



# BOARD OF DIRECTORS MEETING

2/22/21 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 **(Tab 1)**
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 2021
5. General Managers Report **(Tab 3)**
  - a. Meetings Attended and to attend
  - b. Office Update
  - c. Operations Update
  - d. Propane Update

### ITEMS OF BUSINESS

For Discussion

For Action

### MEMBER COMMUNICATION

### OPEN FLOOR FOR BOARD MEMBERS

### EXECUTIVE SESSION

Board And Staff

1. Subsidiary Update
2. 2020 GM goal assessment
3. 2021 GM goal discussion

Board Only

1. Conflict discussion
2. Board Self evaluation



BOARD MEETING  
January 25, 2021 via Zoom

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 Jessica Dewbrey Office Staff.

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 3:04pm.

**2. DETERMINATION OF QUORUM**

A quorum was present.

**3. APPROVAL OF AGENDA**

Agenda approved as presented by Board consensus.

**4. APPROVAL OF CONSENT AGENDA ITEMS**

Consent Agenda approved by Board consensus.

**5. GENERAL MANAGERS REPORT**

During member communications Dale noted that this is now part of the Consent Agenda.

Michael had one question regarding the large drop in numbers of accounts billed on the Power & Service Data report from October to November. Lynn responded that this is due to the annual irrigation billing ending.

## ITEMS OF BUSINESS

### 1. Discussion – 2020 Financial Results

David noted that the audit went smoothly.

### 2. Action – USDA loan program for Energy Efficiency and EV Chargers

Lynn reviewed the USDA Rural Energy Savings Program loan information. She noted that the first step in the process would be to send in the Letter of Intent, draft sent to all board members. The loans would be billed out on individual consumers monthly statements for repayment. The Board would need to discuss interest and fees to charge. Alan asked about what happens when a customer defaults and Lynn will look for more detailed information on this. Michael asked about IT costs and set up and Lynn noted current software has the capability already.

Michael Murray moved to approve the staff moving forward submitting a Letter of Intent to apply for a Rural Energy Savings Program Loan. Travis Thornton seconded.

Dale called for a vote. Motion passed unanimously.

### 3. Discussion – Annual Meeting Program

David asked for feedback on presentation topics for this year's virtual annual meeting platform and noted that he plans to discuss fire mitigation and safety shut offs in multiple presentations this year. Dale suggested that David do a presentation on fire mitigation and public safety shut offs at the annual meeting. David noted that this year's annual meeting will be on a zoom (or similar) platform where members can login online or call in as many members do not have reliable internet connections. Sara suggested having Roger Gray speak on wholesale power. Michael suggested having an outside presenter talk on wildfire risk topics.

### 4. Discussion – 2021 All Risk and D&O Insurance Update

David confirmed that staff did secure the \$5 million extra umbrella insurance. Insurance coverage levels are the same and costs are close to the same as what OCEC had in 2020.

## MEMBER COMMUNICATION

Ray Peterson asked about the budgeted tier level, David responded that it is 2.915. He also asked about the noted two scheduled retirees on the budget, David responded that is a personnel issue.

Meeting adjourned to executive session at 3:25pm

## EXECUTIVE SESSION

1. Personnel Issue
2. 2020 GM Goal Assessment (By separate e-mail)
3. 2021 GM Goal Discussion (By separate e-mail)
4. 2021 Staffing Status
5. Board Self Evaluation

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Alan Watson, Secretary

**New Members OCEC**

**February 22, 2020**

**REINSTATE**

**NEW MEMBERS**

- |                                  |        |
|----------------------------------|--------|
| 1. MOORE MICHAEL & MEHRI         | 120231 |
| 2. GISSING PAUL ROGER            | 121001 |
| 3. POSNER MELINDA                | 121002 |
| 4. MCKAY JOSEPH                  | 121003 |
| 5. FISCHER FAMILY REAL ESTATE LP | 121004 |
| 6. ENGLISH KHAIERSTA             | 121005 |
| 7. CARLSON DOUGLAS               | 121006 |
| 8. ZANDRAASUREN OYUNA            | 121007 |



