



**BOARD OF DIRECTORS MEETING
December 19th, 2022 – 3pm
OCEC Monthly Board Meeting
Location: The Barn - Henhouse & Virtual**

AGENDA

A. PRELIMINARY

1. Meeting Called to Order
2. Determination of Quorum
3. Approval of Agenda

B. CONSENT AGENDA

1. Approval of Consent Agenda
 - a. Minutes from November 28th, 2022
 - b. Minutes from December 12th, 2022 Special Meeting
 - c. December 2022 New Members
 - d. October 2022 - Form 7, Statement of Operations, Power & Service Data, Cash Flow

C. GENERAL MANAGERS REPORT

D. ITEMS OF BUSINESS

For Discussion

1. Annual Meeting Venue

For Action

2. 2023 Budget Approval
3. 2023 Nominating Committee Approval
4. CFC Loan Recommendation
5. Insurance Coverage Premium Update

E. OPEN FLOOR FOR MEMBERS

F. OPEN FLOOR FOR BOARD MEMBERS

G. EXECUTIVE SESSION

1. General Manager Annual Goals Review
2. Legal, Personnel, Competitive, Other

OCEC Meeting is inviting you to a scheduled Zoom meeting.

Topic: OCEC Board Meeting

Time: Dec 19, 2022 03:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/87238206336?pwd=SFpZdnR1WEVkbDZHRUswaVcxOStpZz09>

Meeting ID: 872 3820 6336

Passcode: 024934

One tap mobile

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+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 689 278 1000 US

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

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Meeting ID: 872 3820 6336

Passcode: 024934

Find your local number: <https://us06web.zoom.us/u/kcMdrLrge>



BOARD MEETING
November 28th, 2022
The Barn Hen House & Virtual

Present: President Dale Sekijima, Vice President Michael Murray, Secretary/Treasurer Alan Watson, Sara Carlberg, Travis Thornton, Rick Johnson & John Rogers.

Absent: N/A

Attending: Greg Mendonca General Manager, Tracy McCabe Manager of Finance & Administration, Glenn Huber Manager of Operations

Guests: Brian Sloboda, Cooperative Finance Corporation (CFC)

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 3:00 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. EXECUTIVE SESSION

The board went into executive session to discuss quarterly financial results of Okanogan County Energy, Inc. at 3:01pm and closed the executive session at 3:05pm

4. APPROVAL OF AGENDA

The agenda was approved with a request to address broadband grant funding updates in executive session.

5. General Managers Report

Greg Mendonca gave a brief recap of the early winter storms impact on the OCEC system. Greg reported that the Okanogan PUD requested mutual aid and OCEC sent three of our crew to assist while the PUD crews rested.

Greg gave an update on the WA Commerce arrearage grant program and the plans to distribute the funds.

Greg reported on the request from the OCEC board on the administration necessary to do a “special retirement” of capital credits. Greg recommended against attempting to do a “special retirement” this calendar year and requested that, if the board were to choose to do the retirement, that staff have enough advanced notice to communicate in our normal channels.

Greg gave an update on staffing, reporting OCEC had hired Svea Miller as a Member Service Representative.

6. APPROVAL OF CONSENT AGENDA

The consent agenda was approved as presented.

ITEMS OF BUSINESS

1. For Discussion – Guest Speaker Brian Sloboda, CFC

Brian presented a summary of the 2022 Electric Vehicle Program Roadmap included in the board book. Brian highlighted his recommendations for OCEC which focused primarily on education and partnerships in the EV space. Brian recommended that OCEC look into load disaggregation, EV timers for managing peak load impacts, member education programs around peak load impacts, and potentially leveraging federal funding for any capital items (chargers, etc.).

After Brian completed his presentation Greg reviewed the survey results from the utility survey OCEC performed. The main takeaway Greg relayed was that many utilities are in the same position OCEC is, which is assessing how best to engage in the EV space and what investments are the most prudent.

2. For Discussion – Revolving Loan Fund Quarterly Update

Tracy McCabe reviewed the quarterly update of the OCEC Revolving Loan Fund (RLF) and asked the board for a head nod to begin the process of opening another round of funding up to the community. The board agreed that staff should begin the work to open up another round.

3. For Discussion – Finance Committee Update

Alan Watson, chair of the Finance Committee, gave an update on the recently held Finance Committee meetings with OCEC staff on the 2023 budget. Alan summarized the committee's review process and gave commentary on their assessment of the materials presented in the board book.

4. For Discussion – 2023 Wholesale Power & Transmission, Revenue, and Expense Budget

Greg presented the draft 2023 wholesale power & transmission, revenue, and expense budget. Greg reviewed improvements and enhancements to the budget process made by OCEC staff including forecasting revenue by customer class, presenting a ten-year line-item forecast, and updating allocations of labor and benefits between the various expense and capitalized labor categories.

Greg summarized the wholesale power & transmission budget highlighting the BP-24 rates settlement between BPA and its customers, projected large increases in the cost of power starting October 2023, and the planned Revenue Distribution Clause (RDC) credit from BPA January through September.

Greg discussed the major assumptions and components of the expense budget. It was proposed to utilize the opportunities from the RDC credit to find expenses of strategic value to OCEC for 2023. Some of these one-time expenses include a proposed switch to the NISC enterprise software platform, consulting support for our IT department to modernize our workplace and provide remote-work capability, support for our upcoming labor negotiations, and budgeted dollars for a broadband grant application. OCEC staff also proposed adding one position as an Engineering Clerk to support our operations and engineering department. We are forecasting an approximate 2% increase in our total expenses (wholesale power and expense combined) as compared to the Pro Forma total.

Greg then summarized OCEC's revenue forecast for 2023 which holds rates steady and is projected to increase by approximately 3%.

The board discussed various aspects of the proposed 2023 budget and staff will take the comments and feedback and bring back any proposed changes to the December 2022 board meeting with a recommendation for approval.

5. For Action - 2023 Capital Budget

Greg presented an updated 2023 capital budget and recommended approval to the board, contingent on approval of the entire budget package in December 2022. Sara Carlberg made the motion to approve the 2023 capital budget as presented in the board book, contingent on full budget approval. Dale Sekijima seconded. The motion was unanimously approved.

OPEN FLOOR FOR MEMBERS - None present.

OPEN FLOOR FOR BOARD MEMBERS - None

Meeting adjourned to Executive Session at 5:35 pm.

EXECUTIVE SESSION

1. Governance Committee Update – GM Review
2. Legal, Personnel, Competitive, Other

Alan Watson, Secretary



SPECIAL BOARD MEETING
December 12th, 2022
Virtual

Present: President Dale Sekijima, Vice President Michael Murray, Secretary/Treasurer Alan Watson, Sara Carlberg, Travis Thornton, Rick Johnson & John Rogers.

