



BOARD OF DIRECTORS MEETING

1:30 PM – Presentation from Cooperative Building Solutions on Long Term Facility Plan (Link on Separate Zoom Email, Presentation is on Tab 4)

12/21 3 PM - 5PM OCEC Board -- By ZOOM

AGENDA

PRELIMINARY, CONSENT AGENDA AND GM REPORT

1. Meeting Called to Order
2. Determination of Quorum
3. Approval of Agenda
4. Approval of Consent Agenda (Tab 2)
 - a. Minutes
 - b. New Members
 - c. Form 7
 - d. Statement of Operations
 - e. Power & Service Data
 - f. Capital Expenditures by Project
 - g. Cash Flow Projection for 2020
5. General Managers Report (Tab 3) (10 minutes)
 - a. Meetings Attended and to attend
 - b. Office Update
 - c. Operations Update
 - d. Propane Update

ITEMS OF BUSINESS

For Discussion

1. Facility planning: (Tab 4) (30 minutes) Focus on needs and how alternatives fit those needs
 - a. What are the needs, in descending order
 - b. The current alternatives
 - c. Which needs does each alternative address

2. EV strategy: (Tab 5) (15 minutes)
3. Annual calendar for Board meetings (Tab 6)
4. Update on ARB, D&O and Umbrella insurance. (Tab 7)

For Action

1. Approve 2021 O&M Budget (Send in November's Board Package) (15 minutes)
2. 2021 Annual Meeting (Tab 8) (10 minutes)
 - a. Nomination Committee approval
 - b. Approve of Annual Meeting on April 19th, 7 PM
 - c. Annual meeting format

MEMBER COMMUNICATION

OPEN FLOOR FOR BOARD MEMBERS

EXECUTIVE SESSION

Board And Staff

1. 2021 GM goals

Board Only

1. GM Search agreement
2. Board Self evaluation



BOARD MEETING
November 17, 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, and Tracy McCabe, Propane Manager.

Members: Ray Peterson

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 3:25 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

Agenda approved as presented by Board consensus.

Dale would like to add Item No. 6 EV discussion to Items of Business.

4. MEMBER COMMUNICATIONS

Ray Peterson comments: he is interested in reviewing budget when ready for the public.

5. APPROVAL OF CONSENT AGENDA ITEMS

Sara noted she has changes to the minutes that she will email to staff.

- Please note at the top of page 1 should read, Members: Ray Peterson
- Page 5, Item 6, Approval, end of 2nd paragraph should read: ...on OCEC's behalf by PNGC as part...

Consent Agenda approved as amended by Board consensus.

6. COMMITTEE REPORTS

Finance Committee: Alan reported that they did not meet.

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

1. Board Compensation Policy 10-070
2. Board Self-Assessment
3. Potential goals for GM for 2021

Michael noted that all items to be discussed in detail later in today's meeting.

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.)

David said the best part of meeting was a discussion on three issues 1) upcoming 2028 BPA contract and underlying considerations; 2) Regional transmission access; and 3) Carbon policy and vision. The main take-away was PNGC was going to send out an RFP in 2021 for their future power supply.

Sara added that Dale asked a great question regarding transmission access and appreciated being a part of the meeting.

David noted that there was a discussion regarding the definition of "carbon free" with different interest groups advocating for their own definition of "carbon free".

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

David reported that WRECA cancelled the 2021 Annual Meeting scheduled for early June in Coeur d'Alene, Idaho. There is little or no interest in having a virtual event. If conditions improve, WRECA may hold a smaller event.

8. MEETINGS TO ATTEND

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

David noted that he will send out the agenda prior to the meeting and extend an offer for attendance to all directors.

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

David reported that they are working the budget for 2021 and getting ready for the upcoming legislative session.

