



1:30 PM – Presentation from Cooperative Building Solutions on Long Term Facility Plans (Link on Separate Zoom Email)

**BOARD OF DIRECTORS MEETING
November 17th, 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 October 26th, 2020
 - b) New Members
 - c) October 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 – November 3rd – David, Sara, Alan, Dale, and Michael (**Tab 3 Contains the Costs of Belonging to PNGC for the last Three Years.**)

b) WRECA Special Board Meeting - November 2nd -
David

8. Meetings to Attend

a) PNGC December Board Meeting – December 1st
and 2nd - David and Board Members Who Can
Attend

b) WRECA Quarterly Board Meeting – December 8th -
David

9. General Managers Report (Tab 4)

a) Office Update

b) Operations Update

c) Propane Update

ITEMS OF BUSINESS

1. Approve – Long Term Facility Plan

2. Discussion - 2021 O&M Budget **(Tab 5)**

3. Approve – Member Estate Payout over \$2,500

4. Discussion – Increase in Compensation for Board
Members **(Tab 6 is the Existing Policy 10-070)**

5. Board Self-Assessment **(Tab 7)**

OPEN FLOOR FOR BOARD MEMBERS

EXECUTIVE SESSION

- GM's 2020/2021 Goals Discussion
- Board Only Discussion



BOARD MEETING

October 26, 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.

Members:

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

Ray Peterson comments: he is interested in the current status on the broadband internet infrastructure project; item no. 4 EV discussion and possible second meter options; and, whether the member communications can be moved to the end of the meeting.

Dale suggested allowing member communications during the Open Floor for Board Members. Hearing no objections from the Board, Ray will be invited to comment at that time.

5. APPROVAL OF CONSENT AGENDA ITEMS

Sara emailed in corrections to the minutes:

Page 2, Item 7.b): Add ...is **due** the first...to the last line. Also in the last line, change to read ...meeting **in** 2021...

Page 3, Item 9, last paragraph: Add a period (.) to the penultimate sentence.

Consent Agenda approved as amended by Board consensus.

6. COMMITTEE REPORT

Governance Committee: Michael Murray reported the committee met and discussed:

1. Gathering feedback on the proposed General Manager Assessment and Evaluation Tool
2. Additional GM goals for 2021
3. Working on a draft for Board Self-Assessment

7. MEETINGS ATTENDED

- a) PNGC Annual Meeting and October Board Meeting – October 6th - David

David reviewed the October PNGC Board meeting regarding PNGC management fees associated with PNGC membership. A document showing fiscal 2019 and projected 2020 fees had been previously forwarded to the OCEC Board. David noted that in FY 2019 net membership expense was \$-2005. He will update FY 2020 projections when FY 2020 data is available. David will also include an estimate of the full cost of PNGC membership post 2028 in the Power Options paper under development.

David will email the PNGC November 3rd and 4th board meeting agenda to the Board for those Board members attending the web-based meeting.

8. MEETINGS TO ATTEND

- a) PNGC November Board Meeting – November 3rd - David
- b) Cooperative Building Solutions – Presentation – November 17th – 1:30 PM (Before Board Meeting)

9. GENERAL MANAGERS REPORT

Written report reviewed.

David informed the Board that Teri Parker is retiring on October 29th and this is her last board meeting.

a) Operations Update

Glenn reported that we are completing remaining jobs before the snow halts outside work. Engineering is working on closing out open work orders. He also discussed the recent system wide outage in the Methow Valley.

b) Office Update

No report.

c) OCEI Propane Update

Tracy will discuss during Subsidiary Update in the Executive Session.

ITEMS OF BUSINESS

1. Update – 2021 All Risk Blanket Liability, Officers, and Directors Liability, and Umbrella Insurance

David reviewed and discussed OCEC insurance coverage for 2021. We are covered through Federated Rural Insurance Exchange (Federated), an insurance cooperative for co-ops. Federated has informed us that they are having a difficult time obtaining quotes on OCEC's requested \$5 million excess liability policy. This is a policy external to Federated. Federated thinks the cost of an excess liability policy, assuming availability will exceed its risk benefit. Federated has stated that they will have a quote for \$12 mil which will be per occurrence. OCEC's previous insurance company did not include a "per occurrence" feature clause. David expects to have a quote by the November board meeting.

