



BOARD OF DIRECTORS MEETING

June 22, 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 May 18, 2020
 - b) New Members
 - c) May 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 Strategic Planning Meeting – June 2 and 3rd - David by Video Conference
 - b) PPC Executive Committee Meeting - June 4th – David by Conference Call
 - c) WRECA Board Meeting - June 8th - David by Video Conference
8. Meetings to Attend

- a) NRECA, WRECA and Congressman Dan Newhouse Meeting to Discuss Nationwide Cooperative and Northwest Regional Issues - June 24th – David - By Video Conference
- b) DNR Wildland Fire Mitigation Task Force – June 25th – By Video Conference
- c) PNGC Monthly Board Meeting – July 7 and 8th - David by Video Conference
- d) PNGC Annual Meeting in October - Cancelled

9. General Managers Report (Tab 3)

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

ITEMS OF BUSINESS

1) Update – 2020 OCEC Ten –Year Financial Plan
(Tab 4)

Attachments in Tab 4 includes:

- Draft Narrative
- Statement of Operations
- Balance Sheet
- Capital Expenses Detail (Does not include HQ Modifications)
- Cash Flow
- Capital Credits Distribution
- Dashboard Presentation of Various Assumptions and Results
- Selected Financial Ratios

- 2) Update – OCEC Member Information Meeting or Alternative “Drive Through” Event - September 14th (Conditions Permitting)
- 3) Presentation – Engineering Services in the Future **(Tab 5)**

OPEN FLOOR FOR BOARD MEMBERS

EXECUTIVE SESSION

- Personnel Update
- Litigation Communications
- Union Negotiations Update



BOARD MEETING
May 18, 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, Tracy McCabe, Propane Manager, and Teri Parker, Office Staff.

Guests: Kent Lopez, WRECA, via Go to Meeting.

Members: 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 3:00 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

Dale Sekijima added Board Only Discussion to the Executive Session.

Michael Murray requested to move Item of Business No. 2: Proposed Political Activity Policy to Executive Session for a board only discussion. Michael also requested to discuss COVID 19 under the Managers Report.

Sara added Item of Business No. 5: Discussion of New General Manager Search Committee.

Agenda approved as amended.

4. MEMBER COMMUNICATIONS

None.

5. APPROVAL OF CONSENT AGENDA ITEMS

Consent Agenda approved as presented by Board Consensus.

6. COMMITTEE REPORT

None.

7. MEETINGS ATTENDED

- a) PNGC May Meeting – May 5th – David by conference call.
- b) PNGC Educational Seminar – May 6th – David, Dale, Travis and Alan. By conference call.

8. MEETINGS TO ATTEND

- a) DNR Fire Task Force Meeting – May 16th – Olympia – David (Cancelled)
- b) PNGC Strategic Planning Meeting – June 2nd & 3rd – David by conference call.
- c) WRECA Board Meeting - June 8th- David.

9. GENERAL MANAGERS REPORT

Written report reviewed.

David added the Town of Winthrop is moving forward with its application for installing Electric Vehicle Charging Stations at a location near the Winthrop Barn/Auditorium. David informed the Board that OCEC wrote a letter of support for the Town's application.

Michael opened a discussion of the economic impact COVID 19 has had on OCEC operations.

The consensus is the impact has not been as great as feared or experienced by larger Cooperatives. David noted that the next billing cycle will be more informative as it will

complete a full billing cycle since the state lockdown and changes to OCEC's daily operations.

a) Office Update

Lynn stated OCEC is continuing no member disconnects or late fees on delinquent accounts at this time.

She reported that some Co-ops are 1) donating funds to their Round-Up Programs to be used for members who are struggling to pay their bills, 2) some have created and are awarding Grants to help members pay their bills, and, 3) some Co-ops have decided to retire capital credits on an earlier schedule to help their members with extra funds.

Lynn noted these are just examples and ideas for the Board consideration.

b) Operations Update

None.

c) OCEI Propane Update

Tracy noted OCEI has hired Travis Manthey as a Propane Technician. He has several years of experience and was able to begin working on jobs immediately.

