



BOARD OF DIRECTORS MEETING

May 18, 2020 at **3:00 PM**

By GoToMeeting

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 April 27, 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
6. Committee Reports
7. Meetings Attended
 - a) PNGC April Meeting – May 5th – David by Conference Call
 - b) PNGC Educational Seminar – May 6th – David, Dale, Travis, Alan by Conference Call
8. Meetings to Attend
 - a) DNR Wildland Fire Mitigation Task Force – May 21st – Olympia – David (Cancelled)

- b) PNGC Strategic Planning Meeting – June 2 and 3rd
- David by Conference Call

9. General Managers Report (Tab 3)

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

ITEMS OF BUSINESS

- 1) Update – WRECA Update with Kent Lopez **(Tab 4)**
- 2) Update – Proposed Political Activity Policy
- 3) Approve – Form 990 - Return of Organization
Exempt from income Tax **(Tab 5)**
- 4) Approve – OCEC Member Information Meeting on
September 14th (Conditions Permitting)

OPEN FLOOR FOR BOARD MEMBERS

EXECUTIVE SESSION

Nothing at this time.

Sat April 11
2020

To everyone at Okanogan County Energy
wishes for good health and happiness.

Thinking of everyone in the Methow Valley
as we all work together at "staying apart"
to get through this pandemic.

Sending my best wishes and
thanks for all you do!

♥ Barbara
Stolzenburg





BOARD MEETING
April 27, 2020

Present: President Dale Sekijima, Vice President Michael Murray, Secretary/Treasurer, Alan Watson, Sara Carlberg, John Kirner, Travis Thornton and Cara Godwin all via Go to Meeting.

Attending: David Gottula; General Manager, Lynn Northcott; CFO, Glenn Huber; Operations Manager and Tracy McCabe, Propane Manager.

Members in Attendance: via Go to Meeting, Ray Peterson.

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 2:45 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

Dale Sekijima noted the OCEI Annual meeting will be held before executive session. Sara Carlberg requested a discussion of document sharing in 13. a) Office Update

Agenda approved as amended.

4. COMMUNICATION OF ELECTION RESULTS

Dale Sekijima 623 yes votes, Sara Carlberg 579 yes votes, Travis Thornton 627 yes votes, Cara Godwin 468 yes votes, Tracy Ross 347 yes votes. Write in's 5. A total of 688 votes cast. 73 – Votes were received that could not be counted due to lack of signature and/or account or member number, incorrect account/member number or were received after the deadline.

5. OATH OF OFFICE FOR NEW BOARD MEMBER

Cara Godwin read the oath of office and agreed to serve. Lynn will email a copy of policy 10-120 to Cara.

6. REORGANIZATION OF THE BOARD

Dale called for vote for President.

Dale 5 votes, Alan 1

Dale called for vote for Vice President

Michael 4 votes, Travis 3

Dale called for vote for of Secretary/Treasurer

Alan 6 votes

Cara stated that she would abstain unless there was a tie.

Dale President, Michael Vice President and Alan Secretary/Treasurer

7. Review of Membership of Standing Committees

Dale stated that he would get back to the Directors on the standing committees.

8. MEMBER COMMUNICATIONS

Ray Peterson stated that he did not think that it was a good idea to forgive new construction costs for the new Library. Ray also congratulated the Directors on their successful elections.

9. APPROVAL OF CONSENT AGENDA ITEMS

Sara noted a change to the minutes under committee reports. The finance Committee did meet in February. Change the minutes to reflect Alan reported that the finance committee reviewed the 2020 Budget.

Alan inquired as to the increase in O&M from Budget and the increase in A&G.

Lynn reported that the O&M increase occurred in February and is a timing issue. The A&G is attorney fees and safety labor increase.

Alan would like to have staff address larger differences in the financials as a part of the financials.

Consent Agenda approved with changes by Board Consensus.

10. COMMITTEE REPORT

Governance Committee:

Michael reported that the governance committee met virtually and discussed General Manager's search process and timing.

Finance Committee:

No meeting held.

