



BOARD OF DIRECTORS MEETING
March 25, 2024 – 3pm
OCEC Monthly Board Meeting
Location: Mt Annex – Rendezvous Room

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 February 26, 2024
 - b. March 2024 New Members
 - c. February 2024 - Form 7, Statement of Operations, Power & Service Data, Cash Flow

C. GENERAL MANAGERS REPORT

D. ITEMS OF BUSINESS

For Discussion

1. 2023 Audit Review
2. Winthrop Substation Presentation
3. CFC COSA Presentation Debrief

For Action

4. Policy 30-410 Update

E. OPEN FLOOR FOR MEMBERS

F. OPEN FLOOR FOR BOARD MEMBERS

G. EXECUTIVE SESSION

1. Property Update
2. General Manager 2024 Goals Approval
3. Legal, Personnel, Competitive, Other

OCEC Meeting is inviting you to a scheduled Zoom meeting.

Topic: OCEC Board Meeting

Time: Mar 25, 2024 03:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/82820723198?pwd=r42jObCxvloRtBg0Ydbbv7W4c7ZuZU.1>

Meeting ID: 828 2072 3198

Passcode: 739411

One tap mobile

+12532050468,,82820723198#,,,,*739411# US

+12532158782,,82820723198#,,,,*739411# US (Tacoma)

Dial by your location

- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 719 359 4580 US
- +1 720 707 2699 US (Denver)
- +1 346 248 7799 US (Houston)
- +1 669 444 9171 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
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US

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



BOARD MEETING
February 26, 2024
The Barn Hen House & Virtual

Present: President Dale Sekijima, Vice President Michael Murray, Secretary/Treasurer Alan Watson, Alaina Burtenshaw, John Rogers, Rick Johnson, and Travis Thornton.

Absent: None

Attending: Greg Mendonca General Manager, Glenn Huber Manager of Operations, Tracy McCabe Manager of Finance & Administration, Deanna Melton Manager of IT, Adam Glenn Manager of Broadband, Jesse Potvin Propane Operations Manager

Guests: Jason Strong (CFC), Nicholas DiSanti (CFC), Peter Mullen, Marc Daudon

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 3:02 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

The agenda was approved.

4. APPROVAL OF CONSENT AGENDA

The consent agenda was approved except the Minutes from January 22, 2024 that were tabled to fix identified typos. Staff will bring the January 22, 2024 minutes back for approval during the March 2024 board meeting.

5. GENERAL MANAGERS REPORT

Greg Mendonca updated the board on the vegetation management program, the transition to NISC software for financials and mapping & staking, the Washington State legislative session, and the status of the grant/loan application for expanding the broadband network into the Public Works Board.

ITEMS OF BUSINESS

1. For Discussion – CFC Cost of Service Analysis Presentation

Greg Mendonca introduced the guests from CFC, Jason Strong and Nicholas DiSanti. Jason presented to the OCEC Board on the topics of Revenue Requirement, Rate Design, Cost of Service Rates, Rate Design for distributed generation, and Rate Design for third-party electric vehicle charging.

2. For Discussion – PNGC Resource Development Plan Elections

Greg presented a summary of the PNGC Resource Development Plan (RDP). OCEC has until March 22nd to make initial non-binding elections of resources for the FY26-FY28 and post-2028 periods identified by PNGC. Staff reviewed recommendations for the periods. There was discussion on the recommendations by the board. No objections were made, and staff will bring back any binding elections to the board for approval in Q3-2024.

3. For Action – GHG Policy Approval

Greg presented a staff recommended policy, Policy 20-060 – Greenhouse Gas (GHG) Policy.

Dale Sekijima made a motion to approve the Policy 20-060, Alan Watson seconded. A vote was held and the motion passed unanimously.

OPEN FLOOR FOR MEMBERS – None

OPEN FLOOR FOR BOARD MEMBERS – None

Meeting adjourned to Executive Session at 5:55 pm.

EXECUTIVE SESSION

1. Property Update
 - a. The board of directors approved staff recommendations presented during the Executive Session.
2. General Manager 2024 Goals
3. Legal, Personnel, Competitive, Other

Alan Watson, Secretary

New Members OCEC

March 25, 2024

REINSTATE

NEW MEMBERS

GISCLAIR, REBECCA	124015
PASTIME LEATHER CO	124016
BURGETT, CHASE	124023
STEWART, RITA	124027
JIMENEZ, HEIDI & ZAVADSKY, ALEKSEY	124028
GLASSBURN, TERESA & O'CONNOR MIKE	124029

General Manager's Report to the Board –March 2024

Methow Fiber Updates

Methow Fiber Construction Standards Developed

63 Pages of Construction Standards made available to internal employees, local contractors, and used for the development of RFP's for design, engineering, and Construction.

NoaNet RFP Development

NoaNet plans to complete an RFP package and post the RFP before April 1st for a Design and Build Contractor.