The Board requested definition of "per occurrence".

2. Approve – 2020 Capital Credit Retirement

Alan Watson moved to retire capital credits for the years 2003 and 2004 not to exceed \$361,011.00. Sara seconded. Motion passed.

3. Approve – 2021 Capital Budget

David noted a motion is needed to approve the 2021 Capital Budget. It will be rolled into the regular 2021 budget for final approval at the December board meeting.

Alan Watson moved to accept the 2021 Capital Budget as presented. John Kirner seconded. Discussion followed.

Michael requested a definition of CIAC and clarification of how it relates to OCEC's finances.

David discussed the Mazama project load flow model and timing of work completed. OCEC recently balanced various circuits in the upper valley to reduce peak winter loads on Mazama area circuits. He noted the Engineering staff will meet with consultants in early December to start the process of running a load flow model on the Mazama feeder. This should give us an estimate of the amount of time before a problem develops. Staff will also monitor voltage during peak conditions in February.

After discussion, Dale called for a vote. Motion passed.

4. Discussion – Electric Vehicle (EV) Recommendations

David sent a draft document titled "Engaging the Emerging Electric Vehicle Boom at OCEC" for comments from the Board. Various utilities in the Northwest are estimating that EV's could ultimately increase electric load at utilities by 20%. David asked for feedback from the board to guide his direction of research. The Board directed David to include the following additional items in the paper:

- Include a pro-forma business case for members and commercial entities to use in developing behind the meter EV charging installations. This would include examples of project schematics, Co-op hook up requirements, lists of materials needed, and cost/benefit analysis.
- Develop various OCEC policies for EVs including cost of transformers, 2nd meters for EV sites.
- Develop a policy on EV charging rates.
- Work with consultant to develop time-of-use rate for EV's. Quantify necessary facility requirements needed including additional metering etc.

- Include a cost-benefit analysis of doing nothing on EVs.
- Include a cost-benefit analysis of the entire EV program when it is completed.
- Develop a technical prototype, subsequent cost/benefit analysis and necessary policies of actively controlling EV chargers behind the meter.

David thanked the Board for feedback and will continue working on his report into 2021. David will include funding in the 2021 budget for consultants to assist in additional analysis for this project.

5. Discussion – USDA Loan Program for Energy Efficiency and EV Chargers

Lynn presented a Rural Energy Savings Program (RESP) outline, as requested by the board, for discussion and approval. She noted that to apply for the funds she will need to write a letter of intent to define OCEC's proposed project and an outline of a working plan to be implemented.

The board held a very detailed discussion of what a loan program should look like with many different ideas presented. No agreement was reached at this time. As this is part of Managements goals Lynn will come back to the board with a broader loan program that can reach more energy efficiency services.

6. Approval – Network Operating Agreement between BPA and OCEC (Note – Exhibit A is still in the process of being revised).

David asked for a motion to allow him to sign the agreement for a Network Operating Agreement between BPA and OCEC, noting that Exhibit A is in the process of being revised. Exhibit A identifies agreements between the Parties and are for reference only. The agreement is designed to coordinate network transmission service with BPA. This agreement was negotiated on OCEC's behalf by PNGC. As part of BPA's last rate case.

Alan Watson moved to allow the General Manager, David Gottula, to sign the Network Operating Agreement between BPA and OCEC and allowing David to finalizing Exhibit A containing previous agreements with BPA. Seconded.

After a long discussion Dale called for a vote: Motion passed with five (5) yes votes and one (1) no vote by John Kirner.

7. Discussion – Draft Policy for GM Evaluation and Compensation

Michael Murray presented the draft policy for General Manager Evaluation and Compensation for review. He noted the form is based on the NRECA CEO/GM Appraisal and reviewed the performance monitoring schedule.

OPEN FLOOR FOR BOARD MEMBERS

Ray Peterson provided comments: He noted he was interested an update on the broadband internet infrastructure project.