9. GENERAL MANAGERS REPORT

David added there was nothing to add to the written report.

a) Operations Update

Glenn reported that most of the primary is in the ground on outstanding projects and related work was completed before the snow. A couple of work orders are still open including the one for the library. Currently, they are getting ready for material inventory.

b) Office Update

David reported that Lynn has nothing to add.

c) OCEI Propane Update

David reported service work is being scheduled three weeks out and delivery is picking up.

ITEMS OF BUSINESS

1. Approve – Long Term Facility Plan

David framed the plan as one of the biggest decisions the board will make and requested they take the time to look at it. He then requested feedback on the presentation by the consultants and asked for direction regarding the plan.

Dale opened the discussion by asking the directors for opinions and specific questions.

A discussion was held regarding costs, details of the needs assessment, possible starting times for the phases of the project, and alternative building options along with possible financing options.

David will send the presentation slides for further review and offered to reschedule another presentation by the consultants if there are questions.

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

David asked for discussion and questions so that it may be approved in December's board meeting. He reminded the board that the Capital Budget was preliminarily approved at the October Board meeting. The Finance Committee has reviewed the O&M and capital Budgets contained in the Board book.

Dale inquired about reduction in wages due to retirements. David asked that staff retirement discussion be moved to Executive Session.

After some discussion, Dale asked that the O&M Budget be brought up at the December board meeting.

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

David explained that the bylaws state that any payouts under the \$2500 threshold can be approved by the General Manager, however, any single payout over \$2,500 must be approved by the board.

John Kirner moved to approve the payout for Diane Tice in the amount of \$11,822.70. Michael Murray seconded.

No discussion. Dale asked for a vote. All approved. Motion passed.

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

Michael reported that the policy is up for periodic review and that the Governance Committee had reviewed the NRECA survey regarding different payment methods, average payments per meeting and average monthly payments by other cooperatives.

A discussion was held as to whether the per meeting fee should be increased, decreased or remain the same. Staff recommended no change.

Travis moved to approve policy 10-070 Compensation for Board Members as stands. Cara seconded.

Dale called for a vote. 5 in favor, 1 opposed (Alan Watson). Motion passed

5. Board Self-Assessment (Tab 7)

Michael proposed setting up a board self-assessment survey online with results to be reviewed at next board meeting.

After discussion, and no objections, Dale instructed Michael to move forward with setting up the survey.

6. EV Discussion

Dale asked that the directors provide comments to David's EV document and strategy to determine which items should be pursued.

After some discussion, David proposed that the first step should be to get a team together, get an estimate of staff time and get this information back to the board. He also suggested that the topic should be a focus of the strategic meeting in September 2021 with the new GM.

Dale instructed David to move forward with forming the team, working on the strategy, and researching assistance from a consultant.

OPEN FLOOR FOR BOARD MEMBERS

Board director Sekijima described a serious communication mistake he made in addressing the October PNGC Board meeting.

He insensitively referred to the PNGC Board as "the boys" (Two women currently sit on the PNGC Board). Director Carlberg subsequently called Sekijima and expressed both embarrassment and offense at the remark. Dale apologized for his remark. Discussion also touched on the following:

- Did the incident reflect similar habitual or chronic behavior at the OCEC Board? Director Carlberg's response was no.
- Does Director Carlberg accept Sekijima's apology? Sekijima's understanding of Director Carlberg's response is yes.
- Did the discussion adequately address Director Carlberg's concerns? Sekijima's understanding of Director Carlberg's response is yes.