WA Public Works Broadband Grant Application Completed and Submitted (3/19)

The Okanogon County Electric Co-op seeks funds from the PWB Broadband program to connect 42 miles of fiber and 244 end users to the fiber optic network. The proposed project, Okanogon County Connect Phase Two, is estimated to cost \$5,000,000. Okanogon County is one of ten severely distressed rural counties identified by the Washington Office of Financial Management. Okanogon County Electric Co-op requests \$1,350,000 in grant funds and \$3,150,000 in the form of a loan – the total request of grant and loan funds represents approximately 90% of the total project cost. Okanogon County Electric Co-op is committed to providing a 10% cash match in the amount of \$500,000. Funds awarded by PWB Broadband program will cover fiber and related construction costs, optical and non-optical equipment necessary to light the network, engineering of the final network design and installation connectivity to the serviceable location premises.

Cultural Resource Consulting

Plateau Cultural Resource Management selected from multiple bidders to provide required WSBO DAHP resource consulting services. Initial Scope includes the following.

- Conduct a WISAARD review of the entire project.
- Prepare an Unanticipated Find Plan for the project.
- Prepare a Monitoring Plan for the project that is informed by the WISAARD review.

Financial Updates

CFC Loan Package Completed

We have completed the package of materials needed for our updated loan products from CFC. We have already been approved and are able to access the \$4M line of credit for broadband construction and have sent the final legal opinion document for the \$10M long-term debt product. We expect CFC to respond any day approving the documents and we will then have access to the new \$10M long term debt, \$5M of that is approved for broadband purposes.

Receipt of 2023 Audit

OCEC staff have received the final draft of the 2023 audit and are providing the final information necessary to complete the narrative portion. OCEC staff will share the audit with the OCEC board as soon as it becomes available via email and will include in our next scheduled board meeting.

General Updates

NISC Updates

By the time our next board meeting (April 29th) rolls around we will be fully live on NISC: Service, Financials, and Mapping & Staking. We have not crossed the finish line yet and there is still a large amount of work to do on the financials side. We have engaged with the same firm utilized for the broadband business planning, BSGM LLP, to give us additional horsepower to ensure the new divisions and subsidiaries are appropriately configured prior to operations. More specifically, they will be standing up our chart of account, material inventory, asset management, and intercompany transactions for Methow Fiber and Methownet.

We have performed two monthly billings with our new software and, as of 3/20, have re-signed nearly all of our previous auto-pay members (~1,600 pre-NISC and 1,511 now). The work being put in by administrative staff has been amazing and they have gotten over 2,000 members signed up on the new system, or about 63%. NISC has let us know multiple times that the adoption rate is near the highest they've seen in such a short amount of time after going live. In addition to the sign ups for SmartHub the front office have also done amazing work with members driving down our past due accounts receivable to levels we're more used to (less than \$20k as of 3/20). We are still learning new tools and reports that provide staff valuable insight into our service data and are eager to bring that same ability to our financials.

Community Decarbonization Grant Application

OCEC is working with MZSolar, a member of OCEC and solar and microgrid consultant, and Resilient Methow to complete an application into the Community Decarbonization Grant program just released. This is a 100% grant for a project to 1) replace existing 20kW community solar project located on OCEC property with a 40kW solar project, and 2) install a 1MW/2.6MWh battery project located on/near the Winthrop substation. The project total will be at the max amount we could request, \$2.75M.

In addition to this project we have coordinated with three other projects being submitted in the Methow Valley and have written a joint letter of support. The other projects are 1) low-income solar project on Methow Trails building, 2) planning study for Sunny M Ranch solar + battery on houses, 3) Twisp Civic Center solar.

Applications are due April 5th and Commerce has indicated they will notify those awarded in May 2024.



