



2 PM – Presentation by Roger Gray of PNGC:

- **Recent California Blackout and the Resource Adequacy Issue in California and the Northwest**
- **BPA - Major Risks and Uncertainties**

BOARD OF DIRECTORS MEETING

September 28th, 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 August 24th, 2020
 - b) New Members
 - c) August 2020 – Form 7
 - d) Statement of Operations
 - e) Power & Service Data
 - f) Capital Expenditures by Project
 - g) Cash Flow Projection for 2020
6. Committee Reports
7. Meetings Attended

- a) PNGC Monthly Board Meeting – September 1st - David
- b) DNR Wildland Fire Mitigation Task Force – September 16th – David
- c) WRECA Quarterly Board Meeting - September 23rd - David

8. Meetings to Attend

- a) DNR Wildland Mitigation Taskforce – October 1st – David
- b) PNGC Annual Meeting and October Board Meeting – October 6th - David
- c) NRECA, CFC, Federated Regional Meetings - October 12th and 13th - David

9. General Managers Report (Tab 3)

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

ITEMS OF BUSINESS

- 1. Approve – Move November Board Meeting to Tuesday, November 17th at 3 PM in Person
- 2. Update – OCEC Member “Drive Through” Event
 - a. August 13th - Cove
 - b. September 14th – The Barn
- 3. Discussion - 2021 Capital Budget **(Tab 4)**
Preliminary Approval of Capital Budget Is Not Scheduled Until October’s Board Meeting
- 4. Approve Resolution 2020-02 – PNGC Director Nomination & Designated Membership Representative or Alternate **(Tab 5)**

5. Discussion – Draft Policy for GM Evaluation and Compensation

OPEN FLOOR FOR BOARD MEMBERS

EXECUTIVE SESSION

- Board Only – GM Evaluation and Compensation



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	8/31/2020

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="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="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; background-color: orange; margin: 5px; display: flex; align-items: center; justify-content: center;">6</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> <div> <p>Needs Attention</p> <p>Please Review</p> <p>Matches</p> </div> </div>	<p>A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?</p> <div style="display: flex; justify-content: center; gap: 20px;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div> <p>B. Will you authorize CFC to share your data with other cooperatives?</p> <div style="display: flex; justify-content: center; gap: 20px;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><i>[Signature]</i></p> <p>Signature of Office Manager or Accountant</p> </div> <div style="width: 45%;"> <p>9/16/2020</p> <p>Date</p> </div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><i>[Signature]</i></p> <p>Signature of Manager</p> </div> <div style="width: 45%;"> <p>9/14/2020</p> <p>Date</p> </div> </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	3,915,538	3,860,843	3,654,876	420,163
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,926,129	1,923,142	1,817,031	201,959
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	72,015	74,211	74,557	8,914
7. Distribution Expense - Maintenance	475,294	423,173	427,889	55,859
8. Consumer Accounts Expense	196,836	206,022	208,763	25,947
9. Customer Service and Informational Expense	3,868	4,909	2,320	290
10. Sales Expense	467	(4,156)	(750)	(7,481)
11. Administrative and General Expense	497,885	631,417	536,514	57,400
12. Total Operation & Maintenance Expense (2 thru 11)	3,172,494	3,258,718	3,066,324	342,887
13. Depreciation & Amortization Expense	253,252	254,111	252,514	32,240
14. Tax Expense - Property & Gross Receipts	30,129	29,655	29,758	3,705
15. Tax Expense - Other	120,660	119,085	124,994	13,088
16. Interest on Long-Term Debt	130,569	133,786	133,317	16,598
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)	3,707,103	3,795,354	3,606,907	408,519
21. Patronage Capital & Operating Margins (1 minus 20)	208,435	65,488	47,969	11,644
22. Non Operating Margins - Interest	15,096	18,179	20,884	264
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	(1,554)	1,628	0	0
25. Non Operating Margins - Other	12,000	23,200	23,200	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)	233,977	108,495	92,053	14,808

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	38	47	5. Miles Transmission	0	0
2. Services Retired	6	3	6. Miles Distribution Overhead	303	164
3. Total Services In Place	3,814	3,884	7. Miles Distribution Underground	221	196
4. Idle Services (Exclude Seasonal)	99	95	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	08/31/2020

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	15,252,491	29. Memberships	16,645
2. Construction Work in Progress	(26,889)	30. Patronage Capital	8,076,919
3. Total Utility Plant (1+2)	15,225,602	31. Operating Margins - Prior Years	596,796
4. Accum. Provision for Depreciation and Amort	5,185,357	32. Operating Margins - Current Year	85,295
5. Net Utility Plant (3-4)	10,040,245	33. Non-Operating Margins	23,200
6. Nonutility Property - Net	0	34. Other Margins & Equities	914,086
7. Investment in Subsidiary Companies	912,874	35. Total Margins & Equities (29 thru 34)	9,712,941
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	633,804	43. Accounts Payable	408,943
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	164,078
17. Special Deposits	228,791	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	419,795	48. Other Current & Accrued Liabilities	337,597
21. Accounts Receivable - Net Other	821,679	49. Total Current & Accrued Liabilities (42 thru 48)	910,618
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	351,237	51. Total Liabilities & Other Credits (35+38+41+49+50)	14,110,733
24. Prepayments	26,598		
25. Other Current & Accrued Assets	966	ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
26. Total Current & Accrued Assets (15 thru 25)	2,621,331	Balance Beginning of Year	0
27. Deferred Debits	(0)	Amounts Received This Year (Net)	611,150
28. Total Assets & Other Debits (5+14+26+27)	14,110,733	TOTAL Contributions-In-Aid-Of-Construction	611,150

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

August 31, 2020

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,654,347	\$3,654,876	\$3,860,843	\$400,585	\$420,163
COST OF POWER	\$2,734,985	\$1,817,031	\$1,923,142	\$186,298	\$201,959
GROSS MARGINS	\$2,919,362	\$1,837,845	\$1,937,701	\$214,287	\$218,204
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$101,317	\$74,557	\$74,211	\$6,787	\$8,914
DISTRIBUTION MAINTENANCE	\$652,886	\$427,889	\$423,173	\$54,276	\$55,859
CONSUMER ACCOUNTING	\$305,641	\$208,763	\$206,022	\$26,270	\$25,947
CONSUMER SERVICE & INFO	\$3,480	\$2,320	\$4,909	\$290	\$290
SALES EXPENSE	-\$1,500	-\$750	-\$4,156	\$0	-\$7,481
ADMIN & GENERAL	\$811,948	\$536,514	\$631,417	\$55,646	\$57,400
<i>TOTAL OPERATING EXPENSES</i>	\$1,873,772	\$1,249,293	\$1,335,576	\$143,269	\$140,928
FIXED EXPENSES:					
DEPRECIATION	\$385,564	\$252,514	\$254,111	\$31,741	\$32,240
TAXES-PROPERTY	\$44,640	\$29,758	\$29,655	\$3,720	\$3,705
TAXES-OTHER	\$184,115	\$124,994	\$119,085	\$14,781	\$13,088
INTEREST	\$198,368	\$133,317	\$133,786	\$16,401	\$16,598
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$812,686	\$540,583	\$536,637	\$66,643	\$65,632
TOTAL EXPENSES	\$2,686,458	\$1,789,876	\$1,872,212	\$209,912	\$206,560
OPERATING MARGINS	\$232,905	\$47,969	\$65,488	\$4,375	\$11,644
NONOPERATING MARGINS:					
INTEREST	\$70,261	\$20,884	\$19,807	\$265	\$264
OTHER	\$34,800	\$23,200	\$23,200	\$2,900	\$2,900
NET MARGINS	\$337,966	\$92,053	\$108,495	\$7,540	\$14,808
T.I.E.R.	2.70	1.69	1.81	1.46	1.89

