

## BOARD OF DIRECTORS MEETING

April 27, 2020 at **3:00 PM**

**By GoToMeeting**



### AGENDA

1. Meeting Called to Order
2. Determination of Quorum
3. Approval of Agenda
4. Communication of Election Results
5. Oath of Office for New Board Member(s)
6. Reorganization of Board
7. Review of Membership of Standing Committees
8. Member Communications
9. Approval of Consent Agenda (**Tab 2**)
  - a) Minutes from April 23, 2020
  - b) New Members
  - c) April 2020 – Form 7
  - d) Statement of Operations
  - e) Power & Service Data
  - f) Capital Expenditures by Project
  - g) Cash Flow 2020
  - h) Status of Funds RLF
10. Committee Reports
11. Meetings Attended
  - a) PNGC April Meeting – April 7<sup>th</sup> – David by Conference Call
  - b) WRECA Board Meeting - April 14<sup>th</sup> – David by Conference Call

c) WRECA Legislative Advisory Committee – April 16<sup>th</sup>  
– David by Conference Call

12. Meetings to Attend

a) PNGC May Board Meeting – May 5<sup>th</sup> - David by  
Conference Call

b) DNR Fire Task Force Meeting - May 16<sup>th</sup> - Olympia  
– David

c) WRECA Annual Meeting in June is being  
Rescheduled.

13. General Managers Report (Tab 3)

a) Office Update

b) Operations Update

c) Propane Update

**ITEMS OF BUSINESS**

1) Approve – 2020 Budget with Proposed Deferrals  
**(Tab 4 is Proposed Deferrals)**

2) Update – Proposed Political Activity Policy

3) Update – Revolving Loan Fund

4) Approve –SBA PPP Loan for Subsidiary **(Sent by  
E-Mail)**

5) Discuss - Request Received to Forgive New  
Construction Costs for New Library

**OPEN FLOOR FOR BOARD MEMBERS**

**EXECUTIVE SESSION**

1) Subsidiary Update

2) Personnel Issue Update

3) Litigation Update

4) Union Negotiations

5) Board Only Session



BOARD MEETING  
March 23, 2020

Present: Dale Sekijima, President, Sara Carlberg, Vice President, Alan Watson, Secretary/Treasurer, Ray Peterson, Michael Murray, John Kirner and Travis Thornton all via video conference.

Attending: David Gottula; General Manager, Lynn Northcott; CFO, Glenn Huber; Operations Manager and Mark Crum, IT.

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 3:10 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

David Gottula requested an addition to Executive Session: Litigation Update  
Sara requested to add between 1 & 2 under Items of Business - Resolution

Agenda approved as amended by consensus.

4. MEMBER COMMUNICATIONS

None at this time.

5. APPROVAL OF CONSENT AGENDA ITEMS

Michael noted that in the minutes, Item 6. Committee Report to add "*Nominating*" before "*Committee Chair, Dave Ashcom, will send two (2) nominees and Bio's to David Gottula for inclusion on the 2020 election ballot*".

Alan inquired as to what was the increase over projected budget for Operations Maintenance. Lynn stated that she would look into it and email the board. It was also noted that the top of page 9 was cut off.

Consent Agenda approved with changes by Board Consensus.

## 6. COMMITTEE REPORT

Governance Committee:  
No meeting held.

Finance Committee:  
No meeting held.

## 7. MEETINGS ATTENDED

- a) NRECA/CFC Annual Conference – March 1<sup>st</sup> – 4<sup>th</sup> – New Orleans. David attended.
- b) State of Washington DNR/Electric Utility Fire Task Force – March 5<sup>th</sup> – Olympia – David attended.
- c) PNGC March Meeting – March 11<sup>th</sup> & 12<sup>th</sup> – Portland – David & Dale attended.

## 8. MEETINGS TO ATTEND

- a) PNGC April Meeting – April 7<sup>th</sup> – David by Conference Call.
- b) WRECA Strategic Planning – Rescheduled to September 9<sup>th</sup> & 10<sup>th</sup> – David.

## 9. GENERAL MANAGERS REPORT

Written report reviewed.

- a) Office Update

Included in Managers Report

- b) Operations Update

Also reviewed in Managers report.

c) OCEI Propane Update

Not available.

ITEMS OF BUSINESS

1. Approve – 2019 Audit (Final 2019 Consolidated Audit on OCEC's Sharepoint Finance Page)

Alan motioned to approve the 2019 Consolidated Audit. Second. All in favor Carried.