EXECUTIVE SESSION

- GM's 2020/2021 Goals Discussion
- Status of Staff Retirement
- Board Only Discussion

Alan Watson, Secretary

New Members OCEC**December 21, 2020****REINSTATE****CHARLES JESSE****117149****NEW MEMBERS**

1. LEE DAVID	120201
2. AKKER STEPHANIE	120202
3. CAP WRIGHT #1 GROUP B	120203
4. SKELTON COLTON	120204
5. WHITTEMORE GENEVIEVE	120205
6. LOTAKIS GREG	120206
7. PASELY AMY & BRANDON	120207
8. COCHRAN MARTIN	120208
9. MARKUSSON MICHAELA	120209
10. HULLENDER SHANA	120210
11. BELKHOLM DANA	120211
12. TYSON THOR	120212
13. STOREY GRANVILLE P III	120213
14. WILD MARJORIE A	120214
15. PRICHARD JANINE & WILLIAM	120215
16. REINFRIED PATRICK	120216
17. PEREZ MIREYA A	120217



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	11/30/2020

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; 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="margin: 5px;">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;">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;">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? <div style="text-align: center; margin-top: 10px;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div>	
Signature of Office Manager or Accountant Date <i>[Signature]</i> 12/14/2020			B. Will you authorize CFC to share your data with other cooperatives? <div style="text-align: center; margin-top: 10px;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div>
Signature of Manager Date <i>[Signature]</i> 12/14/2020			

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	5,325,818	5,337,104	4,967,078	632,130
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	2,567,598	2,596,745	2,383,225	223,729
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	94,859	96,330	95,794	10,919
7. Distribution Expense - Maintenance	573,216	558,276	594,663	52,958
8. Consumer Accounts Expense	272,106	294,525	283,641	22,168
9. Customer Service and Informational Expense	4,976	5,779	3,190	290
10. Sales Expense	(2,359)	2,501	(1,500)	(809)
11. Administrative and General Expense	679,940	707,967	729,163	64,990
12. Total Operation & Maintenance Expense (2 thru 11)	4,190,336	4,262,123	4,088,176	374,245
13. Depreciation & Amortization Expense	344,804	347,166	350,989	28,293
14. Tax Expense - Property & Gross Receipts	41,427	40,769	40,917	3,705
15. Tax Expense - Other	165,110	165,768	169,337	21,009
16. Interest on Long-Term Debt	178,618	181,836	182,154	16,249
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)	4,920,295	4,997,662	4,831,573	443,502
21. Patronage Capital & Operating Margins (1 minus 20)	405,523	339,442	135,505	188,628
22. Non Operating Margins - Interest	22,862	30,011	49,082	243
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	22,143	24,337	0	11,148
25. Non Operating Margins - Other	18,650	31,900	31,900	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)	469,177	425,690	216,487	202,919

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	60	71	5. Miles Transmission	0	0
2. Services Retired	7	4	6. Miles Distribution Overhead	185	185
3. Total Services In Place	3,835	3,907	7. Miles Distribution Underground	243	243
4. Idle Services (Exclude Seasonal)	98	94	8. Total Miles Energized (5+6+7)	428	428



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County
	BORROWER DESIGNATION	WA032
	ENDING DATE	11/30/2020

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	15,332,061	29. Memberships	16,730
2. Construction Work in Progress	209,002	30. Patronage Capital	8,065,096
3. Total Utility Plant (1+2)	15,541,064	31. Operating Margins - Prior Years	596,796
4. Accum. Provision for Depreciation and Amort	5,251,687	32. Operating Margins - Current Year	393,790
5. Net Utility Plant (3-4)	10,289,376	33. Non-Operating Margins	31,900
6. Nonutility Property - Net	0	34. Other Margins & Equities	916,634
7. Investment in Subsidiary Companies	912,874	35. Total Margins & Equities (29 thru 34)	10,020,946
8. Invest. in Assoc. Org. - Patronage Capital	390,619	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)	1,454,951	42. Notes Payable	0
15. Cash-General Funds	466,592	43. Accounts Payable	391,840
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	164,183
17. Special Deposits	145,305	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	632,090	48. Other Current & Accrued Liabilities	258,098
21. Accounts Receivable - Net Other	899,661	49. Total Current & Accrued Liabilities (42 thru 48)	814,120
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	247,504	51. Total Liabilities & Other Credits (35+38+41+49+50)	14,281,604
24. Prepayments	6,650		
25. Other Current & Accrued Assets	966	ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
26. Total Current & Accrued Assets (15 thru 25)	2,537,228	Balance Beginning of Year	0
27. Deferred Debits	49	Amounts Received This Year (Net)	771,540
28. Total Assets & Other Debits (5+14+26+27)	14,281,604	TOTAL Contributions-In-Aid-Of-Construction	771,540

