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	\$581,650
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	\$581,650	\$479,562

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

*For the Month Ending*  
**December 31, 2019**

<b>Beginning RLF Balance</b>		<b>\$45,879.05</b>
<b>LOUP LOUP SKI ED FOUNDATION LOAN #3</b>		\$0.39
PAYOFF OCTOBER 01, 2024	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$437.50	\$27,369.84
ADMINISTRATIVE FEE (1%)	\$20.83	\$1,952.97
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$25,416.87
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$24,583.13
<b>TOWN OF TWISP</b>		
PAYOFF AUGUST 01, 2019	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$78.29	\$8,864.39
ADMINISTRATIVE FEE (1%)	\$0.77	\$498.88
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$8,365.51
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOAN		\$844.49
<b>MVSTA LOAN #2</b>		
PAYOFF JULY 01, 2022	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$858.33	\$80,987.95
ADMINISTRATIVE FEE (1%)	\$25.00	\$5,154.92
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$75,833.03
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOAN		\$24,166.97
<b>TOWN OF WINTHROP</b>		
PAYOFF NOVEMBER 01, 2027	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$855.00	\$21,652.20
ADMINISTRATIVE FEE (1%)	\$63.33	\$1,860.45
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$19,791.75
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOAN		\$75,208.25
<b>Smiling Woods Yurts</b>		
PAYOFF NOVEMBER 01, 2028	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$366.66	\$5,133.24
ADMINISTRATIVE FEE (1%)	\$33.33	\$466.62
PRINCIPLE PAYMENT TO LOAN	\$333.33	\$4,666.62
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$35,333.38
<b>TwispworksFoundation</b>		
PAYOFF DECEMBER 01, 2028	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$366.66	\$4,399.92
ADMINISTRATIVE FEE (1%)	\$33.33	\$399.96
PRINCIPLE PAYMENT TO LOAN	\$333.33	\$3,999.96
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$36,000.04
<b>TOTAL BALANCE REMAINING ON LOANS</b>		<b>\$196,136.26</b>
<b>ENDING RLF BALANCE</b>		<b>\$48,664.13</b>

**OKANOGAN COUNTY ELECTRIC COOPERATIVE INC**

**REVOLVING LOAN FUND #2**

**MONTHLY REPORT**

*For the Month Ending*  
**December 31, 2019**

<b>Beginning RLF Balance</b>		<b>\$98,383.87</b>
<b>AERO RESCUE</b>		
<b>PAYOFF NOVEMBER 1, 2020</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$2,040.00	\$233,000.00
ADMINISTRATIVE FEE (1%)	\$20.00	\$13,000.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$220,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOAN		\$20,000.00
<b>TOWN OF WINTHROP LOAN #2</b>		
<b>PAYOFF JUNE 01, 2022</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$175.96	\$16,410.12
ADMINISTRATIVE FEE (1%)	\$5.13	\$1,035.42
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$15,374.70
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOAN		\$5,125.30
<b>MVSTA LOAN #3</b>		
<b>PAYOFF OCTOBER 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$612.50	\$39,666.54
ADMINISTRATIVE FEE (1%)	\$29.17	\$2,916.75
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$36,749.79
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOAN		\$33,250.21
<b>PINETOOTH CREATIVE</b>		
<b>PAYOFF July 01, 2026</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$82.70	\$3,450.73
ADMINISTRATIVE FEE (1%)	\$5.41	\$280.86
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$3,169.87
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOAN		\$6,105.13
<b>EQPD</b>		
<b>PAYOFF February 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$292.50	\$10,061.53
ADMINISTRATIVE FEE (1%)	\$21.66	\$852.99
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$9,208.54
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$23,291.46
<b>Little Star Montessori School</b>		
<b>PAYOFF February 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$292.50	\$10,340.48
ADMINISTRATIVE FEE (1%)	\$21.67	\$861.43
PRINCIPLE PAYMENT TO LOAN	\$270.83	\$9,479.05
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$23,020.95
<b>Winthrop Ice &amp; Sports Rink</b>		
<b>PAYOFF April 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$552.48	\$36,955.47
ADMINISTRATIVE FEE (1%)	\$23.31	\$905.43
PRINCIPLE PAYMENT TO LOAN	\$529.17	\$36,050.04
ORIGINAL AMOUNT OF LOAN		\$63,500.00
BALANCE REMAINING ON LOAN		\$27,449.96
<b>TOTAL BALANCE REMAINING ON LOANS</b>		<b>\$138,243.01</b>
<b>ENDING RLF BALANCE</b>		<b>\$101,756.99</b>

## General Manager's Report to the Board – January 2020

### General Discussion:

- Tilson Tech, who won the bid to develop the Methow Valley Broadband Deployment Plan, has started their work on the project. We recently held our project kick-off meeting. One of the major take-aways was that Tilson will be able to identify different grants for both public AND private systems. This really opens up possibilities for the infrastructure plan as it allows using grants not only for public entities, but also to local, private companies as part of the overall broadband deployment plan. Tilson will make their first trip to the Methow on February 18<sup>th</sup> and 19<sup>th</sup>. They plan to meet with the Methow Broadband Action Team, the Okanogan PUD and local internet providers. They also plan to hold Community Meeting on the development of this plan on Tuesday, February 18<sup>th</sup>.
- The Washington State legislature has convened for a short session. One of the bills WRECA supports is a bill to enhance underground locates. One of the bills WRECA opposes is a bill to require utilities to reimburse costs incurred by a customer who uses an emergency generator to provide electricity to their home or business during an interruption of service, scheduled by the electric utility, for the primary purpose of connecting neighboring customers. Also, I will be visiting with our local legislators when I visit Olympia in February.
- At PNGC, we are moving forward with the process of UEC leaving PNGC. Both parties have agreed on detailed terms and conditions that will be used as part of the final agreement. I have attached a letter from PNGC that discusses the next steps. As part of the approval process, both the PNGC Board AND the individual PNGC member cooperatives, through the “Member Representative Committee”, will need to approve the agreement between PNGC and UEC. Besides being a PNGC Board member, I am also the PNGC Member Representative for OCEC that represents the OCEC Board. Long story short, the OCEC Board will need to direct me on how to vote at the “Members Representative Meeting” with regards to approving the UEC/PNGC agreement.

Also, individual PNGC members have the right to also exit PNGC on the same terms as UEC. This would not be a good deal for us. We will discuss these requirements more at the upcoming board meeting.