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
08/31/20

	May 2020	June 2020	July 2020	August 2020	August 2019
POWER DATA:					
COST OF POWER	\$190,801	\$182,980	\$200,127	\$201,959	\$179,182
KWH PURCHASED	3,736,225	3,579,705	4,408,340	4,422,285	4,066,370
KWH SOLD & OCEC USE	3,322,369	3,343,389	4,021,165	4,029,051	3,729,235
KWH LOST	413,856	236,316	387,175	393,234	337,135
LINE LOSS %	11.08%	6.60%	8.78%	8.89%	8.29%
COST PER KWH	\$0.0511	\$0.0511	\$0.0454	\$0.0457	\$0.0441
BILLING DATA:					
ACCOUNTS BILLED	3,856	3,869	3,883	3,893	3,816
AVG. KWH/CONSUMER	862	864	1,036	1,035	977
BILLING REVENUE	\$380,668	\$378,109	\$420,197	\$418,982	\$395,642
AVERAGE BILL	\$98.72	\$97.73	\$108.21	\$107.62	\$103.68
REVENUE/KWH SOLD	\$0.1146	\$0.1131	\$0.1045	\$0.1040	\$0.1061
SERVICE DATA:					
NEW	11	13	12	11	6
RETIRED	0	2	0	1	0
TOTAL END OF MONTH	3851	3862	3874	3884	3814
IDLE SERVICES	97	97	97	95	99
TRANSPORTATION:					
TOTAL MILES	5,644	6,684	6,813	11,750	7,382
COST OF OPERATION	\$13,712	\$10,361	\$17,188	\$22,006	\$7,761
AVG. COST PER MILE	\$2.429	\$1.550	\$2.523	\$1.873	\$1.051
MATERIALS:					
ISSUES	\$4,325	\$39,536	\$29,854	\$15,521	\$18,680
INVENTORY	\$321,425	\$335,318	\$328,222	\$351,237	\$262,683

Okanogan County Electric Cooperative Inc

Capital Expenditures by Project

Aug-20

	Current Month			Year to Date			Annual Budget	Annual Balance	
	Actual	Budget	Variance	Actual	Budget	Variance			
Member Requested Facilities	47,892.91	24,205.00	23,687.91	280,417.50	178,068.00	102,349.50	299,085.00	18,667.50	
Replacements (Poles & Transformers)	43,575.39	12,202.00	31,373.39	151,322.23	89,612.00	61,710.23	120,114.00	(31,208.23)	
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	25,756.83	31,118.00	(5,361.17)	44,299.01	62,236.00	(17,936.99)	108,914.00	64,614.99	
Continued Replacement - Studhorse - Part 3	0.00	0.00	0.00	0.00	57,770.00	(57,770.00)	57,769.00	57,769.00	
Replace Davis Lake URD	0.00	13,035.00	(13,035.00)	0.00	13,035.00	(13,035.00)	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	24,058.00	(24,058.00)	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	8,851.00	(8,851.00)	0.00	8,851.00	(8,851.00)	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	(6,245.63)	10,000.00	(16,245.63)	5,244.52	10,000.00	(4,755.48)	10,000.00	4,755.48	
Fire Retardant/Treatment on Poles	0.00	0.00	0.00	7,060.70	21,711.00	(14,650.30)	21,711.00	14,650.30	
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	10,000.00	(10,000.00)	0.00	10,000.00	(10,000.00)	10,000.00	10,000.00	
subtotal	110,979.50	109,411.00	1,568.50	489,975.21	549,408.00	(59,432.79)	851,334.00	361,358.79	
Un Allocated Overhead	52,639.47			52,639.47	0.00	52,639.47			
Member CIAC	CIAC	(139,742.00)	(75,422.00)	(64,320.00)	(476,187.00)	(224,614.00)	(251,573.00)	(374,000.00)	102,187.00
Total less CIAC	23,876.97	33,989.00	(10,112.03)	66,427.68	324,794.00	(258,366.32)	477,334.00		
* \$163,963.21 holding in CIAC 08/31/20									
Meters Purchases	0.00	0.00	0.00	22,504.38	50,000.00	(27,495.62)	50,000.00	27,495.62	
Computers & Software Upgrades	0.00	0.00	0.00	18,913.07	0.00	18,913.07	18,000.00	(913.07)	
Transformers Purchases	0.00	0.00	0.00	149,187.13	100,000.00	49,187.13	150,000.00	812.87	
Vehicle Additions and Replacements	104,300.32	0.00	(104,300.32)	104,300.32	90,000.00	14,300.32	195,000.00	90,699.68	
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	6,000.00	(6,000.00)	6,000.00	6,000.00	
Tools/Misc	0.00	0.00	0.00	5,398.67	3,000.00	2,398.67	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	104,300.32	0.00	(104,300.32)	300,303.57	249,000.00	51,303.57	480,000.00	128,095.10	
Total Capital Budget less CIAC	128,177.29	33,989.00	94,188.29	366,731.25	573,794.00	(207,062.75)	957,334.00	591,640.89	

* 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	26,138.46	38,200.33	30,800.00	0.00	6,740.31	16,077.93	117,957.03
July	21,149.14	50,639.35	25,000.00	0.00	8,348.00	16,221.23	121,357.72
August	21,162.73	24,086.29	40,800.00	0.00	10,367.75	14,562.73	110,979.50
September							0.00
October							0.00
November							0.00
December							0.00
	104,588.60	134,320.30	136,100.00	0.00	43,265.38	71,700.93	489,975.21