2. Resolution

Sara motioned to approve a Resolution (Attached herein) addressing the COVID-19 pandemic directing OCEC Management and staff to not only take appropriate actions to help slow the spread of the virus but to also restrict discretionary spending.

Motion failed by lack of second.

3. Approve - 2020 Budget (Sent by separate email)

Alan motioned to approve the 2020 OCEC Operations & Capital Budget with the postponement of Vehicle purchases, FTE hiring, GM Search, Facilities Planning Study and Capital Credit Retirement. Ray Second.

After much discussion there was a call for a vote. 3 approved and 3 opposed. President, Dale Sekijima suggested that staff come back with revisions pushing the budget to April's board meeting.

After more discussion the 2020 Budget was tabled to the April Board meeting with staff coming back with recommendations on items to delay until the economic situation is better understood. David said that there was no need to change the actual budget numbers.

4. Affirm – By-Law Change to Revise Election Format.

Alan motioned to approve the By-Law change as attached herein. The By-Law change is for Article III, Section 4, Vacancies. Second. All in favor. Carried. The By-law change will be communicated to the membership.

5. Update – OCEC Annual Meeting

David stated that the meeting will be held at the Cooperative office with membership encouraged not to attend. The notice is attached herein. There will be a member meeting announced later this year. Staff will produce the script for the meeting. Board members should attend by conference call.

6. Approve – Data Analysis Tools

Dale motioned to approve the Data Management/Analysis tool as presented. Seconded.

After discussion there was a call for a vote.

4 approved, 1 opposed (Sara), 1 abstained (Ray). Motion carried.

7. Update – Legislative Spending As a % of Budget of OCEC and Other Organizations that OCEC Belongs To.

David presented a white paper on his research. The board reviewed. Discussion followed which lead into the item 8. Proposed Political Activity Policy.

8. Comment – Proposed Political Activity Policy. The proposed political activity policy was reviewed by the Board. Michael will look at adding more specific actions to the policy.

OPEN FLOOR FOR BOARD MEMBERS

No comments from the board.

Meeting adjourned to Executive Session 5:20 pm.

EXECUTIVE SESSION

1. Litigation Update
2. Board Only Discussion

---

Alan Watson, Secretary

**Director Carlberg offered motion for the following resolution**

WHEREAS, there is currently a pandemic of COVID-19 worldwide, nationally, state-wide, and Okanogan County has declared an emergency AND the Okanogan County Electric Cooperative (OCEC) acknowledges that employees and members are undergoing health as well as financial stressors;

NOW, THEREFORE, BE IT RESOLVED that the OCEC Board directs the OCEC Management and Staff to take appropriate actions to help slow the spread of the virus for employees and members, maintain continuity of operations AND restrict discretionary spending that does not negatively affect ongoing goals out as detailed in the OCEC strategic plan of reliable energy, informed customers, financial health, safety, quality personnel, and viable subsidiaries while providing services to its members at the lowest cost consistent with sound economy and good management.

Dated, March 23, 2020.

## Amendment To The 2020 OCEC Budget Main Motion

3/21/20

Economic conditions are changing rapidly due to the accelerating impact of Covid-19 virus. Among other things, OCEC has made operational changes designed to reduce exposure for staff in the field:

- No new field work involving customers
- No site visits or cost estimates by the Engineering Staker
- Current projects are being buttoned up
- Focus on tree trimming where the crew can work in relative isolation

The potential impact on OCEC finances from these changes, and more broadly the extreme uncertainty generated by Covid-19 driven economic issues, should cause OCEC to conserve cash by delaying certain 2020 budget items funded by long term borrowing and postponing certain non-essential expenses.

### Financial Impacts -- Severe Case First Approximation

- Budgeted direct and overhead labor (wages and benefits) for member requested work (CIAC) is \$200K. If the CIAC work was pushed to 2021 due to adverse economic conditions, the \$200K in labor normally covered by customer payments is funded by OCEC cash instead. No site visits or cost estimates pushes new CIAC work starts later. Both negatively impacts OCEC cash.
- I'm aware of multiple customer projects either canceled or being re-evaluated. The financial markets train wreck has had a chilling effect on new construction and we may be seeing the early stages of a major construction slowdown. Impact on CIAC work is unknown at this point.
- If the State issues a 'shelter in place' order, only essential business functions remain open. This increases unemployment and I expect a sharp increase in slow pay, and non pay (Accounts receivable) as people find it difficult to pay basic bills. This negatively impacts OCEC cash.
- OCEC's gross margin (revenue - Cost of Power): I hope the change in power usage due to loss of tourism business this summer is offset by more second home owners moving in for the pandemic duration. That said, any decrease in revenue (e.g., significant outage due to wildfire) or increase in COP lowers gross margin dollars. This pressures both net margin and cash.

