

**BOARD OF DIRECTORS MEETING
October 27, 2025 – 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 September 22, 2025
 - b. October 2025 New Members
 - c. September 2025 –Balance Sheet, Operating Statement, Cash Flow, Capital Budget
 - d. September 2025 – Wholesale Power Cost Charts
 - e. September 2025 Outage Report
 - f. Revolving Loan Fund Quarterly Report

C. GENERAL MANAGERS REPORT

D. BOARD COMMITTEE REPORTS

E. ITEMS OF BUSINESS

For Discussion

1. PNGC Power Resource Development Plan Presentation (Executive Session)
2. Fiber Project Updates
3. Strategic Plan Q3-2025 Quarterly Update
4. Rate Design Plan – Annual Rate Impact Review
5. Draft OCEC/Methow Fiber 2026 Capital Budget Review

For Action

6. Meter Replacement Plan Approval

F. OPEN FLOOR FOR MEMBERS

G. OPEN FLOOR FOR BOARD MEMBERS

H. EXECUTIVE SESSION

1. Legal, Personnel, Competitive, Other

OCEC Meeting is inviting you to a scheduled Zoom meeting.

Topic: OCEC Board Meeting

Time: Oct 27, 2025 03:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/83194256390?pwd=df1DKAJqTHTb4foTgYAzTeBYXEP5yR.1>

Meeting ID: 831 9425 6390

Passcode: 013803

One tap mobile

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+12532158782,,83194256390#,,,,*013803# US (Tacoma)

Join instructions

https://us06web.zoom.us/join/83194256390/invitations?signature=_xOF6q42jX9vQGRJhSruzZIW1quri_7zjlHsC5J0uwg



BOARD MEETING
September 22, 2025
Mt Annex Rendezvous Room & Virtual

Present: President Alan Watson, Linda Schoemaker, Alaina Burtenshaw, Rick Johnson, and Dale Sekijima.

Absent: Vice President Michael Murray, Secretary/Treasurer John Rogers

Attending: Greg Mendonca General Manager, Tracy McCabe Manager of Finance & Administration*, Adam Glenn Manager of Broadband, and Royce Verkuehlen Controller*.

Guests: Josh Stewart - Utilities One*

* Attended Virtually

1. MEETING CALLED TO ORDER

President Alan Watson 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. APPROVAL OF AGENDA

The agenda was approved.

4. APPROVAL OF CONSENT AGENDA

There was a board discussion on the August 2025 financials.

The consent agenda was approved.

5. BOARD COMMITTEE REPORTS

No committee meetings were held in the previous month.

6. GENERAL MANAGERS REPORT

Greg Mendonca updated the board on the summer summary of operations under our Wildfire Mitigation Plan, the 2026 budget timeline, and progress on the website updates from Powerful Web.

ITEMS OF BUSINESS

1. For Discussion – Fiber Project Updates

Adam Glenn updated the board on the progress of the WSBO and PWB funded projects.

After the report the board went into Executive Session from 330pm – 415pm for further discussion.

2. For Action – Policy 30-105 – Rate Schedule Approval

Greg Mendonca presented the updated Policy 30-105 reflecting the approval of a 5% rate increase for energy rates (kWh charge) for the following rate classes: General Service 1 (G1), G2, G3, G4, and Second Meter, effective October 1, 2025. Staff recommended approval of the updated policy.

Alaina Burtenshaw made a motion to approve the updated policy, Dale Sekijima seconded. A vote was held and the motion passed unanimously.

3. For Action – Estate Retirement Approval

Greg Mendonca reviewed OCEC Bylaws Section 3 describing the process for the OCEC Board to approve deceased members capital credit payments in amounts over \$2,501.00. Staff recommended the board approve the discounted capital credit payments for the estate of Olivia Rose in the amount of \$11,300.62.

Rick Johnson made a motion to approve the discounted capital credit payment for the estate of Olivia Rose in the amount of \$11,300.62, Linda Schoemaker seconded. A vote was held and the motion passed unanimously.

OPEN FLOOR FOR MEMBERS – Peter Mullen asked a question about discounted capital credits.

OPEN FLOOR FOR BOARD MEMBERS – None

Meeting adjourned to Executive Session at 4:30 pm.