David said that the Methow Valley Broadband plan is complete and he will send a copy to Ray. He also mentioned that there are some very large grant opportunities in 2021 for fiber deployment. The consultant who developed the broadband buildout plan for the valley is ready (pending additional funding) to help develop grant applications. With the PUD not interested in projects outside their electric service territory, the problem is one of finding an entity that wants to deploy and operate the fiber in the upper valley.

Meeting adjourned to Executive Session at 5:25 pm.

EXECUTIVE SESSION

1. Subsidiary Update
2. 3rd Quarter GM Goals Review
3. Review GM Review Process
4. Board Only Discussion

Alan Watson, Secretary



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	10/31/2020

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION CHOICES							
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; background-color: red; margin: 5px; display: flex; align-items: center; justify-content: center;">8</div> <div style="margin: 5px; color: red;">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; color: yellow;">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; color: green;">Matches</div> </div> </div>	A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"> <div style="display: flex; justify-content: space-between;"> <div style="font-family: cursive; font-size: 1.2em; color: blue;">[Signature]</div> <div style="font-size: 0.8em;">11/10/20</div> </div> </td> <td style="width: 40%; border-bottom: 1px solid black; text-align: center;">Date</td> </tr> <tr> <td style="border-bottom: 1px solid black;"> <div style="display: flex; justify-content: space-between;"> <div style="font-family: cursive; font-size: 1.2em; color: black;">[Signature]</div> <div style="font-size: 0.8em;">11/10/20</div> </div> </td> <td style="border-bottom: 1px solid black; text-align: center;">Date</td> </tr> <tr> <td colspan="2"> Signature of Office Manager or Accountant </td> </tr> <tr> <td colspan="2"> Signature of Manager </td> </tr> </table>		<div style="display: flex; justify-content: space-between;"> <div style="font-family: cursive; font-size: 1.2em; color: blue;">[Signature]</div> <div style="font-size: 0.8em;">11/10/20</div> </div>	Date	<div style="display: flex; justify-content: space-between;"> <div style="font-family: cursive; font-size: 1.2em; color: black;">[Signature]</div> <div style="font-size: 0.8em;">11/10/20</div> </div>	Date	Signature of Office Manager or Accountant		Signature of Manager	
<div style="display: flex; justify-content: space-between;"> <div style="font-family: cursive; font-size: 1.2em; color: blue;">[Signature]</div> <div style="font-size: 0.8em;">11/10/20</div> </div>	Date								
<div style="display: flex; justify-content: space-between;"> <div style="font-family: cursive; font-size: 1.2em; color: black;">[Signature]</div> <div style="font-size: 0.8em;">11/10/20</div> </div>	Date								
Signature of Office Manager or Accountant									
Signature of Manager									
		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	4,754,808	4,704,974	4,436,240	451,297
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	2,367,585	2,373,016	2,176,821	247,820
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	90,107	85,411	90,501	4,553
7. Distribution Expense - Maintenance	551,800	505,318	540,391	48,878
8. Consumer Accounts Expense	246,765	272,357	263,060	30,274
9. Customer Service and Informational Expense	4,382	5,489	2,900	290
10. Sales Expense	5,233	3,310	(750)	8,529
11. Administrative and General Expense	631,757	642,977	675,756	58,058
12. Total Operation & Maintenance Expense (2 thru 11)	3,897,629	3,887,878	3,748,679	398,403
13. Depreciation & Amortization Expense	313,931	318,873	318,164	32,581
14. Tax Expense - Property & Gross Receipts	37,661	37,064	37,198	3,705
15. Tax Expense - Other	146,173	144,759	154,556	13,628
16. Interest on Long-Term Debt	162,502	165,587	165,936	16,249
17. Interest Charged to Construction (Credit)	(430)	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)	4,557,466	4,554,161	4,424,533	464,566
21. Patronage Capital & Operating Margins (1 minus 20)	197,343	150,814	11,708	(13,269)
22. Non Operating Margins - Interest	22,572	29,768	48,817	2,163
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	22,143	13,189	0	0
25. Non Operating Margins - Other	15,750	29,000	29,000	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)	257,807	222,771	89,525	(8,206)

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	48	65	5. Miles Transmission	0	0
2. Services Retired	6	3	6. Miles Distribution Overhead	303	185
3. Total Services In Place	3,824	3,902	7. Miles Distribution Underground	221	243
4. Idle Services (Exclude Seasonal)	98	94	8. Total Miles Energized (5+6+7)	524	428