### Cash Postponements Recommended

\$868K over the course of 2020. Staff may have suggestions on additional savings.

- FTE hire in engineering
- GM search
- Facility planning study
- OCEC CapEx on vehicles -- assumes no firm order (budget = \$170,000 for two vehicles)
- Propane truck purchase -- assumes no firm order (Propane budget = \$175,000)
- Capital credit retirement in December of 2020 (budget = \$360,000)

### Postpone For How Long?

An excellent Columbia University study and model of virus peak timing based on 'control measure' level and using current Covid-19 case data was covered by the NYTimes. For Okanogan county, assuming 'severe measures' (i.e., shelter in place), the projected case peak is after July 31.

Amendment To The 2020 OCEC Budget Main Motion:

I move to approve the 2020 OCEC Operating and Capital Budgets as presented with the exception that the following items are postponed and re-evaluated at the July 2020 OCEC Board meeting against the then current pandemic and economic situation.

- Vehicle purchases
- FTE hire in engineering
- GM search
- Facility planning study
- Cap credit retirement

Breakdown Of Budget Areas Affected By Cash Conservation

Cash conservation (\$000)

	<u>2020 time frame</u>				
	<u>budgeted</u> <u>cash out total</u>	<u>CapEx</u>	<u>G&amp;A</u>	<u>O&amp;M</u>	<u>customer</u> <u>sales</u>
Total cash reduction	868	787	62	15	4



<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>	3/31/2020

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; margin: 5px; display: flex; align-items: center; justify-content: center;">8</div> <div style="margin: 5px;">Needs Attention</div> </div> <div style="margin-right: 10px;"> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; margin: 5px; display: flex; align-items: center; justify-content: center;">6</div> <div style="margin: 5px;">Please Review</div> </div> <div> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; margin: 5px; display: flex; align-items: center; justify-content: center;">4</div> <div style="margin: 5px;">Matches</div> </div> </div>	<div style="margin-bottom: 10px;"> <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> </div> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="border: 1px solid black; padding: 2px 5px;"><input checked="" type="radio"/> YES</div> <div style="border: 1px solid black; padding: 2px 5px;"><input type="radio"/> NO</div> </div> <div> <b>B. Will you authorize CFC to share your data with other cooperatives?</b> </div> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="border: 1px solid black; padding: 2px 5px;"><input checked="" type="radio"/> YES</div> <div style="border: 1px solid black; padding: 2px 5px;"><input type="radio"/> NO</div> </div>
Signature of Office Manager or Accountant: <i>[Signature]</i> Date: 4/20/20 Signature of Manager: <i>[Signature]</i> Date: 4/21/20		

**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	1,979,765	1,849,220	1,694,579	526,191
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,043,793	924,463	880,026	250,151
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	18,698	26,065	27,380	6,719
7. Distribution Expense - Maintenance	222,307	200,074	157,529	49,216
8. Consumer Accounts Expense	72,214	76,154	76,260	26,215
9. Customer Service and Informational Expense	3,097	3,417	870	2,837
10. Sales Expense	(1,404)	0	0	0
11. Administrative and General Expense	225,053	285,583	242,542	97,490
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>1,583,758</b>	<b>1,515,757</b>	<b>1,384,607</b>	<b>432,628</b>
13. Depreciation & Amortization Expense	97,747	94,695	94,225	31,520
14. Tax Expense - Property & Gross Receipts	11,299	11,130	11,159	3,705
15. Tax Expense - Other	60,190	57,121	51,089	16,455
16. Interest on Long-Term Debt	49,239	50,797	50,772	16,950
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>1,802,233</b>	<b>1,729,500</b>	<b>1,591,852</b>	<b>501,258</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>177,532</b>	<b>119,720</b>	<b>102,727</b>	<b>24,934</b>
22. Non Operating Margins - Interest	6,493	9,104	12,084	8,113
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	3,385	1,628	0	1,628
25. Non Operating Margins - Other	4,500	8,700	8,700	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>191,910</b>	<b>139,153</b>	<b>123,511</b>	<b>37,575</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	3	0	5. Miles Transmission	0	0
2. Services Retired	2	0	6. Miles Distribution Overhead	303	164
3. Total Services In Place	3,783	3,839	7. Miles Distribution Underground	221	196
4. Idle Services (Exclude Seasonal)	101	99	<b>8. Total Miles Energized (5+6+7)</b>	<b>524</b>	<b>360</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>	03/31/2020