<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Okanogan County Electric Coop Inc
	<b>BORROWER DESIGNATION</b>	WA032
	<b>ENDING DATE</b>	1/31/2021

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;">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>	<b>A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?</b>
Signature of Office Manager or Accountant: <i>Bill Northwest</i> Date: 2/12/21		<input checked="" type="radio"/> YES <input type="radio"/> NO
Signature of Manager: <i>DWCH</i> Date: 2-12-21		<b>B. Will you authorize CFC to share your data with other cooperatives?</b>
		<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	704,636	754,131	672,209	754,131
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	368,528	344,651	345,035	344,651
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	11,913	10,813	8,684	10,813
7. Distribution Expense - Maintenance	60,720	100,357	51,901	100,357
8. Consumer Accounts Expense	26,012	23,766	21,659	23,766
9. Customer Service and Informational Expense	290	333	290	333
10. Sales Expense	0	(3,334)	0	(3,334)
11. Administrative and General Expense	121,721	98,437	97,587	98,437
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>589,183</b>	<b>575,023</b>	<b>525,156</b>	<b>575,023</b>
13. Depreciation & Amortization Expense	31,575	33,229	32,131	33,229
14. Tax Expense - Property & Gross Receipts	3,720	3,720	3,720	3,720
15. Tax Expense - Other	21,527	23,899	14,220	23,899
16. Interest on Long-Term Debt	16,924	16,707	16,707	16,707
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
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>662,928</b>	<b>652,578</b>	<b>591,936</b>	<b>652,578</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>41,708</b>	<b>101,553</b>	<b>80,273</b>	<b>101,553</b>
22. Non Operating Margins - Interest	710	677	876	677
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	50	0	50
25. Non Operating Margins - Other	2,900	2,900	2,900	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
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>45,318</b>	<b>105,180</b>	<b>84,049</b>	<b>105,180</b>

**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	0	0	5. Miles Transmission	0	0
2. Services Retired	0	0	6. Miles Distribution Overhead	164	188
3. Total Services In Place	3,839	3,908	7. Miles Distribution Underground	196	232
4. Idle Services (Exclude Seasonal)	99	96	<b>8. Total Miles Energized (5+6+7)</b>	<b>360</b>	<b>420</b>



<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Okanogan County
	<b>BORROWER DESIGNATION</b>	WA032
	<b>ENDING DATE</b>	01/31/2021

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	15,585,294	29. Memberships	16,775
2. Construction Work in Progress	(23,138)	30. Patronage Capital	8,130,821
<b>3. Total Utility Plant (1+2)</b>	<b>15,562,156</b>	31. Operating Margins - Prior Years	797,419
4. Accum. Provision for Depreciation and Amort	5,304,915	32. Operating Margins - Current Year	102,280
<b>5. Net Utility Plant (3-4)</b>	<b>10,257,241</b>	33. Non-Operating Margins	2,900
6. Nonutility Property - Net	0	34. Other Margins & Equities	1,100,224
7. Investment in Subsidiary Companies	1,093,410	<b>35. Total Margins &amp; Equities (29 thru 34)</b>	<b>10,150,420</b>
8. Invest. in Assoc. Org. - Patronage Capital	407,225	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,915,049
10. Invest in Assoc. Org. - Other - Nongeneral Funds	135,690	<b>38. Total Long-Term Debt (36 + 37)</b>	<b>3,915,049</b>
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	<b>41. Total Other Noncurrent Liabilities (39+40)</b>	<b>0</b>
<b>14. Total Other Property &amp; Investments (6 thru 13)</b>	<b>1,649,825</b>	42. Notes Payable	0
15. Cash-General Funds	655,394	43. Accounts Payable	457,592
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	165,233
17. Special Deposits	155,384	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	822,941	48. Other Current & Accrued Liabilities	237,334
21. Accounts Receivable - Net Other	876,583	<b>49. Total Current &amp; Accrued Liabilities (42 thru 48)</b>	<b>860,159</b>
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	294,600	<b>51. Total Liabilities &amp; Other Credits (35+38+41+49+50)</b>	<b>14,925,627</b>
24. Prepayments	74,234	<b>ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION</b>	
25. Other Current & Accrued Assets	966	Balance Beginning of Year	0
<b>26. Total Current &amp; Accrued Assets (15 thru 25)</b>	<b>3,018,561</b>	Amounts Received This Year (Net)	24,809
27. Deferred Debits	0	<b>TOTAL Contributions-In-Aid-Of-Construction</b>	<b>24,809</b>
<b>28. Total Assets &amp; Other Debits (5+14+26+27)</b>	<b>14,925,627</b>		