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

November 30, 2020

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,654,347	\$4,967,078	\$5,337,104	\$530,838	\$632,130
COST OF POWER	\$2,734,985	\$2,383,225	\$2,596,745	\$206,404	\$223,729
GROSS MARGINS	\$2,919,362	\$2,583,853	\$2,740,359	\$324,434	\$408,401
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$101,317	\$95,794	\$96,330	\$5,293	\$10,919
DISTRIBUTION MAINTENANCE	\$652,886	\$594,663	\$558,276	\$54,272	\$52,958
CONSUMER ACCOUNTING	\$305,641	\$283,641	\$294,525	\$20,581	\$22,168
CONSUMER SERVICE & INFO	\$3,480	\$3,190	\$5,779	\$290	\$290
SALES EXPENSE	-\$1,500	-\$1,500	\$2,501	-\$750	-\$809
ADMIN & GENERAL	\$811,948	\$729,163	\$707,967	\$53,407	\$64,990
TOTAL OPERATING EXPENSES	\$1,873,772	\$1,704,951	\$1,665,378	\$133,093	\$150,516
FIXED EXPENSES:					
DEPRECIATION	\$385,564	\$350,989	\$347,166	\$32,825	\$28,293
TAXES-PROPERTY	\$44,640	\$40,917	\$40,769	\$3,720	\$3,705
TAXES-OTHER	\$184,115	\$169,337	\$165,768	\$14,781	\$21,009
INTEREST	\$198,368	\$182,154	\$181,836	\$16,218	\$16,249
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
TOTAL FIXED EXPENSES	\$812,686	\$743,397	\$735,539	\$67,544	\$69,256
TOTAL EXPENSES	\$2,686,458	\$2,448,348	\$2,400,917	\$200,637	\$219,772
OPERATING MARGINS	\$232,905	\$135,505	\$339,442	\$123,797	\$188,628
NONOPERATING MARGINS:					
INTEREST	\$70,261	\$49,082	\$54,348	\$265	\$11,391
OTHER	\$34,800	\$31,900	\$31,900	\$2,900	\$2,900
NET MARGINS	\$337,966	\$216,487	\$425,690	\$126,962	\$202,919
T.I.E.R.	2.70	2.19	3.34	8.83	13.49

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
November-20

	August 2020	September 2020	October 2020	November 2020	November 2019
POWER DATA:					
COST OF POWER	\$201,959	\$202,054	\$247,820	\$223,729	\$200,013
KWH PURCHASED	4,422,285	3,736,810	5,062,645	7,338,795	6,589,070
KWH SOLD & OCEC USE	4,029,051	3,527,506	4,399,801	7,011,411	6,155,319
KWH LOST	393,234	209,304	662,844	327,384	433,751
LINE LOSS %	8.89%	5.60%	13.09%	4.46%	6.58%
COST PER KWH	\$0.0457	\$0.0541	\$0.0490	\$0.0305	\$0.0304
BILLING DATA:					
ACCOUNTS BILLED	3,893	3,897	3,911	3,727	3,651
AVG. KWH/CONSUMER	1,035	905	1,125	1,881	1,686
BILLING REVENUE	\$418,982	\$391,815	\$450,567	\$631,510	\$568,869
AVERAGE BILL	\$107.62	\$100.54	\$115.21	\$169.44	\$155.81
REVENUE/KWH SOLD	\$0.1040	\$0.1111	\$0.1024	\$0.0901	\$0.0924
SERVICE DATA:					
NEW	11	6	12	6	12
RETIRED	1	0	0	1	1
TOTAL END OF MONTH	3884	3890	3902	3907	3835
IDLE SERVICES	95	95	96	98	98
TRANSPORTATION:					
TOTAL MILES	11,750	6,035	8,140	5,200	5,088
COST OF OPERATION	\$22,006	\$18,508	\$16,468	\$10,808	\$12,514
AVG. COST PER MILE	\$1.873	\$3.067	\$2.023	\$2.078	\$2.460
MATERIALS:					
ISSUES	\$15,521	\$38,166	\$21,502	\$149,974	\$4,936
INVENTORY	\$351,237	\$364,234	\$351,429	\$247,504	\$298,901

