



BOARD OF DIRECTORS MEETING

July 27, 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 June 22, 2020
 - b) New Members
 - c) June 2020 – Form 7
 - d) Statement of Operations
 - e) Power & Service Data
 - f) Capital Expenditures by Project
 - g) Cash Flow 2020
 - h) Status of Funds – Revolving Loan Fund
6. Committee Reports
7. Meetings Attended
 - 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 7th - David by Video Conference

8. Meetings to Attend
 - a) PNGC Monthly Board Meeting – August 4th and 5th
David by Video Conference
 - b) DNR Wildland Fire Mitigation Task Force – August 13th – By Video Conference
 - c) OCEC Strategic Plan Development - September 14th and 15th, 2021 **(Tab 3 has the latest OCEC Strategic Plan)**

9. General Managers Report (Tab 4)
 - a) Office Update
 - b) Operations Update
 - c) Propane Update

ITEMS OF BUSINESS

- 1) Approval - Deferred 2020 Capital Budget **(Tab 5)**
- 2) Update – 2021 O&M and Capital Budget Schedule **(Tab 6)**
- 3) Update – OCEC Member “Drive Through” Event – September 14, 2020
- 4) Review and Approve – Resolution 2020-01 OCEC’s Declaration of Compliance with Proclamation 20-23.6 **(Tab 7)**

OPEN FLOOR FOR BOARD MEMBERS

EXECUTIVE SESSION

- Subsidiary Update
- Update – 2020 GM Goals **(Tab 8)**
- Board Discussion



BOARD MEETING

June 22, 2020 via Go To Meeting

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

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

Guests: None

Members: None

PRELIMINARY

Executive Session called to order at 3:00 pm. Executive Session adjourned to regular meeting at 3:46 pm.

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 3:46 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

Agenda approved as presented by Board consensus.

4. MEMBER COMMUNICATIONS

None.

5. APPROVAL OF CONSENT AGENDA ITEMS

Consent Agenda approved as presented by Board consensus.

6. COMMITTEE REPORT

Finance Committee: Alan Watson noted the committee met and reviewed the Ten-Year Financial Plan presented in Items of Business No. 1.

Alan also suggested going back to having the O&M and Capital budget approved in the year preceding. Staff will come back at the July Board meeting with a schedule of the 2021 budget approval.

Governance Committee: Michael reported the committee has set a schedule for policies to be reviewed in 2020.

7. MEETINGS ATTENDED

- a) PNGC May Meeting – June 2nd & 3rd – David by video conference call.

David reviewed topics discussed: Future resources post 2028 when the current BPA contract ends, Policy issues; and Strategies for growing PNGC membership.

- b) PPC Executive Committee Meeting – June 4th – David by conference call.

BPA surcharges were discussed.

- c) WRECA Board Meeting – June 8th – David by video conference.

A new roof for the Office building in Olympia was approved.

8. MEETINGS TO ATTEND

- a) NRECA, WRECA and Congressman Dan Newhouse meeting to discuss nationwide Cooperative and Northwest Regional Issues – June 24th – by video conference.

David will be attending and discussing the fire situation in the northwest and the DNR fire mitigation task force he is on. .

- b) DNR Wildland Fire Mitigation Task Force – June 25th – by video conference.

David will address danger trees outside of OCEC's easement on DNR land and how to mitigate the danger. Wildfire Investigation proposal regarding third party subject experts be brought in on all investigations suspecting possible power line involvement. At this point in time DNR conducts its own investigations.

- c) PNGC Monthly Board Meeting – July 7th & 8th – David by video conference.
- d) PNGC Annual Meeting in October - Cancelled.

9. GENERAL MANAGERS REPORT

Written report reviewed.

General questions from the report were discussed: Electric sales, delinquent accounts and finances.

- a) Office Update

Lynn noted the Revolving Loan Committee will meet at a soon to be determined date. She is waiting for one applicant to return a financial report to complete its application.

- b) Operations Update

Glenn noted the engineering department and crew are very busy with cost estimates, site visits, installs and service work. Major projects for 2020 include Edelweiss and Pearrygin lake State Park.

- c) OCEI Propane Update

Tracy reported her crew is attending site visits when possible with OCEC to help determine future install and inventory needs for OCEI.

Deliveries are slowing down for this month.