**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**

**January 31, 2021**

	<b>ANNUAL BUDGET</b>	<b>Y-T-D BUDGET</b>	<b>Y-T-D ACTUAL</b>	<b>MONTH BUDGET</b>	<b>MONTH ACTUAL</b>
OPERATING REVENUE	\$5,798,131	\$672,207	\$754,131	\$672,207	\$754,131
COST OF POWER	\$2,831,204	\$345,035	\$344,651	\$345,035	\$344,651
<b>GROSS MARGINS</b>	\$2,966,927	\$327,172	\$409,480	\$327,172	\$409,480
<b>OPERATING EXPENSES:</b>					
DISTRIBUTION OPERATIONS	\$102,610	\$8,684	\$10,813	\$8,684	\$10,813
DISTRIBUTION MAINTENANCE	\$581,683	\$51,901	\$100,357	\$51,901	\$100,357
CONSUMER ACCOUNTING	\$242,008	\$21,659	\$23,766	\$21,659	\$23,766
CONSUMER SERVICE & INFO	\$3,480	\$290	\$333	\$290	\$333
SALES EXPENSE	-\$1,500	\$0	-\$3,334	\$0	-\$3,334
ADMIN & GENERAL	\$917,671	\$97,587	\$98,437	\$97,587	\$98,437
<b>TOTAL OPERATING EXPENSES</b>	\$1,845,952	\$180,121	\$230,372	\$180,121	\$230,372
<b>FIXED EXPENSES:</b>					
DEPRECIATION	\$386,196	\$32,131	\$33,229	\$32,131	\$33,229
TAXES-PROPERTY	\$44,640	\$3,720	\$3,720	\$3,720	\$3,720
TAXES-OTHER	\$170,643	\$14,220	\$23,899	\$14,220	\$23,899
INTEREST	\$200,481	\$16,707	\$16,707	\$16,707	\$16,707
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
<b>TOTAL FIXED EXPENSES</b>	\$801,961	\$66,778	\$77,555	\$66,778	\$77,555
<b>TOTAL EXPENSES</b>	\$2,647,913	\$246,899	\$307,927	\$246,899	\$307,927
<b>OPERATING MARGINS</b>	\$319,014	\$80,273	\$101,553	\$80,273	\$101,553
<b>NONOPERATING MARGINS:</b>					
INTEREST	\$31,050	\$876	\$677	\$876	\$677
OTHER	\$33,300	\$2,900	\$2,950	\$2,900	\$2,950
<b>NET MARGINS</b>	\$383,364	\$84,049	\$105,180	\$84,049	\$105,180
<b>T.I.E.R.</b>	2.91	6.03	7.30	6.03	7.30