EXECUTIVE SESSION

- 1.** Personnel Plan Review
- 2.** WRECA Executive Director Recruitment Process Update
- 3.** Legal, Personnel, Competitive, Other

John Rogers, Secretary

New Members OCEC

October 27, 2025

REINSTATE

DOUXMONT, ALAN & VICTORIA	118008
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NEW MEMBERS

VANECKO, ANDREA	125127
BRANAM, LINDSEY	125137
SOLTAR, LEAH	125138
KRAMER, NANCY	125139
CHADWICK, GIDEON	125140
CONVERSE, PATRICK	125141
LOUDON, ROBERT	125143
RICCO, EMALIE & SUTER, ROBERT	125144
WELSH, KRISTI & JEFF	125145
MORRIS, SARA & RAVA, WILLIAM	125146
ADP RESOURCES LLC	125147
MILLER, MCCLINTOCK	125148
GASTON-CQSEWSKI, CALLAN & BOWLEN, TROY	125149
BRADY, CATHERINE & STEVEN	125150
BONN, JESSE	125151
MCCUNE, JESSE	125152
WEIS, JULIE	125154

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INCOME STATEMENT FOR SEP 2025

Division: 0 OKANOGAN COUNTY ELECTRIC COOP

Item	Year - To - Date		Period - To - Date	
	Last Year	This Year	Current	Budget
1. Operating Revenue and Patronage Capital	5,231,750.88	5,634,767.68	454,239.96	460,310.00
2. Power Production Expense	0.00	0.00	0.00	0.00
3. Cost of Purchased Power	2,512,392.00	2,802,305.00	204,569.00	221,637.00
4. Transmission Expense	0.00	0.00	0.00	0.00
5. Regional Market Operations Expense	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	112,577.09	162,777.30	17,718.40	13,767.00
7. Distribution Expense - Maintenance	764,216.26	594,536.93	64,271.67	76,050.00
8. Customer Accounts Expense	286,490.22	278,023.03	26,122.46	40,265.00
9. Customer Service and Informational Expense	-3,138.56	-15,416.65	7,634.74	0.00
10. Sales Expense	470.89	0.00	0.00	0.00
11. Administrative and General Expense	763,407.85	562,986.19	63,461.02	64,139.00
12. Total Operation & Maintenance Expense (2 thru 11)	4,436,415.75	4,385,211.80	383,777.29	415,858.00
13. Depreciation & Amortization Expense	400,074.27	441,655.12	49,093.99	52,539.00
14. Tax Expense - Property	37,358.30	37,422.79	4,278.79	4,000.00
15. Tax Expense - Other	177,072.96	158,129.70	0.00	20,000.00
16. Interest on Long-Term Debt	224,475.86	211,512.70	19,395.08	23,000.00
17. Interest Charged to Construction - Credit	-1,419.97	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	0.00	0.00
19. Other Deductions	0.00	0.00	0.00	0.00
20. Total Cost of Electric Service (12 thru 19)	5,273,977.17	5,233,932.11	456,545.15	515,397.00
21. Patronage Capital & Operating Margins (1 minus 20)	-42,226.29	400,835.57	-2,305.19	-55,087.00
22. Non Operating Margins - Interest	19,855.95	14,445.63	1,455.90	4,970.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	13,920.50	31,395.24	739.00	23,900.00
25. Non Operating Margins - Other	24,200.00	26,380.65	3,200.00	0.00
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	0.00	0.00	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	15,750.16	473,057.09	3,089.71	-26,217.00
Operating - Margin	-8,449.84	446,676.44	-110.29	-26,217.00
Non Operating - Margin	24,200.00	26,380.65	3,200.00	0.00
Times Interest Earned Ratio - Operating	0.81	2.90		
Times Interest Earned Ratio - Net	1.07	3.24		
Times Interest Earned Ratio - Modified	1.07	3.24		

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BALANCE SHEET FOR SEP 2025

Division: 0 OKANOGAN COUNTY ELECTRIC COO

ASSETS AND OTHER DEBITS

	Last Year	This Year	Variance
1. Total Utility Plant in Service	19,243,452.64	19,749,104.21	505,651.57
2. Construction Work in Progress	65,832.22	-126,891.17	-192,723.39
3. Total Utility Plant (1 + 2)	19,309,284.86	19,622,213.04	312,928.18
4. Accum. Provision for Depreciation and Amort.	-7,148,319.92	-7,640,147.98	-491,828.06
5. Net Utility Plant (3 - 4)	12,160,964.94	11,982,065.06	-178,899.88
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	1,357,943.43	1,418,325.41	60,381.98
8. Invest. in Assoc. Org. - Patronage Capital	495,487.07	551,424.09	55,937.02
9. Invest. in Assoc. Org. - Other - General Funds	0.00	0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	134,308.26	131,896.95	-2,411.31
11. Invest. in Economic Development Projects	0.00	0.00	0.00
12. Other Investments	13,500.00	13,500.00	0.00
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	2,001,238.76	2,115,146.45	113,907.69
15. Cash - General Funds	544,074.79	584,272.22	40,197.43
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	135,386.92	196,416.58	61,029.66
18. Temporary Investments	0.00	0.00	0.00
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	377,472.87	538,643.40	161,170.53
21. Accounts Receivable - Other (Net)	1,171,132.32	875,533.24	-295,599.08
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	618,946.09	1,155,568.84	536,622.75
24. Prepayments	24,438.33	41,901.76	17,463.43
25. Other Current and Accrued Assets	966.03	966.03	0.00
26. Total Current and Accrued Assets (15 thru 25)	2,872,417.35	3,393,302.07	520,884.72
27. Deferred Debits	-6,067.22	0.00	6,067.22
28. Total Assets and Other Debits (5 + 14 + 26 + 27)	17,028,553.83	17,490,513.58	461,959.75