Winthrop Substation Discussion

MARCH 25, 2024



Agenda

Background and Context

Cost Estimates

Risk/Benefit Analysis

Staff Recommendations



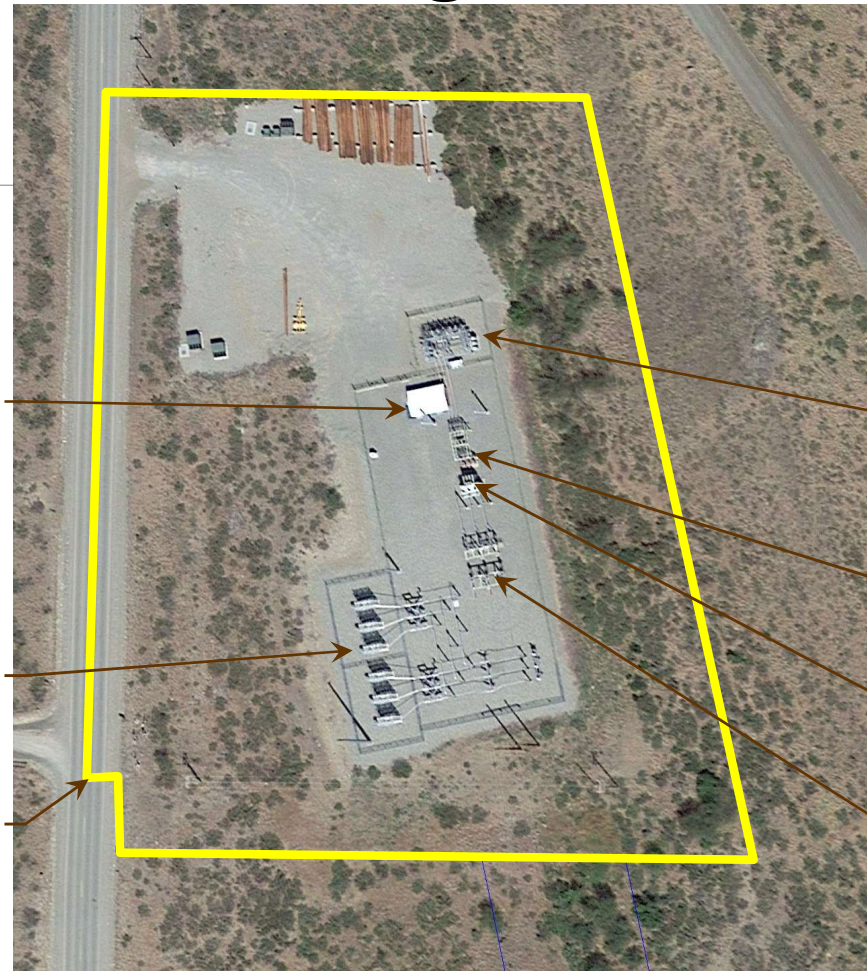
Winthrop Substation Background

Current
Substation
Property and
Equipment

Control
Building

2 Capacitor
Banks

2 Parcels
4.6 acres



OCEC
Distribution
Bus

Breaker

Transformer

115 kV Fuses



Winthrop Substation Background

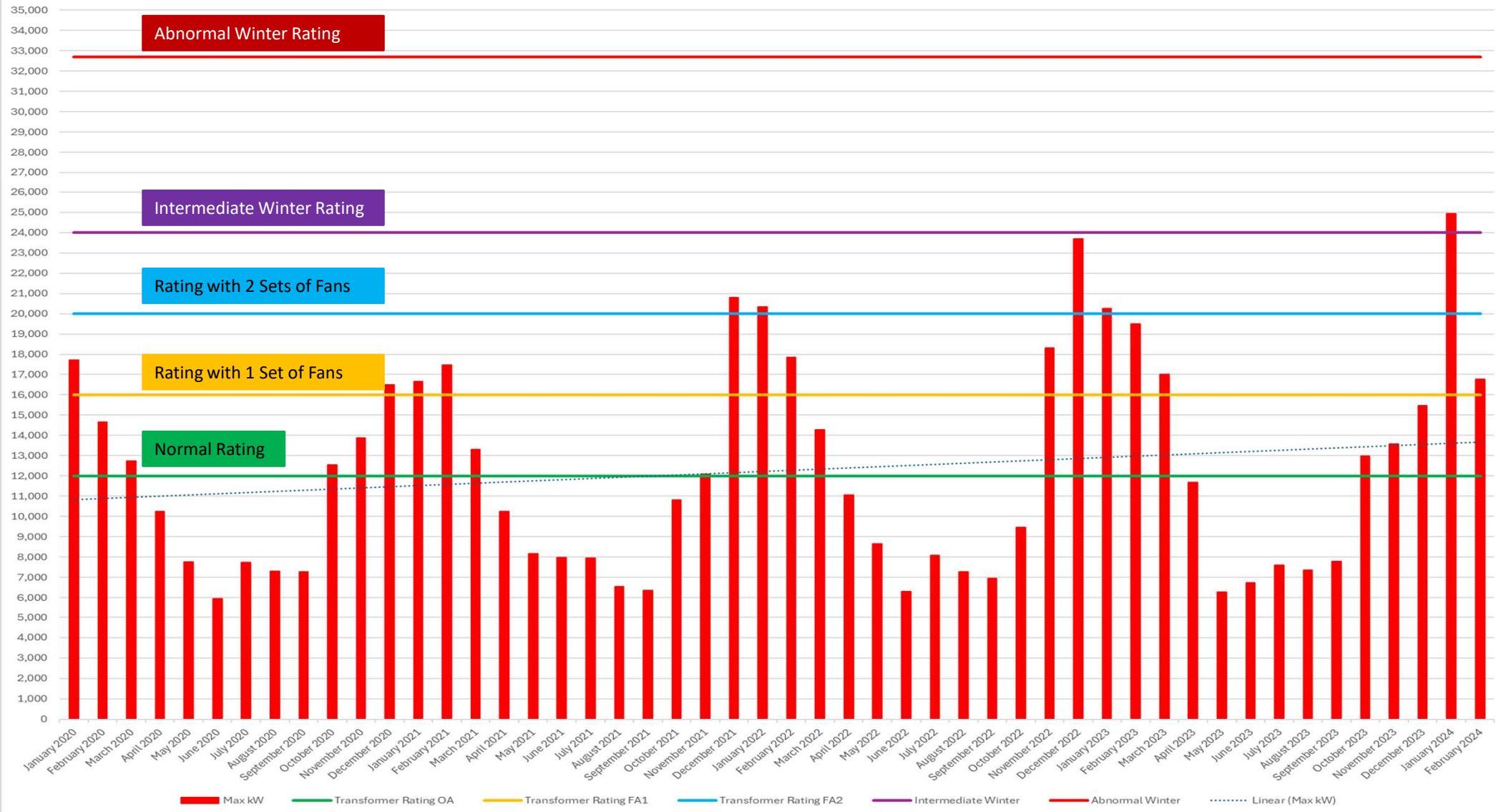
BPA charges – Currently OCEC pays \$150K year in utility delivery charges (UDC). Like “renting”, these charges reflect BPA’s substation cost of ownership to provide the point of delivery.