ITEMS OF BUSINESS

1. Update – WRECA Legislative Update with Kent Lopez.

Kent reviewed the 2020 Legislation Session and the House Bills that were passed and/or vetoed by the Governor. Time was allowed for a Q & A from the Board.

2. Update – Proposed Political Activity Policy

Moved to Board only discussion in Executive Session.

3. Approve – Form 990 – Return of Organization Exempt from Income Tax.

Alan Watson moved to approve Form 990 – Return of Organization Exempt from Income Tax as presented. Seconded.

Sara noted the Vice President position listed should be changed to Michael Murray.

Dale called for a vote. Motion passed with none opposed.

4. Approve – OCEC Member Information Meeting on September 14, 2020.

David presented a plan for a Member meeting in September. The concept included an outside meeting at the Winthrop City Park using the new amphitheater. There would only be an agenda, speaker(s) and the member gifts to hand out. Members would bring lawn chairs or blankets, there would be no food. The meeting would be 30-40 minutes. A final “Go” decision for this meeting would not happen until July or August. Because of this uncertainty, there will be no advertisement of this date. Also, we do somehow need to distribute to our members the energy efficiency gifts we have in stock whether we have this meeting or not. We will get around \$12,000 from BPA once we hand these out.

Alan moved to accept the concept of a September Member Meeting. Second. Motion passed.

5. Discussion of New General Manager Search Committee.

Sara would like the Board to consider forming a new General Manager Search committee apart from the Governance committee. This would involve a motion to change the charter.

Board consensus was that Sara present a motion for discussion to next month’s meeting where the concept and reasoning could be discussed before being voted on.

OPEN FLOOR FOR BOARD MEMBERS

No comments from the board.

Meeting adjourned to Executive Session 4:01 pm.

EXECUTIVE SESSION

1. Board Only Discussion
2. Discussion of Proposed Political Activity Policy

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		5/31/2020

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; justify-content: center;"> <div style="margin-right: 10px;"> <div style="background-color: red; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">8</div> <div style="background-color: yellow; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">6</div> <div style="background-color: green; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">4</div> </div> <div> <p>Needs Attention</p> <p>Please Review</p> <p>Matches</p> </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?
Signature of Office Manager or Accountant _____ Date 6/11/20 Signature of Manager _____ Date 6/11/20		<input checked="" type="radio"/> YES <input type="radio"/> NO
		B. Will you authorize CFC to share your data with other cooperatives?
		<input checked="" type="radio"/> YES <input type="radio"/> NO

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	2,755,128	2,638,744	2,473,473	381,468
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,389,587	1,338,076	1,267,055	190,801
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	44,354	38,058	49,967	5,818
7. Distribution Expense - Maintenance	313,825	293,446	260,673	51,483
8. Consumer Accounts Expense	129,675	120,743	127,858	27,404
9. Customer Service and Informational Expense	3,354	3,997	1,450	290
10. Sales Expense	(2,994)	2,016	(750)	783
11. Administrative and General Expense	346,416	478,493	370,746	52,929
12. Total Operation & Maintenance Expense (2 thru 11)	2,224,217	2,274,829	2,076,999	329,508
13. Depreciation & Amortization Expense	163,392	157,792	157,291	31,569
14. Tax Expense - Property & Gross Receipts	18,830	18,540	18,599	3,705
15. Tax Expense - Other	84,295	80,895	80,651	11,789
16. Interest on Long-Term Debt	82,064	84,662	83,934	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)	2,572,799	2,616,717	2,417,474	393,503
21. Patronage Capital & Operating Margins (1 minus 20)	182,328	22,026	55,999	(12,035)
22. Non Operating Margins - Interest	9,210	11,457	14,499	146
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	7,500	14,500	14,500	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)	202,424	49,612	84,998	(8,989)

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	17	11	5. Miles Transmission	0	0
2. Services Retired	4	0	6. Miles Distribution Overhead	303	164
3. Total Services In Place	3,795	3,851	7. Miles Distribution Underground	221	196
4. Idle Services (Exclude Seasonal)	102	97	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	05/31/2020