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

**POWER & SERVICE DATA**  
**January-21**

	October 2020	November 2020	December 2020	January 2021	January 2020
<b>POWER DATA:</b>					
COST OF POWER	\$247,820	\$223,729	\$343,801	<b>\$344,651</b>	\$368,528
KWH PURCHASED	5,062,645	7,338,795	9,184,605	<b>9,071,745</b>	8,313,190
KWH SOLD & OCEC USE	4,399,801	7,011,411	8,347,759	<b>8,755,526</b>	8,082,566
KWH LOST	662,844	327,384	836,846	<b>316,219</b>	230,624
LINE LOSS %	13.09%	4.46%	9.11%	<b>3.49%</b>	2.77%
COST PER KWH	\$0.0490	\$0.0305	\$0.0374	<b>\$0.0380</b>	\$0.0443
<b>BILLING DATA:</b>					
ACCOUNTS BILLED	3,911	3,727	3,720	<b>3,713</b>	3,658
AVG. KWH/CONSUMER	1,125	1,881	2,244	<b>2,358</b>	2,210
BILLING REVENUE	\$450,567	\$631,510	\$727,993	<b>\$753,936</b>	\$702,381
AVERAGE BILL	\$115.21	\$169.44	\$195.70	<b>\$203.05</b>	\$192.01
REVENUE/KWH SOLD	\$0.1024	\$0.0901	\$0.0872	<b>\$0.0861</b>	\$0.0869
<b>SERVICE DATA:</b>					
NEW	12	6	1	<b>0</b>	0
RETIRED	0	1	0	<b>0</b>	0
TOTAL END OF MONTH	3902	3907	3908	<b>3908</b>	3839
IDLE SERVICES	96	98	98	<b>98</b>	99
<b>TRANSPORTATION:</b>					
TOTAL MILES	8,140	5,200	6,247	<b>5,432</b>	7,418
COST OF OPERATION	\$16,468	\$10,808	\$18,262	<b>\$19,098</b>	\$18,455
AVG. COST PER MILE	\$2.023	\$2.078	\$2.923	<b>\$3.516</b>	\$2.488
<b>MATERIALS:</b>					
ISSUES	\$21,502	\$149,974	\$32,755	<b>\$16,112</b>	\$11,835
INVENTORY	\$351,429	\$247,504	\$274,287	<b>\$294,600</b>	\$251,874

Okanogan County Electric Cooperative Inc  
 Capital Expenditures by Project  
 Jan-21

	Current Month			Year to Date			Annual Budget	Annual Balance	
	Actual	Budget	Variance	Actual	Budget	Variance			
Member Requested Facilities	0.00	0.00	0.00	0.00	0.00	0.00	333,966.00	333,966.00	
Replacements (Poles & Transformers)	7,522.99	5,755.00	1,767.99	7,522.99	5,755.00	1,767.99	116,130.00	108,607.01	
Misc URD/OH Replacement Projects	0.00	0.00	0.00	0.00	0.00	0.00	42,258.00	42,258.00	
Replace 2500' of urd at Edelweiss - Part 4	0.00	0.00	0.00	0.00	0.00	0.00	90,680.00	90,680.00	
Replacement - Studhorse Part 3 (Carryover)	0.00	0.00	0.00	0.00	0.00	0.00	56,267.00	56,267.00	
Replace Davis Lake URD (carryover)	0.00	0.00	0.00	0.00	0.00	0.00	37,720.00	37,720.00	
Install 60 Current Limiting Fuses	0.00	0.00	0.00	0.00	0.00	0.00	28,018.00	28,018.00	
Mazama Upgrade Part 2 (carryover)	0.00	0.00	0.00	0.00	0.00	0.00	46,729.00	46,729.00	
Cordination Study - Patial carryover)	0.00	0.00	0.00	0.00	0.00	0.00	70,000.00	70,000.00	
Major Storm Damage	0.00	0.00	0.00	0.00	0.00	0.00	28,249.00	28,249.00	
Install 25 line monitor sensors(partial carryover)	0.00	0.00	0.00	0.00	0.00	0.00	54,018.00	54,018.00	
Pole Inspections	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00	
Fire Retardant/Treatment on Poles	0.00	0.00	0.00	0.00	0.00	0.00	21,018.00	21,018.00	
Meter Projects (replace CTs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Front Employee Parking and Irrigation Sys (carr	0.00	0.00	0.00	0.00	0.00	0.00	17,000.00	17,000.00	
subtotal	7,522.99	5,755.00	1,767.99	7,522.99	5,755.00	1,767.99	952,053.00	944,530.01	
Un Allocated Overhead	16,683.20			16,683.20	0.00	16,683.20			
Member CIAC	CIAC	(24,809.15)	(20,000.00)	(4,809.15)	(24,809.15)	(20,000.00)	(4,809.15)	(374,000.00)	(349,190.85)
Total less CIAC	(602.96)	(14,245.00)	13,642.04	(602.96)	(14,245.00)	13,642.04	578,053.00		
* \$66299.21 holding in CIAC 01/31/21									
Heated Pressure Washer (carryover)	0.00	0.00	0.00	0.00	0.00	0.00	6,000.00	6,000.00	
Tools/Misc	0.00	0.00	0.00	0.00	0.00	0.00	6,000.00	6,000.00	
Start Building Design based on Facility Plannin	0.00	0.00	0.00	0.00	0.00	0.00	45,000.00	45,000.00	
Meter Purchases	0.00	0.00	0.00	0.00	0.00	0.00	80,000.00	80,000.00	
Computer and Software Upgrades	0.00	0.00	0.00	0.00	0.00	0.00	18,000.00	18,000.00	
Transformer Purchases	0.00	0.00	0.00	0.00	0.00	0.00	80,000.00	80,000.00	
Vehicle Addition and Replacement	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00	150,000.00	
Total	0.00	0.00	0.00	0.00	0.00	0.00	385,000.00	155,000.00	
<b>Total Capital Budget less CIAC</b>	<b>(602.96)</b>	<b>(14,245.00)</b>	<b>13,642.04</b>	<b>(602.96)</b>	<b>(14,245.00)</b>	<b>13,642.04</b>	<b>963,053.00</b>	<b>750,339.16</b>	