Winthrop Substation Background

Substation Loading – The Winthrop Substation transformer keeps withstanding new system peaks, especially two major cold weather events: December 2022 and January 2024

Winthrop Substation Peak kW

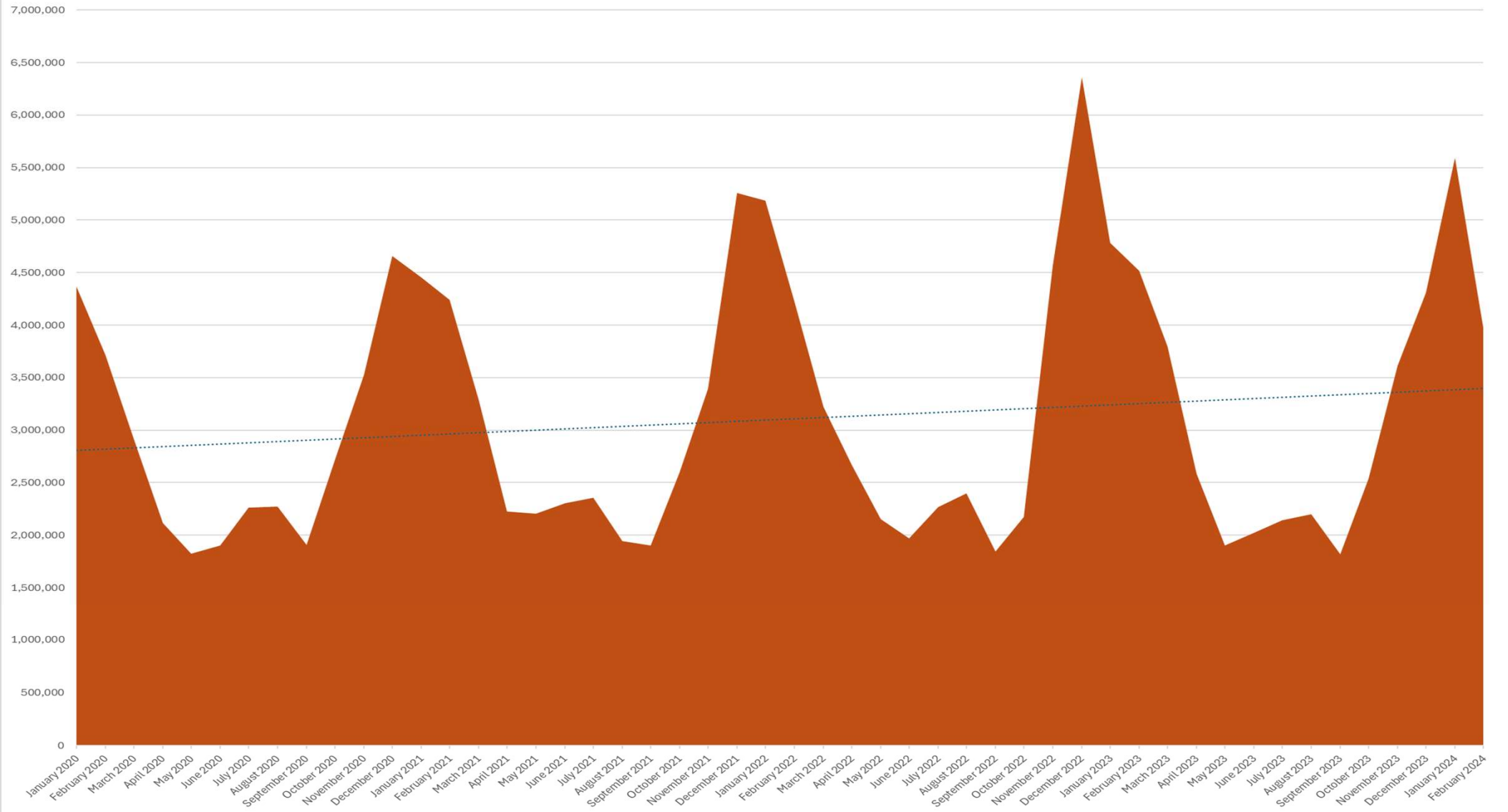




Winthrop Substation Background

Substation Loading – Likewise, the energy usage continues to grow.