11. MEETINGS ATTENDED

- a) PNGC April Meeting – April 7th – David by conference call.
David stated that there is a PNGC webinar on Wednesday May 6th that may be interesting to Directors. He will forward the info on it.
- b) WRECA Board Meeting – April 14th – David by conference call.
- c) WRECA Legislative Advisory Committee – April 16th – David by conference call.

12. MEETINGS TO ATTEND

- a) PNGC May Board Meeting – May 5th – David by Conference Call.
- b) DNR Fire Task Force Meeting – May 16th – Olympia - David
- c) WRECA Strategic Planning and Annual Meeting - to be rescheduled – David.

13. GENERAL MANAGERS REPORT

Written report reviewed.

- a) Office Update

Lynn stated that the plan as of now is for staff to return to a normal 4/10's schedule on Monday May 4th. The office will remain closed to the public for at least an additional 2 weeks.

Safety protocols will be based on the Governor's low risk construction site recommendations.

Michael inquired as to whether we are seeing an increase in past due accounts receivable. Lynn stated that we are more concerned about next month. We will be billing next week.

David mention that NRECA is looking into increasing the federal support for the Low-Income Home Energy Assistance Program (LIHEAP).

Sharing documents with members.

Sara inquired as to has the Cooperative made a decision on what is shared on the website. There was discussion on what should be available for members to view.

b) Operations Update

Glenn gave an update. Still receiving CIAC for jobs. Requests for cost estimates are still coming in at a normal pace. Some projects are being re-evaluated.

c) OCEI Propane Update

Tracy gave an update on propane activities and the plan for return to work for the propane department.

ITEMS OF BUSINESS

1. Approve – 2020 Budget with Proposed Deferrals.

Alan motioned to approve the 2020 Budget with staff deferrals and amended the motion to approve the 2020 Budget with staff deferrals with the new FTE extended out to July. Seconded.

After discussion Dale called for a vote.

1 in favor, 4 opposed, 1 abstained motion failed.

Dale called for a vote on the original motion “approve the 2020 Budget with staff deferrals”.

6 in favor. Motion carried.

2. Update – Proposed Political Activity Policy

Table to the next regular board meeting.

3. Update – Revolving Loan Fund

Lynn stated that she has not received any letters of intent to date, however she will talk to several entities that plan on applying for funds. The deadline is May 29th.

4. Approve – SBA PPP Loan for Subsidiary

Alan motioned to approve the Okanogan County Energy Inc., Paycheck Protection Program resolution to borrow funds. Second. Carried.

5. Discuss – Request Received to Forgive New Construction Costs for New Library

Board discussion provided no support to forgive OCEC construction costs associated with extending electrical service to the new library in Winthrop. David will relay this decision to FOWL.

OPEN FLOOR FOR BOARD MEMBERS

No comments from the board.

Meeting adjourned to Executive Session 4:32 pm.