Absent: N/A

Attending: Greg Mendonca General Manager, Tracy McCabe Manager of Finance & Administration, Glenn Huber Manager of Operations

Guests: N/A

1. MEETING CALLED TO ORDER

President Dale Sekijima called the special meeting of the Board of Directors of Okanogan County Electric Cooperative, Inc. (OCEC) to order at 5:06 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

ITEMS OF BUSINESS

1. For Action – Broadband Grant Application

Greg presented a summary of the recently released Notice of Funding Opportunity (NOFO) from the Washington State Broadband Office (WSBO), WSBO 23-001. This NOFO was released on November 22nd, 2022 and has an application deadline of January 17th, 2023, with a notice of award on February 28th, 2023.

Projects that qualify under this NOFO may request up to \$12M per project with a required 10% match. The NOFO focuses on projects that directly enable work, education and health monitoring, including remote operations, in respond to the public

health emergency of COVID-19. Projects awarded must be completed by October 30th, 2026, giving a 3-year and 8-month window for completion.

Greg reviewed the contracts ready for execution from our consultants for the grant application, NRTC and CTC, who work together on behalf of NRTC's members wishing to utilize their services for grant applications. NRTC will act as "Project Manager" on behalf of OCEC, and CTC will act as "Grant Writer", in summary. The cost of the two agreements are \$105,000.

Greg then reviewed the current Proposed Funding Service Area (PFSA) that would result in a \$13.2M project, assuming a \$12M grant and \$1.2M in OCEC matching funds (10%). The PFSA is generally half of the total project build studied in both the NRTC Feasibility Study and OCEC Business Plan previously in 2022. Decisions were made for the PFSA based on grant guidelines and goals, economics of certain areas (overhead vs. underground), total houses passed, and a principal goal to build the main trunk line of fiber from Twisp substation to Lost River.

Greg reviewed the PFSA project details and associated financial projections for the project. Similar to the business case the board reviewed multiple scenarios for "take rates" on the project to determine financial risk of the project.

Greg noted that the consultants, NRTC and CTC, have required that OCEC sign the agreements by Tuesday December 13th, 2022 in order to meet the tight timelines for the grant application process.

Greg then highlighted areas in need of further research, areas of risk, areas of benefit, and overall project impact on OCEC and its staff. A board discussion occurred.

Dale Sekijima made the following motion and Michael Murray seconded:

"I move to approve the GM's request budget approval for \$35,000 (in addition to the currently sought \$70,000 in the 2023 OCEC operating budget – a total of \$105,000) to develop and submit an application to the Washington State Broadband Office regarding the Broadband Infrastructure Grant Notice of Funding Opportunity (NOFO) – WSBO 23-001. If improvement of OCEC's application evaluation score is warranted, and at the GM's discretion; this motion also approves OCEC incurring debt equal up to 10% of the grant amount requested."

Discussion was held and Michael Murray proposed an amendment to the motion and Sara Carlberg seconded.

Another discussion was held and Travis Thornton made the following amended motion and Sara Carlberg seconded:

"I move to approve the GM's request budget approval for \$35,000 (in addition to the currently sought \$70,000 in the 2023 OCEC operating budget – a total of \$105,000) to develop and submit an application to the Washington State Broadband Office regarding the Broadband Infrastructure Grant Notice of Funding Opportunity (NOFO) – WSBO 23-001 for the maximum available grant amount with an OCEC match as determined by the General Manager for the greatest chance of success, up to 10%."

A vote was held and the motion passed unanimously.

Meeting adjourned at 7:00 pm.

Alan Watson, Secretary

New Members OCEC

December 19, 2022

REINSTATE

NEW MEMBERS

WALSH LAUREN	122171
MILLER SVEA & ANDY	122172
KAMEN GARY & BRIDGET	122173
CONFERDATED TRIBES OF THE COLVILLE	122174
MONETTA ANTHONY & JILLIAN	122175
FUCHS MARLENE	122176
MCKEAN KERRY	122177
OLSON DAVID	122178
ACCIPITRIDAE LLC	122179
SILVERLINE LAKESIDE RESORT	122180



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	10/31/2022

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="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; background-color: yellow; margin: 5px; display: flex; align-items: center; justify-content: center;">5</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;">5</div> </div> <div> <p>Needs Attention</p> <p>Please Review</p> <p>Matches</p> </div> </div>	<p style="text-align: center;">A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?</p> <div style="text-align: center;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div>
<div style="display: flex;"> <div style="flex: 1;"> <p>Signature of Office Manager or Accountant</p> </div> <div style="flex: 1;"> <p>12/15/22</p> <p>Date</p> </div> </div> <div style="display: flex;"> <div style="flex: 1;"> <p>Signature of Manager</p> </div> <div style="flex: 1;"> <p>12/15/22</p> <p>Date</p> </div> </div>		<p style="text-align: center;">B. Will you authorize CFC to share your data with other cooperatives?</p> <div style="text-align: center;"> <input checked="" type="radio"/> YES <input type="radio"/> NO </div>

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	4,948,052	5,096,696	4,728,119	401,466
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	2,369,290	2,511,412	2,378,635	198,961
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	98,958	139,962	105,081	10,605
7. Distribution Expense - Maintenance	552,709	610,458	509,357	48,752
8. Consumer Accounts Expense	253,410	270,256	277,555	23,750
9. Customer Service and Informational Expense	(2,144)	14,648	2,980	369
10. Sales Expense	(2,739)	10,824	(3,500)	0
11. Administrative and General Expense	833,564	806,529	712,659	89,149
12. Total Operation & Maintenance Expense (2 thru 11)	4,103,047	4,364,090	3,982,767	371,586
13. Depreciation & Amortization Expense	351,308	383,047	368,045	39,226
14. Tax Expense - Property & Gross Receipts	40,358	41,337	40,710	4,141
15. Tax Expense - Other	154,190	151,277	155,023	12,634
16. Interest on Long-Term Debt	163,884	163,536	162,398	16,485
17. Interest Charged to Construction (Credit)	0	0	0	3,163
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	4,812,787	5,103,287	4,708,944	447,234
21. Patronage Capital & Operating Margins (1 minus 20)	135,265	(6,591)	19,175	(45,768)
22. Non Operating Margins - Interest	23,006	21,942	22,273	2,131
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	27,085	52,193	21,200	2,538
25. Non Operating Margins - Other	28,300	34,000	34,000	3,400
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)	213,656	101,545	96,648	(37,699)

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	84	86	5. Miles Transmission	0	0
2. Services Retired	5	10	6. Miles Distribution Overhead	188	195
3. Total Services In Place	4,002	4,080	7. Miles Distribution Underground	232	257
4. Idle Services (Exclude Seasonal)	95	98	8. Total Miles Energized (5+6+7)	420	452