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	14,921,138	29. Memberships	16,425
2. Construction Work in Progress	212,856	30. Patronage Capital	8,090,478
<b>3. Total Utility Plant (1+2)</b>	<b>15,133,994</b>	31. Operating Margins - Prior Years	596,796
4. Accum. Provision for Depreciation and Amort	5,021,883	32. Operating Margins - Current Year	130,453
<b>5. Net Utility Plant (3-4)</b>	<b>10,112,112</b>	33. Non-Operating Margins	8,700
6. Nonutility Property - Net	0	34. Other Margins & Equities	898,930
7. Investment in Subsidiary Companies	912,874	<b>35. Total Margins &amp; Equities (29 thru 34)</b>	<b>9,741,782</b>
8. Invest. in Assoc. Org. - Patronage Capital	379,625	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,527,234
10. Invest in Assoc. Org. - Other - Nongeneral Funds	143,158	<b>38. Total Long-Term Debt (36 + 37)</b>	<b>3,527,234</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>1,449,157</b>	42. Notes Payable	0
15. Cash-General Funds	574,973	43. Accounts Payable	510,364
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	160,110
17. Special Deposits	197,346	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	544,177	48. Other Current & Accrued Liabilities	249,506
21. Accounts Receivable - Net Other	863,373	<b>49. Total Current &amp; Accrued Liabilities (42 thru 48)</b>	<b>919,981</b>
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	248,446	<b>51. Total Liabilities &amp; Other Credits (35+38+41+49+50)</b>	<b>14,188,997</b>
24. Prepayments	59,846	<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>2,627,587</b>	Amounts Received This Year (Net)	111,116
27. Deferred Debits	141	<b>TOTAL Contributions-In-Aid-Of-Construction</b>	<b>111,116</b>
<b>28. Total Assets &amp; Other Debits (5+14+26+27)</b>	<b>14,188,997</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**

March 31, 2020

	<b>ANNUAL BUDGET</b>	<b>Y-T-D BUDGET</b>	<b>Y-T-D ACTUAL</b>	<b>MONTH BUDGET</b>	<b>MONTH ACTUAL</b>
OPERATING REVENUE	\$5,654,347	\$1,694,579	\$1,849,220	\$450,527	\$526,191
COST OF POWER	\$2,734,985	\$880,026	\$924,463	\$241,324	\$250,151
<b>GROSS MARGINS</b>	\$2,919,362	\$814,553	\$924,757	\$209,203	\$276,040
<b>OPERATING EXPENSES:</b>					
DISTRIBUTION OPERATIONS	\$101,317	\$27,380	\$26,065	\$7,960	\$6,719
DISTRIBUTION MAINTENANCE	\$652,886	\$157,529	\$200,074	\$50,132	\$49,216
CONSUMER ACCOUNTING	\$305,641	\$76,260	\$76,154	\$26,018	\$26,215
CONSUMER SERVICE & INFO	\$3,480	\$870	\$3,417	\$290	\$2,837
SALES EXPENSE	-\$1,500	\$0	\$0	\$0	\$0
ADMIN & GENERAL	\$811,948	\$242,542	\$285,583	\$65,395	\$97,490
<i>TOTAL OPERATING EXPENSES</i>	\$1,873,772	\$504,581	\$591,294	\$149,795	\$182,477
<b>FIXED EXPENSES:</b>					
DEPRECIATION	\$385,564	\$94,225	\$94,695	\$31,325	\$31,520
TAXES-PROPERTY	\$44,640	\$11,159	\$11,130	\$3,720	\$3,705
TAXES-OTHER	\$184,115	\$51,089	\$57,121	\$14,781	\$16,455
INTEREST	\$198,368	\$50,772	\$50,797	\$16,924	\$16,950
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$812,686	\$207,245	\$213,743	\$66,750	\$68,630
<b>TOTAL EXPENSES</b>	\$2,686,458	\$711,826	\$805,037	\$216,545	\$251,107
<b>OPERATING MARGINS</b>	\$232,905	\$102,727	\$119,720	-\$7,342	\$24,934
<b>NONOPERATING MARGINS:</b>					
INTEREST	\$70,261	\$12,084	\$10,733	\$8,942	\$9,742
OTHER	\$34,800	\$8,700	\$8,700	\$2,900	\$2,900
<b>NET MARGINS</b>	\$337,966	\$123,511	\$139,153	\$4,500	\$37,575
<b>T.I.E.R.</b>	2.70	3.43	3.74	1.27	3.22