EXECUTIVE SESSION

1. Subsidiary Update
2. Personnel Issue Update
3. Litigation Update
4. Union Negotiations
5. Board Only Discussion

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	4/30/2020

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; 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 border="0" style="width: 100%;"> <tr> <td style="width: 70%; border-bottom: 1px solid black;"> </td> <td style="width: 30%; border-bottom: 1px solid black;">5/12/2020</td> </tr> <tr> <td style="font-size: small;">Signature of Office Manager or Accountant</td> <td style="font-size: small;">Date</td> </tr> <tr> <td style="border-bottom: 1px solid black;"> </td> <td style="border-bottom: 1px solid black;">5-12-2020</td> </tr> <tr> <td style="font-size: small;">Signature of Manager</td> <td style="font-size: small;">Date</td> </tr> </table>			5/12/2020	Signature of Office Manager or Accountant	Date		5-12-2020	Signature of Manager	Date
	5/12/2020								
Signature of Office Manager or Accountant	Date								
	5-12-2020								
Signature of Manager	Date								
		B. Will you authorize CFC to share your data with other cooperatives?							
		<div style="text-align: center;"> <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	2,376,267	2,257,276	2,082,072	408,055
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,230,935	1,147,275	1,078,310	222,812
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	26,456	32,239	35,138	6,174
7. Distribution Expense - Maintenance	265,029	241,964	207,874	41,889
8. Consumer Accounts Expense	104,726	93,338	102,296	17,184
9. Customer Service and Informational Expense	3,097	3,707	1,160	290
10. Sales Expense	(516)	1,233	(750)	1,233
11. Administrative and General Expense	290,137	425,564	306,850	139,980
12. Total Operation & Maintenance Expense (2 thru 11)	1,919,864	1,945,320	1,730,878	429,563
13. Depreciation & Amortization Expense	130,535	126,223	125,550	31,528
14. Tax Expense - Property & Gross Receipts	15,064	14,835	14,879	3,705
15. Tax Expense - Other	72,188	69,107	65,870	11,985
16. Interest on Long-Term Debt	65,651	67,730	67,353	16,932
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	2,203,303	2,223,214	2,004,530	493,713
21. Patronage Capital & Operating Margins (1 minus 20)	172,964	34,062	77,542	(85,658)
22. Non Operating Margins - Interest	8,863	11,311	14,234	2,207
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	3,385	1,628	0	0
25. Non Operating Margins - Other	6,000	11,600	11,600	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
29. Patronage Capital or Margins (21 thru 28)	191,212	58,601	103,376	(80,551)

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	11	0	5. Miles Transmission	0	0
2. Services Retired	4	0	6. Miles Distribution Overhead	303	164
3. Total Services In Place	3,789	3,840	7. Miles Distribution Underground	221	196
4. Idle Services (Exclude Seasonal)	102	98	8. Total Miles Energized (5+6+7)	524	360



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County
	BORROWER DESIGNATION	WA032
	ENDING DATE	04/30/2020

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	14,927,410	29. Memberships	16,395
2. Construction Work in Progress	142,964	30. Patronage Capital	8,090,478
3. Total Utility Plant (1+2)	15,070,374	31. Operating Margins - Prior Years	596,796
4. Accum. Provision for Depreciation and Amort	5,060,142	32. Operating Margins - Current Year	47,001
5. Net Utility Plant (3-4)	10,010,232	33. Non-Operating Margins	11,600
6. Nonutility Property - Net	0	34. Other Margins & Equities	898,930
7. Investment in Subsidiary Companies	912,874	35. Total Margins & Equities (29 thru 34)	9,661,200
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	38. Total Long-Term Debt (36 + 37)	3,527,234
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)	1,449,157	42. Notes Payable	0
15. Cash-General Funds	548,194	43. Accounts Payable	369,135
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	160,360
17. Special Deposits	202,566	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	438,864	48. Other Current & Accrued Liabilities	270,599
21. Accounts Receivable - Net Other	858,153	49. Total Current & Accrued Liabilities (42 thru 48)	800,095
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	288,739	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,988,529
24. Prepayments	53,197	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)	2,529,140	Amounts Received This Year (Net)	197,733
27. Deferred Debits	(0)	TOTAL Contributions-In-Aid-Of-Construction	197,733
28. Total Assets & Other Debits (5+14+26+27)	13,988,529		

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

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OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