* 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	\$34,030	\$14,808	\$647	(\$3,175)	\$126,963	\$121,474	\$354,404
Plus Depreciation Expense	\$0	\$385,564	\$31,575	\$31,600	\$31,520	\$31,528	\$31,569	\$31,789	\$32,289	\$32,240	\$32,825	\$32,825	\$32,825	\$34,575	\$387,161
Less Capital Credit Allocations	\$0	\$0	(\$1,527)	(\$413)	(\$1,478)	\$0	(\$72)	(\$47)	\$2,794	(\$1,078)	\$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	\$69,113	\$45,970	\$33,472	\$29,650	\$159,788	\$156,049	\$739,743
Cash Construction Funds - Trustee	\$0	\$0													
Special Deposit	\$0	\$53,222	(\$33,608)	(\$6,158)	(\$6,159)	(\$5,220)	(\$3,721)	(\$8,304)	(\$8,017)	(\$6,183)	(\$5,992)	(\$5,992)	(\$5,915)	(\$3,915)	(\$99,183)
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	(\$46,702)	\$4,862	\$597	\$597	\$597	\$597	\$212,974
Accounts Receivable - Other (Net)	\$0	(\$53,222)	\$33,608	\$6,158	\$18,185	\$5,220	\$3,721	\$18,245	\$8,325	\$6,183	\$5,992	\$5,992	\$5,915	\$3,915	\$121,458
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	(\$1,596)	\$1,596	\$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	(\$0)
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	\$27,773	\$59,078	\$40,718	\$36,896	\$167,034	\$163,295	\$974,992
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	\$11,846	\$41,023	\$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)	\$39,646	\$19,035	\$0	\$0	\$0	\$0	
Increase/(Decrease) in Operating Liabilities	\$0	\$0	\$70,894	(\$73,821)	\$56,821	(\$120,136)	\$7,250	(\$11,993)	\$51,491	\$60,058	\$0	\$0	\$0	\$0	
CASH FROM OPERATING ACTIVITIES	\$0	\$666,644	\$9,666	\$36,110	\$276,792	(\$57,056)	\$56,960	\$86,741	\$79,265	\$119,136	\$40,718	\$36,896	\$167,034	\$163,295	\$1,015,557
INVESTMENT ACTIVITIES															
Total Utility Plant	\$0	(\$1,309,310)	(\$237,436)	(\$10,071)	(\$131,218)	(\$6,272)	(\$1,845)	(\$27,232)	(\$217,249)	(\$78,755)	(\$97,443)	(\$97,443)	(\$97,443)	(\$97,443)	(\$1,099,851)
Cost to Retire Utility Plant	\$0	\$0	(\$13,537)	\$4,664	\$4,783	\$6,731	\$914	(\$1,470)	\$3,295	(\$5,411)	\$0	\$0	\$0	\$0	
Construction Work-in-Progress	\$0	\$130,488	\$214,281	(\$29,004)	(\$56,543)	(\$16,725)	(\$72,552)	(\$116,731)	\$60,314	(\$118,783)	(\$7,618)	(\$7,618)	(\$7,618)	(\$7,618)	(\$166,213)
Contributions in aid of construction (CIAC)	\$0	\$416,400	\$42,400	\$32,684	\$35,929	\$86,617	\$71,786	\$106,196	\$99,880	\$139,742	\$52,491	\$35,872	\$27,970	\$0	\$731,566
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)	\$7,096	(\$23,016)	\$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)	(\$46,664)	(\$86,222)	(\$52,570)	(\$69,189)	(\$77,091)	(\$105,061)	(\$682,496)
FINANCING ACTIVITIES															
Margins & Equities	\$0	(\$361,881)							\$0					(\$361,881)	(\$361,881)
LT Debt - Additional Debt		\$530,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$170,000	\$360,000	\$530,000
LT Debt - Debt Service Payment		(\$161,676)	\$0	\$0	(\$39,493)	\$0	\$0	(\$40,060)	\$0	\$0	(\$40,701)	\$0	\$0	(\$41,285)	(\$161,539)
LT Debt - Other		\$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)	(\$161,539)
LT Debt - Payments Unapplied	\$0	\$0	\$0	\$0	\$0										
LT Debt - Current maturities	\$0	\$0	\$0	\$0	\$0										
Consumer Membership	\$0	\$0	(\$10)	\$15	\$25	(\$30)	\$55	\$85	\$45	\$65	\$0	\$0	\$0	\$0	
Consumers Deposits	\$0	\$0	\$350	(\$100)	\$300	\$250	\$1,800	\$959	\$293	\$665	\$0	\$0	\$0	\$0	
CASH FROM FINANCING ACTIVITIES	\$0	\$6,443	\$340	(\$85)	(\$39,168)	\$220	\$1,855	(\$39,016)	\$338	\$730	(\$40,701)	\$0	\$170,000	(\$43,166)	\$11,348
CASH FROM ALL ACTIVITIES	\$0	(\$89,335)	(\$33,051)	\$50,982	\$77,479	(\$26,778)	\$24,432	(\$5,404)	\$32,939	\$33,644	(\$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	\$600,160	\$633,804	\$581,251	\$548,959	\$808,902	
TOTAL CASH END OF PERIOD	\$479,562	\$390,227	\$446,511	\$497,493	\$574,972	\$548,194	\$572,626	\$567,222	\$600,160	\$633,804	\$581,251	\$548,959	\$808,902	\$823,971	



BOARD MEETING
August 24, 2020 via Go To Meeting

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

Absent: John Kirner.

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

Members: None.

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 3:05 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

Governance: Michael reported the Committee met and discussed the GM Evaluation Form and the three (3) Policy's on today's agenda.

7. MEETINGS ATTENDED

a) PNGC Monthly Board Meeting – August 4th & 5th - David

David reported Umatilla Electric Co-op (UEC) and PNGC have finalized all major items in the termination agreement and UEC will leave PNGC at the end of September.

BPA Administrator, Elliot Mainzer, is leaving at the end of September.

b) DNR Wildland Fire Mitigation Task Force – August 13th - David

David presented an investigative policy outline at the Task Force meeting with the goal of requiring third party investigators for wildfires that may or may not have been caused by powerlines. DNR is reviewing the policy for logistics.

8. MEETINGS TO ATTEND

a) PNGC Monthly Board Meeting – September 1st & 2nd - David

b) DNR Wildland Fire Mitigation Task Force – September 16th - David

c) WRECA Quarterly Board Meeting – September 23rd - David

9. GENERAL MANAGERS REPORT

Written report reviewed.

David reported he attended a Methow Valley Local Forest Health & Fire Risk Management Seminar and came away with tools and ideas for OCEC's Firewise Program. The Firewise Program can be on the Annual Meeting agenda for 2021.

- a) Office Update – Lynn reported the office continues to be closed to the public with reopening discussed on a month-by-month basis. Preparations for opening to the public include a Dutch door to the office and a pass through window in the lobby. When OCEC reopens only the lobby will be accessible to the public for payments and inquiries.