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County
	BORROWER DESIGNATION	WA032
	ENDING DATE	10/31/2022

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	16,805,446	29. Memberships	17,330
2. Construction Work in Progress	335,743	30. Patronage Capital	8,530,883
3. Total Utility Plant (1+2)	17,141,189	31. Operating Margins - Prior Years	360,692
4. Accum. Provision for Depreciation and Amort	5,883,290	32. Operating Margins - Current Year	67,545
5. Net Utility Plant (3-4)	11,257,899	33. Non-Operating Margins	34,000
6. Nonutility Property - Net	0	34. Other Margins & Equities	1,359,957
7. Investment in Subsidiary Companies	1,224,408	35. Total Margins & Equities (29 thru 34)	10,370,407
8. Invest. in Assoc. Org. - Patronage Capital	443,446	36. Long-Term Debt CFC (Net)	3,994,541
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	135,373	38. Total Long-Term Debt (36 + 37)	3,994,541
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)	1,816,726	42. Notes Payable	0
15. Cash-General Funds	273,710	43. Accounts Payable	387,966
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	170,783
17. Special Deposits	181,587	45. Current Maturities Long-Term Debt	0
18. Temporary Investments	0	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	352,903	48. Other Current & Accrued Liabilities	150,752
21. Accounts Receivable - Net Other	810,146	49. Total Current & Accrued Liabilities (42 thru 48)	709,501
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	366,150	51. Total Liabilities & Other Credits (35+38+41+49+50)	15,074,449
24. Prepayments	14,254	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)	1,999,715	Amounts Received This Year (Net)	658,232
27. Deferred Debits	109	TOTAL Contributions-In-Aid-Of-Construction	658,232
28. Total Assets & Other Debits (5+14+26+27)	15,074,449		

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, 2022

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$6,005,065	\$4,728,119	\$5,096,696	\$519,297	\$401,466
COST OF POWER	\$3,023,720	\$2,378,635	\$2,511,412	\$243,307	\$198,961
GROSS MARGINS	\$2,981,345	\$2,349,484	\$2,585,284	\$275,990	\$202,505
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$126,231	\$105,081	\$139,962	\$10,575	\$10,605
DISTRIBUTION MAINTENANCE	\$609,197	\$509,357	\$610,458	\$48,472	\$48,752
CONSUMER ACCOUNTING	\$337,621	\$277,555	\$270,256	\$26,544	\$23,750
CONSUMER SERVICE & INFO	\$3,576	\$2,980	\$14,648	\$298	\$369
SALES EXPENSE	-\$3,500	-\$3,500	\$10,824	-\$1,000	\$0
ADMIN & GENERAL	\$822,641	\$712,659	\$806,529	\$53,012	\$89,149
<i>TOTAL OPERATING EXPENSES</i>	\$1,895,766	\$1,604,132	\$1,852,678	\$137,901	\$172,625
FIXED EXPENSES:					
DEPRECIATION	\$445,237	\$368,045	\$383,047	\$38,596	\$39,226
TAXES-PROPERTY	\$48,852	\$40,710	\$41,337	\$4,071	\$4,141
TAXES-OTHER	\$186,028	\$155,023	\$151,278	\$15,502	\$12,634
INTEREST	\$194,878	\$162,398	\$163,536	\$16,240	\$16,485
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$3,163
<i>TOTAL FIXED EXPENSES</i>	\$874,994	\$726,177	\$739,198	\$74,409	\$75,648
TOTAL EXPENSES	\$2,770,760	\$2,330,309	\$2,591,875	\$212,310	\$248,273
OPERATING MARGINS	\$210,585	\$19,175	-\$6,591	\$63,680	-\$45,768
NONOPERATING MARGINS:					
INTEREST	\$50,766	\$22,273	\$21,942	\$423	\$2,131
OTHER	\$40,800	\$55,200	\$86,193	\$3,400	\$5,938
NET MARGINS	\$302,150	\$96,648	\$101,544	\$67,503	-\$37,699
T.I.E.R.	2.55	1.60	1.62	5.16	-1.29

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
October-22

	JULY 2022	AUGUST 2022	SEPT 2022	OCT 2022	OCT 2021
POWER DATA:					
COST OF POWER	\$193,671	\$193,975	\$177,234	\$198,961	\$217,970
KWH PURCHASED	4,529,980	4,527,945	3,602,765	4,154,195	5,026,650
KWH SOLD & OCEC USE	3,940,097	4,261,053	3,221,416	3,571,032	4,622,848
KWH LOST	589,883	266,892	381,349	583,163	403,802
LINE LOSS %	13.02%	5.89%	10.58%	14.04%	8.03%
COST PER KWH	\$0.0428	\$0.0428	\$0.0492	\$0.0479	\$0.0434
BILLING DATA:					
ACCOUNTS BILLED	4,048	4,073	4,077	4,080	3,995
AVG. KWH/CONSUMER	973	1,046	790	875	1,157
BILLING REVENUE	\$421,311	\$442,852	\$376,861	\$398,281	\$465,890
AVERAGE BILL	\$104.08	\$108.73	\$92.44	\$97.62	\$116.62
REVENUE/KWH SOLD	\$0.1069	\$0.1039	\$0.1170	\$0.1115	\$0.1008
SERVICE DATA:					
NEW	17	21	2	8	14
RETIRED	2	0	4	0	1
TOTAL END OF MONTH	4036	4073	4077	4080	3989
IDLE SERVICES	97	95	99	98	95
TRANSPORTATION:					
TOTAL MILES	8,591	7,619	6,008	8,651	6,546
COST OF OPERATION	\$30,078	\$34,049	\$31,352	\$32,005	\$16,503
AVG. COST PER MILE	\$3.501	\$4.469	\$5.218	\$3.700	\$2.521
MATERIALS:					
ISSUES	\$51,303	\$53,214	\$25,844	\$107,817	\$79,109
INVENTORY	\$469,676	\$432,161	\$450,540	\$366,151	\$375,184