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

	Current Month			Year to Date			Annual	Annual	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance	
Member Requested Facilities	103,405.41	36,306.00	67,099.41	506,396.75	286,983.00	219,413.75	299,085.00	(207,311.75)	
Replacements (Poles & Transformers)	56,643.82	3,661.00	52,982.82	248,450.92	111,817.00	136,633.92	120,114.00	(128,336.92)	
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	41,191.73	0.00	41,191.73	125,336.02	108,913.00	16,423.02	108,914.00	(16,422.02)	
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	0.00	0.00	0.00	39,105.00	(39,105.00)	39,106.00	39,106.00	
Replace Liberty Woodlands URD	0.00	14,702.00	(14,702.00)	0.00	14,702.00	(14,702.00)	29,404.00	29,404.00	
Mazama Upgrade (second of multiple phases)	0.00	0.00	0.00	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	8,851.00	(8,851.00)	0.00	17,702.00	(17,702.00)	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	201,240.96	63,520.00	137,720.96	928,909.51	801,232.00	127,677.51	851,334.00	(77,575.51)	
Un Allocated Overhead	8,402.37			8,402.37	0.00	8,402.37			
Member CIAC	CIAC	5,665.00	0.00	5,665.00	(771,539.51)	(374,000.00)	(397,539.51)	(374,000.00)	397,539.51
Total less CIAC		215,308.33	63,520.00	151,788.33	165,772.37	427,232.00	(261,459.63)	477,334.00	
* \$55,540.45 holding in CIAC 11/30/20									
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	18,000.00	913.07	18,000.00	(913.07)	
Transformers Purchases	9,357.09	0.00	9,357.09	158,544.22	100,000.00	58,544.22	150,000.00	(8,544.22)	
Vehicle Additions and Replacements	0.00	0.00	0.00	104,300.32	195,000.00	(90,699.68)	195,000.00	90,699.68	
New Phone System	0.00	0.00	0.00	7,500.64	10,000.00	(2,499.36)	10,000.00	2,499.36	
Heated Pressure Washer	3,142.52	0.00	3,142.52	3,142.52	6,000.00	(2,857.48)	6,000.00	2,857.48	
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	8,000.00	45,000.00	(37,000.00)	38,816.21	45,000.00	(6,183.79)	45,000.00	6,183.79	
Office Furnace Replacement	0.00	0.00	0.00	13,712.60	0.00	13,712.60	0.00	(13,712.60)	
Gutters	0.00	0.00	0.00	1,087.47	0.00	1,087.47	0.00	(1,087.47)	
Building Lock Replacement/Entry Improvemen	3,462.16	0.00	3,462.16	6,560.41	0.00	6,560.41	0.00	(6,560.41)	
Total	23,961.77	48,000.00	(24,038.23)	380,480.51	430,000.00	(70,879.97)	480,000.00	111,237.37	
Total Capital Budget less CIAC	239,270.10	111,520.00	127,750.10	546,252.88	857,232.00	(332,339.60)	957,334.00	431,201.37	

* 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	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	20,164.44	175,109.99	25,000.00	0.00	4,797.76	19,392.34	244,464.53
December							0.00
	166,059.72	367,927.60	220,100.00	0.00	61,882.17	120,406.79	936,376.28

* 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 acct #163 material stocking.