Other discussion included the status of past due accounts and whether there is a need for discounted capital credits at this time.

b) Operations Update

Glenn Huber reported:

- Glenn, Lynn Northcott and Tracy McCabe met with Cooperative Building Solutions last Thursday to begin the OCEC/OCEI facility study process. They will all meet again, via Zoom, on September 2nd and the goal is to have a proposal for review at the November Board meeting.
- OCEC received a “red flag” warning from the national weather service last week and the substations were set to “one-shot” for one night only. Communication was posted on the OCEC website.
- Right of way clearing by Rivard Construction has been completed at four OCEC locations.

c) OCEI Propane Update –

Tracy McCabe reported business as usual. Service work is ongoing and she is keeping a watch on inventory and fuel.

Dale brought up the November 23rd Board meeting. The discussion revolved around changing the date to November 17th. It will be an agenda item at next month’s meeting.

ITEMS OF BUSINESS

1. Update – OCEC Member “Drive Through” Event

- a) August 13th – Cove
- OCEC reached 13 members who do not normally attend the annual meeting and were able to get the Energy Efficiency package into their hands.
- b) September 14th – The Barn
- We are planning on holding the event from 3:00 pm to 5:00 pm. If there are any packages left we are considering another outreach at the Cove.

2. Review and Approve – Policy No. 30-420 Net Metering

The discussion centered on the final paragraph – 18. Terms of Agreement. Wording regarding termination of a Net Metering System by either party (Cooperative or Member).

David read an email response from our Attorney regarding the wording and state law to facilitate the discussion.

Sara Carlberg moved to accept Policy No. 30-420 Net Metering Installation as recommended by the OCEC Attorney. Seconded.

Dale called for a vote: Four votes in favor, Michael Murray opposed. Motion passed.

3. Review and Approve – Policy No. 30-425 Renewable Energy Incentive Program

Cara Goodwin moved to approve Policy No. 30-425 Renewable Energy Program and Policy No. 10-016 Legal Counsel Selection and Retention with the changes and updates as presented. Seconded. Motion passed.

4. Review and Approve – Policy No. 10-016 Legal Counsel Selection and Review

See above.

5. Approve Loan from Revolving Loan Fund to Methow Trails

Sara Carlberg asked Lynn for a background review on the Revolving Loan Fund. Lynn Northcott summarized the beginnings of the fund and outlined how the recipients are chosen by committee.

There were three (3) applicants for the Revolving Loan Fund.

1. Methow Trails
2. Mountain Trails Grooming Association (request withdrawn)
3. Double S Meats

Alan Watson recused himself from the discussion and vote.

Michael Murray moved to approve a loan to Methow Trails for \$100,000.00 from Revolving Loan Fund #2 for the purchase of a new Snow Cat and that OCEC will be 1st lien holder on said Snow Cat. Seconded.

Dale called for a vote: Alan Watson recused himself, Sara Carlberg abstained. Motion passed with four votes.

6. GM Evaluation Form and Process Discussion

Michael Murray opened the discussion with a review of the Governance Committee proposing a policy to formalize an annual review and/or appraisal of the General Manager. Michael emailed a comprehensive appraisal form from NRECA to the Board and David. The committee recommendation is to develop a policy and use a web based appraisal survey.

Discussion involved the process and timing of the evaluation, confidentiality, question compilation, and, analysis and scoring. Dale suggested Michael draft a policy and recommendation and email it to the Board for the September 28th meeting.

It was moved that the Board shall conduct an evaluation of the General Manager using the attached 'CEO/General Manager Appraisal' form prepared by the Governance Committee.

The Board will use the process presented below for completing the evaluation and adjustment to the General Manager salary and bring the evaluation results and analysis of compensation factors to the September 28, 2020 Board meeting.

- Michael will create a confidential, secure web form for the Board to input their responses.
- The Governance Committee will analyze cost of living data and the executive compensation survey. Governance Committee to provide to the Board a range of low to high values and recommendations on timing and the value of non-salary benefits.
- The Board will discuss in executive session the evaluation results and the Governance Committee's analysis of compensation factors. The Board will decide by majority vote upon compensation and will communicate this and the evaluation results to the General Manager.

Seconded. Motion passed.

OPEN FLOOR FOR BOARD MEMBERS

None.

Meeting adjourned to Executive Session at 4:35 pm.

EXECUTIVE SESSION

1. Board Only Discussion

Alan Watson, Secretary

General Manager's Report to the Board – September 2020

General Discussion:

- A large percentage of our employees have school-age children and are heavily impacted by the change of school education methods due to COVID-19. As reported last month, we will continue with the four-ten schedule for October. For November and beyond though we will return to the normal five-eight work schedule. We will work with individual employees if they have child scheduling issues.
- 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 complete modifications to the lobby area so we can reopen to the public. Because of lower county-wide infection numbers, we plan to reopen our lobby to members once the modifications are completed. We plan to continue keeping the Board room closed to the public for the foreseeable future.
- The HVAC system in the main building had a malfunction that put smoke in the building one night. As the old system was very old and could not be repaired, the local refrigeration contractor recommended a new system as the old one could not be repaired. We had a new system installed for \$12k. This is an unexpected capital project.

Financial Discussion:

- **Discussion of Variances** – Operations and Maintenance expenditure categories are tracking very close to budgeted amounts except for Admin & General. This is the major YTD variance. While we do expect this variance to grow smaller as the year progresses, we are expecting this variance to remain because of the earlier COVID-19 expenditures.
- In August we received approximately \$140k in CIAC. This is our largest monthly amount for the year. Primarily because of the large amount of CIAC received this year, we are

running around a \$424k higher cash level than budgeted. This will preclude us from borrowing money as planned later this year. For the end of August, we have collected 27% more than the total amount budgeted for 2020.

- For the 2021 capital budget, we are assuming that 2020 will not repeat in terms of actual CIAC received and are budgeting a similar value to what was budgeted in 2020. We can discuss this more when we discuss the capital budget at the Board meeting.