Okanogan County Electric Cooperative Inc
Budget Year: 2022

STATEMENT OF CHANGES IN CASH FLOW
Actual/Forecasted

	Current year Nov - Dec 2021	Budget year Jan - Dec 2022	January	February	March	April	May	June	July	August	September	October	November	December
Patronage Capital or Margins	234,781	302,150	92,231	55,257	(22,865)	27,425	34,445	(35,579)	(30,643)	(12,357)	31,361	(37,699)	140,196	65,304
Plus Depreciation Expense	34,993	445,237	34,879	37,964	38,009	38,145	38,623	38,962	38,920	39,068	39,252	39,226	38,596	38,596
Less Capital Credit Allocations	(366,021)	(330,000)	1,851	(12)	(660)	0	(3,921)	0	0	0	0	219	0	(330,000)
Plus FAS 158 Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total (Funds From Operations)	(96,247)	417,387	128,961	93,209	14,483	65,570	69,146	3,383	8,277	26,711	70,613	1,745	178,792	(226,100)
Cash Construction Funds - Trustee	0	0												
Special Deposit	(5,656)	(75,001)	(58,323)	(5,615)	(5,617)	(5,612)	(4,511)	(4,784)	(4,613)	(4,614)	(3,938)	(5,302)	(5,679)	(5,679)
Temporary Investment	0	0						0						
Accounts Receivable - Sale of Energy (Net)	(316,094)	34,769	(51,503)	70,729	266,242	88,825	53,163	41,772	(34,430)	14,245	52,230	19,453	2,897	2,897
Accounts Receivable - Other (Net)	165,165	75,001	57,943	5,995	14,314	6,051	4,938	15,402	4,613	(20,444)	14,124	2,302	5,679	5,679
Regulatory Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Debits	(668)	0	1,508	(551)	(12,322)	11,662	1,059	(1,262)	2,205	(792)	0	(109)	0	0
Prepayments	6,749	0	(78,396)	7,127	7,127	7,127	7,127	7,127	7,127	7,127	7,127	7,127	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	(150,505)	34,769	(128,771)	77,685	269,744	108,053	61,777	58,255	(25,098)	(4,478)	69,543	23,470	2,897	2,897
Notes Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Payable	471,684	24,785	(200,051)	74,945	(211,113)	(9,555)	(103,729)	117,488	46,164	(97,504)	48,334	19,007	2,065	2,065
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	47,856	0	(47,823)	0	0	0	0	0	0	0	0	0	0	0
Other Current and Accrued Liabilities	(47,823)	0	48,817	32,854	(45,796)	(59,698)	27,482	(12,355)	10,964	45,969	(29,673)	(17,910)	0	0
Increase/(Decrease) in Operating Liabilities	471,717	24,785	(199,057)	107,799	(256,908)	(69,253)	(76,247)	105,133	57,128	(51,534)	18,661	1,098	2,065	2,065
CASH FROM OPERATING ACTIVITIES	224,965	476,941	(198,867)	278,692	27,319	104,370	54,676	166,771	40,307	(29,301)	158,818	26,313	183,755	(221,137)
INVESTMENT ACTIVITIES														
Total Utility Plant	(259,852)	(\$1,399,020)	26,442	(36,972)	(3,095)	(206,376)	(162,397)	(31,025)	27,739	(5,123)	(89,528)	19,460	(116,585)	(116,585)
Cost to Retire Utility Plant	(16,316)	0	4,162	8,309	6,370	10,289	7,930	(103,199)	(82,701)	4,604	9,920	(34,913)	0	0
Construction Work-in-Progress	136,855	288,015	(25,981)	(30,019)	(69,900)	(49,781)	(148,808)	(94,047)	(131,412)	(143,076)	(105,080)	(185,116)	24,001	24,001
Contributions in aid of construction (CIAC)	13,259	571,287	33,847	20,193	47,296	51,555	97,928	121,990	130,471	108,048	51,290	1,993	47,607	47,607
Total Other Property and Investments	(144,936)	0	(34,537)	1,381	(589)	0	0	0	0	0	(9,726)	0	0	0
Materials & Supplies - Electric and Other	(34,585)	0	2,344	(18,412)	(14,492)	(21,798)	14,525	(7,773)	(60,926)	37,514	(18,378)	84,389	0	0
Notes Receivable (Net)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH FROM INVESTMENT ACTIVITIES	(305,575)	(539,718)	6,277	(55,521)	(34,411)	(216,112)	(190,822)	(114,054)	(116,829)	1,967	(161,502)	(114,187)	(44,977)	(44,977)
FINANCING ACTIVITIES														
Margins & Equities	0	\$0	0	0	0	0	0	0	0	0	0	0	0	0
LT Debt - Additional Debt	0	\$220,000	220,000	0	0	0	0	0	0	0	0	0	0	0
LT Debt - Debt Service Payment	(47,526)	(\$215,243)	0	0	(48,174)	0	0	(53,586)	0	0	(54,295)	0	0	(54,859)
LT Debt - Other	0	0	0	0	0	0	0	0	200,000	0	0	0	0	0
Total LT Debt	(47,526)	4,757	220,000	0	(48,174)	0	0	(53,586)	200,000	0	(54,295)	0	0	(54,859)
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	(10)	0	(15)	5	15	30	25	(15)	25	40	20	25	0	0
Consumers Deposits	1,250	0	50	(500)	(950)	1,500	2,550	1,850	1,700	2,000	900	(1,350)	0	0
CASH FROM FINANCING ACTIVITIES	(46,286)	4,757	220,035	(495)	(49,109)	1,530	2,575	(51,751)	201,725	2,040	(53,375)	(1,325)	0	(54,859)
CASH FROM ALL ACTIVITIES	(126,896)	(58,020)	27,445	222,677	(56,201)	(110,212)	(133,571)	966	125,203	(25,295)	(56,059)	(89,199)	138,779	(320,973)
TOTAL CASH BEGINNING OF PERIOD	494,854	367,958	367,958	395,403	618,079	561,876	451,664	318,093	319,059	444,262	418,968	362,908	273,710	412,488
TOTAL CASH END OF PERIOD	367,958	309,938	395,403	618,079	561,876	451,664	318,093	319,059	444,262	418,968	362,908	273,710	412,488	91,516

General Manager's Report to the Board – December 2022

Operations Updates:

Shared Engineering Support

OCEC has partnered with Lincoln Electric Cooperative in Eureka, MT to successfully bring on a shared engineer staff. Jamie Stark had worked with both LEC and OCEC in his role at Morrison-Maeirle in the past year. LEC and OCEC began discussing the potential for hiring Jamie on full time at LEC and sharing the services and cost early in 2022 and I am happy to report we have officially brought him on board starting January 16th, 2023. This will result in cost-savings for our planned engineering consulting associated with our strategic objective of “Enhanced Capital Planning” and additional value from a long-time cooperative engineer and past General Manager.

Glenn and team have a long list of tasks we will be assigning to Jamie next year and we plan to hit the ground running utilizing his time to benefit our system.

Financial Updates:

Audit Update

We have completed our inventory counts and initial field work with our auditor. We have had a schedule change for our field work next calendar year that has pushed back the anticipated arrival date of our audit to April 2023. We typically have our field work done the second or third week in January, but based on our current pace we requested to take the next available slot after that. The next slot, unfortunately, was the first week of March 2022. While this is a slight setback in schedule I believe it will be helpful for our team to ensure the necessary reports and supporting documentation the auditors will be asking for will be readily available.