Winthrop Substation kWh Energy





Proposed Configurations

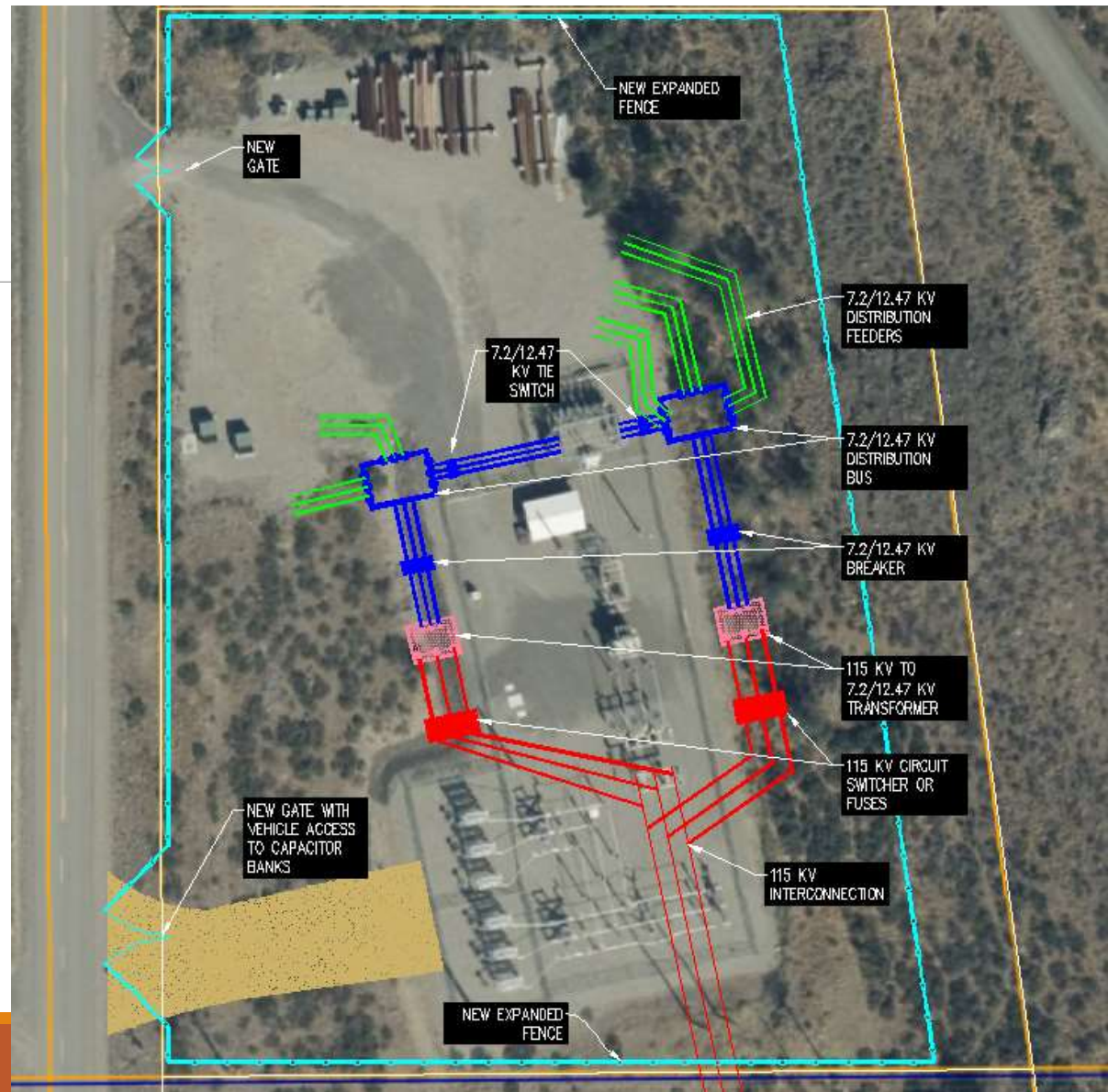
Purchasing the Tonasket transformer offers various options for growth and operation.

1. Installing the transformer in parallel with the existing transformer will provide twice the capacity for the system.
2. The parallel configuration would significantly reduce outage times since one transformer could be taken offline while the other remains in service. All feeders could be tied together during the work.



Proposed Configurations

The parallel configuration could go either east or west of the existing equipment. The EAST option would not cross the capacitor banks but requires excavation of the hillside.





Cost Estimates

Purchase the Winthrop Substation

\$199,500

Includes land purchase, comprehensive facilities testing, and mobile substation rental

Purchase the Tonasket Transformer

\$156,000

Includes purchase, testing, transport prep, moving, and cranes

Parallel Bay Construction

\$3.0M – \$4.2M

Includes all construction of facilities, survey, site prep, grounding, metering, etc.