2021 OCEC Capital Budget Summary

Project	Direct Crew	Direct Line	Contractors				Benefits	Totals	Notes:
	Hours	Crew Labor	Materials	107.5 Labor	Consultants	Transportation			
Members Requested Facilities (CIAC)	300	60,360	60,000	96,576	-	33,198	42,252	292,386	CIAC hours slightly increased from 2020 budget
Replacements (Pole and Transformers)	100	20,070	25,000	32,112	-	11,039	14,049	102,270	
Misc. URD/OH Replacement Projects	30	6,000	10,000	9,600	5,000	3,300	4,200	38,100	
Replace 2500' of URD at Edelweiss - Part 4	70	14,280	10,000	22,848	16,000	7,854	9,996	80,978	Replace old underground conductor
Replacement - Studhorse - Part 3 (Carryover)	40	7,980	10,000	12,768	10,000	4,389	5,586	50,723	Replace old underground conductor
Replace Davis Lakes URD (Carryover)	30	6,120	5,000	9,792	5,000	3,366	4,284	33,562	Replace old underground conductor
Install 60 Current Limiting Fuses	20	3,960	10,000	6,336	-	2,178	2,772	25,246	Next Phase of Firewise Program
Mazama Upgrade Part 2 (Carryover)	40	8,100	10,000	12,960	-	4,455	5,670	41,185	Second year of multi-year project
Coordination Study (Partial Carryover)	-	-	-	-	70,000	-	-	70,000	First part of project approved in 2019
Major Storm Damage	20	4,020	10,000	6,432	-	2,211	2,814	25,477	
Install 25 line monitor sensors (Partial Carryover)	20	3,960	36,000	6,336	-	2,178	2,772	51,246	Twelve units were approved and ordered in 2019
Pole Inspections	-	-	-	-	10,000	-	-	10,000	Pole Inspections are split with O&M
Fire Retardant/Treatment on Poles	20	3,960	3,000	6,336	-	2,178	2,772	18,246	Continue treatment program on high risk circuit
Meter Projects (replace CTs)	-	-	-	-	-	-	-	-	
Front Employee Parking (Carryover)	-	-	-	-	17,000	-	-	17,000	Resubmitted with updated cost estimate
Heated Pressure Washer (Carryover)	-	-	6,000	-	-	-	-	6,000	
Tools/Misc	-	-	6,000	-	-	-	-	6,000	
Start Building Design based on Facility Planning Study	-	-	-	-	45,000	-	-	45,000	Start Design Work on Facility Modifications
Subtotal Specific Work Order Projects	690	138,810	201,000	222,096	178,000	76,346	97,167	913,419	
Less Member contribution (CIAC)								374,000	CIAC received based on 125% of Member Requested
Total Work Orders less CIAC								539,419	
Meter Purchases			80,000					80,000	Replacement Meters
Computers and Software Upgrades			18,000					18,000	
Transformer Purchases			80,000					80,000	
Vehicle Additions and Replacement			150,000					150,000	
Total Capital Budget								867,419	

OCEC Capital Budget Detail - Total Specific Work Order Projects

Project	Total	Jan	Feb	March	April	May	June	July	August	September	October	November	December	
Members Requested Facilities (CIAC)	292,386	-	19,246	28,869	28,869	28,869	28,869	29,562	29,562	29,562	29,562	29,562	9,854	292,386
Replacements (Pole and Transformers)	102,270	5,062	10,123	10,123	10,123	10,123	10,123	10,354	10,354	10,354	5,384	3,106	7,041	
Misc. URD/OH Replacement Projects	38,100	-	-	10,956	-	-	10,956	5,000	-	11,187	-	-	-	
Replace 2500' of URD at Edelweiss - Part 4	80,978	-	-	-	-	-	-	18,565	18,565	34,565	9,283	-	-	
Replacement - Studhorse - Part 3 (Carryover)	50,723	-	-	-	10,123	10,123	10,123	10,354	-	-	10,000	-	-	
Replace Davis Lakes URD (Carryover)	33,562	-	-	-	-	-	-	-	14,521	9,521	9,521	-	-	
Install 60 Current Limiting Fuses	25,246	-	-	-	-	12,623	12,623	-	-	-	-	-	-	
Mazama Upgrade Part 2 (Carryover)	41,185	-	-	-	-	10,123	-	10,354	-	10,354	10,354	-	-	
Coordination Study (Partial Carryover)	70,000	-	-	40,000	-	-	30,000	-	-	-	-	-	-	
Major Storm Damage	25,477	-	-	12,623	-	-	-	-	6,427	-	-	6,427	-	
Install 25 line monitor sensors (Partial Carryover)	51,246	-	-	-	51,246	-	-	-	-	-	-	-	-	
Pole Inspections	10,000	-	-	-	-	-	10,000	-	-	-	-	-	-	
Fire Retardant/Treatment on Poles	18,246	-	-	-	-	-	18,246	-	-	-	-	-	-	
Meter Projects (replace CTs)	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
Front Employee Parking	17,000	-	-	-	17,000	-	-	-	-	-	-	-	-	
Heated Pressure Washer	6,000	-	-	-	-	6,000	-	-	-	-	-	-	-	
Tools/Misc	6,000	-	-	-	-	-	3,000	-	-	-	3,000	-	-	
Start Building Design based on Facility Planning Stu	45,000	-	20,000	-	-	-	-	-	-	25,000	-	-	-	
	913,419	5,062	49,369	102,571	117,361	77,861	133,940	84,189	79,429	130,543	77,103	39,095	16,895	913,419

OCEC Capital Budget Detail - Direct Labor Crew Hours

Project	Total	Jan	Feb	March	April	May	June	July	August	September	October	November	December	
Members Requested Facilities (CIAC)	300		20.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	10.0	300.0
Replacements (Pole and Transformers)	100	5.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	5.2	3.0	6.8	100.0
Misc. URD/OH Replacement Projects	30	-	-	10.0	-	-	10.0	-	-	10.0	-	-	-	30.0
Replace 2500' of URD at Edelweiss - Part 4	70							20.0	20.0	20.0	10.0			70.0
Replacement - Studhorse - Part 3 (Carryover)	40				10.0	10.0	10.0	10.0						40.0
Replace Davis Lakes URD (Carryover)	30								10.0	10.0	10.0			30.0
Install 60 Current Limiting Fuses	20					10.0	10.0					-	-	20.0
Mazama Upgrade Part 2 (Carryover)	40					10.0		10.0	-	10.0	10.0	-	-	40.0
Coordination Study (Partial Carryover)	-						-				-	-	-	-
Major Storm Damage	20			10.0					5.0	-	-	5.0		20.0
P and I 25 line monitor sensors (Partial Carryover)	20				20.0					-				20.0
Pole Inspections	-			-					-		-			-
Fire Retardant/Treatment on Poles	20						20.0							20.0
Meter Projects (replace CTs)	-													-
	-						-		-		-			-
Front Employee Parking	-													-
Heated Pressure Washer	-													-
Tools/Misc	-													-
Start Building Design based on Facility Planning S	-													-
	690.0	5.0	30.0	60.0	70.0	70.0	90.0	80.0	75.0	90.0	65.2	38.0	16.8	690.0
Total Crew Hours Available														
% of time Capitalized	2,080.0	173.3	173.3	173.3	173.3	173.3	173.3	173.3	173.3	173.3	173.3	173.3	173.3	
	33%	3%	17%	35%	40%	40%	52%	46%	43%	52%	38%	22%	10%	33%