STATEMENT OF OPERATIONS

April 30, 2020

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,654,347	\$2,082,072	\$2,257,276	\$387,493	\$408,055
COST OF POWER	\$2,734,985	\$1,078,310	\$1,147,275	\$198,284	\$222,812
GROSS MARGINS	\$2,919,362	\$1,003,762	\$1,110,001	\$189,209	\$185,243
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$101,317	\$35,138	\$32,239	\$7,758	\$6,174
DISTRIBUTION MAINTENANCE	\$652,886	\$207,874	\$241,964	\$50,345	\$41,889
CONSUMER ACCOUNTING	\$305,641	\$102,296	\$93,338	\$26,036	\$17,184
CONSUMER SERVICE & INFO	\$3,480	\$1,160	\$3,707	\$290	\$290
SALES EXPENSE	-\$1,500	-\$750	\$1,233	-\$750	\$1,233
ADMIN & GENERAL	\$811,948	\$306,850	\$425,564	\$64,308	\$139,980
<i>TOTAL OPERATING EXPENSES</i>	\$1,873,772	\$652,568	\$798,045	\$147,987	\$206,751
FIXED EXPENSES:					
DEPRECIATION	\$385,564	\$125,550	\$126,223	\$31,325	\$31,528
TAXES-PROPERTY	\$44,640	\$14,879	\$14,835	\$3,720	\$3,705
TAXES-OTHER	\$184,115	\$65,870	\$69,107	\$14,781	\$11,985
INTEREST	\$198,368	\$67,353	\$67,730	\$16,581	\$16,932
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$812,686	\$273,652	\$277,894	\$66,407	\$64,151
TOTAL EXPENSES	\$2,686,458	\$926,220	\$1,075,939	\$214,394	\$270,901
OPERATING MARGINS	\$232,905	\$77,542	\$34,062	-\$25,185	-\$85,658
NONOPERATING MARGINS:					
INTEREST	\$70,261	\$14,234	\$12,939	\$2,150	\$2,207
OTHER	\$34,800	\$11,600	\$11,600	\$2,900	\$2,900
NET MARGINS	\$337,966	\$103,376	\$58,601	-\$20,135	-\$80,551
T.I.E.R.	2.70	2.53	1.87	-0.21	-3.76

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA

April-20

	January 2020	February 2020	March 2020	April 2020	April 2019
POWER DATA:					
COST OF POWER	\$368,528	\$305,784	\$250,191	\$222,812	\$187,142
KWH PURCHASED	8,313,190	7,299,585	5,925,185	4,105,395	3,851,602
KWH SOLD & OCEC USE	8,082,566	6,851,481	5,526,873	3,928,280	3,520,637
KWH LOST	230,624	448,104	398,312	177,115	330,965
LINE LOSS %	2.77%	6.14%	6.72%	4.31%	8.59%
COST PER KWH	\$0.0443	\$0.0419	\$0.0422	\$0.0543	\$0.0486
BILLING DATA:					
ACCOUNTS BILLED	3,658	3,644	3,651	3,642	3,594
AVG. KWH/CONSUMER	2,210	1,880	1,514	1,079	980
BILLING REVENUE	\$702,381	\$616,441	\$524,795	\$398,551	\$384,605
AVERAGE BILL	\$192.01	\$169.17	\$143.74	\$109.43	\$107.01
REVENUE/KWH SOLD	\$0.0869	\$0.0900	\$0.0950	\$0.1015	\$0.1092
SERVICE DATA:					
NEW	0	0	0	0	5
RETIRED	0	0	0	0	0
TOTAL END OF MONTH	3839	3839	3840	3840	3789
IDLE SERVICES	101	99	98	98	102
TRANSPORTATION:					
TOTAL MILES	7,418	5,738	8,914	3,175	5,269
COST OF OPERATION	\$18,455	\$18,814	\$19,181	\$13,851	\$16,159
AVG. COST PER MILE	\$2.488	\$3.279	\$2.152	\$4.362	\$3.067
MATERIALS:					
ISSUES	\$0	\$942	\$15,863	\$389	\$3,055
INVENTORY	\$251,874	\$235,189	\$248,446	\$288,739	\$222,708