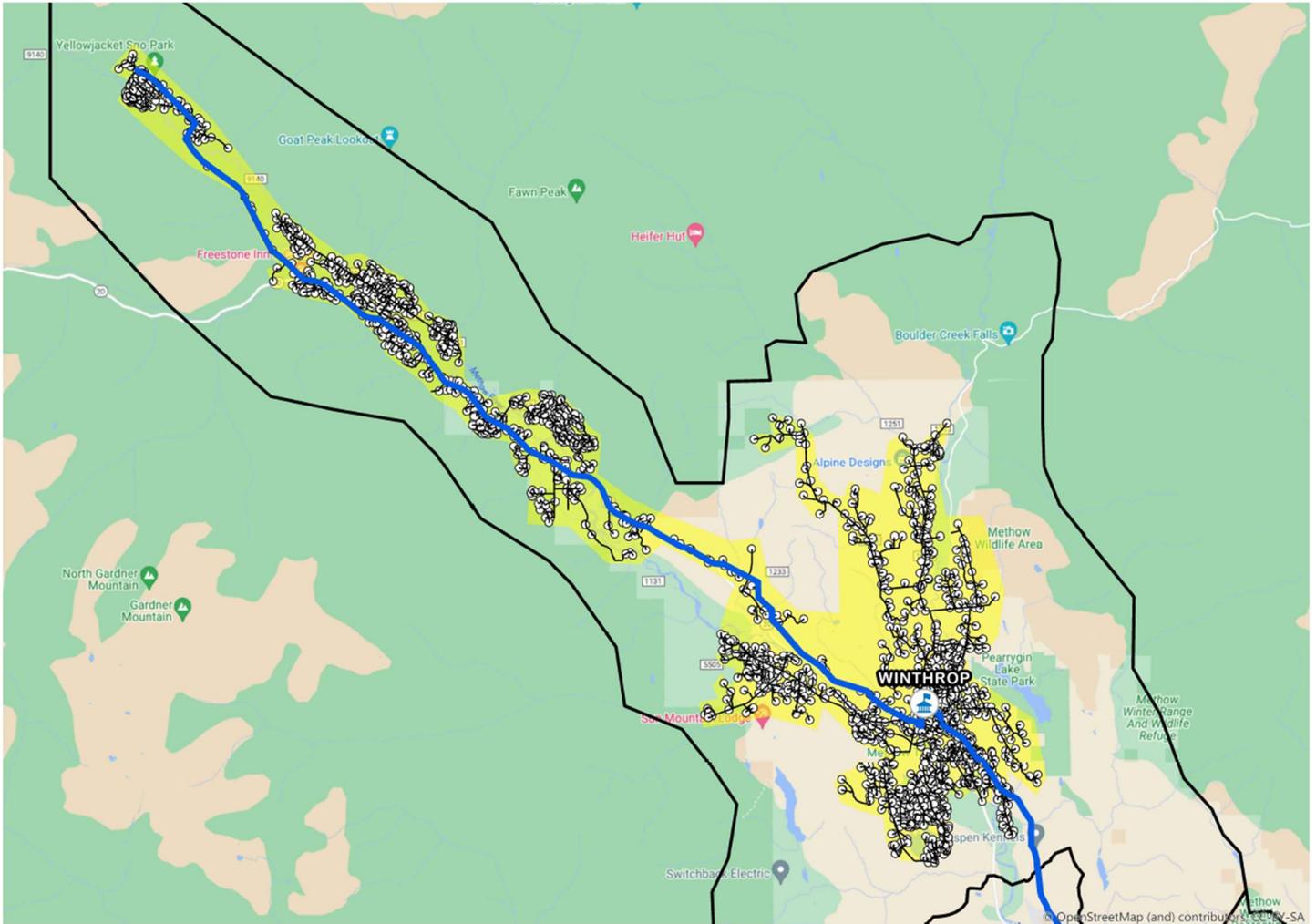
General Updates:

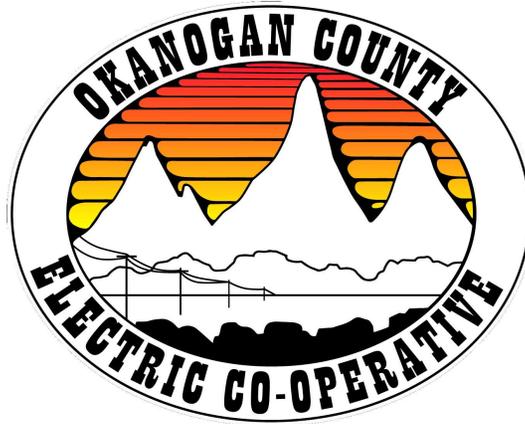
Broadband Grant

We have signed the agreements with both NRTC and CTC and are on track for an application submittal on January 13th, 2023 (applications are due January 17th). We have held a kickoff meeting with NRTC, CTC, Methownet, and OCEC to review schedule, critical project tasks, and assign the workload between the entities. I am impressed thus far with NRTC and CTC's team and ability to respond to OCEC questions, as well as take the reins on “the hard stuff”. Below is

Okanogan County Electric Cooperative, Inc.

our final Proposed Funding Service Area (PFSA) that will go into design and engineering, final budgeting, and narrative crafting for the grant. The white dots are meters considered “passed” by the fiber project, and the yellow area is just an outline of the PFSA. In summary we designed the project to pass ~2,600 homes out of a total potential of ~3,600 homes for the entire service area.





2023 Budget Package

DECEMBER 19TH, 2022



Capital Budget

Changes from November 2022 Version

- Added \$10k to Computer/IT Replacements
- Forecasted cost of new hardware for planned incoming employees
- Beginning hardware rotation schedule with support from IT Consultants

Notable Information

- As of 12/14 we only have 30 transformers on order for 2023 which would be well under budget
- Due to lead times any transformers purchased in 2023 are slated for 2024 work
- In other words, we feel good about our transformer inventory for 2023, but 2024 will be difficult if we assume continued pace of new member work and inability to secure 30+ more transformers for 2024 delivery



Wholesale Power & Transmission Budget

No changes proposed from the November 2022 version

Notable Information

- Several groups have petitioned BPA to delay the decision on the Reserves Distribution Clause and proposed to spend more reserves money on fish and wildlife as opposed to the planned rate rebates
- While it is unlikely to succeed, we will keep watching
- Power prices have only continued to increase, potential for another RDC for calendar year 2024 will increase in probability if the water year continues to impress



Expense Budget

Changes from November 2022 Version

- Updated budget for broadband application to \$105k based on signed contracts

Notable Information

- Review performed on salary and wage budget, OCEC will sign up for the Milliman salary survey for 2023 and review the most recent data for the 2024 budget
- If grant application is successful, the \$105k would be recovered via grant funding