OCEC Capital Budget Detail - Direct Line Crew Labor

\$ 204 Per Hour Direct Line crew charge for July to December

\$ 198 Per Hour Direct line Crew Charge for January to June

Project	Total	Jan	Feb	March	April	May	June	July	August	September	October	November	December
Members Requested Facilities (CIAC)	60,360	-	3,960	5,940	5,940	5,940	5,940	6,120	6,120	6,120	6,120	6,120	2,040
Replacements (Pole and Transformers)	20,070	990	1,980	1,980	1,980	1,980	1,980	2,040	2,040	2,040	1,061	612	1,387
Misc. URD/OH Replacement Projects	6,000	-	-	1,980	-	-	1,980	-	-	2,040	-	-	-
Replace 2500' of URD at Edelweiss - Part 4	14,280	-	-	-	-	-	-	4,080	4,080	4,080	2,040	-	-
Replacement - Studhorse - Part 3 (Carryover)	7,980	-	-	-	1,980	1,980	1,980	2,040	-	-	-	-	-
Replace Davis Lakes URD (Carryover)	6,120	-	-	-	-	-	-	-	2,040	2,040	2,040	-	-
Install 60 Current Limiting Fuses	3,960	-	-	-	-	1,980	1,980	-	-	-	-	-	-
Mazama Upgrade Part 2 (Carryover)	8,100	-	-	-	-	1,980	-	2,040	-	2,040	2,040	-	-
Coordination Study (Partial Carryover)	-	-	-	-	-	-	-	-	-	-	-	-	-
Major Storm Damage	4,020	-	-	1,980	-	-	-	-	1,020	-	-	1,020	-
P and I 25 line monitor sensors (Partial Carryo	3,960	-	-	-	3,960	-	-	-	-	-	-	-	-
Pole Inspections	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Retardant/Treatment on Poles	3,960	-	-	-	-	-	3,960	-	-	-	-	-	-
Meter Projects (replace CTs)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Front Employee Parking	-	-	-	-	-	-	-	-	-	-	-	-	-
Heated Pressure Washer	-	-	-	-	-	-	-	-	-	-	-	-	-
Tools/Misc	-	-	-	-	-	-	-	-	-	-	-	-	-
Start Building Design based on Facility Planning Study	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	138,810	990	5,940	11,880	13,860	13,860	17,820	16,320	15,300	18,360	13,301	7,752	3,427

Note: This page calculated from Direct Labor Hours page

OCEC Capital Budget Detail - 107.25 Labor

1.6 % times Direct Labor

Project	Total	Jan	Feb	March	April	May	June	July	August	September	October	November	December
Members Requested Facilities (CIAC)	96,576	-	6,336	9,504	9,504	9,504	9,504	9,792	9,792	9,792	9,792	9,792	3,264
Replacements (Pole and Transformers)	32,112	1,584	3,168	3,168	3,168	3,168	3,168	3,264	3,264	3,264	1,697	979	2,220
Misc. URD/OH Replacement Projects	9,600	-	-	3,168	-	-	3,168	-	-	3,264	-	-	-
Replace 2500' of URD at Edelweiss - Part 4	22,848	-	-	-	-	-	-	6,528	6,528	6,528	3,264	-	-
Replacement - Studhorse - Part 3 (Carryover)	12,768	-	-	-	3,168	3,168	3,168	3,264	-	-	-	-	-
Replace Davis Lakes URD (Carryover)	9,792	-	-	-	-	-	-	-	3,264	3,264	3,264	-	-
Install 60 Current Limiting Fuses	6,336	-	-	-	-	3,168	3,168	-	-	-	-	-	-
Mazama Upgrade Part 2 (Carryover)	12,960	-	-	-	-	3,168	-	3,264	-	3,264	3,264	-	-
Coordination Study (Partial Carryover)	-	-	-	-	-	-	-	-	-	-	-	-	-
Major Storm Damage	6,432	-	-	3,168	-	-	-	-	1,632	-	-	1,632	-
P and I 25 line monitor sensors (Partial Carryover)	6,336	-	-	-	6,336	-	-	-	-	-	-	-	-
Pole Inspections	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Retardant/Treatment on Poles	6,336	-	-	-	-	-	6,336	-	-	-	-	-	-
Meter Projects (replace CTs)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Front Employee Parking	-	-	-	-	-	-	-	-	-	-	-	-	-
Heated Pressure Washer	-	-	-	-	-	-	-	-	-	-	-	-	-
Tools/Misc	-	-	-	-	-	-	-	-	-	-	-	-	-
Start Building Design based on Facility Planning Study	-	-	-	-	-	-	-	-	-	-	-	-	-
	222,096	1,584	9,504	19,008	22,176	22,176	28,512	26,112	24,480	29,376	21,281	12,403	5,484

222,096

OCEC Capital Budget Detail - Materials

Project	Total	Jan	Feb	March	April	May	June	July	August	September	October	November	December	
Members Requested Facilities (CIAC)	60,000	-	4,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	2,000	60,000
Replacements (Pole and Transformers)	25,000	1,250	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	1,300	750	1,700	25,000
Misc. URD/OH Replacement Projects	10,000	-	-	3,333	-	-	3,333	-	-	3,333	-	-	-	10,000
Replace 2500' of URD at Edelweiss - Part 4	10,000	-	-	-	-	-	-	2,857	2,857	2,857	1,429	-	-	10,000
Replacement - Studhorse - Part 3 (Carryover)	10,000	-	-	-	2,500	2,500	2,500	2,500	-	-	-	-	-	10,000
Replace Davis Lakes URD (Carryover)	5,000	-	-	-	-	-	-	-	1,667	1,667	1,667	-	-	5,000
Install 60 Current Limiting Fuses	10,000	-	-	-	-	5,000	5,000	-	-	-	-	-	-	10,000
Mazama Upgrade Part 2 (Carryover)	10,000	-	-	-	-	2,500	-	2,500	-	2,500	2,500	-	-	10,000
Coordination Study (Partial Carryover)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Major Storm Damage	10,000	-	-	5,000	-	-	-	-	2,500	-	-	2,500	-	10,000
P and I 25 line monitor sensors (Partial Carryover)	36,000	-	-	-	36,000	-	-	-	-	-	-	-	-	36,000
Pole Inspections														-
Fire Retardant/Treatment on Poles	3,000	-	-	-	-	-	3,000	-	-	-	-	-	-	3,000
Meter Projects (replace CTs)														-
Front Employee Parking														-
Heated Pressure Washer	6,000					6,000	-							6,000
Tools/Misc	6,000				-		3,000				3,000			6,000
Start Building Design based on Facility Planning Study														
Subtotal Line work	201,000	1,250	6,500	16,833	47,000	24,500	25,333	16,357	15,524	18,857	15,895	9,250	3,700	201,000