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County
	BORROWER DESIGNATION	WA032
	ENDING DATE	10/31/2020

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	15,337,287	29. Memberships	16,710
2. Construction Work in Progress	(974)	30. Patronage Capital	8,076,919
3. Total Utility Plant (1+2)	15,336,313	31. Operating Margins - Prior Years	596,796
4. Accum. Provision for Depreciation and Amort	5,243,733	32. Operating Margins - Current Year	193,771
5. Net Utility Plant (3-4)	10,092,580	33. Non-Operating Margins	29,000
6. Nonutility Property - Net	0	34. Other Margins & Equities	914,116
7. Investment in Subsidiary Companies	912,874	35. Total Margins & Equities (29 thru 34)	9,827,312
8. Invest. in Assoc. Org. - Patronage Capital	379,471	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,446,538
10. Invest in Assoc. Org. - Other - Nongeneral Funds	137,958	38. Total Long-Term Debt (36 + 37)	3,446,538
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)	1,443,803	42. Notes Payable	0
15. Cash-General Funds	467,881	43. Accounts Payable	362,471
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	163,883
17. Special Deposits	241,282	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	449,303	48. Other Current & Accrued Liabilities	202,484
21. Accounts Receivable - Net Other	803,684	49. Total Current & Accrued Liabilities (42 thru 48)	728,838
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	351,429	51. Total Liabilities & Other Credits (35+38+41+49+50)	14,002,688
24. Prepayments	13,299	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)	2,466,305	Amounts Received This Year (Net)	777,205
27. Deferred Debits	(0)	TOTAL Contributions-In-Aid-Of-Construction	777,205
28. Total Assets & Other Debits (5+14+26+27)	14,002,688		

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

October 31, 2020

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,654,347	\$4,436,240	\$4,704,974	\$405,437	\$451,297
COST OF POWER	\$2,734,985	\$2,176,821	\$2,373,016	\$177,260	\$247,820
GROSS MARGINS	\$2,919,362	\$2,259,419	\$2,331,958	\$228,177	\$203,477
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$101,317	\$90,501	\$85,411	\$10,124	\$4,553
DISTRIBUTION MAINTENANCE	\$652,886	\$540,391	\$505,318	\$56,251	\$48,878
CONSUMER ACCOUNTING	\$305,641	\$263,060	\$272,357	\$27,120	\$30,274
CONSUMER SERVICE & INFO	\$3,480	\$2,900	\$5,489	\$290	\$290
SALES EXPENSE	-\$1,500	-\$750	\$3,310	\$0	\$8,529
ADMIN & GENERAL	\$811,948	\$675,756	\$642,977	\$75,088	\$58,058
<i>TOTAL OPERATING EXPENSES</i>	\$1,873,772	\$1,571,858	\$1,514,862	\$168,873	\$150,583
FIXED EXPENSES:					
DEPRECIATION	\$385,564	\$318,164	\$318,873	\$32,825	\$32,581
TAXES-PROPERTY	\$44,640	\$37,198	\$37,064	\$3,720	\$3,705
TAXES-OTHER	\$184,115	\$154,556	\$144,759	\$14,781	\$13,628
INTEREST	\$198,368	\$165,936	\$165,587	\$16,218	\$16,249
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<i>TOTAL FIXED EXPENSES</i>	\$812,686	\$675,854	\$666,283	\$67,544	\$66,163
TOTAL EXPENSES	\$2,686,458	\$2,247,712	\$2,181,145	\$236,417	\$216,746
OPERATING MARGINS	\$232,905	\$11,708	\$150,814	-\$8,240	-\$13,269
NONOPERATING MARGINS:					
INTEREST	\$70,261	\$48,817	\$42,957	\$2,165	\$2,163
OTHER	\$34,800	\$29,000	\$29,000	\$2,900	\$2,900
NET MARGINS	\$337,966	\$89,525	\$222,771	-\$3,175	-\$8,206
T.I.E.R.	2.70	1.54	2.35	0.80	0.49