Revenue Budget

No changes proposed from the November 2022 version

Notable Information

- The board may consider a small rate increase in 2023 in order to begin working towards addressing cash issues in 2023 currently resolved by increased borrowing amounts (see Long-Term Debt Recommendations)
- Example Rate Increase to Consider: \$5 Base Charge Increase April 2023 on all rate classes
- ~\$180k in additional revenues in 2023 (2.7% increase)



Long Term Debt Recommendation

We are recommending the board approve up to \$750k in new long-term debt for 2023

Notable Information

- OCEC staff will plan to manage cash through the operating year with the CFC Line of Credit and report a final long-term debt amount at the end of the 2023 calendar year
- Should OCEC need additional long-term debt we will have to get approval from the board



Staff Recommendation

Staff recommends the board approve the budget package included in the December board book comprised of:

2023 Operating Statement

2023 Balance Sheet

2023 Statement of Cash Flows

Up to \$750k in new long-term debt under our existing CFC Mortgage

	Budget Jan	Budget Feb	Budget Mar	Budget Apr	Budget May	Budget Jun	Budget Jul	Budget Aug	Budget Sep	Budget Oct	Budget Nov	Budget Dec	Pro forma Total	Budget Total	\$ Variance	% Variance
PART A. STATEMENT OF OPERATIONS																
1. Operating Revenue and Patronage Capital	786,226	739,428	598,579	430,703	416,047	401,812	443,805	419,320	399,612	498,284	628,107	811,289	6,662,248	6,573,212	(89,036)	(1.34%)
2. Power Production Expense (500 - 554)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
3. Cost of Purchased Power (555 - 567)	337,513	322,519	230,487	186,933	138,733	127,786	133,725	144,122	142,432	264,382	311,752	504,114	3,297,968	2,844,497	(453,471)	(13.75%)
4. & 5. Transmission Expense (560-573) & Regional Market Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
6. Distribution Expense - Operation (580s)	22,500	23,700	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	161,112	161,200	88	0.05%
7. Distribution Expense - Maintenance (590s)	62,757	59,195	63,860	59,564	65,454	63,626	64,001	67,428	63,964	65,670	64,151	62,207	710,269	761,878	51,609	7.27%
8. Consumer Accounts Expense (901-905)	37,896	36,499	45,226	36,170	40,202	43,827	37,622	40,200	42,469	38,824	38,815	42,373	330,322	480,122	149,800	45.35%
9. Customer Service and Informational Expense (907-910)	1,738	1,738	1,738	3,738	1,988	1,738	1,988	1,738	1,738	1,738	1,738	1,738	15,243	23,356	8,113	53.22%
10. Sales Expense (911-916)	0	(1,500)	0	(500)	0	0	(500)	0	0	(1,000)	0	0	10,824	(3,500)	(14,324)	(132.34%)
11. Administrative and General Expense (920-935)	133,776	131,027	84,377	98,760	99,177	83,336	82,012	90,492	79,260	81,747	81,201	79,190	916,513	1,124,353	207,840	22.68%
12. Total Operation & Maintenance Expense (2 thru 11)	596,180	573,177	437,188	396,165	357,053	331,814	330,348	355,480	341,362	462,861	509,156	701,122	5,442,251	5,391,906	(50,345)	(0.93%)
13. Depreciation & Amortization Expense	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	39,167	460,241	470,000	9,759	2.12%
14. Tax Expense - Property	4,248	4,248	4,248	4,248	4,248	4,248	4,248	4,248	4,248	4,248	4,248	4,248	49,482	50,977	1,495	3.02%
15. Tax Expense - Other	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	15,833	182,282	190,000	7,718	4.23%
16. Interest on Long-Term Debt: Option 1 - Manually Entered	20,556	20,556	20,556	20,556	20,556	20,556	20,556	20,556	20,556	20,556	20,556	20,556	196,016	246,669	50,653	25.84%
17. Interest Charged to Construction (Credit)	0	0	0	0	0	0	0	0	0	0	0	0	1	0	(1)	(100.00%)
18. Interest Expense - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
19. Other Deductions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
20. Total Cost of Electric Service (12 thru 19)	675,984	652,981	516,992	475,969	436,857	411,618	410,151	435,283	421,166	542,665	588,960	780,926	6,330,272	6,349,552	19,280	0.30%
21. Patronage Capital & Operating Margins (1 minus 20)	110,242	86,447	81,587	(45,266)	(20,810)	(9,806)	33,654	(15,963)	(21,554)	(44,381)	39,147	30,363	331,976	223,660	(108,316)	(32.63%)
22. Non Operating Margins - Interest	2,235	435	7,322	435	435	5,174	423	423	4,970	423	423	6,870	29,235	29,566	331	1.13%
23. Allowance for Funds Used During Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
24. Income (Loss) from Equity Investments	0	0	1,200	0	0	0	0	0	20,000	0	0	0	52,194	21,200	(30,994)	(59.38%)
25. Non Operating Margins - Other	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	40,800	16,800	(24,000)	(58.82%)
26. Generation & Transmission Capital Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
27. Other Capital Credits & Patronage Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
28. Extraordinary Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
29. Patronage Capital or Margins (21 thru 28)	113,876	88,281	91,509	(43,431)	(18,975)	(3,232)	35,476	(14,141)	4,816	(42,558)	40,970	38,633	454,205	291,226	(162,979)	(35.88%)
Number of Customers	3,893	3,893	3,893	3,893	4,079	4,079	4,079	4,079	4,079	4,079	3,893	3,893	3,766	3,893		
kWh Sold	8,800,948	8,159,801	6,246,250	3,932,190	3,727,192	3,550,536	4,198,867	3,846,031	3,511,671	4,786,624	6,665,717	9,134,536	65,828,280	66,560,364		

PART B. DATA ON TRANS AND DISTR PLANT

New Services Connected (Monthly Change Only)	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0.00%
Services Retired (Monthly Change Only)	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0.00%
Total Services in Place (Month end balance)	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0.00%
Idle Services (Exclude Seasonal) (Month end balance)	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0.00%
Miles Transmission (Month end balance)	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0.00%
Miles Distribution - Overhead (Month end balance)	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0.00%
Miles Distribution - Underground (Month end balance)	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0.00%
Total Miles Energized	0	0.00%														

BALANCE SHEET
Okanogan County Electric Cooperative Inc
Budget Year: 2023
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Status Comments (Enter your notes below to help you remember where you left off.)