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BALANCE SHEET FOR SEP 2025

Division: 0 OKANOGAN COUNTY ELECTRIC COO

LIABILITIES AND OTHER CREDITS

	Last Year	This Year	Variance
29. Memberships	17,735.00	17,875.00	140.00
30. Patronage Capital	8,259,127.26	8,465,534.91	206,407.65
31. Operating Margins - Prior Years	511,744.39	295,227.53	-216,516.86
32. Operating Margins - Current Year	-8,449.84	446,676.44	455,126.28
33. Non-Operating Margins	24,200.00	26,380.65	2,180.65
34. Other Margins and Equities	1,868,436.91	2,091,234.99	222,798.08
35. Total Margins & Equities (29 thru 34)	10,672,793.72	11,342,929.52	670,135.80
36. Long-Term Debt - CFC (Net)	0.00	0.00	0.00
37. Long-Term Debt - Other (Net)	5,437,184.08	4,794,568.48	-642,615.60
38. Total Long-Term Debt (36 + 37)	5,437,184.08	4,794,568.48	-642,615.60
39. Obligations Under Capital Leases	0.00	0.00	0.00
40. Accumulated Operating Provisions	0.00	0.00	0.00
41. Total Other Noncurrent Liabilities (39 + 40)	0.00	0.00	0.00
42. Notes Payable	0.00	0.00	0.00
43. Accounts Payable	518,666.67	541,280.23	22,613.56
44. Consumers Deposits	178,950.97	171,400.97	-7,550.00
45. Current Maturities Long-Term Debt	0.00	299,445.16	299,445.16
46. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
47. Current Maturities Capital Leases	0.00	0.00	0.00
48. Other Current and Accrued Liabilities	220,958.39	319,301.56	98,343.17
49. Total Current & Accrued Liabilities (42 thru 48)	918,576.03	1,331,427.92	412,851.89
50. Deferred Credits	0.00	21,587.66	21,587.66
51. Total Liab. & Other Credits (35+38+41+49+50)	17,028,553.83	17,490,513.58	461,959.75

ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION

Balance Beginning of Year	-9,050,049.37
Amounts Received This Year (Net)	-4,711,179.56
TOTAL Contributions-In-Aid-Of-Construction	-13,761,228.93

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Cash Flow

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Sep 2025

	This Period	This Year
OPERATING ACTIVITIES		
Patronage Capital or Margins	3,089.71	473,057.09
Depreciation and Amortization Expense	49,093.99	441,655.12
Loss from Disposal of Assets	2,777.00	-89,443.10
Total Funds from Operations	54,960.70	825,269.11
Cash Construction Funds - Trustee	0.00	0.00
Special Deposits	-5,015.00	-44,977.10
Temporary Investments	0.00	0.00
Accounts Receivable - Sale of Energy (Net)	199,255.25	336,101.56
Accounts Receivable - Other (Net)	-44,455.13	-152,702.76
Renewable Energy Credits	0.00	0.00
Materials and Supplies	-44,186.60	-515,077.79
Prepayments	9,844.52	45,015.18
Other Current and Accrued Assets	0.00	0.00
Deferred Debits	0.00	0.00
(Increase)/Decrease in Operating Assets	115,443.04	-331,640.91
Accumulated Operating Provisions	0.00	0.00
Notes Payable	0.00	0.00
Accounts Payable	-112,125.74	-61,789.63
Other Current and Accrued Liabilities	-44,646.87	85,643.74
Other Deferred Credits	-10,793.84	-230,709.26
Increase/(Decrease) in Operating Liabilities	-167,566.45	-206,855.15
CASH FROM OPERATING ACTIVITIES	2,837.29	286,773.05
INVESTMENT ACTIVITIES		
Utility Plant	-25,554.72	-386,292.23
Construction Work-in-Progress	-50,782.20	352,390.37
Other Property and Investments	11,440.51	-12,052.16
Notes Receivable (Net)	0.00	0.00
CASH FROM INVESTMENT ACTIVITIES	-64,896.41	-45,954.02
FINANCING ACTIVITIES		
Margins and Equities	-11,275.62	-17,493.85
Long-Term Debt	-75,369.47	-223,028.90
Long-Term Debt - Current Maturities	0.00	0.00
Consumer Deposits	50.00	-5,000.00
Obligations Under Capital Lease	0.00	0.00
CASH FROM FINANCING ACTIVITIES	-86,595.09	-245,522.75
CASH FROM ALL ACTIVITIES	-148,654.21	-4,703.72
TOTAL CASH BEGINNING OF PERIOD	732,926.43	588,975.94
TOTAL CASH END OF PERIOD	584,272.22	584,272.22