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
October-20

	July 2020	August 2020	September 2020	October 2020	October 2019
POWER DATA:					
COST OF POWER	\$200,127	\$201,959	\$202,054	\$247,820	\$255,924
KWH PURCHASED	4,408,340	4,422,285	3,736,810	5,062,645	5,146,360
KWH SOLD & OCEC USE	4,021,165	4,029,051	3,527,506	4,399,801	4,782,885
KWH LOST	387,175	393,234	209,304	662,844	363,475
LINE LOSS %	8.78%	8.89%	5.60%	13.09%	7.06%
COST PER KWH	\$0.0454	\$0.0457	\$0.0541	\$0.0490	\$0.0497
BILLING DATA:					
ACCOUNTS BILLED	3,883	3,893	3,897	3,911	3,807
AVG. KWH/CONSUMER	1,036	1,035	905	1,125	1,256
BILLING REVENUE	\$420,197	\$418,982	\$391,815	\$450,567	\$472,001
AVERAGE BILL	\$108.21	\$107.62	\$100.54	\$115.21	\$123.98
REVENUE/KWH SOLD	\$0.1045	\$0.1040	\$0.1111	\$0.1024	\$0.0987
SERVICE DATA:					
NEW	12	11	6	12	5
RETIRED	0	1	0	0	0
TOTAL END OF MONTH	3874	3884	3890	3902	3824
IDLE SERVICES	97	95	95	96	98
TRANSPORTATION:					
TOTAL MILES	6,813	11,750	6,035	8,140	7,967
COST OF OPERATION	\$17,188	\$22,006	\$18,508	\$16,468	\$18,098
AVG. COST PER MILE	\$2.523	\$1.873	\$3.067	\$2.023	\$2.272
MATERIALS:					
ISSUES	\$29,854	\$15,521	\$38,166	\$21,502	\$21,667
INVENTORY	\$328,222	\$351,237	\$364,234	\$351,429	\$264,477

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

	Current Month			Year to Date			Annual	Annual	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance	
Member Requested Facilities	73,538.66	36,306.00	37,232.66	402,991.34	250,680.00	152,311.34	299,085.00	(103,906.34)	
Replacements (Poles & Transformers)	28,454.20	6,345.00	22,109.20	191,807.10	108,159.00	83,648.10	120,114.00	(71,693.10)	
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	9,333.94	15,559.00	(6,225.06)	84,144.29	108,913.00	(24,768.71)	108,914.00	24,769.71	
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	39,105.00	(39,105.00)	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	12,202.00	(12,202.00)	0.00	48,462.00	(48,462.00)	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	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	35,446.80	54,711.00	(19,264.20)	54,711.00	19,264.20	
Pole Inspections	0.00	0.00	0.00	4,587.07	10,000.00	(5,412.93)	10,000.00	5,412.93	
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	0.00	0.00	0.00	10,000.00	(10,000.00)	10,000.00	10,000.00	
subtotal	111,326.80	83,447.00	27,879.80	727,668.55	737,718.00	(10,049.45)	851,334.00	123,665.45	
Un Allocated Overhead	32,602.20			32,602.20	0.00	32,602.20			
Member CIAC	CIAC	(57,624.00)	(21,352.00)	(36,272.00)	(777,204.51)	(374,000.00)	(403,204.51)	(374,000.00)	403,204.51
Total less CIAC	86,305.00	62,095.00	24,210.00	(16,933.76)	363,718.00	(380,651.76)	477,334.00		
* \$133,415.11 holding in CIAC 10/31/20									
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	0.00	0.00	0.00	104,300.32	90,000.00	14,300.32	195,000.00	90,699.68	
New Phone System	7,500.64	0.00	7,500.64	7,500.64	10,000.00	(2,499.36)	10,000.00	2,499.36	
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	3,000.00	(3,000.00)	5,398.67	6,000.00	(601.33)	6,000.00	601.33	
Facility Planning Study	16,707.26	45,000.00	(28,292.74)	30,816.21	45,000.00	(14,183.79)	45,000.00	14,183.79	
Office Furnace Replacement	13,712.60	0.00	13,712.60	13,712.60	0.00	13,712.60	0.00	(13,712.60)	
Gutters	1,087.47	0.00	1,087.47	1,087.47	0.00	1,087.47	0.00	(1,087.47)	
Building Lock Replacement	6,560.41	0.00	6,560.41	6,560.41	0.00	6,560.41	0.00	(6,560.41)	
Total	45,568.38	48,000.00	(2,431.62)	359,980.90	307,000.00	31,620.42	480,000.00	120,594.46	
Total Capital Budget less CIAC	131,873.38	110,095.00	21,778.38	343,047.14	670,718.00	(349,031.34)	957,334.00	647,464.42	