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

**POWER & SERVICE DATA**

March-20

	December 2019	January 2020	February 2020	March 2020	March 2019
<b>POWER DATA:</b>					
COST OF POWER	\$337,416	\$368,528	\$305,784	\$250,191	\$337,606
KWH PURCHASED	8,659,575	8,313,190	7,299,585	5,925,185	6,708,685
KWH SOLD & OCEC USE	8,136,426	8,082,566	6,851,481	5,526,873	6,165,609
KWH LOST	523,149	230,624	448,104	398,312	543,076
LINE LOSS %	6.04%	2.77%	6.14%	6.72%	8.10%
COST PER KWH	\$0.0390	\$0.0443	\$0.0419	\$0.0422	\$0.0503
<b>BILLING DATA:</b>					
ACCOUNTS BILLED	3,661	3,658	3,644	3,651	3,589
AVG. KWH/CONSUMER	2,222	2,210	1,880	1,514	1,718
BILLING REVENUE	\$573,250	\$702,381	\$616,441	\$524,795	\$562,428
AVERAGE BILL	\$156.58	\$192.01	\$169.17	\$143.74	\$156.71
REVENUE/KWH SOLD	\$0.0705	\$0.0869	\$0.0900	\$0.0950	\$0.0912
<b>SERVICE DATA:</b>					
NEW	5	0	0	0	3
RETIRED	1	0	0	0	2
TOTAL END OF MONTH	3839	3839	3839	3840	3784
IDLE SERVICES	98	101	99	98	101
<b>TRANSPORTATION:</b>					
TOTAL MILES	5,346	7,418	5,738	8,914	5,269
COST OF OPERATION	\$17,801	\$18,455	\$18,814	\$19,181	\$14,597
AVG. COST PER MILE	\$3.330	\$2.488	\$3.279	\$2.152	\$2.770
<b>MATERIALS:</b>					
ISSUES	\$109,956	\$0	\$942	\$15,863	\$4,597
INVENTORY	\$201,829	\$251,874	\$235,189	\$248,446	\$222,627

Okanogan County Electric Cooperative Inc  
 Capital Expenditures by Project  
 Mar-20

	Current Month			Year to Date			Annual Budget	Annual Balance
	Actual	Budget	Variance	Actual	Budget	Variance		
Member Requested Facilities	27,184.81	11,756.00	(15,428.81)	29,120.04	11,756.00	(17,364.04)	299,085.00	269,964.96
Replacements (Poles & Transformers)	11,549.55	11,856.00	306.45	28,821.41	29,297.00	475.59	120,114.00	91,292.59
Misc URD/OH Replacement Projects	0.00	19,356.00	19,356.00	0.00	19,356.00	19,356.00	19,356.00	19,356.00
Replace 2500' of urd at Edelweiss - Part 3	0.00	0.00	0.00	0.00	0.00	0.00	108,914.00	108,914.00
Continued Replacement - Studhorse - Part 3	0.00	0.00	0.00	0.00	0.00	0.00	57,769.00	57,769.00
Replace Davis Lake URD	0.00	0.00	0.00	0.00	0.00	0.00	39,106.00	39,106.00
Replace Liberty Woodlands URD	0.00	0.00	0.00	0.00	0.00	0.00	29,404.00	29,404.00
Mazama Upgrade (second of multiple phases)	0.00	0.00	0.00	0.00	0.00	0.00	48,462.00	48,462.00
Cordination Study - Part 1 of 2	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	15,000.00
Major Storm Damage	0.00	0.00	0.00	0.00	0.00	0.00	17,702.00	17,702.00
P and I twelve line monitor sensors	0.00	0.00	0.00	0.00	0.00	0.00	54,711.00	54,711.00
Pole Inspections	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00
Fire Retardant/Treatment on Poles	0.00	0.00	0.00	0.00	0.00	0.00	21,711.00	21,711.00
Meter Projects (replace CTs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Front Employee Parking and Irrigation Sys	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00
subtotal	38,734.36	42,968.00	4,233.64	57,941.45	60,409.00	2,467.55	851,334.00	793,392.55
Un Allocated Overhead	52,852.62			52,852.62	0.00	(52,852.62)		
<b>Member CIAC</b> CIAC	<b>(35,929.11)</b>	<b>(12,128.00)</b>	<b>(23,801.11)</b>	<b>(111,115.82)</b>	<b>(57,701.00)</b>	<b>(53,414.82)</b>	<b>(374,000.00)</b>	<b>(262,884.18)</b>
Total less CIAC	55,657.87			(321.75)			477,334.00	
* \$79,967.85 holding in CIAC 03/31/20								
Meters Purchases	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	50,000.00
Computers & Software Upgrades	0.00	0.00	0.00	5,526.32	0.00	(5,526.32)	18,000.00	12,473.68
Transformers Purchases	126,170.93	0.00	(126,170.93)	135,219.70	0.00	(135,219.70)	150,000.00	14,780.30
Vehicle Additions and Replacements	0.00	0.00	0.00	0.00	0.00	0.00	195,000.00	195,000.00
New Phone System	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00
Heated Pressure Washer	0.00	0.00	0.00	0.00	0.00	0.00	6,000.00	6,000.00
Tools/Misc	0.00	0.00	0.00	5,398.67	0.00	(5,398.67)	6,000.00	601.33
Facility Planning Study	0.00	0.00	0.00	0.00	0.00	0.00	45,000.00	45,000.00
<b>Total</b>	<b>128,976.18</b>	<b>30,840.00</b>		<b>87,571.65</b>	<b>2,708.00</b>		<b>480,000.00</b>	<b>282,253.98</b>
<b>Total Capital Budget less CIAC</b>							<b>957,334.00</b>	<b>812,762.35</b>