\* Note

	Line Crew Direct Labor	Materials	107.25 Labor	Consultants Contractors	Transportation	Benefits	Total
January	1,907.65	207.00	2,500.00		1,064.78	1,842.56	7,521.99
February							0.00
March							0.00
April							0.00
May							0.00
June							0.00
July							0.00
August							0.00
September							0.00
October							0.00
November							0.00
December							0.00
	1,907.65	207.00	2,500.00	0.00	1,064.78	1,842.56	7,521.99

\* Note: 107.25 is Capitalized Labor that includes: cost estimates, line staking, development & research for construction projects that no work order has been established, along with stores acct #163 material stocking.

Okanogan County Electric Cooperative Inc  
Budget Year: 2021

	2020	Budget year Jan - Dec	January	February	March	April	May	June	July	August	September	October	November	December
Patronage Capital or Margins	\$0	\$383,365	\$105,180	\$34,516	\$16,700	(\$19,639)	\$31,292	\$26,749	(\$35,255)	\$39,127	(\$5,338)	(\$11,881)	\$99,406	\$123,641
Plus Depreciation Expense	\$0	\$386,196	\$33,229	\$32,131	\$32,131	\$32,131	\$32,131	\$32,131	\$32,131	\$32,131	\$32,131	\$32,339	\$32,339	\$32,339
Less Capital Credit Allocations	\$0	\$0	(\$232)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus FAS 158 Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total (Funds From Operations)	\$0	\$769,561	\$138,177	\$66,647	\$48,830	\$12,492	\$63,423	\$58,880	(\$3,124)	\$71,258	\$26,793	\$20,458	\$131,745	\$155,980
Cash Construction Funds - Trustee	\$0	\$0												
Special Deposit	\$0	(\$59,280)	(\$5,020)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)
Temporary Investment	\$0	\$138,460						\$138,460						
Accounts Receivable - Sale of Energy (Net)	\$0	(\$1,715)	(\$23,295)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)	(\$143)
Accounts Receivable - Other (Net)	\$0	\$52,361	\$5,019	\$4,363	\$4,363	\$4,363	\$4,363	\$4,363	\$4,363	\$4,363	\$4,363	\$4,363	\$4,363	\$4,363
Regulatory Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Debits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepayments	\$0	\$0	(\$74,234)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$129,826	(\$97,529)	(\$720)	(\$720)	(\$720)	(\$720)	\$137,740	(\$720)	(\$720)	(\$720)	(\$720)	(\$720)	(\$720)
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounts Payable	\$0	\$0	\$25,152	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Operating Provisions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deferred Credits	\$0	\$0	(\$45,079)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current and Accrued Liabilities	\$0	\$0	\$42,531	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	\$0	\$22,604	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$899,387	\$63,252	\$65,927	\$48,110	\$11,772	\$62,703	\$196,620	(\$3,844)	\$70,538	\$26,073	\$19,738	\$131,025	\$155,260
INVESTMENT ACTIVITIES														