Okanogan County Electric Cooperative Inc

Budget Year: 2020

Actual/Forecasted

	Budget year												December	
	2019	Jan - Dec	January	February	March	April	May	June	July	August	September	October		November
Patronage Capital or Margins	\$0	\$337,966	\$45,318	\$56,260	\$37,575	(\$80,551)	(\$8,989)	\$10,045	\$34,030	\$14,808	\$122,482	(\$8,206)	\$202,919	\$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	\$28,293	\$34,575
Less Capital Credit Allocations	\$0	\$0	(\$1,527)	(\$413)	(\$1,478)	\$0	(\$72)	(\$47)	\$2,794	(\$1,078)	\$30	\$0	(\$9,305)	(\$348,743)
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	\$221,907	(\$192,694)
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)	\$95,977	(\$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	(\$182,787)	\$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	(\$95,977)	\$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	(\$49)	\$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	\$45,720	(\$185,448)
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)	\$29,368	\$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)	\$55,613	\$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)	\$84,982	\$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)	\$130,702	(\$185,448)
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)	\$5,226	(\$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)	(\$20,339)	\$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)	(\$204,311)	(\$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	(\$5,665)	\$0
Total Other Property and Investments	\$0	\$0	\$1,281	\$0	\$161	\$0	\$0	\$0	\$0	\$0	\$154	\$5,200	(\$11,148)	\$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	\$103,926	\$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)	(\$132,312)	(\$105,061)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$361,881)							\$0					\$150,000
LT Debt - Additional Debt	\$0	\$530,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$20	\$0
Consumers Deposits	\$0	\$0	\$350	(\$100)	\$300	\$250	\$1,800	\$959	\$293	\$665	\$555	(\$750)	\$300	\$0
CASH FROM FINANCING ACTIVITIES	\$0	\$6,443	\$340	(\$85)	(\$39,168)	\$220	\$1,855	(\$39,016)	\$338	\$730	(\$40,016)	(\$750)	\$320	\$108,715
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)	(\$1,290)	(\$181,793)
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	\$466,592
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	\$466,592	\$284,798

General Manager's Report to the Board – December 2020

General Discussion:

- **COVID-19 Update:** OCEC has resumed limited walk-in operations in our office for our members to transact business. Employees have kept safe and we have had no COVID incidents though some employees have quarantined because of possible exposures, all of which turned out to be negative. We continue to conduct daily temperature checks and symptom monitoring. Any employee with a cold or other COVID symptoms is advised to stay home until they are tested. We do have business continuity/contingency plans in case an employee develops COVID.

- **New member construction** has wound down though we are still getting inquiries. Material lead times on items such as transformers have greatly increased so these may be in short supply during the 2021 construction season. We have gone ahead and ordered long lead time materials for next year's construction season.

- **Meetings attended:**
 - PNGC Board Meeting and Education Seminar - Allan, Dale, Sara, David and Michael attended. Items discussed included:
 - Investment options and Direction
 - PNGC Audit for FY 2020
 - Integrated Resource Plan update
 - PNGC Capital Term Certificates
 - BPA Rate Case Strategy
 - PNGC's "Big 3" Items update
 - PNGC Building Direction
 - WRECA Board Meeting - This meeting was mostly about WRECA business items. WRECA's upcoming legislative priorities were finalized.
 - Washington State DNR Wildfire Task Force - This was the final meeting of the task force. The work of task force did not go as far as I wanted though it was what I expected. I volunteered for the next iteration of the task force to complete follow-up items that were identified.

- **Meetings to Attend:**

- PNGC January Board Meeting and Education Seminar - January 5th and 6th
- 2020 Audit Debrief – By Zoom Thursday, January 21st – 3 PM

- **2021 PNGC Board Meetings:** Dates for the PNGC Board meetings for 2021 are listed on the accompanying page. At least the first four Board meetings will be on-line. This is a good opportunity for Directors to learn more about the NW power situation and PNGC.