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

	Current Month			Year to Date			Annual	Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance
Member Requested Facilities	5,139.19	35,267.00	30,127.81	34,259.23	47,023.00	12,763.77	299,085.00	264,825.77
Replacements (Poles & Transformers)	8,902.20	11,856.00	2,953.80	37,723.61	41,153.00	3,429.39	120,114.00	82,390.39
Misc URD/OH Replacement Projects	0.00	0.00	0.00	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	14,356.00	14,356.00	0.00	14,356.00	14,356.00	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	54,711.00	54,711.00	0.00	54,711.00	54,711.00	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	14,041.39	116,190.00	102,148.61	71,982.84	176,599.00	104,616.16	851,334.00	779,351.16
Un Allocated Overhead	55,394.86			55,394.86	0.00	(55,394.86)		
Member CIAC CIAC	(35,929.11)	(12,128.00)	(23,801.11)	(111,115.82)	(57,701.00)	(53,414.82)	(374,000.00)	(262,884.18)
Total less CIAC	33,507.14			16,261.88			477,334.00	
							* \$141,773.28 holding in CIAC 04/30/20	
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	3,562.02	0.00	(3,562.02)	138,781.72	0.00	(138,781.72)	150,000.00	11,218.28
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
Total	(18,325.70)	104,062.00		105,175.06	118,898.00		480,000.00	278,691.96
							Total Capital Budget less CIAC	
							957,334.00	795,158.94

* 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	4,104.08	0.00	5,000.00	0.00	2,818.79	2,118.52	14,041.39
May							0.00
June							0.00
July							0.00
August							0.00
September							0.00
October							0.00
November							0.00
December							0.00
	17,206.74	14,135.76	19,500.00	0.00	10,418.56	10,721.78	71,982.84

* 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	(\$80,551)	(\$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	\$31,528	\$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	(\$49,023)	\$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)	(\$5,220)	\$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	\$105,313	\$597	\$597	\$597	\$597	\$597	\$597	\$597	\$597
Accounts Receivable - Other (Net)	\$0	(\$53,222)	\$33,608	\$6,158	\$18,185	\$5,220	(\$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)	\$141	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepayments	\$0	\$0	(\$73,146)	\$6,650	\$6,650	\$6,649	\$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	\$63,080	\$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	(\$141,229)	\$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)	\$21,093	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	\$0	\$70,894	(\$73,821)	\$56,821	(\$120,136)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$666,644	\$9,666	\$36,110	\$276,792	(\$57,056)	\$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)	(\$6,272)	(\$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	\$6,731	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$130,488	\$214,281	(\$29,004)	(\$56,543)	(\$16,725)	(\$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	\$86,617	\$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)	(\$40,293)	\$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)	\$30,058	(\$70,986)	(\$52,189)	(\$49,031)	(\$29,619)	(\$52,570)	(\$69,189)	(\$77,091)	(\$105,061)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$361,881)								\$0				(\$361,881)
LT Debt - Additional Debt		\$530,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$170,000	\$360,000
LT Debt - Debt Service Payment		(\$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
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	(\$30)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$350	(\$100)	\$300	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	\$6,443	\$340	(\$85)	(\$39,168)	\$220	\$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	(\$26,778)	(\$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	\$548,194	\$497,819	\$441,233	\$433,962	\$450,871	\$398,318	\$366,026	\$625,969
TOTAL CASH END OF PERIOD	\$479,562	\$390,227	\$446,511	\$497,493	\$574,972	\$548,194	\$497,819	\$441,233	\$433,962	\$450,871	\$398,318	\$366,026	\$625,969	\$641,038

General Manager's Report to the Board – May 2020

General Discussion:

- Below is a summary of the effects of the COVID-19 on various aspects of our operations as of May 13, 2020.
 - **Office Operations** - During the stay-at-home time period, the employees split into two teams to work emergency and essential work. Now, during the Governor's Phase 1 opening, the employees are working together again. This poses risks in that we now have a single point of failure if the virus was to infiltrate the office. We have taken many precautions including but not limited to:
 - Daily body temperature monitoring and check of symptoms of every employee.
 - Implementing hygiene and social distancing recommendations from the Department of Health.
 - We also received several hundred P-95 masks that we have handed out to employees for their use both at work and at home.
 - Staggered work times where we could to minimize contact between employees.
 - Moved line crew room to a garage work bay to get more social spacing when the line crew is in the office.
 - Each employee takes a separate vehicle to job site where he/she can.
 - Developed written "COVID-19 Phase 1 Jobsite/Work Place Safety Plan" and held training sessions for the field personnel on it.
 - **Electric Sales and Billed Revenues** - Billed Electric Revenues are a little higher (3%) than budget. Sun Mountain (one of our largest customers) is scheduled to re-opened on May 18th.