\* Note

	Line Crew Direct Labor	Materials	107.25 Labor	Consultants Contractors	Transportation	Benefits	Total
January	1,805.48	0.00	2,000.00	0.00	1,096.38	1,579.84	6,481.70
February	1,720.27	6,523.26	2,500.00	0.00	791.67	1,190.19	12,725.39
March	9,576.91	7,612.50	10,000.00	0.00	5,711.72	5,833.23	38,734.36
April							0.00
May							0.00
June							0.00
July							0.00
August							0.00
September							0.00
October							0.00
November							0.00
December							0.00
	<b>13,102.66</b>	<b>14,135.76</b>	<b>14,500.00</b>	<b>0.00</b>	<b>7,599.77</b>	<b>8,603.26</b>	<b>57,941.45</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 with Stores account 163.00 material stocking.

Okanogan County Electric Cooperative Inc  
Budget Year: 2020

	Actual/Forecasted													
	2019	Budget year Jan - Dec	January	February	March	April	May	June	July	August	September	October	November	December
Patronage Capital or Margins	\$0	\$337,966	\$45,318	\$56,260	\$37,575	(\$20,134)	(\$18,376)	(\$3,258)	\$2,772	\$7,540	\$647	(\$3,175)	\$126,963	\$121,474
Plus Depreciation Expense	\$0	\$385,564	\$31,575	\$31,600	\$31,520	\$31,325	\$31,741	\$31,741	\$31,741	\$31,741	\$32,825	\$32,825	\$32,825	\$34,575
Less Capital Credit Allocations	\$0	\$0	(\$1,527)	(\$413)	(\$1,478)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus FAS 158 Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total (Funds From Operations)	\$0	\$723,530	\$75,366	\$87,447	\$67,617	\$11,191	\$13,365	\$28,484	\$34,513	\$39,282	\$33,472	\$29,650	\$159,788	\$156,049
Cash Construction Funds - Trustee	\$0	\$0												
Special Deposit	\$0	\$53,222	(\$33,608)	(\$6,158)	(\$6,159)	(\$5,408)	\$142,842	(\$5,992)	(\$5,992)	(\$5,992)	(\$5,992)	(\$5,992)	(\$5,915)	(\$3,915)
Temporary Investment	\$0	\$0												
Accounts Receivable - Sale of Energy (Net)	\$0	(\$56,886)	(\$63,448)	\$15,834	\$133,820	\$597	\$597	\$597	\$597	\$597	\$597	\$597	\$597	\$597
Accounts Receivable - Other (Net)	\$0	(\$53,222)	\$33,608	\$6,158	\$18,185	\$5,408	(\$142,842)	\$5,992	\$5,992	\$5,992	\$5,992	\$5,992	\$5,915	\$3,915
Regulatory Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Debits	\$0	\$0	\$0	\$0	(\$141)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepayments	\$0	\$0	(\$73,146)	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650
Other Current & Accrued Asset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Increase)/Decrease in Operating Assets	\$0	\$666,644	(\$61,229)	\$109,931	\$219,971	\$18,437	\$20,611	\$35,730	\$41,760	\$46,528	\$40,718	\$36,896	\$167,034	\$163,295