Risk/Benefits of Proposed Project

Risks

- ~\$300k/yr increased debt service = 4.5% rate increase to hold margins steady at 2024 budget estimates (30yr debt 5% interest \$4.75M principal) (see benefit side for net rate impact of ~2.25%)
- Use of debt capacity (\$10M total funds available with \$5M earmarked for broadband)
- Both transformers would be 50+ years old and needing replacement likely within 10 years (\$2M-\$3M estimate)
- Buyers remorse – the \$150k/yr delivery charge may go away on its own and get rolled into the larger network segment
- Tonasket transformer could have legacy issues as there have been known faults on it

Benefits

- ~\$150k/yr in avoided charges = 2.25% rate decrease
- Control of property and substation brings flexibility to make decisions in the best interest of OCEC
- Transformer cost is extremely low for Tonasket equipment
- Parallel transformer configuration provides flexibility for switching circuits



Staff Recommendations

The question we ended up asking ourselves is whether this capital is best used for substation upgrades or distribution upgrades, where is our biggest concern/risk?

Option 1 – Status Quo (Staff Recommended)

- Do not purchase substation from BPA or the Tonasket sub
- Push hard to roll-in BPA delivery segment in current and future rate cases
- Continue due diligence to invest to expand capacity for the existing 4 Winthrop circuits
- Cost = \$0

Option 2 – Purchase Tonasket Transformer as an Option

- Do not purchase substation from BPA
- Purchase Tonasket sub for “option” contingent on testing
- Continue due diligence to invest to expand capacity for the existing 4 Winthrop circuits
- Cost = \$150k - \$200k

Option 2A – Purchase Tonasket Transformer and BPA Substation

- Increases costs to \$350k - \$400k but would reduce transmission expenses \$150k/yr
- ~\$20k-\$30k/yr in operating expenses to maintain substation equipment estimated



Option 1 Pros/Cons (Staff Recommended)

Pros

- No outlay of cash and can continue to invest in the distribution system without fear of running out of debt capacity
- Keeps risk of substation failure on BPA
- Opportunity of delivery charges going away on their own mitigating financial issues of “renting” substation

Cons

- Risk of continued delivery charges not being rolled into network segment maintains high “rent” costs
- No flexibility to use space for alternative projects (i.e. battery system)
- Not in control of final configuration of any BPA upgrades, likely just replacement of single substation transformer which would mean system-wide outages continue for maintenance



Option 2 Pros/Cons

Pros

- Increases OCEC's options moving forward with low investment of a tested and working substation transformer (parallel, new POD, etc.)
- Known history of used transformer and within a relatively short distance for moving

Cons

- Risk of stranded investment should OCEC not move forward needing the Tonasket transformer (maybe we prefer new one in the end?)
- Legacy issues may be present with Tonasket transformer as known faults have occurred
- BPA may not allow storage at the substation resulting in taking up premium space at the OCEC yard



Option 2a Pros/Cons

Pros

- Similar to option 2 but stopping the \$150k/yr payments reduces OCEC expenses about 2.5%/yr
- Provides flexibility for the property for other alternative projects (i.e. battery system)
- Allows OCEC to control the final configuration at the Winthrop POD

Cons

- Increased operating expenses maintaining substation equipment \$20k-\$30k/yr, would need to contract out
- Increased direct exposure to costs of equipment failure
- Similar to option 2 for other issues relating to Tonasket transformer



REVISION DATE: ~~January 27, 2020~~ March 25, 2024

SUBJECT: LINE EXTENSIONS

I. **PURPOSE:**

To establish guidelines for the installation of new electrical, upgrades, relocation of existing services and re-energizing terminated services.

II. **POLICY CONTENT:**

New Services, Upgrades and Relocation of Services

This line extension policy defines the respective responsibilities of the Cooperative, and the member, when facilities are to be provided to serve new or additional loads. The policy cannot, and is not intended to, cover every specific situation or eventuality. The Cooperative employees are therefore authorized to make policy adjustments to accommodate those unique situations as they arise.

At the time a member requests new service, increased service, relocation of service or an extension of service (the "Work"), the member must pay a \$150.00 non-refundable engineering fee and provide to the Cooperative all pertinent job information relating to the Work to enable the Cooperative to calculate the estimated cost. All Work is subject to the approval of the Cooperative, and there is no guarantee that a member request will be approved. Members will be responsible for 100% of the cost of the Work, as determined by the Cooperative. Re-energizing a terminated service will be treated as a new service per Policy 30-211. The member will pay in advance the estimated cost for the Work to be completed by the Cooperative, which will include the Cooperative's estimated costs of labor, materials, equipment, and Cooperative overhead. The member will be responsible to prepare the Work site in accordance with current Cooperative Policies which may include by way of example and without limitation, the initial right-of-way clearing, excavation – road building and/or conduit installation - service conductor installation, and obtaining an electric permit from L&I.

The estimated cost of the Work will be determined by the Cooperative, using the Cooperative's standard accounting methods. The Member will be charged ~~the greater of a minimum fee of \$150, or the actual cost of the Work. This minimum fee is in addition to the \$150 non-refundable engineering fee according to the fee schedule in the Okanogan County Electric Cooperative Electric Service handbook on the OCEC website.~~ The member will be responsible for any changes in the Work that result in additional costs to the Cooperative.

If the actual cost of the Work is less than the estimate paid, the member will receive a refund, without interest. If the actual cost of the Work is greater than the estimate paid, the Cooperative will invoice the member the amount of the difference, with payment in full due within 30 days for continued service.