Total Utility Plant	\$0	(\$1,383,053)	(\$134,262)	(\$115,254)	(\$115,254)	(\$115,254)	(\$115,254)	(\$115,254)	(\$115,254)	(\$115,254)	(\$115,254)	(\$115,254)	(\$115,254)	(\$115,254)
Cost to Retire Utility Plant	\$0	\$0	(\$19,742)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$288,015	\$108,816	\$24,001	\$24,001	\$24,001	\$24,001	\$24,001	\$24,001	\$24,001	\$24,001	\$24,001	\$24,001	\$24,001
Contributions in aid of construction (CIAC)	\$0	\$374,000	\$24,809	\$31,167	\$31,167	\$31,167	\$31,167	\$31,167	\$31,167	\$31,167	\$31,167	\$31,167	\$31,167	\$31,167
Total Other Property and Investments	\$0	\$0	\$2,218	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies - Electric and Other	\$0	\$0	(\$20,312)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Notes Receivable (Net)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM INVESTMENT ACTIVITIES	\$0	(\$721,038)	(\$38,473)	(\$60,087)	(\$60,087)	(\$60,087)	(\$60,087)	(\$60,087)	(\$60,087)	(\$60,087)	(\$60,087)	(\$60,087)	(\$60,087)	(\$60,087)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$351,980)	\$0	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$1,273)	(\$337,980)
LT Debt - Additional Debt	\$0	\$360,000	\$360,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LT Debt - Debt Service Payment	\$0	(\$192,908)	\$0	\$0	(\$47,318)	\$0	\$0	(\$47,955)	\$0	\$0	(\$48,380)	\$0	\$0	(\$49,255)
LT Debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LT Debt	\$0	(\$192,908)	\$0	\$0	(\$47,318)	\$0	\$0	(\$47,955)	\$0	\$0	(\$48,380)	\$0	\$0	(\$49,255)
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	\$15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$750	\$1	\$2	\$1	\$1	\$2	\$1	\$2	\$1	\$1	\$2	\$1
CASH FROM FINANCING ACTIVITIES	\$0	(\$184,888)	\$360,765	(\$1,272)	(\$48,589)	(\$1,272)	(\$1,272)	(\$49,226)	(\$1,272)	(\$1,271)	(\$49,652)	(\$1,272)	(\$1,271)	(\$387,234)
CASH FROM ALL ACTIVITIES	\$0	(\$6,539)	\$385,545	\$4,568	(\$60,566)	(\$49,587)	\$1,344	\$87,307	(\$65,203)	\$9,180	(\$83,666)	(\$41,621)	\$69,667	(\$292,061)
TOTAL CASH BEGINNING OF PERIOD	\$479,562	\$269,850	\$269,850	\$655,394	\$659,962	\$599,396	\$549,809	\$551,153	\$638,460	\$573,257	\$582,437	\$498,771	\$457,150	\$526,817
TOTAL CASH END OF PERIOD	\$269,850	\$263,311	\$655,394	\$659,962	\$599,396	\$549,809	\$551,153	\$638,460	\$573,257	\$582,437	\$498,771	\$457,150	\$526,817	\$234,756

## General Manager's Report to the Board – February 2021

### General Discussion:

- **COVID 19 Update** – With the recent change by the CDC on no longer requiring quarantine when fully immunized people are exposed to COVID, this is changing how we will potentially operate if there is an outbreak at the OCEC office. This will allow the fully immunized employees to remain in the office and perform basic functions should an outbreak occur. Currently we have five employees (26%) that are either fully immunized or in the process of becoming fully immunized. Also, we are working with the County Health Department on when our essential workers can get vaccinated.
  