In progress

Select Month

Form 7
 Oct
 2022

Enter
 Transactions
 Nov - Dec
 2022

Current year
 Dec 31
 2022

Enter
 Transactions
 Jan - Dec
 2023

Budget year
 Dec 31
 2023

PART C. ASSETS AND OTHER DEBITS

	\$	15,074,451	\$	411,472	\$	15,485,923	\$	505,488	\$	15,991,410
Land and Land Rights	\$	-	\$	-	\$	-	\$	-	\$	-
Production Plant	\$	-	\$	-	\$	-	\$	-	\$	-
Transmission Plant	\$	-	\$	-	\$	-	\$	-	\$	-
Distribution Plant	\$	16,805,446	\$	-	\$	16,805,446	\$	666,891	\$	17,472,337
General Plant	\$	-	\$	-	\$	-	\$	150,000	\$	150,000
1. Total Utility Plant in Service	\$	16,805,446	\$	-	\$	16,805,446	\$	816,891	\$	17,622,337
Land and Land Rights	\$	-	\$	-	\$	-	\$	-	\$	-
Production Plant	\$	-	\$	-	\$	-	\$	-	\$	-
Transmission Plant	\$	-	\$	-	\$	-	\$	-	\$	-
Distribution Plant	\$	335,743	\$	-	\$	335,743	\$	-	\$	335,743
General Plant	\$	-	\$	-	\$	-	\$	-	\$	-
2. Total Construction Work in Progress (WIP)	\$	335,743	\$	-	\$	335,743	\$	-	\$	335,743
3. Total Utility Plant	\$	17,141,189	\$	-	\$	17,141,189	\$	816,891	\$	17,958,080
4. Accum. Provision for Depreciation and Amort	\$	5,883,290	\$	77,193	\$	5,960,483	\$	176,228	\$	6,136,711
5. Net Utility Plant (3 minus 4)	\$	11,257,899	\$	(77,193)	\$	11,180,706	\$	640,663	\$	11,821,369
6. Nonutility Property - Net	\$	-	\$	-	\$	-	\$	-	\$	-
7. Investment in Subsidiary Companies	\$	1,224,408	\$	-	\$	1,224,408	\$	-	\$	1,224,408
8. Invest. in Assoc. Org. - Patronage Capital (See Below)	\$	443,446	\$	-	\$	443,446	\$	-	\$	443,446
9. Invest. in Assoc. Org. - Other - General Funds	\$	-	\$	-	\$	-	\$	-	\$	-
10. Invest in Assoc. Org. - Other - Nongeneral Funds	\$	135,373	\$	-	\$	135,373	\$	-	\$	135,373
11. Investments in Economic Development Projects	\$	-	\$	-	\$	-	\$	-	\$	-
12. Other Investments	\$	13,500	\$	-	\$	13,500	\$	-	\$	13,500
13. Special Funds	\$	-	\$	-	\$	-	\$	-	\$	-
14. Total Other Property & Investments (6 thru 13)	\$	1,816,727	\$	-	\$	1,816,727	\$	-	\$	1,816,727
15. Cash-General Funds	\$	273,710	\$	(91,336)	\$	182,374	\$	(135,176)	\$	47,199
16. Cash-Construction Funds-Trustee	\$	-	\$	-	\$	-	\$	-	\$	-
17. Special Deposits	\$	181,587	\$	-	\$	181,587	\$	-	\$	181,587
18. Temporary Investments	\$	-	\$	-	\$	-	\$	-	\$	-
19. Notes Receivable - Net	\$	-	\$	-	\$	-	\$	-	\$	-
20. Accounts Receivable - Net Sales of Energy	\$	352,903	\$	520,000	\$	872,903	\$	-	\$	872,903
21. & 22. Accounts Receivable - Net Other & Renewable Energy Credits	\$	810,146	\$	-	\$	810,146	\$	-	\$	810,146
23. Materials & Supplies - Electric and Other	\$	366,150	\$	60,000	\$	426,150	\$	-	\$	426,150
24. Prepayments	\$	14,254	\$	-	\$	14,254	\$	-	\$	14,254
25. Other Current & Accrued Assets	\$	966	\$	-	\$	966	\$	-	\$	966
26. Total Current & Accrued Assets (15 thru 25)	\$	1,999,716	\$	488,664	\$	2,488,380	\$	(135,176)	\$	2,353,205
27. Regulatory Assets	\$	-	\$	-	\$	-	\$	-	\$	-
28. Deferred Debits	\$	109	\$	-	\$	109	\$	-	\$	109
29. Total Assets & Other Debits (5 + 14 + 26 thru 28)	\$	15,074,451	\$	411,472	\$	15,485,923	\$	505,488	\$	15,991,410

BALANCE SHEET
Okanogan County Electric Cooperative Inc
Budget Year: 2023
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Status **Comments (Enter your notes below to help you remember where you left off.)**

In progress

Select Month

Form 7
 Oct
 2022

Enter
 Transactions
 Nov - Dec
 2022

Current year
 Dec 31
 2022

Enter
 Transactions
 Jan - Dec
 2023

Budget year
 Dec 31
 2023

PART C. LIABILITIES AND OTHER CREDITS

	\$	15,074,449	\$	411,472	\$	15,485,921	\$	505,488	\$	15,991,408
30. Memberships	\$	17,330	\$	-	\$	17,330	\$	-	\$	17,330
31. Patronage Capital	\$	8,530,883	\$	(294,408)	\$	8,236,475	\$	(310,374)	\$	7,926,101
32. Operating Margins - Prior Years	\$	360,692	\$	-	\$	360,692	\$	-	\$	360,692
33. Operating Margins - Current Year	\$	67,545	\$	352,635	\$	420,180	\$	291,226	\$	711,405
34. Non-Operating Margins	\$	34,000	\$	3,000	\$	37,000	\$	-	\$	37,000
35. Other Margins & Equities	\$	1,359,957	\$	-	\$	1,359,957	\$	-	\$	1,359,957
36. Total Margins & Equities (30 thru 35)	\$	10,370,407	\$	61,227	\$	10,431,634	\$	(19,148)	\$	10,412,485
37. Long-Term Debt - RUS (Net)	\$	-	\$	-	\$	-	\$	-	\$	-
38. Long-Term Debt - RUS - Econ. Devel.	\$	-	\$	-	\$	-	\$	-	\$	-
39. Long-Term Debt - REA Guaranteed	\$	-	\$	-	\$	-	\$	-	\$	-
41. Long-Term Debt - Other - RUS Guaranteed	\$	-	\$	-	\$	-	\$	-	\$	-
40 a. Long-Term Debt - Other	CFC	\$ 3,794,541	\$	(49,755)	\$	3,744,786	\$	524,636	\$	4,269,422
40 b. Long-Term Debt - Other	LOC	\$ 200,000	\$	400,000	\$	600,000	\$	-	\$	600,000
40 c. Long-Term Debt - Other	Enter Description	\$ -	\$	-	\$	-	\$	-	\$	-
40 d. Long-Term Debt - Other	Enter Description	\$ -	\$	-	\$	-	\$	-	\$	-
40 e. Long-Term Debt - Other	Enter Description	\$ -	\$	-	\$	-	\$	-	\$	-
42. Payments Unapplied	\$	-	\$	-	\$	-	\$	-	\$	-
43. Total Long-Term Debt (37 Thru 41 - 42)	\$	3,994,541	\$	350,245	\$	4,344,786	\$	524,636	\$	4,869,422
44. Obligations Under Capital Leases	\$	-	\$	-	\$	-	\$	-	\$	-
45. Accumulated Operating Provisions	\$	-	\$	-	\$	-	\$	-	\$	-
46. Total Other Noncurrent Liabilities (44 plus 45)	\$	-	\$	-	\$	-	\$	-	\$	-
47. Notes Payable	\$	-	\$	-	\$	-	\$	-	\$	-
48. Accounts Payable	\$	387,966	\$	-	\$	387,966	\$	-	\$	387,966
49. Consumers Deposits	\$	170,783	\$	-	\$	170,783	\$	-	\$	170,783
50. Current Maturities Long-Term Debt	\$	-	\$	-	\$	-	\$	-	\$	-
51. Current Maturities Long-Term Debt-Economic Development	\$	-	\$	-	\$	-	\$	-	\$	-
52. Current Maturities Capital Leases	\$	-	\$	-	\$	-	\$	-	\$	-
53. Other Current and Accrued Liabilities	\$	150,752	\$	-	\$	150,752	\$	-	\$	150,752
54. Total Current and Accrued Liabilities (47 thru 53)	\$	709,501	\$	-	\$	709,501	\$	-	\$	709,501
55. Regulatory Liabilities	\$	-	\$	-	\$	-	\$	-	\$	-
56. Other Deferred Credits	\$	-	\$	-	\$	-	\$	-	\$	-
57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 + 55 + 56)	\$	15,074,449	\$	411,472	\$	15,485,921	\$	505,488	\$	15,991,408