- **Late Paying Customers** – We have had a slight increase (about 20 accounts) in delinquent or late paying customers. We are working with customers with payment arrangements. We will continue the “No disconnects or late fees” policies for the foreseeable future even if and when the Governor’s disconnect proclamation expires. (It is currently set to expire on May 31st.) With the close of May’s business, we should have good data to quantify any increase in accounts receivables due to the shutdown of businesses. Our largest accounts are current.
- **CIAC (Customer Requested Work)** - While we have heard of some projects being suspended, there was a backlog of projects that contractors have and there does not look like there will be a slowdown. Actual CIAC collected for new projects in April was \$86k versus \$26k budgeted. YTD, we have collected \$197k versus \$83k budgeted. (For background, members pay all the costs of requested electric facility construction to their projects and this is collected in CIAC.)
- **Engineering Backlog** – There is a sizable backlog of twenty design projects in the queue for engineering for construction this year. We are asking members who cannot start construction of their project this year to hold off on any design requests as we are attempting to work this existing backlog.
- **Electric Construction Backlog** – We are current on projects for new customers.
- **Opening Office for Customers** - We will follow other entities in town as we determine the schedule to open up our office to the public. Members have adjusted well to the office being closed and we are looking forward to re-opening, but just not too soon. Employee safety and business continuity issues are key determinants in this decision.

- **Travel** - The first employee travel outside the Valley will probably be myself going to Portland either in July or more likely in August for PNGC. There are no air travel plans, out-of-region conferences or training seminars (besides webinars) contemplated for any employee for the remainder of this year. Staff is not in a hurry to begin traveling again.

- **New Engineering Employee** - Jesse Davis has started as a Staking Technician in the Engineering Department. Jesse previously was with OCEC on the line crew for a few years. He has worked recently as an electrician in the Valley. Jesse brings a wealth of fundamental knowledge to the job as he starts to learn the aspects of design in his new position.

- **Update PPP Loan to Subsidiary** – In April the OCEC Board approved the PPP loan to the subsidiary and the cash was quickly received. Upon further review and after consultation with legal and the OCEC Finance Committee, OCEI decided to return this loan. The constantly changing definition of what companies are “Eligible” led to this decision. The loan was returned within the grace period designated by the SBA and as far as the SBA is concerned, OCEI did not receive this loan.

- For the **June Board meeting**, assuming we are meeting in person, I plan to invite our legal counsel for her yearly visit. I will also take this opportunity to finalize our response to the recently concluded litigation with her help. As she works for the Board, this will be a good time for the new Board members to meet her. Also, I will schedule some executive session time with her and the Board and staff.

Financial Discussion:

- **Financial Overview** – While April showed higher negative margins than budgeted, this was mainly due to most of the time being charged to O&M as opposed to some of it being charged to capital. Capital spending as expected was almost

nonexistent. In terms of cash flow, we are on target. In April we did receive three times the CIAC than was budgeted (\$86k actual versus \$26k budgeted). YTD, CIAC is \$114k greater than budgeted.

- **Discussion of Variances** – Operations and Maintenance expenditure are tracking budgeted amounts with the exception of Admin & General. This is the major YTD variance. The sub account that the labor for COVID 19 is in that category. \$112k has been posted to that account YTD. Around \$44k of this amount would have been capitalized in a normal April. The rest of the variance is due to timing of budget entries.
- **Equity Ratio** - The equity ratio in April 2020 is 69.1%. The equity ratio in April 2019 was 70.2%. The equity ratio has stabilized at around 70%.
- **10-Year Financial Model** - Staff has received the updated 10-year financial model from CFC. The model has been updated with 2019 Form 7 audited data. We are in the process of the reworking some parts of the model that did not convert as expected. This has to do with modifications OCEC put into the model to fit our situation. Staff will work with the Secretary/Treasurer on the final 2020 version of the model based on the philosophy the Board developed last year. This version of the model, along with narrative developed late last year, will be posted on our webpage.