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounts Payable	\$0	\$0	\$73,387	(\$123,099)	\$85,102	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Operating Provisions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deferred Credits	\$0	\$0	(\$55,860)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current and Accrued Liabilities	\$0	\$0	\$53,367	\$49,279	(\$28,282)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	\$0	\$70,894	(\$73,821)	\$56,821	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$666,644	\$9,666	\$36,110	\$276,792	\$18,437	\$20,611	\$35,730	\$41,760	\$46,528	\$40,718	\$36,896	\$167,034	\$163,295
INVESTMENT ACTIVITIES														
Total Utility Plant	\$0	(\$1,309,310)	(\$237,436)	(\$10,071)	(\$131,218)	(\$97,443)	(\$97,443)	(\$97,443)	(\$97,443)	(\$97,443)	(\$97,443)	(\$97,443)	(\$97,443)	(\$97,443)
Cost to Retire Utility Plant	\$0	\$0	(\$13,537)	\$4,664	\$4,783	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$130,488	\$214,281	(\$29,004)	(\$56,543)	(\$7,618)	(\$7,618)	(\$7,618)	(\$7,618)	(\$7,618)	(\$7,618)	(\$7,618)	(\$7,618)	(\$7,618)
Contributions in aid of construction (CIAC)	\$0	\$416,400	\$42,400	\$32,684	\$35,929	\$25,947	\$34,075	\$52,872	\$56,030	\$75,442	\$52,491	\$35,872	\$27,970	\$0
Total Other Property and Investments	\$0	\$0	\$1,281	\$0	\$161	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies - Electric and Other	\$0	\$0	(\$50,045)	\$16,685	(\$13,257)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Notes Receivable (Net)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM INVESTMENT ACTIVITIES	\$0	(\$762,422)	(\$43,056)	\$14,957	(\$160,145)	(\$79,114)	(\$70,986)	(\$52,189)	(\$49,031)	(\$29,619)	(\$52,570)	(\$69,189)	(\$77,091)	(\$105,061)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$361,881)												(\$361,881)
LT Debt - Additional Debt	\$0	\$530,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$170,000	\$360,000
LT Debt - Debt Service Payment	\$0	(\$161,676)	\$0	\$0	(\$39,493)	\$0	\$0	(\$40,128)	\$0	\$0	(\$40,701)	\$0	\$0	(\$41,285)
LT Debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LT Debt	\$0	(\$161,676)	\$0	\$0	(\$39,493)	\$0	\$0	(\$40,128)	\$0	\$0	(\$40,701)	\$0	\$0	(\$41,285)
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	(\$10)	\$15	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$350	(\$100)	\$300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	\$6,443	\$340	(\$85)	(\$39,168)	\$0	\$0	(\$40,128)	\$0	\$0	(\$40,701)	\$0	\$170,000	(\$43,166)
CASH FROM ALL ACTIVITIES	\$0	(\$89,335)	(\$33,051)	\$50,982	\$77,479	(\$60,677)	(\$50,374)	(\$56,587)	(\$7,271)	\$16,909	(\$52,553)	(\$32,292)	\$259,943	\$15,069
TOTAL CASH BEGINNING OF PERIOD	\$581,647	\$479,562	\$479,562	\$446,511	\$497,493	\$574,972	\$514,295	\$463,921	\$407,334	\$400,063	\$416,972	\$364,420	\$332,127	\$592,071
TOTAL CASH END OF PERIOD	\$479,562	\$390,227	\$446,511	\$497,493	\$574,972	\$514,295	\$463,921	\$407,334	\$400,063	\$416,972	\$364,420	\$332,127	\$592,071	\$607,139