* Note

	Line Crew	Materials	107.25	Consultants	Transportation	Benefits	Total
	Direct Labor		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	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	17,234.91	31,455.78	25,000.00	0.00	4,907.01	12,012.04	90,609.74
October	24,071.77	27,041.53	34,000.00	0.00	8,912.02	17,301.48	111,326.80
November							0.00
December							0.00
	145,895.28	192,817.61	195,100.00	0.00	57,084.41	101,014.45	691,911.75

* 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												Actual/Forecasted	
	2019	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	\$122,482	(\$8,206)	\$126,963	\$121,474
Plus Depreciation Expense	\$0	\$385,564	\$31,575	\$31,600	\$31,520	\$31,528	\$31,569	\$31,789	\$32,289	\$32,240	\$32,181	\$32,581	\$32,825	\$34,575
Less Capital Credit Allocations	\$0	\$0	(\$1,527)	(\$413)	(\$1,478)	\$0	(\$72)	(\$47)	\$2,794	(\$1,078)	\$30	\$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	\$154,692	\$24,376	\$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)	(\$8,017)	(\$6,183)	(\$6,225)	(\$6,267)	(\$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	(\$46,702)	\$4,862	(\$125,656)	\$96,148	\$597	\$597
Accounts Receivable - Other (Net)	\$0	(\$53,222)	\$33,608	\$6,158	\$18,185	\$5,220	\$3,721	\$18,245	\$8,325	\$6,183	\$11,728	\$6,267	\$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	(\$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
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	\$41,188	\$127,174	\$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	\$11,846	\$41,023	\$29,465	(\$75,937)	\$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	(\$68,571)	(\$66,542)	\$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	(\$39,106)	(\$142,479)	\$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	\$2,083	(\$15,306)	\$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)	(\$217,249)	(\$78,755)	(\$26,218)	(\$58,578)	(\$97,443)	(\$97,443)
Cost to Retire Utility Plant	\$0	\$0	(\$13,537)	\$4,664	\$4,783	\$6,731	\$914	(\$1,470)	\$3,295	(\$5,411)	(\$1,041)	(\$5,344)	\$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)	(\$124,768)	(\$65,547)	(\$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	\$99,880	\$139,742	\$106,775	\$57,624	\$27,970	\$0
Total Other Property and Investments	\$0	\$0	\$1,281	\$0	\$161	\$0	\$0	\$0	\$0	\$0	\$154	\$5,200	\$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)	(\$12,997)	\$12,805	\$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)	(\$58,094)	(\$53,840)	(\$77,091)	(\$105,061)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$361,881)												(\$361,881)
LT Debt - Additional Debt	\$0	\$530,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$170,000	\$360,000
LT Debt - Debt Service Payment	\$0	(\$161,676)	\$0	\$0	(\$39,493)	\$0	\$0	(\$40,060)	\$0	\$0	(\$40,636)	\$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	(\$40,636)	\$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	\$45	\$65	\$65	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$350	(\$100)	\$300	\$250	\$1,800	\$959	\$293	\$665	\$555	(\$750)	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	\$6,443	\$340	(\$85)	(\$39,168)	\$220	\$1,855	(\$39,016)	\$338	\$730	(\$40,016)	(\$750)	\$170,000	(\$43,166)
CASH FROM ALL ACTIVITIES	\$0	(\$89,335)	(\$33,051)	\$50,982	\$77,479	(\$26,778)	\$24,432	(\$5,404)	\$32,939	\$33,644	(\$96,027)	(\$69,896)	\$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	\$537,777	\$467,881	\$727,825
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	\$537,777	\$467,881	\$727,825	\$742,893