ITEMS OF BUSINESS

1. Update – 2020 OCEC Ten-Year Financial Plan

David reviewed the reports and handouts that were emailed to the Board. He noted the Capital Budget is scheduled to be discussed and reviewed at the July 27th Board meeting. Alan and David are willing to go over this plan with any Board member.

2. Update – OCEC Member Information Meeting or Alternative “Drive Through” event – September 14th (Conditions Permitting)

David proposed two distribution events for the 150 Energy Efficiency (EE) Boxes we need to get to our members. When the boxes are distributed OCEC can be reimbursed for the expense from BPA’s Energy Conservation fund.

Proposed Event Number One: Coordinate with one of the Thursday Cove Food Bank distribution events. OCEC would participate, confirm the client is an OCEC member and present an EE box along with the Cove’s food box. Documentation of membership is required.

Proposed Event Number Two: A drive through event at the Barn where members could “drive through” on an advertised day, confirm membership with attending staff and get an EE Box.

With Board approval, staff can begin working out the details and start marketing the events. Board consensus is to move ahead with the proposal.

3. Presentation – Engineering Services in the Future

Presentation reviewed by David. David recommended using Brown & Kysar, Inc. (BKI) for a load study and other engineering services needed by OCEC.

Board concerns include: 1) Should the study be put out to bid from other engineering businesses and 2) Understanding of the study when it comes back from the engineering company.

OPEN FLOOR FOR BOARD MEMBERS

None.

Meeting adjourned to Executive Session at 4:25 pm.
Out of Executive Session and meeting adjourned at 4:51 pm.

EXECUTIVE SESSION

1. Personnel Update
2. Litigation Communications
3. Union Negotiations Update

Alan Watson, Secretary



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	6/30/2020

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?
Signature of Office Manager or Accountant Date 7/14/2020		<input checked="" type="radio"/> YES <input type="radio"/> NO
Signature of Manager Date 7/14/2020		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	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	3,117,272	3,019,437	2,849,598	380,694
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,560,627	1,521,056	1,444,224	182,980
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	54,513	56,360	59,126	18,303
7. Distribution Expense - Maintenance	365,217	328,878	315,374	35,432
8. Consumer Accounts Expense	153,386	152,804	154,331	32,061
9. Customer Service and Informational Expense	3,354	4,287	1,740	290
10. Sales Expense	(2,656)	2,312	(750)	295
11. Administrative and General Expense	399,727	525,436	424,269	46,944
12. Total Operation & Maintenance Expense (2 thru 11)	2,534,168	2,591,133	2,398,314	316,305
13. Depreciation & Amortization Expense	193,202	189,581	189,032	31,789
14. Tax Expense - Property & Gross Receipts	22,597	22,245	22,319	3,705
15. Tax Expense - Other	95,601	92,786	95,432	11,891
16. Interest on Long-Term Debt	98,037	100,591	100,515	15,929
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)	2,943,604	2,996,336	2,805,612	379,619
21. Patronage Capital & Operating Margins (1 minus 20)	173,668	23,101	43,987	1,075
22. Non Operating Margins - Interest	14,219	17,527	20,354	6,070
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	9,000	17,400	17,400	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)	200,272	59,657	81,741	10,045

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	26	24	5. Miles Transmission	0	0
2. Services Retired	6	2	6. Miles Distribution Overhead	303	164
3. Total Services In Place	3,802	3,862	7. Miles Distribution Underground	221	196
4. Idle Services (Exclude Seasonal)	101	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	06/30/2020

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	14,956,487	29. Memberships	16,535
2. Construction Work in Progress	154,265	30. Patronage Capital	8,087,454
3. Total Utility Plant (1+2)	15,110,752	31. Operating Margins - Prior Years	596,796
4. Accum. Provision for Depreciation and Amort	5,122,944	32. Operating Margins - Current Year	42,257
5. Net Utility Plant (3-4)	9,987,808	33. Non-Operating Margins	17,400
6. Nonutility Property - Net	0	34. Other Margins & Equities	901,835
7. Investment in Subsidiary Companies	912,874	35. Total Margins & Equities (29 thru 34)	9,662,277
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)	3,487,174
10. Invest in Assoc. Org. - Other - Nongeneral Funds	143,158	38. Total Long-Term Debt (36 + 37)	3,487,174
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	567,222	43. Accounts Payable	356,075
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	163,120
17. Special Deposits	214,591	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	377,955	48. Other Current & Accrued Liabilities	278,917
21. Accounts Receivable - Net Other	836,187	49. Total Current & Accrued Liabilities (42 thru 48)	798,111
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	335,318	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,947,562
24. Prepayments	39,898	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)	2,510,597	Amounts Received This Year (Net)	375,460
27. Deferred Debits	0	TOTAL Contributions-In-Aid-Of-Construction	375,460
28. Total Assets & Other Debits (5+14+26+27)	13,947,562		