The Cooperative retains ownership of all electrical equipment, which includes up to the point of delivery. The point of delivery is that point on a member's property (or other agreed point) where the Cooperative terminates its electrical secondary conductors, and the member's wires are connected to the Cooperatives conductors. All equipment on the load side shall be the responsibility of the member, except meters, metering equipment and other equipment provided by the Cooperative. It shall be the member's responsibility to advise the Cooperative of the member's service requirements in advance of the installation of the member's service entrance equipment, and to allow the Cooperative sufficient time to determine that the location is acceptable.

In general, the point of delivery will be as follows:

- a) Residential Overhead: at the weather head
- b) Residential Underground: at the line terminals of the meter base
- c) Commercial Overhead: at the weather head
- d) Commercial Underground: at the line terminal of the meter base or current transformer

At no time will the Cooperative complete any Work or process any request of a member under this policy, if that member is past due on any of their accounts.

The policy provision relating to ownership of the point of delivery for underground services is effective February 1st, 2020. Underground services installed before that date are generally owned by the member and remain the responsibility of the member. Any member having a question about underground service should contact the Cooperative.

System Access Charge

Each new service, and/or upgrade will require payment of a system access charge based on the service panel size and the distance from the serving substation. Irrigation, domestic pumps and yard light services will not require payment of a system access charge.

<u>Panel Size</u>	<u>kw</u>	<u>System Access Charge</u>	<u>Distance Fee</u>
60 amp	2.4	\$86.00	\$6 x 2.4 x miles
100 amp	4	\$144.00	\$6 x 4 x miles
200 amp	8	\$288.00	\$6 x 8 x miles
400 amp	16	\$576.00	\$6 x 16 x miles

The following conditions apply to the system access charge.

1. Panel sizes not listed will have (kw) load determined by the Cooperative.
2. System Access Charge for upgraded services will be based on the difference between the existing panel size and the new panel size.
3. Distance is measured in direct miles from the serving substation.

Additional Loads – Upgrades

The Cooperative must be notified in advance if a member intends to increase load. If an upgrade is necessary, line extension fees and system access charges will apply to the increase and are the responsibility of the member. In the event that a member fails to notify the Cooperative, and as a result the Cooperative's equipment is damaged, the member will be liable for the cost of such damage.

Legal Access: Permits and Easements

It is the sole responsibility of the member requesting new service, relocations or extensions to secure all rights-of-way required in connection with the request. Rights-of-way in the form of easements are required from each owner of property through or over which a cooperative facility will traverse (including the member's own property). In certain circumstances, the Cooperative may have an existing permit, license, franchise, easement or other right to locate its equipment along a permanently established road that is satisfactory to the Cooperative. Whenever practicable, all new services, relocations and extensions shall be located along such permanently established road upon which the Cooperative has, or may obtain at no cost to the Cooperative, a permit, license, franchise or other agreement satisfactory to the Cooperative permitting location of the Cooperative's lines and equipment. For all upgrades, members will be responsible to furnish an easement or easements for the member's property where the upgrade is located, together with easements from all other property owners to enable the Cooperative to access all Cooperative facilities and equipment, and provide right of entry for Cooperative employees and agents. All agreements described in this paragraph shall be procured and recorded with the Okanogan County Auditor at no charge to the Cooperative, and the Cooperative has no responsibility for obtaining any easements, or selecting a line or equipment placement that would reduce the member's responsibility for securing the right-of-way.

It is the policy of Cooperative that no services will be supplied by the Cooperative to any platted, subdivided or short platted lands, and any lots located within such platted, subdivided or short platted lands, not currently being served by Cooperative, until and unless the owner or owners of such lands grant to, and in favor of the Cooperative, easements, in a form acceptable to the Cooperative, for the location of power lines, poles, underground lines and any other necessary equipment. The easements must allow for installation, maintenance and repairs for all necessary equipment for each and every lot within such plat, subdivision or short plat.

Line Extension Rules

A member who extends power from the Cooperative's existing system will pay all costs relating to the extension. The member will not be entitled to a rebate, refund or credit from the Cooperative for future or additional services that are subsequently connected to the extension funded by the member.

The Cooperative has no responsibility to require, oversee, monitor or otherwise enforce any agreement between the member and a neighboring member, and will be entitled to

rely upon an executed and recorded easement as authorization by all parties to proceed with the line extension request. Regardless of a member’s monetary contribution to the line extension, all equipment and distribution facilities shall remain property of the Cooperative.

The Cooperative reserves the exclusive right to make any number of connections to any power line to serve additional members at any location and without compensation to any member, except for agreed upon compensation for actual damage to property caused by extension or connection construction by the Cooperative. No easement for a line extension shall limit the ability of the Cooperative to make additional connections, or limit the number of properties the line and equipment may serve. All connections are subject to the terms of both existing easements and easements to be obtained to make a new extension. The Cooperative will make reasonable efforts to cooperate with the member to determine the most acceptable route, provided the route results in no additional direct or indirect cost to the Cooperative.