STATEMENT OF CHANGES IN CASH FLOW
Okanogan County Electric Cooperative Inc
Budget Year: 2023

[Go to Home Worksheet](#)

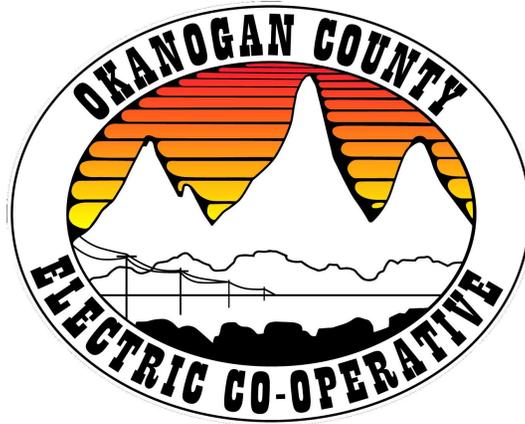
Historic Average

kWh Option 1

kWh Option 2

kWh Option 3

	Current year Nov - Dec 2022	Budget year Jan - Dec 2023
Patronage Capital or Margins	\$352,635	\$291,226
Plus Depreciation Expense	\$77,193	\$470,000
Less Capital Credit Allocations	\$0	\$0
Total (Funds From Operations)	\$429,827	\$761,226
Cash Construction Funds - Trustee	\$0	\$0
Special Deposit	\$0	\$0
Temporary Investment	\$0	\$0
Accounts Receivable - Sale of Energy (Net)	(\$520,000)	\$0
Accounts Receivable - Other (Net)	\$0	\$0
Regulatory Assets	\$0	\$0
Deferred Debits	\$0	\$0
Prepayments	\$0	\$0
Other Current & Accrued Asset	\$0	\$0
(Increase)/Decrease in Operating Assets	(\$520,000)	\$0
Notes Payable	\$0	\$0
Accounts Payable	\$0	\$0
Accumulated Operating Provisions	\$0	\$0
Regulatory Liabilities	\$0	\$0
Other Deferred Credits	\$0	\$0
Other Current and Accrued Liabilities	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	\$0
CASH FROM OPERATING ACTIVITIES	(\$90,173)	\$761,226
INVESTMENT ACTIVITIES		
Total Utility Plant	\$0	(\$1,547,271)
Cost to Retire Utility Plant	\$0	\$0
Construction Work-in-Progress	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$436,608
Total Other Property and Investments	\$0	\$0
Materials & Supplies - Electric and Other	(\$60,000)	\$0
Notes Receivable (Net)	\$0	\$0
CASH FROM INVESTMENT ACTIVITIES	(\$60,000)	(\$1,110,663)
FINANCING ACTIVITIES		
Margins & Equities	(\$291,408)	(\$310,374)
LT Debt - Additional Debt	\$0	\$750,000
LT Debt - Debt Service Payment	\$0	(\$225,364)
LT Debt - Other	\$0	\$0
Total LT Debt	\$350,245	\$524,636
LT Debt - Payments Unapplied	\$0	\$0
LT Debt - Current maturities	\$0	\$0
Obligations Under Capital Leases	\$0	\$0
Consumers Deposits	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$58,837	\$214,262
CASH FROM ALL ACTIVITIES	(\$91,336)	(\$135,176)
TOTAL CASH BEGINNING OF PERIOD	\$273,710	\$182,374
TOTAL CASH END OF PERIOD	\$182,374	\$47,199



CFC Loan Recommendation

DECEMBER 19TH, 2022



Background

OCEC included in the 2022 budget a planned long-term borrowing of \$220k which was executed in January 2022

OCEC has pulled \$600k from the CFC Line of Credit through the year in addition in order to manage cash

Current LOC Rate 5.75%

Primary drivers of needed cash

- Additional system improvement materials costs
- Cost of materials increasing in general compared to budget
- Increased expenses compared to budget



Staff Recommendation

Convert \$600k from the Line of Credit into long-term debt under our existing CFC Mortgage

Would result in a total of \$820k in new long-term debt for 2022

Forecast Equity to Assets % drop to 67% (based on CFC BudgetPro Model and Nov-Dec forecast)



Current Rates

Benchmark Treasury Rates

Rate posted

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[Print Preview](#)

Rate effective Wednesday, December 14, 2022

OCEC should add ~200 basis points (2%) for a likely rate from CFC on the treasury rates

Year	Rate
2-Year	4.230%
5-Year	3.640%
7-Year	3.590%
10-Year	3.490%
20-Year	3.740%
30-Year	3.520%

Daily Treasury Rates are Constant Maturity Treasury rates posted by the U.S. Department of Treasury and, therefore, reflect a one business day lag.



OCEC Blended Interest Rate

Year	System Value	US Total			State Grouping		
		Median	NBR	Rank	Median	NBR	Rank
RATIO 23 --- BLENDED INTEREST RATE (%)							
2017	5.86	3.96	807	24	4.06	9	2
2018	5.88	3.98	808	23	4.52	10	2
2019	5.61	3.98	809	23	4.17	10	2
2020	5.52	3.69	807	14	3.67	10	1
2021	5.37	3.40	806	8	3.77	11	1