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

June 30, 2020

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,654,347	\$2,849,598	\$3,019,437	\$376,125	\$380,694
COST OF POWER	\$2,734,985	\$1,444,224	\$1,521,056	\$177,169	\$182,980
GROSS MARGINS	\$2,919,362	\$1,405,374	\$1,498,381	\$198,956	\$197,714
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$101,317	\$59,126	\$56,360	\$9,159	\$18,303
DISTRIBUTION MAINTENANCE	\$652,886	\$315,374	\$328,878	\$54,701	\$35,432
CONSUMER ACCOUNTING	\$305,641	\$154,331	\$152,804	\$26,473	\$32,061
CONSUMER SERVICE & INFO	\$3,480	\$1,740	\$4,287	\$290	\$290
SALES EXPENSE	-\$1,500	-\$750	\$2,312	\$0	\$295
ADMIN & GENERAL	\$811,948	\$424,269	\$525,436	\$53,523	\$46,944
<i>TOTAL OPERATING EXPENSES</i>	\$1,873,772	\$954,090	\$1,070,077	\$144,146	\$133,325
FIXED EXPENSES:					
DEPRECIATION	\$385,564	\$189,032	\$189,581	\$31,741	\$31,789
TAXES-PROPERTY	\$44,640	\$22,319	\$22,245	\$3,720	\$3,705
TAXES-OTHER	\$184,115	\$95,432	\$92,786	\$14,781	\$11,891
INTEREST	\$198,368	\$100,515	\$100,591	\$16,581	\$15,929
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$812,686	\$407,298	\$405,203	\$66,823	\$63,314
TOTAL EXPENSES	\$2,686,458	\$1,361,388	\$1,475,280	\$210,969	\$196,639
OPERATING MARGINS	\$232,905	\$43,987	\$23,101	-\$12,013	\$1,075
NONOPERATING MARGINS:					
INTEREST	\$70,261	\$20,354	\$19,155	\$5,855	\$6,070
OTHER	\$34,800	\$17,400	\$17,400	\$2,900	\$2,900
NET MARGINS	\$337,966	\$81,741	\$59,657	-\$3,258	\$10,045
T.I.E.R.	2.70	1.81	1.59	0.80	1.63

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
June-20

	March 2020	April 2020	May 2020	June 2020	June 2019
POWER DATA:					
COST OF POWER	\$250,191	\$222,812	\$190,801	\$182,980	\$171,040
KWH PURCHASED	5,925,185	4,105,395	3,736,225	3,579,705	3,555,950
KWH SOLD & OCEC USE	5,526,873	3,928,280	3,322,369	3,343,389	3,021,501
KWH LOST	398,312	177,115	413,856	236,316	534,449
LINE LOSS %	6.72%	4.31%	11.08%	6.60%	15.03%
COST PER KWH	\$0.0422	\$0.0543	\$0.0511	\$0.0511	\$0.0481
BILLING DATA:					
ACCOUNTS BILLED	3,651	3,642	3,856	3,869	3,819
AVG. KWH/CONSUMER	1,514	1,079	862	864	791
BILLING REVENUE	\$524,795	\$398,551	\$380,668	\$378,109	\$359,538
AVERAGE BILL	\$143.74	\$109.43	\$98.72	\$97.73	\$94.14
REVENUE/KWH SOLD	\$0.0950	\$0.1015	\$0.1146	\$0.1131	\$0.1190
SERVICE DATA:					
NEW	0	0	11	13	9
RETIRED	0	0	0	2	2
TOTAL END OF MONTH	3840	3840	3851	3862	3802
IDLE SERVICES	98	98	97	97	101
TRANSPORTATION:					
TOTAL MILES	8,914	3,175	5,644	6,684	8,813
COST OF OPERATION	\$19,181	\$13,851	\$13,712	\$10,361	\$19,406
AVG. COST PER MILE	\$2.152	\$4.362	\$2.429	\$1.550	\$2.202
MATERIALS:					
ISSUES	\$15,863	\$389	\$4,325	\$39,536	\$16,546
INVENTORY	\$248,446	\$288,739	\$321,425	\$335,318	\$250,787