The Cooperative may require an extension to be underground rather than overhead whenever it is in the best interest of the Cooperative (Example: tree danger, fire hazard and existing underground area). The Cooperative may not approve requested undergrounding when and if it is determined that undergrounding is not in the best interest of the Cooperative.

Nothing in this policy shall be construed as affecting or otherwise limiting the Cooperative’s powers of eminent domain.

III. RESPONSIBILITY:

The general manager and employees will be responsible for the implementation of this policy.

ATTESTING:

President

Secretary

Date

Revised 3/25/2024

Revised 01-27-20

Revised 2/28/13

Revised 3/11/08

Revised 11/27/07

Revised 6/28/05

Adopted 8/29/00



REVISION DATE: March 25, 2024

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The estimated cost of the Work will be determined by the Cooperative, using the Cooperative's standard accounting methods. The Member will be charged according to the fee schedule in the Okanogan County Electric Cooperative Electric Service handbook on the OCEC website. The member will be responsible for any changes in the Work that result in additional costs to the Cooperative.

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point of delivery. The point of delivery is that point on a member’s property (or other agreed point) where the Cooperative terminates its electrical secondary conductors, and the member’s wires are connected to the Cooperatives conductors. All equipment on the load side shall be the responsibility of the member, except meters, metering equipment and other equipment provided by the Cooperative. It shall be the member’s responsibility to advise the Cooperative of the member’s service requirements in advance of the installation of the member’s service entrance equipment, and to allow the Cooperative sufficient time to determine that the location is acceptable.

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The policy provision relating to ownership of the point of delivery for underground services is effective February 1st, 2020. Underground services installed before that date are generally owned by the member and remain the responsibility of the member. Any member having a question about underground service should contact the Cooperative.

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Legal Access: Permits and Easements

It is the sole responsibility of the member requesting new service, relocations or extensions to secure all rights-of-way required in connection with the request. Rights-of-way in the form of easements are required from each owner of property through or over which a cooperative facility will traverse (including the member's own property). In certain circumstances, the Cooperative may have an existing permit, license, franchise, easement or other right to locate its equipment along a permanently established road that is satisfactory to the Cooperative. Whenever practicable, all new services, relocations and extensions shall be located along such permanently established road upon which the Cooperative has, or may obtain at no cost to the Cooperative, a permit, license, franchise or other agreement satisfactory to the Cooperative permitting location of the Cooperative's lines and equipment. For all upgrades, members will be responsible to furnish an easement or easements for the member's property where the upgrade is located, together with easements from all other property owners to enable the Cooperative to access all Cooperative facilities and equipment, and provide right of entry for Cooperative employees and agents. All agreements described in this paragraph shall be procured and recorded with the Okanogan County Auditor at no charge to the Cooperative, and the Cooperative has no responsibility for obtaining any easements, or selecting a line or equipment placement that would reduce the member's responsibility for securing the right-of-way.

It is the policy of Cooperative that no services will be supplied by the Cooperative to any platted, subdivided or short platted lands, and any lots located within such platted, subdivided or short platted lands, not currently being served by Cooperative, until and unless the owner or owners of such lands grant to, and in favor of the Cooperative, easements, in a form acceptable to the Cooperative, for the location of power lines, poles, underground lines and any other necessary equipment. The easements must allow for installation, maintenance and repairs for all necessary equipment for each and every lot within such plat, subdivision or short plat.

Line Extension Rules

A member who extends power from the Cooperative's existing system will pay all costs relating to the extension. The member will not be entitled to a rebate, refund or credit from the Cooperative for future or additional services that are subsequently connected to the extension funded by the member.

The Cooperative has no responsibility to require, oversee, monitor or otherwise enforce any agreement between the member and a neighboring member, and will be entitled to rely upon an executed and recorded easement as authorization by all parties to proceed with the line extension request. Regardless of a member's monetary contribution to the

line extension, all equipment and distribution facilities shall remain property of the Cooperative.

The Cooperative reserves the exclusive right to make any number of connections to any power line to serve additional members at any location and without compensation to any member, except for agreed upon compensation for actual damage to property caused by extension or connection construction by the Cooperative. No easement for a line extension shall limit the ability of the Cooperative to make additional connections, or limit the number of properties the line and equipment may serve. All connections are subject to the terms of both existing easements and easements to be obtained to make a new extension. The Cooperative will make reasonable efforts to cooperate with the member to determine the most acceptable route, provided the route results in no additional direct or indirect cost to the Cooperative.

The Cooperative may require an extension to be underground rather than overhead whenever it is in the best interest of the Cooperative (Example: tree danger, fire hazard and existing underground area). The Cooperative may not approve requested undergrounding when and if it is determined that undergrounding is not in the best interest of the Cooperative.

Nothing in this policy shall be construed as affecting or otherwise limiting the Cooperative's powers of eminent domain.

III. RESPONSIBILITY:

The general manager and employees will be responsible for the implementation of this policy.

ATTESTING:

President

Secretary

Date

- Revised 3/25/2024
- Revised 01-27-20
- Revised 2/28/13
- Revised 3/11/08
- Revised 11/27/07
- Revised 6/28/05
- Adopted 8/29/00