OCEC September-25					
Capital Projects	Annual Budget	Month Activity	YTD Activity	% of Budget YTD	% of Actual YTD
Members Requested Facilities (CIAC)	\$556,844	\$30,392	\$131,496	23.61%	7.93%
Replacements (Pole and Transformers)	\$426,424	\$21,106	\$133,005	31.19%	8.02%
System Improvements	\$250,453	\$0	\$74,513	29.75%	4.49%
Major Storm/Fire Damage	\$35,606	\$344	\$73,354	206.02%	4.42%
Pole Inspections	\$10,200	\$0	\$11,337	111.15%	0.68%
Fire Retardant/Treatment on Poles	\$28,606	\$0	\$0	0.00%	0.00%
Meter Projects	\$16,375	\$0	\$0	0.00%	0.00%
Subtotal Capital Projects	\$1,324,508	\$51,841	\$423,705	31.99%	
Less Member Contribution (CIAC)	(\$612,529)	(\$46,580)	(\$447,569)	73.07%	
Total Capital Projects less CIAC	\$711,979	\$5,261	(\$23,864)	-3.35%	
Capital Acquisitions					
Misc Items	\$60,000	\$0	\$2,994	4.99%	0.18%
Meters	\$100,000	\$0	\$0	0.00%	0.00%
Tools	\$15,000	\$0	\$0	0.00%	0.00%
Computer/IT Replacements	\$5,000	\$4,054	\$6,278	125.56%	0.38%
Facilities Upgrades	\$20,000	\$0	\$6,343	31.72%	0.38%
Transformer Purchases	\$80,000	\$0	\$83,950	104.94%	5.06%
Vehicle Replacements	\$65,000	\$0	\$64,103	98.62%	3.86%
Total Capital Acquisitions	\$345,000	\$4,054	\$163,668	47.44%	
Unbudgeted Capital Items					
Methow Fiber Make-Ready Work	\$0	\$49,889	\$1,047,044		63.12%
Less Methow Fiber CIAC	\$0	\$0	(\$748,747)		
Truck #18 Repair	\$0	\$0	\$8,498		0.51%
Truck #14 Repair	\$0	\$0	\$11,528		0.69%
Truck #43 Repair	\$0	\$0	\$4,438		0.27%
Total Unbudgeted Capital Items (w/o CIAC)	\$0	\$49,889	\$1,071,509		
Total Unbudgeted Capital Items (w/ CIAC)	\$0	\$49,889	\$322,762		
Total Capital Expenditures (w/o CIAC)	\$1,669,508	\$105,785	\$1,658,882	99.36%	
Total Capital Expenditures (Net of CIAC)	\$1,056,979	\$59,204	\$462,566	43.76%	

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General Ledger
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INCOME STATEMENT FOR SEP 2025