Costs of PNGC Membership for OCEC

	FY 2018	FY 2019	FY2020
Management Charge	\$ 86,076	\$ 89,604	\$ 89,110
Less Coffin Butte Credit	\$ (29,952)	\$ (28,764)	\$ (38,865)
Part A Charge	\$ 13,692	\$ 14,868	\$ 16,789
Part B Charge	\$ 1,224	\$ 1,080	\$ 1,873
Total Charges through monthly Billing	\$ 71,040	\$ 76,788	\$ 68,907
 <i>Less End of Year Adjustments</i>			
Management Charge Adjustment	\$ (10,564)	\$ (22,896)	\$ (2,169)
Coffin Butte Credit Adjustment	\$ 11,669	\$ 5,976	\$ 6,768
Part A Adjustment	\$ (697)	\$ (1,820)	\$ (381)
Part B Adjustment	\$ (84)	\$ 121	\$ (526)
Credit for Demand Savings	\$ (39,395)	\$ (60,174)	\$ (39,366)
Net Cost	\$ 31,969	\$ (2,005)	\$ 33,233
 PNGC Margin Contribution	 \$ 15,861	 \$ 16,339	 \$ 16,556
Net Cost plus Margin Contribution	\$ 47,830	\$ 14,334	\$ 49,789
 Upcoming November Power Bill Charge/(Credit)	 \$ (39,071)	 \$ (78,793)	 \$ (35,674)

General Manager's Report to the Board – November 2020

General Discussion:

- Just to update, OCEC has resumed limited walk-in operations in our office for our members to transact business. Normal COVID-19 restrictions such as one member at a time in the lobby and requiring masks are in place. We plan to continue keeping the Board Room closed to the public for the foreseeable future. Also, we resumed a Monday to Friday, 8AM to 4:30 PM schedule in our office on November 1st.
- For new member construction, the recent good weather has allowed us to keep our focus on getting power to new members that are ready for power. We are up to date on new projects and have around ten open projects that are not ready for our crews. We will work on these as they become ready until the construction season is shut down by snow.
- Included in the Board package under Tab 3 is a summary of PNGC costs for the last three years. The costs for FY 2020 were similar to the costs of FY 2018. In FY 2019, we incurred a lot of savings from the RDDR (demand savings). Because of the departure of UEC and their high loads, PNGC staff advises to expect lower RDDR savings in the future. I will include a pro-forma PNGC bill in the "OCEC Power Options" paper that looks at recent changes in the PNGC rates and other upcoming changes that will affect our PNGC bill over the next few years.
- In December at the PNGC Board meeting, we will be discussing return of the PNGC Capital certificates to members. For OCEC, this amounts to a return of capital from PNGC of around \$130k. I have been pushing for this for over a year. This has the dual advantage of returning capital to members plus also lowering capital requirements for new potential members of PNGC.
- On November 12th, BPA announced that it is projecting a 11.5% transmission rate increase for BP-22 followed by another double-digit rate increase in 2024. Given that power is roughly 15 to 20% of the total power bill, this is a (very roughly) 2% increase on our total bills on each of the next two rate periods even before any power increases.

Financial Discussion:

- **Discussion of Variances** – The largest variance in October is from the Gross Margins. The below chart illustrates this variance.

	Budgetted	Actual	Delta
Revenues	\$ 405,437	\$ 451,297	\$ 45,860
Purchase Power	\$ 177,260	\$ 247,820	\$ 70,560
Gross Margins	\$ 228,177	\$ 203,477	\$ (24,700)

The cold snap we had in October produced demand charges on our power bill that outweighed the additional revenues from that period.

For the year-to-date, all O&M expenses are close to budgeted figures. For operating expenses, we are \$57k (or 3.6%) under budget. The largest variance is in A&G which is \$33k under budget. The major reason for this variance is work we did for Nespelem Valley Electric during the wildfire recovery.

- On the capital budget, we are very close to the total budgeted amount of capital expenditures (not counting CIAC credit). The surge in new member construction work has shifted which projects money was spent on. We received \$57k in CIAC in October (vs \$21k budgeted). For the year we have received over twice the amount of CIAC that was budgeted.