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	14,929,255	29. Memberships	16,450
2. Construction Work in Progress	143,730	30. Patronage Capital	8,090,478
3. Total Utility Plant (1+2)	15,072,985	31. Operating Margins - Prior Years	596,796
4. Accum. Provision for Depreciation and Amort	5,092,625	32. Operating Margins - Current Year	35,112
5. Net Utility Plant (3-4)	9,980,360	33. Non-Operating Margins	14,500
6. Nonutility Property - Net	0	34. Other Margins & Equities	898,858
7. Investment in Subsidiary Companies	912,874	35. Total Margins & Equities (29 thru 34)	9,652,195
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	572,626	43. Accounts Payable	345,289
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	162,160
17. Special Deposits	206,287	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	418,312	48. Other Current & Accrued Liabilities	301,695
21. Accounts Receivable - Net Other	854,432	49. Total Current & Accrued Liabilities (42 thru 48)	809,145
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	321,425	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,988,573
24. Prepayments	46,547		
25. Other Current & Accrued Assets	966	ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
26. Total Current & Accrued Assets (15 thru 25)	2,559,056	Balance Beginning of Year	0
27. Deferred Debits	(0)	Amounts Received This Year (Net)	269,264
28. Total Assets & Other Debits (5+14+26+27)	13,988,573	TOTAL Contributions-In-Aid-Of-Construction	269,264

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

May 31, 2020

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,654,347	\$2,473,473	\$2,638,744	\$391,401	\$381,468
COST OF POWER	\$2,734,985	\$1,267,055	\$1,338,076	\$188,745	\$190,801
GROSS MARGINS	\$2,919,362	\$1,206,418	\$1,300,668	\$202,656	\$190,667
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$101,317	\$49,967	\$38,058	\$14,829	\$5,818
DISTRIBUTION MAINTENANCE	\$652,886	\$260,673	\$293,446	\$52,799	\$51,483
CONSUMER ACCOUNTING	\$305,641	\$127,858	\$120,743	\$25,562	\$27,404
CONSUMER SERVICE & INFO	\$3,480	\$1,450	\$3,997	\$290	\$290
SALES EXPENSE	-\$1,500	-\$750	\$2,016	\$0	\$783
ADMIN & GENERAL	\$811,948	\$370,746	\$478,493	\$63,896	\$52,929
<i>TOTAL OPERATING EXPENSES</i>	\$1,873,772	\$809,944	\$936,753	\$157,376	\$138,707
FIXED EXPENSES:					
DEPRECIATION	\$385,564	\$157,291	\$157,792	\$31,741	\$31,569
TAXES-PROPERTY	\$44,640	\$18,599	\$18,540	\$3,720	\$3,705
TAXES-OTHER	\$184,115	\$80,651	\$80,895	\$14,781	\$11,789
INTEREST	\$198,368	\$83,934	\$84,662	\$16,581	\$16,932
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$812,686	\$340,475	\$341,889	\$66,823	\$63,995
TOTAL EXPENSES	\$2,686,458	\$1,150,419	\$1,278,641	\$224,199	\$202,702
OPERATING MARGINS	\$232,905	\$55,999	\$22,026	-\$21,543	-\$12,035
NONOPERATING MARGINS:					
INTEREST	\$70,261	\$14,499	\$13,086	\$265	\$146
OTHER	\$34,800	\$14,500	\$14,500	\$2,900	\$2,900
NET MARGINS	\$337,966	\$84,998	\$49,612	-\$18,378	-\$8,989
T.I.E.R.	2.70	2.01	1.59	-0.11	0.47