Division: 1 METHOW FIBER

	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	133,629.50	411,488.75	266,844.42	46,177.00	29,649.38
2. Power Production Expense	0.00	0.00	0.00	0.00	0.00
3. Cost of Purchased Power	0.00	0.00	0.00	0.00	0.00
4. Transmission Expense	0.00	0.00	0.00	0.00	0.00
5. Regional Market Operations Expense	0.00	50.00	0.00	0.00	0.00
6. Distribution Expense - Operation	28,119.62	82,943.58	35,389.35	8,233.25	3,932.15
7. Distribution Expense - Maintenance	4,457.86	5,914.20	28,546.38	0.00	3,171.82
8. Customer Accounts Expense	0.00	4,196.36	0.00	1,146.26	0.00
9. Customer Service and Informational Expense	49,020.07	114,122.89	2,288.97	12,686.92	254.33
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	462,258.22	610,022.92	507,141.18	43,647.93	56,349.02
12. Total Operation & Maintenance Expense (2 thru 11)	543,855.77	817,249.95	573,365.88	65,714.36	63,707.32
13. Depreciation & Amortization Expense	0.00	31,638.86	86,758.11	6,681.02	9,639.79
14. Tax Expense - Property	0.00	0.00	0.00	0.00	0.00
15. Tax Expense - Other	0.00	0.00	0.00	0.00	0.00
16. Interest on Long-Term Debt	0.00	15,000.00	0.00	0.00	0.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	22,760.14	67,700.01	78,749.73	8,667.17	8,749.97
19. Other Deductions	0.00	0.00	0.00	0.00	0.00
20. Total Cost of Electric Service (12 thru 19)	566,615.91	931,588.82	738,873.72	81,062.55	82,097.08
21. Patronage Capital & Operating Margins (1 minus 20)	-432,986.41	-520,100.07	-472,029.30	-34,885.55	-52,447.70
22. Non Operating Margins - Interest	0.00	0.00	0.00	0.00	0.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00	0.00
25. Non Operating Margins - Other	0.00	0.00	0.00	0.00	0.00
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	0.00	0.00	0.00	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	-432,986.41	-520,100.07	-472,029.30	-34,885.55	-52,447.70
Operating - Margin	-432,986.41	-520,100.07	-472,029.30	-34,885.55	-52,447.70
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	0.00	-33.67	0.00	0.00	0.00
Times Interest Earned Ratio - Net	0.00	-33.67	0.00	0.00	0.00
Times Interest Earned Ratio - Modified	0.00	-33.67	0.00	0.00	0.00

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General Ledger
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BALANCE SHEET FOR SEP 2025

Division: 1 METHOW FIBER

ASSETS AND OTHER DEBITS

	Last Year	This Year	Variance
1. Total Utility Plant in Service	1,025,434.71	1,171,007.63	145,572.92
2. Construction Work in Progress	496,905.85	247,660.79	-249,245.06
3. Total Utility Plant (1 + 2)	1,522,340.56	1,418,668.42	-103,672.14
4. Accum. Provision for Depreciation and Amort.	-9,271.99	-105,216.10	-95,944.11
5. Net Utility Plant (3 - 4)	1,513,068.57	1,313,452.32	-199,616.25
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	0.00	0.00	0.00
8. Invest. in Assoc. Org. - Patronage Capital	0.00	0.00	0.00
9. Invest. in Assoc. Org. - Other - General Funds	0.00	0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	0.00	0.00	0.00
12. Other Investments	0.00	0.00	0.00
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	0.00	0.00	0.00
15. Cash - General Funds	290,593.54	154,399.63	-136,193.91
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	0.00	0.00	0.00
18. Temporary Investments	0.00	0.00	0.00
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	0.00	0.00	0.00
21. Accounts Receivable - Other (Net)	256,368.01	93,644.15	-162,723.86
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	24,340.00	1,131,716.75	1,107,376.75
24. Prepayments	0.00	11,216.17	11,216.17
25. Other Current and Accrued Assets	0.00	0.00	0.00
26. Total Current and Accrued Assets (15 thru 25)	571,301.55	1,390,976.70	819,675.15
27. Deferred Debits	6,350.15	0.00	-6,350.15
28. Total Assets and Other Debits (5 + 14 + 26 + 27)	2,090,720.27	2,704,429.02	613,708.75

10/21/2025 5:14:01 pm

General Ledger
CFC Form 7

BALANCE SHEET FOR SEP 2025

Division: 1 METHOW FIBER

LIABILITIES AND OTHER CREDITS

	Last Year	This Year	Variance
29. Memberships	0.00	0.00	0.00
30. Patronage Capital	0.00	0.00	0.00
31. Operating Margins - Prior Years	0.00	-586,528.74	-586,528.74
32. Operating Margins - Current Year	-432,986.41	-520,100.07	-87,113.66
33. Non-Operating Margins	0.00	0.00	0.00
34. Other Margins and Equities	0.00	0.00	0.00
35. Total Margins & Equities (29 thru 34)	-432,986.41	-1,106,628.81	-673,642.40
36. Long-Term Debt - CFC (Net)	2,194,725.49	3,444,725.49	1,250,000.00
37. Long-Term Debt - Other (Net)	0.00	0.00	0.00
38. Total Long-Term Debt (36 + 37)	2,194,725.49	3,444,725.49	1,250,000.00
39. Obligations Under Capital Leases	0.00	0.00	0.00
40. Accumulated Operating Provisions	0.00	0.00	0.00
41. Total Other Noncurrent Liabilities (39 + 40)	0.00	0.00	0.00
42. Notes Payable	0.00	0.00	0.00
43. Accounts Payable	322,975.05	324,166.36	1,191.31
44. Consumers Deposits	0.00	0.00	0.00
45. Current Maturities Long-Term Debt	0.00	0.00	0.00
46. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
47. Current Maturities Capital Leases	0.00	0.00	0.00
48. Other Current and Accrued Liabilities	6,006.14	42,165.98	36,159.84
49. Total Current & Accrued Liabilities (42 thru 48)	328,981.19	366,332.34	37,351.15
50. Deferred Credits	0.00	0.00	0.00
51. Total Liab. & Other Credits (35+38+41+49+50)	2,090,720.27	2,704,429.02	613,708.75

ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION

Balance Beginning of Year	-9,050,049.37
Amounts Received This Year (Net)	-4,711,179.56
TOTAL Contributions-In-Aid-Of-Construction	-13,761,228.93

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General Ledger

Cash Flow

Page: 1

Sep 2025

	<u>This Period</u>	<u>This Year</u>
OPERATING ACTIVITIES		
Patronage Capital or Margins	-34,885.55	-520,100.07
Depreciation and Amortization Expense	6,681.02	31,638.86
Loss from Disposal of Assets	2,586.37	47,269.93
Total Funds from Operations	<u>-25,618.16</u>	<u>-441,191.28</u>
Cash Construction Funds - Trustee	0.00	0.00
Special Deposits	0.00	0.00
Temporary Investments	0.00	0.00
Accounts Receivable - Sale of Energy (Net)	0.00	0.00
Accounts Receivable - Other (Net)	-7,581.24	534,030.07
Renewable Energy Credits	0.00	0.00
Materials and Supplies	43,145.82	-800,154.28
Prepayments	0.00	-4,740.39
Other Current and Accrued Assets	0.00	0.00
Deferred Debits	0.00	2,540.06
(Increase)/Decrease in Operating Assets	<u>35,564.58</u>	<u>-268,324.54</u>
Accumulated Operating Provisions	0.00	0.00
Notes Payable	0.00	0.00
Accounts Payable	-172,464.21	-58,551.15
Other Current and Accrued Liabilities	-22,414.17	10,498.83
Other Deferred Credits	0.00	0.00
Increase/(Decrease) in Operating Liabilities	<u>-194,878.38</u>	<u>-48,052.32</u>
CASH FROM OPERATING ACTIVITIES	<u>-184,931.96</u>	<u>-757,568.14</u>
INVESTMENT ACTIVITIES		
Utility Plant	0.00	-216,465.31
Construction Work-in-Progress	-259,295.53	-543,198.32
Other Property and Investments	0.00	0.00
Notes Receivable (Net)	0.00	0.00
CASH FROM INVESTMENT ACTIVITIES	<u>-259,295.53</u>	<u>-759,663.63</u>
FINANCING ACTIVITIES		
Margins and Equities	0.00	0.00
Long-Term Debt	400,000.00	1,250,000.00
Long-Term Debt - Current Maturities	0.00	0.00
Consumer Deposits	0.00	0.00
Obligations Under Capital Lease	0.00	0.00
CASH FROM FINANCING ACTIVITIES	<u>400,000.00</u>	<u>1,250,000.00</u>
CASH FROM ALL ACTIVITIES	<u>-44,227.49</u>	<u>-267,231.77</u>
TOTAL CASH BEGINNING OF PERIOD	<u>198,627.12</u>	<u>421,631.40</u>
TOTAL CASH END OF PERIOD	<u><u>154,399.63</u></u>	<u><u>154,399.63</u></u>