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

**For the Month Ending**  
**March 31, 2020**

<b>Beginning RLF Balance</b>		<b>\$54,234.29</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	\$441.67	\$28,694.85
ADMINISTRATIVE FEE (1%)	\$25.00	\$2,027.97
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$26,666.88
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$23,333.12
<b>TOWN OF TWISP</b>		
PAYOFF OCTOBER 01, 2020	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$78.29	\$9,099.26
ADMINISTRATIVE FEE (1%)	\$0.77	\$501.19
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$8,595.76
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOAN		\$614.24
<b>MVSTA LOAN #2</b>		
PAYOFF JULY 01, 2022	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$858.33	\$83,562.94
ADMINISTRATIVE FEE (1%)	\$25.00	\$52,229.92
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$78,333.02
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOAN		\$21,666.98
<b>TOWN OF WINTHROP</b>		
PAYOFF NOVEMBER 01, 2027	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$855.00	\$24,217.20
ADMINISTRATIVE FEE (1%)	\$63.33	\$2,050.44
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$22,166.76
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOAN		\$72,833.24
<b>Smiling Woods Yurts</b>		
PAYOFF NOVEMBER 01, 2028	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$363.33	\$6,229.89
ADMINISTRATIVE FEE (1%)	\$30.00	\$563.28
PRINCIPLE PAYMENT TO LOAN	\$333.33	\$5,666.61
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$34,333.39
<b>TwispworksFoundation</b>		
PAYOFF DECEMBER 01, 2028	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$363.33	\$5,489.91
ADMINISTRATIVE FEE (1%)	\$30.00	\$489.96
PRINCIPLE PAYMENT TO LOAN	\$333.33	\$4,999.95
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$35,000.05
<b>TOTAL BALANCE REMAINING ON LOANS</b>		<b>\$187,781.02</b>
<b>ENDING RLF BALANCE</b>		<b>\$57,019.37</b>

**OKANOGAN COUNTY ELECTRIC COOPERATIVE INC**

**REVOLVING LOAN FUND #2**

**MONTHLY REPORT**

**For the Month Ending  
March 31, 2020**

<b>Beginning RLF Balance</b>		<b>\$135,953.19</b>
<b>AERO RESCUE</b>		
<b>PAYOFF NOVEMBER 1, 2020</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$2,020.00	\$239,060.00
ADMINISTRATIVE FEE (1%)	\$20.00	\$13,040.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$226,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOAN		\$14,000.00
<b>TOWN OF WINTHROP LOAN #2</b>		
<b>PAYOFF JUNE 01, 2022</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$175.96	\$16,937.00
ADMINISTRATIVE FEE (1%)	\$5.13	\$1,050.81
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$15,887.19
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOAN		\$4,612.81
<b>MVSTA LOAN #3</b>		
<b>PAYOFF OCTOBER 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$612.50	\$41,504.04
ADMINISTRATIVE FEE (1%)	\$29.17	\$3,004.27
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$38,499.78
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOAN		\$31,500.22
<b>PINETOOTH CREATIVE</b>		
<b>PAYOFF July 01, 2026</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$78.08	\$3,694.99
ADMINISTRATIVE FEE (1%)	\$0.79	\$293.25
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$3,401.74
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOAN		\$5,873.26
<b>EQPD</b>		
<b>PAYOFF February 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$292.50	\$10,939.03
ADMINISTRATIVE FEE (1%)	\$21.66	\$917.97
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$10,021.06
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$22,478.94
<b>Little Star Montessori School</b>		
<b>PAYOFF February 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$289.79	\$11,218.27
ADMINISTRATIVE FEE (1%)	\$18.96	\$923.73
PRINCIPLE PAYMENT TO LOAN	\$270.83	\$10,291.54
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$22,208.46
<b>Winthrop Ice &amp; Sports Rink</b>		
<b>PAYOFF April 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$27,479.29	\$64,434.74
ADMINISTRATIVE FEE (1%)	\$29.31	\$934.74
PRINCIPLE PAYMENT TO LOAN	\$27,449.96	\$63,500.00
ORIGINAL AMOUNT OF LOAN		\$63,500.00
BALANCE REMAINING ON LOAN		\$0.00
<b>TOTAL BALANCE REMAINING ON LOANS</b>		<b>\$100,673.69</b>
<b>ENDING RLF BALANCE</b>		<b>\$139,326.31</b>

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

### General Discussion:

1. We are in the process of planning for the resumption of certain parts of the construction industry and our part in it if this area is opened up soon. We will use the Governor's recommendations for the construction industry for COVID-19 mitigation as a basis for our strategies. The current tight office configuration will require some imaginative ideas to implement these strategies.

We are anticipating a very busy construction season or what will be left of it. We have a normal backlog on construction in electric and a large backlog of service and construction work in propane.

2. The Methow Valley Broadband Action Committee is in the process of releasing the first milestone report of the telecommunications/broadband infrastructure of the Methow Valley and Washington State broadband policy evaluation. I will send this out to the Board when it is ready. The next step for the consultants is a GAP analysis of where we are and where we want to be in terms of broadband capabilities in the Methow. The entire planning project is expected to be completed this October.
3. Electric sales are normal to above normal. For mid-April, we are at 65% of budgeted sales for the month. We have not had an issue with collections yet though it is early in the cycle. We are working with members who have financial difficulties because of the closures.