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

	Current Month			Year to Date			Annual	Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance
Member Requested Facilities	96,644.28	35,297.00	61,347.28	176,312.38	117,557.00	58,755.38	299,085.00	122,772.62
Replacements (Poles & Transformers)	19,398.55	11,856.00	7,542.55	77,780.16	65,208.00	12,572.16	120,114.00	42,333.84
Misc URD/OH Replacement Projects	0.00	0.00	0.00	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	43,068.00	(43,068.00)	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	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	1,914.20	21,711.00	(19,796.80)	1,914.20	21,711.00	(19,796.80)	21,711.00	19,796.80
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	117,957.03	83,220.00	34,737.03	257,637.99	333,467.00	(75,829.01)	851,334.00	593,696.01
Un Allocated Overhead	58,117.48			58,117.48	0.00	58,117.48		
Member CIAC								
CIAC	(106,195.80)	(50,872.00)	(55,323.80)	(375,459.68)	(168,584.00)	(206,875.68)	(374,000.00)	1,459.68
Total less CIAC	69,878.71	32,348.00	37,530.71	(59,704.21)	164,883.00	(224,587.21)	477,334.00	
* \$105,545.19 holding in CIAC 06/30/20								
Meters Purchases	8,498.56	0.00	(8,498.56)	8,498.56	50,000.00	(41,501.44)	50,000.00	41,501.44
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	3,145.19	0.00	(3,145.19)	141,926.91	100,000.00	41,926.91	150,000.00	8,073.09
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	3,000.00	3,000.00	0.00	9,000.00	(9,000.00)	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	11,643.75	3,000.00	(8,643.75)	161,350.46	159,000.00	2,350.46	480,000.00	267,048.21
Total Capital Budget less CIAC	81,522.46	35,348.00	46,174.46	101,646.25	323,883.00	(222,236.75)	957,334.00	862,203.90

* Note

	Line Crew		107.25	Consultants	Transportation	Benefits	Total
	Direct Labor	Materials	Labor	Contractors			
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	26,138.46	38,200.33	30,800.00	0.00	6,740.31	16,077.93	117,957.03
July							0.00
August							0.00
September							0.00
October							0.00
November							0.00
December							0.00
	62,276.73	59,594.66	70,300.00	0.00	24,549.63	40,916.97	257,637.99

* 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)	(\$8,989)	\$10,045	\$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	\$31,789	\$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)	(\$47)	\$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	\$41,787	\$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)	(\$8,304)	(\$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	\$40,357	\$597	\$597	\$597	\$597	\$597	\$597
Accounts Receivable - Other (Net)	\$0	(\$53,222)	\$33,608	\$6,158	\$18,185	\$5,220	\$3,721	\$18,245	\$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	\$98,735	\$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)	\$10,785	\$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	(\$22,778)	\$0	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	\$0	\$70,894	(\$73,821)	\$56,821	(\$120,136)	\$7,250	(\$11,993)	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$666,644	\$9,666	\$36,110	\$276,792	(\$57,056)	\$56,960	\$86,741	\$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)	(\$27,232)	(\$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	(\$1,470)	\$0	\$0	\$0	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$130,488	\$214,281	(\$29,004)	(\$56,543)	(\$16,725)	(\$72,552)	(\$116,731)	(\$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	\$106,196	\$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)	(\$13,893)	\$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)	(\$53,130)	(\$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	(\$40,060)	\$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	(\$40,060)	\$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	\$85	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$350	(\$100)	\$300	\$250	\$1,800	\$959	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	\$6,443	\$340	(\$85)	(\$39,168)	\$220	\$1,855	(\$39,016)	\$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	(\$5,404)	(\$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	\$567,222	\$559,951	\$576,860	\$524,307	\$492,015	\$751,958
TOTAL CASH END OF PERIOD	\$479,562	\$390,227	\$446,511	\$497,493	\$574,972	\$548,194	\$572,626	\$567,222	\$559,951	\$576,860	\$524,307	\$492,015	\$751,958	\$767,027