- **Annual Meeting Update:**
  - For the Annual Meeting program, we are planning on having the following speakers in a panel format:
    - Dr. Susan Prichard - Susan is a forest ecologist with a specialty in wildfire ecology with the University of Washington. Her main interests are in the effects of fire and other disturbances on forest dynamics, climatic change on forest ecosystems, and fuel treatment options to mitigate wildfire effects. Prichard lives near Winthrop.
    - Michael Lui – Retired Forest Service District Ranger and currently with Conservation Northwest.
    - Samuel Israel – OCEC's contract forester and currently with Methow Valley Citizens Council
    - David Gottula
  - The program theme is "The Power of Fire Preparedness, OCEC's Wildfire Mitigation Efforts". Dr. Prichard and Mike Lui will start the conversation at a high level on fire issues in the Methow and Samuel and David will get more specific and discuss OCEC's Firewise program.
  - The Annual Meeting energy efficiency gifts are schedule to be mailed to almost every member at the beginning of March. We did purge some members such as those with mailing addresses outside the country, ect.
  - Special thanks to Michael Murray for assisting with the Annual Meeting program.

- **Mazama Project Update:**

- President's Day weekend usually represents the largest strain on the system in terms of voltage support. This is because of the combination of cold weather and the number of second homes that are occupied during this weekend. If we are going to have a problem, it will typically show up on this weekend.
- We are able to use our smart meters and record voltage reading multiple times at service locations during this weekend. While our primary interest is the Lost River subdivision, we sample voltage across the system.
- Analysis of the survey of voltages did not show any problem areas. All voltages in the Mazama area, and across the system, were nominal.
- The consultant is currently running a load flow study for the Mazama area. With this load flow, they will be able to model an increase in loading to get a projection of when we need to have the Mazama project finished. They have indicated that they will have this modeling completed in the April timeframe.
- If the voltage readings had shown a problem or the load flow study projects a potential problem sooner than expected, we may need to speed up the project by bringing in contractors to help speed up the work. We would go to the Board first before we take this step.

- **Meetings attended:**

- PNGC Board Meeting and Education Seminar - Allan, Dale, and David attended. Items discussed included:
  - PNGC policies.
  - Unplanned outage at Coffin Butte Landfill Gas plant.
  - BPA Rate Case.
  - PNGC's "Big 3" Items update.
  - Simpson Wall update (Lower Snake River Dams).
- Resource Adequacy (RA) Conference – January 28<sup>th</sup> and 29<sup>th</sup> - David, Michael, and Allan
  - This conference gave a good overview of the resource adequacy issues in the three major regions the western U.S. One thing I learned was that batteries have their part in the overall energy mix but are limited in their overall usefulness on the grid because of the four-hour storage capacity

and the need to charge them using excess energy before they can be used again.

- WRECA Board Meeting - February 9<sup>th</sup> – David

- **Meetings to Attend:**

- PNGC January Board Meeting and Education Seminar – February 2<sup>nd</sup> and 3<sup>rd</sup>

## **Financial Discussion:**

- **Discussion of Variances**

- **Gross Margins** – January 2021 Gross Margins were 25% higher than budgeted. This was due to higher than budgeted sales and a resulting lower than expected power bill on a kwh basis.
- **Distribution Expense – Maintenance** - All expense categories were close to budgeted amounts except for the Distribution Expense – Maintenance account. This expense was 93% over budgeted amounts (\$100.3k actual vs. \$52k budget). The major reason for this was more outages in January occurring than expected and also a shift in labor from other accounts.