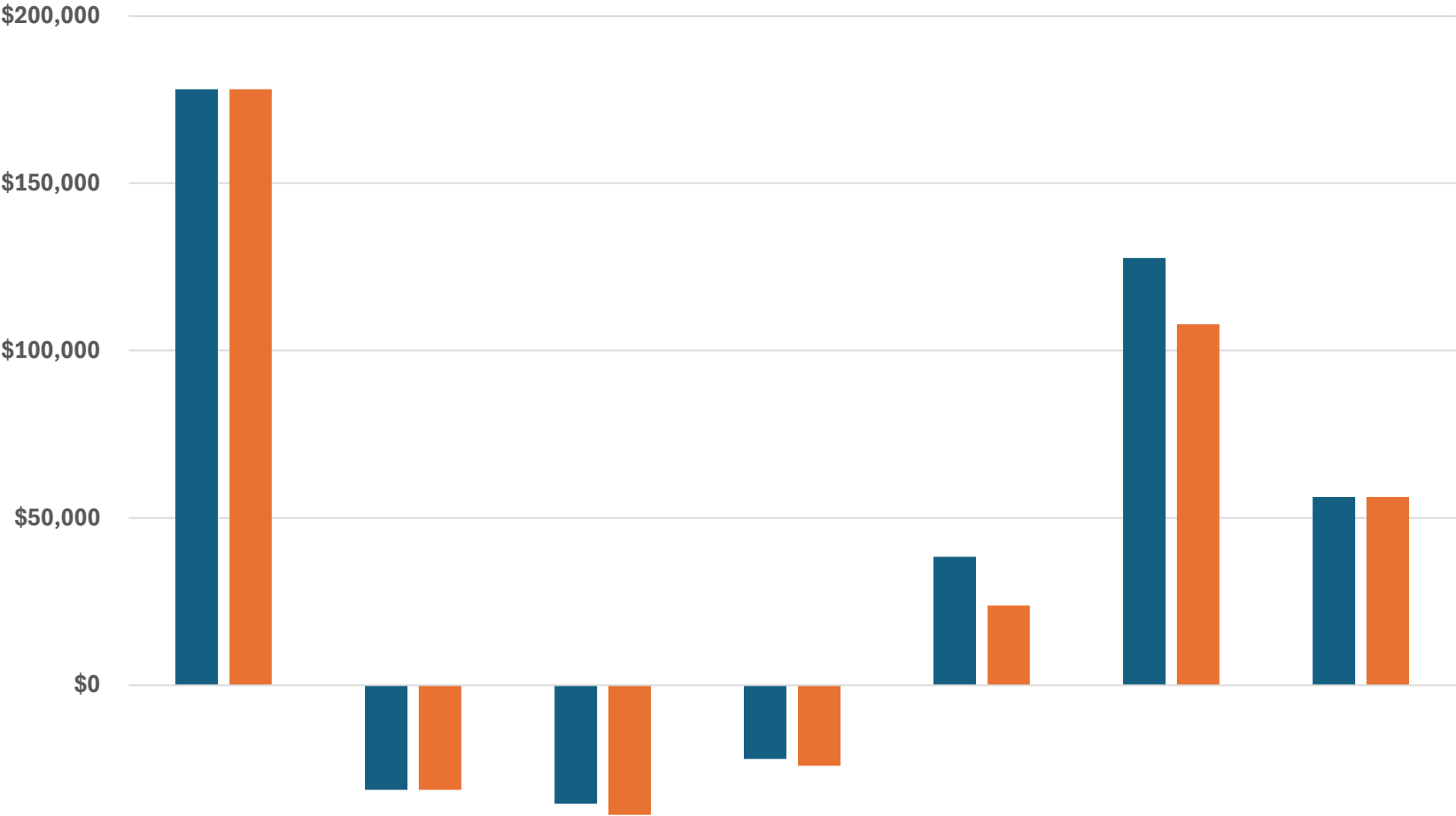
**Methow Fiber
September-25**

Capital Projects	Annual Budget	Month Activity	YTD Activity	% of Budget YTD
WSBO ARPA Grant Project	\$12,099,520	\$259,296	\$3,109,220	25.70%
Subtotal Capital Projects	\$12,099,520	\$259,296	\$3,109,220	25.70%
Less Grant Funds (CIAC)	(\$11,985,014)	\$0	(\$3,194,076)	26.65%
Total Capital Projects less CIAC	\$114,506	\$259,296	(\$84,856)	-74.11%
Capital Acquisitions				
Splicing Equipment	\$10,000	\$0	\$0	0.00%
Access Point Replacement Radios	\$11,000	\$0	\$0	0.00%
Headend Router Replacements	\$2,400	\$0	\$0	0.00%
Computer/IT Replacements	\$4,400	\$0	\$2,350	53.41%
Vehicle Replacements	\$65,000	\$0	\$0	0.00%
Total Capital Acquisitions	\$92,800	\$0	\$2,350	2.53%
Unbudgeted Capital Items				
Heavy-Duty Pallet Racks	\$0	\$0	\$5,278	
Storage Container	\$0	\$0	\$9,973	
PWB Grant Project	\$0	\$0	\$163,382	
Total Unbudgeted Capital Items	\$0	\$0	\$173,355	
Total Capital Expenditures (w/o CIAC)	\$12,192,320	\$259,296	\$3,111,570	
Total Capital Expenditures (Net of CIAC)	\$207,306	\$259,296	\$90,849	43.82%