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

For the Month Ending
June 30, 2020

Beginning RLF Balance		\$60,922.87
LOUP LOUP SKI ED FOUNDATION LOAN #3		\$0.39
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$441.67	\$29,578.19
ADMINISTRATIVE FEE (1%)	\$25.00	\$2,077.97
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$27,500.22
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$22,499.78
TOWN OF TWISP		
PAYOFF OCTOBER 01, 2020	MONTH	TO DATE
PAYMENTS RECEIVED	\$78.29	\$9,334.13
ADMINISTRATIVE FEE (1%)	\$0.77	\$503.50
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$8,826.01
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOAN		\$383.99
MVSTA LOAN #2		
PAYOFF JULY 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$858.33	\$86,137.93
ADMINISTRATIVE FEE (1%)	\$25.00	\$52,304.92
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$80,833.01
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOAN		\$19,166.99
TOWN OF WINTHROP		
PAYOFF NOVEMBER 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$855.00	\$26,782.20
ADMINISTRATIVE FEE (1%)	\$63.33	\$2,240.43
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$24,541.77
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOAN		\$70,458.23
Smiling Woods Yurts		
PAYOFF NOVEMBER 01, 2028	MONTH	TO DATE
PAYMENTS RECEIVED	\$363.33	\$7,319.88
ADMINISTRATIVE FEE (1%)	\$30.00	\$653.28
PRINCIPLE PAYMENT TO LOAN	\$333.33	\$6,666.60
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$33,333.40
TwispworksFoundation		
PAYOFF DECEMBER 01, 2028	MONTH	TO DATE
PAYMENTS RECEIVED	\$363.33	\$6,579.90
ADMINISTRATIVE FEE (1%)	\$30.00	\$579.96
PRINCIPLE PAYMENT TO LOAN	\$333.33	\$5,999.94
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$34,000.06
TOTAL BALANCE REMAINING ON LOANS		\$179,842.45
ENDING RLF BALANCE		\$64,957.94

OKANOGAN COUNTY ELECTRIC COOPERATIVE INC

REVOLVING LOAN FUND #2

MONTHLY REPORT

*For the Month Ending
June 30, 2020*

Beginning RLF Balance	\$144,364.23	
AERO RESCUE		
PAYOFF NOVEMBER 1, 2020	MONTH	TO DATE
PAYMENTS RECEIVED	\$2,020.00	\$245,100.00
ADMINISTRATIVE FEE (1%)	\$20.00	\$14,000.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$232,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOAN		\$8,000.00
TOWN OF WINTHROP LOAN #2		
PAYOFF JUNE 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$175.96	\$17,464.88
ADMINISTRATIVE FEE (1%)	\$5.13	\$1,066.20
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$16,399.68
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOAN		\$4,100.32
MVSTA LOAN #3		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$612.50	\$43,341.54
ADMINISTRATIVE FEE (1%)	\$29.17	\$3,091.78
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$40,249.77
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOAN		\$29,750.23
PINETOOTH CREATIVE		
PAYOFF July 01, 2026	MONTH	TO DATE
PAYMENTS RECEIVED	\$82.70	\$3,943.09
ADMINISTRATIVE FEE (1%)	\$5.41	\$309.48
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$3,633.61
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOAN		\$5,641.39
EQPD		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$292.50	\$11,816.53
ADMINISTRATIVE FEE (1%)	\$21.66	\$882.95
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$10,833.58
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$21,666.42
Little Star Montessori School		
PAYOFF February 01, 2027	MONTH	TO DATE
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
TOTAL BALANCE REMAINING ON LOANS		\$91,366.82
ENDING RLF BALANCE		\$148,633.18

OCEC STRATEGIC PLAN 2019-2022

The aim of Okanogan County Electric Cooperative, Inc. is to provide services to its members at the lowest cost consistent with sound economy and good management.

This strategic plan provides priorities, direction and a foundation for more specific objectives and activities created and carried out by the OCEC General Manager and staff and monitored by the Board of Directors.