OCEC Capital Budget Detail - Consultants - Contractors

Project	Total	Jan	Feb	March	April	May	June	July	August	September	October	November	December	
Members Requested Facilities (CIAC)													-	
Replacements (Pole and Transformers)													-	
Misc. URD/OH Replacement Projects	5,000							5,000					5,000	
Replace 2500' of URD at Edelweiss - Part 4	16,000									16,000			16,000	
Replacement - Studhorse - Part 3 (Carryover)	10,000										10,000		10,000	
Replace Davis Lakes URD (Carryover)	5,000								5,000				5,000	
Install 60 Current Limiting Fuses													-	
Mazama Upgrade Part 2 (Carryover)													-	
Coordination Study (Partial Carryover)	70,000			40,000			30,000				-		70,000	
Major Storm Damage	-												-	
P and I 25 line monitor sensors (Partial Carryover)	-												-	
Pole Inspections	10,000						10,000						10,000	
Fire Retardant/Treatment on Poles	-												-	
Meter Projects (replace CTs)	-												-	
Front Employee Parking	17,000				17,000								17,000	
Heated Pressure Washer	-												-	
Tools/Misc	-												-	
Start Building Design based on Facility Planning Study	45,000		20,000							25,000			45,000	
Total	178,000	-	20,000	40,000	17,000	-	40,000	5,000	5,000	41,000	10,000	-	-	178,000

Note:
This does not include contractors used for construction projects

OCEC Capital Budget Detail - Transportation

Transportation is 55% % of Direct Labor Costs

Project	Total	Jan	Feb	March	April	May	June	July	August	September	October	November	December	
Members Requested Facilities (CIAC)	33,198	-	2,178	3,267	3,267	3,267	3,267	3,366	3,366	3,366	3,366	3,366	1,122	
Replacements (Pole and Transformers)	11,039	545	1,089	1,089	1,089	1,089	1,089	1,122	1,122	1,122	583	337	763	
Misc. URD/OH Replacement Projects	3,300	-	-	1,089	-	-	1,089	-	-	1,122	-	-	-	
Replace 2500' of URD at Edelweiss - Part 4	7,854	-	-	-	-	-	-	2,244	2,244	2,244	1,122	-	-	
Replacement - Studhorse - Part 3 (Carryover)	4,389	-	-	-	1,089	1,089	1,089	1,122	-	-	-	-	-	
Replace Davis Lakes URD (Carryover)	3,366	-	-	-	-	-	-	-	1,122	1,122	1,122	-	-	
Install 60 Current Limiting Fuses	2,178	-	-	-	-	1,089	1,089	-	-	-	-	-	-	
Mazama Upgrade Part 2 (Carryover)	4,455	-	-	-	-	1,089	-	1,122	-	1,122	1,122	-	-	
Coordination Study (Partial Carryover)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Major Storm Damage	2,211	-	-	1,089	-	-	-	-	561	-	-	561	-	
P and I 25 line monitor sensors (Partial Carryover)	2,178	-	-	-	2,178	-	-	-	-	-	-	-	-	
Pole Inspections	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fire Retardant/Treatment on Poles	2,178	-	-	-	-	-	2,178	-	-	-	-	-	-	
Meter Projects (replace CTs)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Front Employee Parking	-	-	-	-	-	-	-	-	-	-	-	-	-	
Heated Pressure Washer	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tools/Misc	-	-	-	-	-	-	-	-	-	-	-	-	-	
Start Building Design based on Facility Planning Study	-	-	-	-	-	-	-	-	-	-	-	-	-	
	76,346	545	3,267	6,534	7,623	7,623	9,801	8,976	8,415	10,098	7,315	4,264	1,885	76,346

OCEC Capital Budget Detail - Benefits

70% of Labor Expenses

Project	Total	Jan	Feb	March	April	May	June	July	August	September	October	November	December
Members Requested Facilities (CIAC)	42,252	-	2,772	4,158	4,158	4,158	4,158	4,284	4,284	4,284	4,284	4,284	1,428
Replacements (Pole and Transformers)	14,049	693	1,386	1,386	1,386	1,386	1,386	1,428	1,428	1,428	743	428	971
Misc. URD/OH Replacement Projects	4,200	-	-	1,386	-	-	1,386	-	-	1,428	-	-	-
Replace 2500' of URD at Edelweiss - Part 4	9,996	-	-	-	-	-	-	2,856	2,856	2,856	1,428	-	-
Replacement - Studhorse - Part 3 (Carryover)	5,586	-	-	-	1,386	1,386	1,386	1,428	-	-	-	-	-
Replace Davis Lakes URD (Carryover)	4,284	-	-	-	-	-	-	-	1,428	1,428	1,428	-	-
Install 60 Current Limiting Fuses	2,772	-	-	-	-	1,386	1,386	-	-	-	-	-	-
Mazama Upgrade Part 2 (Carryover)	5,670	-	-	-	-	1,386	-	1,428	-	1,428	1,428	-	-
Coordination Study (Partial Carryover)	-	-	-	-	-	-	-	-	-	-	-	-	-
Major Storm Damage	2,814	-	-	1,386	-	-	-	-	714	-	-	714	-
P and I 25 line monitor sensors (Partial Carryover)	2,772	-	-	-	2,772	-	-	-	-	-	-	-	-
Pole Inspections	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Retardant/Treatment on Poles	2,772	-	-	-	-	-	2,772	-	-	-	-	-	-
Meter Projects (replace CTs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Front Employee Parking	-	-	-	-	-	-	-	-	-	-	-	-	-
Heated Pressure Washer	-	-	-	-	-	-	-	-	-	-	-	-	-
Tools/Misc	-	-	-	-	-	-	-	-	-	-	-	-	-
Start Building Design based on Facility Planning Study	-	-	-	-	-	-	-	-	-	-	-	-	-
	97,167	693	4,158	8,316	9,702	9,702	12,474	11,424	10,710	12,852	9,311	5,426	2,399

OCEC Capital Budget Detail - Vehicles

Project	Total	Jan	Feb	March	April	May	June	July	August	September	October	November	December
Replace # 4	150,000								-	150,000	-	-	
	-												
	-									-			
Totals	150,000	-	-	-	-	-	-	-	-	150,000	-	-	-

2021 Capital Budget – Contents

- Assessment of Capital Assets
- Status of 2020 Capital Budget Projects
- Ten Year Vehicle Replacement Schedule
- Ramifications of the Large 2021 CIAC Level on the Capital Budget
- Major Differences in 2020 and 2021 Capital Budgets
- Future Facility Construction Plans
- Capital Budget Summary

2021 Capital Budget – Assessment of Capital Assets – Page 1 of 2

- OCEC’s distribution system is in good condition. This capital budget is focused on new member construction, miscellaneous projects, pole replacements, replacement of underground systems due to the age of these facilities, and the continuation of the Mazama project.
- The OCEC office building is in good condition other than a shortage of space. There was one minor project in the 2020 Capital Budget to add employee parking in the front. This project was approved in the 2020 budget but at a lower funding level. This revised request incorporates the amount from the bid received.
- There is a project to start implementing the long-term facility plan. This is dependent on the Board approval of the long-term facility plan.

2021 Capital Budget – Assessment of Capital Assets – Page 2 of 2

Vehicles are in relatively good shape. See the next page for long term vehicle changeout schedule. Normal vehicle changeouts included in this budget are:

- Replace 1999 Freightliner for \$150,000.