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA

May-20

	February 2020	March 2020	April 2020	May 2020	May 2019
POWER DATA:					
COST OF POWER	\$305,784	\$250,191	\$222,812	\$190,801	\$158,652
KWH PURCHASED	7,299,585	5,925,185	4,105,395	3,736,225	3,658,630
KWH SOLD & OCEC USE	6,851,481	5,526,873	3,928,280	3,322,369	3,348,953
KWH LOST	448,104	398,312	177,115	413,856	309,677
LINE LOSS %	6.14%	6.72%	4.31%	11.08%	8.46%
COST PER KWH	\$0.0419	\$0.0422	\$0.0543	\$0.0511	\$0.0434
BILLING DATA:					
ACCOUNTS BILLED	3,644	3,651	3,642	3,856	3,792
AVG. KWH/CONSUMER	1,880	1,514	1,079	862	883
BILLING REVENUE	\$616,441	\$524,795	\$398,551	\$380,668	\$375,977
AVERAGE BILL	\$169.17	\$143.74	\$109.43	\$98.72	\$99.15
REVENUE/KWH SOLD	\$0.0900	\$0.0950	\$0.1015	\$0.1146	\$0.1123
SERVICE DATA:					
NEW	0	0	0	11	6
RETIRED	0	0	0	0	0
TOTAL END OF MONTH	3839	3840	3840	3851	3795
IDLE SERVICES	99	98	98	97	102
TRANSPORTATION:					
TOTAL MILES	5,738	8,914	3,175	5,644	7,522
COST OF OPERATION	\$18,814	\$19,181	\$13,851	\$13,712	\$21,803
AVG. COST PER MILE	\$3.279	\$2.152	\$4.362	\$2.429	\$2.899
MATERIALS:					
ISSUES	\$942	\$15,863	\$389	\$4,325	\$8,291
INVENTORY	\$235,189	\$248,446	\$288,739	\$321,425	\$258,861

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

	Current Month			Year to Date			Annual	Annual	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance	
Member Requested Facilities	45,408.87	35,267.00	(10,141.87)	79,668.10	82,290.00	2,621.90	299,085.00	219,416.90	
Replacements (Poles & Transformers)	20,658.00	11,856.00	(8,802.00)	58,381.61	53,009.00	(5,372.61)	120,114.00	61,732.39	
Misc URD/OH Replacement Projects	1,631.25	0.00	(1,631.25)	1,631.25	19,356.00	17,724.75	19,356.00	17,724.75	
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	28,712.00	28,712.00	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	11,856.00	11,856.00	0.00	11,856.00	11,856.00	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	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	67,698.12	73,335.00	5,636.88	139,680.96	249,934.00	110,253.04	851,334.00	711,653.04	
Un Allocated Overhead	60,097.61			60,097.61	0.00	(60,097.61)			
Member CIAC	CIAC	(71,786.00)	(34,075.00)	(37,711.00)	(269,263.88)	(117,723.00)	(151,540.88)	(374,000.00)	(104,736.12)
Total less CIAC	56,009.73			(69,485.31)			477,334.00		
* \$164,920.02 holding in CIAC 05/31/20									
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	0.00	0.00	0.00	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	6,000.00	6,000.00	0.00	6,000.00	6,000.00	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	(4,087.88)	39,260.00		14,725.12	132,211.00		480,000.00	278,691.96	
Total Capital Budget less CIAC							957,334.00	885,608.88	

* 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	18,931.53	7,258.57	20,000.00	0.00	7,390.76	14,117.26	67,698.12
June							0.00
July							0.00
August							0.00
September							0.00
October							0.00
November							0.00
December							0.00
	36,138.27	21,394.33	39,500.00	0.00	17,809.32	24,839.04	139,680.96

* 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

	Budget year													
	2019	Jan - Dec	January	February	March	April	May	June	July	August	September	October		November
Patronage Capital or Margins	\$0	\$337,966	\$45,318	\$56,260	\$37,575	(\$80,551)	(\$8,989)	(\$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	\$31,569	\$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	(\$72)	\$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)	\$22,508	\$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)	(\$3,721)	(\$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	\$20,552	\$597	\$597	\$597	\$597	\$597	\$597	\$597
Accounts Receivable - Other (Net)	\$0	(\$53,222)	\$33,608	\$6,158	\$18,185	\$5,220	\$3,721	\$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	\$49,710	\$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)	(\$23,846)	\$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	\$31,096	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	\$0	\$70,894	(\$73,821)	\$56,821	(\$120,136)	\$7,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$666,644	\$9,666	\$36,110	\$276,792	(\$57,056)	\$56,960	\$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)	(\$1,845)	(\$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	\$914	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$130,488	\$214,281	(\$29,004)	(\$56,543)	(\$16,725)	(\$72,552)	(\$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	\$71,786	\$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)	(\$32,686)	\$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	(\$34,384)	(\$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	\$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	(\$30)	\$55	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$350	(\$100)	\$300	\$250	\$1,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	\$6,443	\$340	(\$85)	(\$39,168)	\$220	\$1,855	(\$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)	\$24,432	(\$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	\$572,626	\$516,039	\$508,768	\$525,677	\$473,125	\$440,832	\$700,775
TOTAL CASH END OF PERIOD	\$479,562	\$390,227	\$446,511	\$497,493	\$574,972	\$548,194	\$572,626	\$516,039	\$508,768	\$525,677	\$473,125	\$440,832	\$700,775	\$715,844