Continuing Goals

1. Reliable energy at the lowest life cycle cost possible
 - a. Life cycle cost means cost over the expected life of the investment even though the initial cost may not be the lowest
2. Satisfied, well-informed members
 - a. Generally satisfied with rates, service and OCEC management. Questions and feedback show an understanding of policies, practices and issues.
3. Financial health
4. Employee and public safety
5. Quality personnel - staff, management, board - with smooth transitions
6. Ensure the viability and health of subsidiaries

The more specific goals for this planning cycle reflect what the board and management feel might be in OCEC's 10-15 year future, specifically:

- Slow, steady growth in residential membership
- Little or no growth in agricultural power use - possibly a decline
- Change in how we purchase power, possibly without PNGC
- State or federally mandated wind and solar energy requirements
- Growing member support for wind and solar energy
- More feasible, affordable demand management technology
- Continuing increase in energy efficiency
- More electric vehicles, particularly if battery technology improves
- Climate change and other conditions that makes outages more likely
- Possibility of a merger with a larger provider

Goals For This Planning Cycle

1. Re-examine net metering policy

- a. Focus on the rate paid for generated power
- b. Combine with the next COSA
2. Help improve internet service for our members
 - a. Can we assist with infrastructure? Are there partnership opportunities?
3. Consider new technology that may be beneficial
 - a. For example, batteries for demand management, time-of-day capable meters, arc-resistant wire, more efficient ways to inspect lines or locate outages
4. Evaluate rate structure
 - a. Is it fair? Does it produce adequate revenue without being excessive?
5. Continue to improve member communication
 - a. Two-way communication. Faster, easier methods? More self-service information?
6. Optimize debt structure and level
7. Protect against risks of being so small
 - a. Strong relationships with larger entities; cooperative agreements; shared resources
8. Maintain strong, cooperative relationship with Okanogan PUD

General Manager's Report to the Board – July 2020

General Discussion:

- We are beginning the implementation of the Clean Energy Transformation Act that was recently approved by the Washington legislature. The first part of the bill requires OCEC to establish energy assistance programs and funding for energy costs for low income members. “Energy” is defined as any fuel source for energy (such as electricity, propane, wood, heating oil, ect.) needed for residential use. In addition to electricity, OCEC will be required to subsidize propane and wood heating costs of our low-income members. We will keep the Board informed as the program develops and additional OCEC costs are identified for future budgets.
- The Department of Agriculture recently released its new procedures for Powerline Facility Maintenance and Vegetation Management for the USFS. Basically, if we develop new facility maintenance agreements (and not just a plan) essentially agreeing with the USFS on what we are currently doing, then through 2028 strict liability is capped at \$500,000 per incident. Staff’s goal is to have these new agreements with the USFS completed by the 2021 fire season. One of the problems is that this will probably not be a high priority with the Forest Service. It sometimes takes years to get the paperwork for a permit back from the USFS. There may be a relief clause in the regulations though that if we submit the paperwork in good faith and the FS does not execute, we would be still covered by the liability limits.
- There is not much change in the COVID-19 situation. We have refined contingency plans for office operations if an employee possibly gets infected or may be infected. We are also waiting for the contractor to make modifications to the entry way so we can reopen to the public. We will also evaluate the spread of the pandemic in the County before we re-open. We plan to continue keeping the Board room closed to the public for the foreseeable future.
- Sheldon Peterson, CEO of CFC (our banking cooperative), was on a recent WRECA weekly brief. We use CFC as a backstop for liquidity needs. With CFC, we can obtain just

about any amount of cash at a moment's notice. He said that their recent credit offering was oversubscribed and that they are very liquid. This is important because of the risk we do take with relying on this one entity for liquidity needs.

Financial Discussion:

- **Discussion of Variances** – Operations and Maintenance expenditure are tracking very close to 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. The rest of the variance is due to timing of budget entries. We expect this variance to close in the coming months. Because of the COVID 19 expenses though, we are expecting a variance to remain for the year.
- We are running around a \$320k higher cash level than budgeted. This is due to the large increase in CIAC so far this year. This may preclude us from borrowing money as planned this year.
- One of loans on the electric side came up for interest rate repricing. We decided to go with the new rate for the remaining life of the loan and not have it reprice during its remaining life. The specifics are:

Loan Balance:	\$160,818
Old interest Rate:	5.4%
New interest Rate:	3.51%
New Rate Term:	19 years
- We received the 2021 employee health insurance quotes from NRECA and there is no increase from 2020 rates.