Ten Year Vehicle Budget

Vehicle Replacements Details	Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
#2 3/4 Ton Service Truck	2003					150,000					
#4 Freightliner	1999	150,000									
#5 3/4 Ton Service Truck	2000							150000			
#6 F-150	2006							50000			
#7 Bucket Truck	1996		150,000								150000
#9 Toyota	2002								20000		
#10 ford F550	2009									50000	
#11 Chevy Silverado	2012				30,000						40000
#12 Dodge Ram 5500	2015			200,000							
#14 Dodge Ram 5500	2018									150000	
#16 Chip Truck	1991				100,000						
#18 Freightliner	2013						275,000				
#19 Tahoe	2015		70,000						80000		
Chipper	2010								30000		
Mini-Excavator											
Backhoe	2007								40000		
Total Transportation		150,000	220,000	200,000	130,000	150,000	275,000	200,000	170,000	200,000	190,000

Disclaimer - Vehicles in outlier years are "Rough Estimates" at this time.

Status of 2020 Capital Budget Projects

Page 1 of 2

- ▶ CIAC (New Member Construction) in 2020 was much more than planned. We believe this was due to an influx of people leaving large cities for rural areas because of COVID-19. We do not expect this trend to continue but we discuss options later in the document if it does continue.
- ▶ Because of the focus on CIAC (New Member Construction), a few replacement projects and the next phase of the Mazama project were delayed until 2021. These were carried over to this budget.
- ▶ Replace 2,500' of underground wire in Stud Horse (Part 2) – Carryover
- ▶ Replace 2,500' of underground wire in Edelweiss (Part 2) – Completed
- ▶ Install 12 line monitors. Project approval was delayed. Line monitors are on order. Project will be completed in winter after construction season is over.

Status of 2020 Capital Budget Projects

Page 2 of 2

- ▶ Pole Inspections – Completed
- ▶ We plan to start coordination/fault study after construction season because of engineering personnel availability . Held over for 2021. The agreement with the consultant has been executed.
- ▶ Received new truck and snow track Polaris Ranger
- ▶ Fire Retardant – Completed
- ▶ Front Employee parking – Project is being resubmitted with revised bid in this budget.

Ramifications of the Large 2020 CIAC Level on the Capital Budget

- ▶ Because of a surge in CIAC projects in 2020, we delayed some of the underground replacement projects and Part 2 of the Mazama project to focus on new customer construction.
- ▶ The underground replacement projects are being done pro-actively and can be delayed a few years without any adverse effects. If CIAC is close to the same levels in 2021 as 2020, we plan to delay these again.
- ▶ The delay in the Mazama project should not be a problem. In 2020 we balanced some load on the phases in the area and this will raise voltages for the more heavily loaded phases. We have not encountered any low voltages during peak loads. The consultant will run a load flow model for Mazama in early 2021 and we will look at the results of this study to help determine timing to complete the project before any problems occur.
- ▶ Staff does not think that bringing in outside construction contractors to do work on the delayed projects is necessary at this time. This would cause a major increase in marginal costs and, as of this time, is not warranted.

Major Differences Between 2020 and 2021 Capital Budgets – Page 1 of 2

The 2021 capital budget is around 9.4 % smaller than in 2020.
The major differences are:

- A) Scheduled personnel reduction on the line crew due to a retirement lowered the 2021 capital budget.
- B) Transformer Purchases were decreased by \$70,000 to \$80,000. This is because some of the transformers purchased in 2020 are for the Mazama project.

Future Facility Construction Plans

- OCEC currently has consultants assisting in the long-term design of facility modifications. The goal is to identify the facility needs over the next twenty years and design a facility lay-out that meets current needs and is expandable to allow for future needs.
- The reasons for needing to develop a long-term plan of facility modifications are:
 - Severe overcrowding of certain offices
 - Need for a separate office for propane manager
 - End of useful life for the old pole barn that is currently used as truck storage
 - Recently acquired use of additional raw land adjacent to the current complex
 - Recently acquired possession of a house next to current complex
 - Additional room needed for IT Tech and file storage
 - Need for a conference room big enough for staff.
- The consultants will make a presentation to the Board on November 17th.
- Included in the 2021 capital budget is money to begin design work on what the Board ultimately approves for the first phase.
- Staff contemplates returning to the Board in 2021 to get approval to bid out and award the first phase for construction in 2022.

2021 Capital Budget Summary – Page 1 of 3

		2021 Budget
Members Requested Facilities (CIAC)		\$292,386
Replacements (Pole and Transformers)		102,270
Misc. URD/OH Projects		38,100
Replace 2,500' of URD at Edelweiss (Part 3)		80,978
Continued Replacement - Studhorse – Part 3		50,723
Replace Davis Lakes URD		33,562
Install 60 current limiting fuses		25,246

2021 Capital Budget Summary – Page 2 of 3

		2021 Budget
Mazama Circuit Upgrade – Phase 2		41,185
Coordination/Fault Study		70,000
Major Storm Damage		25,477
P&I Twenty-Five Line Monitor Sensors		51,246
Pole Inspections		10,000
Fire Retardant		18,246

Capital Budget Summary – Page 3 of 3

			2021 Budget
Employee Parking			17,000
Heated Water Pressure			6,000
Tools/Misc			6,000
Facility Design			45,000
Subtotal Work Order Projects			\$913,419
Less Member contribution (CIAC)			\$374,000
Total Work Order Projects less CIAC			\$539,419
Meter Purchases			80,000
Computer and Software Upgrades			18,000
Transformer Purchases			80,000
Vehicle Additions and Replacements			150,000
Total Capital Budget			\$867,419



Resolution 2020-02

Pacific Northwest Generating Cooperative

Certificate of Director Nomination

I, **Alan Watson**, do hereby certify that I am secretary of **Okanogan County Electric Cooperative Inc.**, hereinafter called the "Cooperative," and I further certify that:

The Board of Directors of the Cooperative adopted a resolution nominating **David Gottula** as a Director of the Pacific Northwest Generating Cooperative, at a meeting held September 29, 2020;

The said resolution was entered into the minute book of the Cooperative;

The meeting was duly held in accordance with the bylaws of the Cooperative; and,

The resolution has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Cooperative this 29th day of September, 2020.

Secretary

(SEAL)



Pacific Northwest Generating Cooperative

Certificate of Designated Membership Representative or Alternate

I, **Alan Watson** , do hereby certify that I am secretary of **Okanogan County Electric Cooperative Inc.**, hereinafter called the “Cooperative,” and that **David Gottula** is the designated membership representative of the Cooperative, and that **Dale Sekijima, President** is the designated alternate of the Cooperative for voting purposes at membership meetings of the Pacific Northwest Generating Cooperative.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Cooperative this 29th day of September, 2020.

Secretary

(SEAL)

President