General Manager's Report to the Board – June 2020

General Discussion:

- Below is a summary of the effects of the COVID-19 on various aspects of our operations as of June 17th, 2020.
 - **Office Operations** – The office is running as normal as can be while taking COVID-19 precautions. The following are the current changes implemented because of COVID-19.
 - Daily body temperature monitoring and check of symptoms of every employee.
 - Implementing hygiene and social distancing recommendations from the Department of Health. We are wearing masks while not at our work stations.
 - While we also received several hundred P-95 masks, we are ordering more in case there is a second wave this fall. We are encouraging employees to use these at work and while off duty when in public.
 - 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 power energy sales for May are about 7% lower than what was budgeted. Revenues were around \$10k or 2.5% less than budgeted. COVID19 has had little net effect on sales and revenues.
 - **Late Paying Customers** – For the month of May we are not seeing an increase in delinquent or late paying customers. However, for the ones that

are delinquent, their balance is continuing to increase so they have higher than normal balances due. We are working with customers to make payment arrangements. We will continue the “No disconnects or late fees” policies at least through July. This is when the Governor’s disconnect proclamation is currently set to expire. Our largest accounts are current. We have one business account that is still closed and has a high balance that we are working with.

- **CIAC (Customer Requested Work)** - Actual CIAC collected for new projects in May was \$71k versus \$34k budgeted. YTD, we have collected \$269k versus \$117k budgeted. (For background, members pay all the costs of requested electric facility construction to their projects and this is collected in CIAC.) Total CIAC budgeted is \$374k for the year. COVID 19 is not slowing down new construction.

- **Engineering Backlog** – There was a sizable backlog of 25 design projects in the queue for engineering for new construction when we went into Phase Two. We are scheduling site visits for new construction well into July now. The new Staking Tech is a great help with this backlog.

- **Electric Construction** - Major projects we are working on include:
 - Met with property managers at Edelweiss on the next section of the project. This is 3,000 feet of underground wire replacement.
 - Working a major project at Pearrygin Lake State Park for the State.

Because our construction season has been cut short and we have a large number of new facilities for members, the priority order for construction is:

- Member requested construction
- Subdivision changeout where we are already working with the property manger on multi-year projects.
- Other subdivision projects

- Mazama project

We plan on deferring the fire-retardant treatment for this year because of lack of crew time.

- **Opening Office for Customers** - The front office and the Board room remain closed to the public.
 - We have designed front office modifications to protect our employees and members when we open the front office to the public. We are in the process of having these modifications manufactured. When these modifications have been manufactured and installed, we can open up to the public. These modifications are temporary in nature. When we have the consultant look at our HQ complex later this year, we will have them design a more permanent modification.
 - We currently do not plan to open up the Board room to the public for the foreseeable future. There have been internal discussions of modifying use by members when we do open it back up. For example, we may just open it up during non-office hours. More on this later.
- **Travel** - The first employee travel outside the Valley will probably be myself going to Portland 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.

Financial Discussion:

- **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. The rest of the variance is due to timing of budget entries.

- The bid for the front parking lot addition that was approved by the board came in much higher than budgeted. This project (which also included irrigation in front) was budgeted for \$10k. Because of the higher than expected bid, we will put this part of the budget project on hold and discuss more with the Board at the July Board meeting when we will discuss the capital budget. Another option is to see if the building consultants have a better idea to solve this need. We will proceed with the irrigation portion of the project.