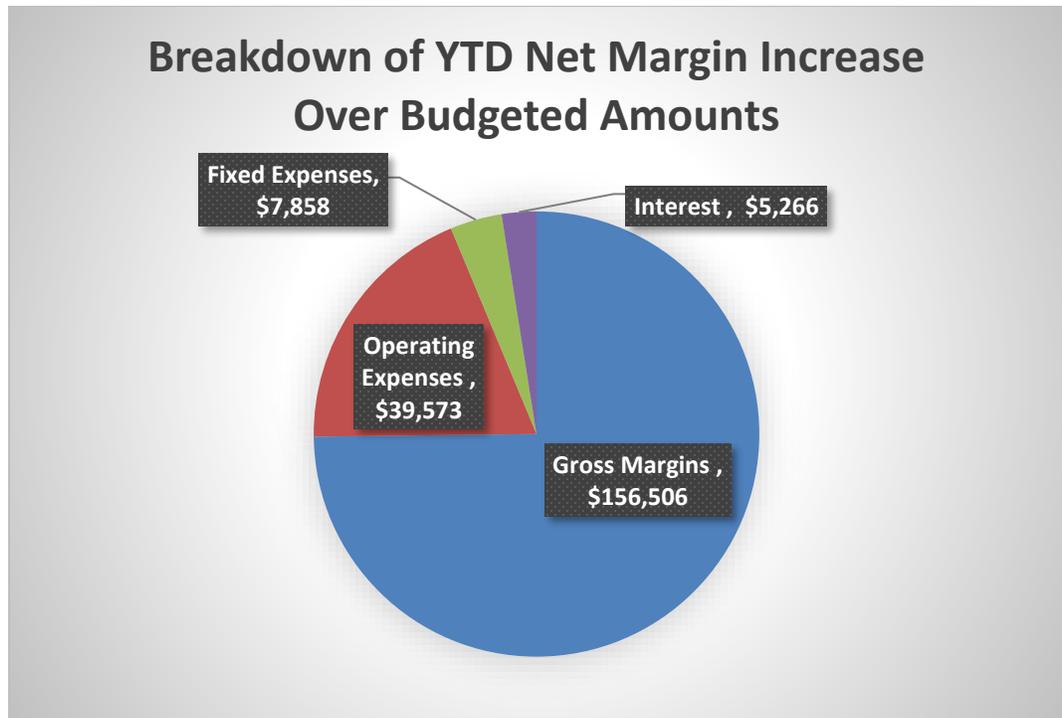
Financial Discussion:

- **OCEC** borrowed \$150,000 in December fund equity cash flow. This is per our Equity Management Plan. This is the first long-term borrowing by OCEC (besides lines-of-credit) since January 2011.

- **Discussion of Variances**

- **Net Margins** – YTD Net Margins are 97% above budgeted amounts (\$216k budget versus \$425k actual). The major reason for this is larger gross margins than expected due to:
 - YTD energy sales are 10.2 higher than budgeted.
 - YTD Operating revenues are 7.2% higher than budgeted.
 - Lower power costs in November due to the larger PNGC RDDR credit than was expected. (YTD purchased power is 9% greater than budgeted.)
 - In addition, YTD O&M expenses are 2% under budget.

The 2020 YTD net margin was \$209,203 over budgeted amounts. The contributions from the different components are shown in the graph below.



- **O&M Expenses** were generally in line with budgeted amounts. YTD O&M expenses are 2% under budget. YTD total operating expenses are 2.3% under budget. The largest variance was in Distribution Maintenance.
- **Capital Expenses** are coming in way under budget due to the large CIAC (Customer Contributions in Aid of Construction). The underground in Edelweiss is the only underground replacement that was worked on as most of capital time went to new customer work and high-priority maintenance.