WSBO Project Tracking - Major Areas

	Project Budget	Monthly Activity	Project-to-Date Totals	% of Project-to-Date
UtilitiesOne Contract	\$7,914,549	\$0	\$2,410,988	30.46%
Materials	\$2,652,781	\$139,294	\$1,690,260	63.72%
Make-Ready	\$300,000	\$0	\$842,301	280.77%
NoaNet Project Management	\$254,375	\$7,663	\$110,745	43.54%
WSBO/County Reimbursement	(\$12,485,014)	\$0	(\$3,803,787)	30.47%

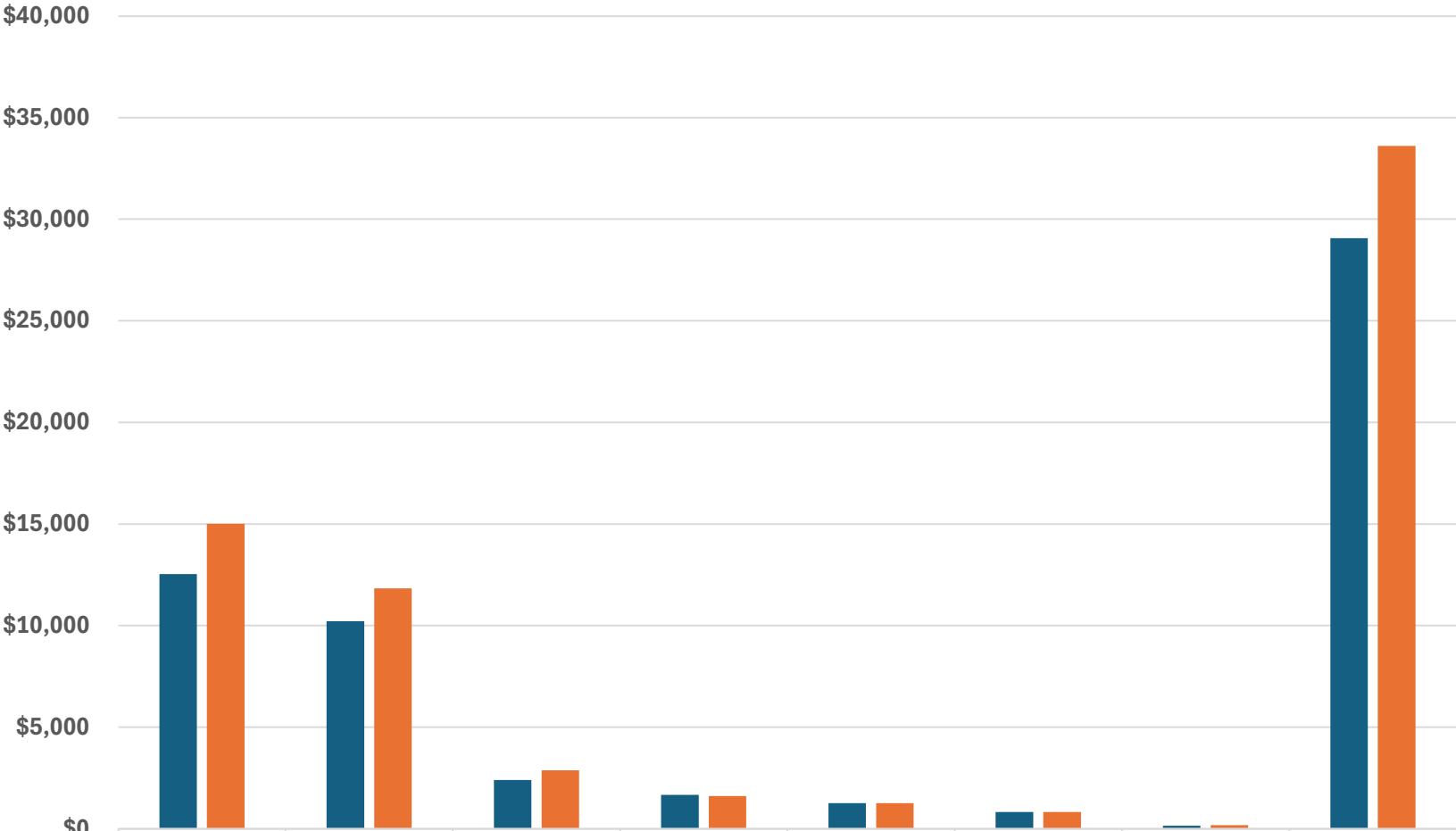
Sep-2025 Power Total Cost Budget vs Actual



(\$50,000)

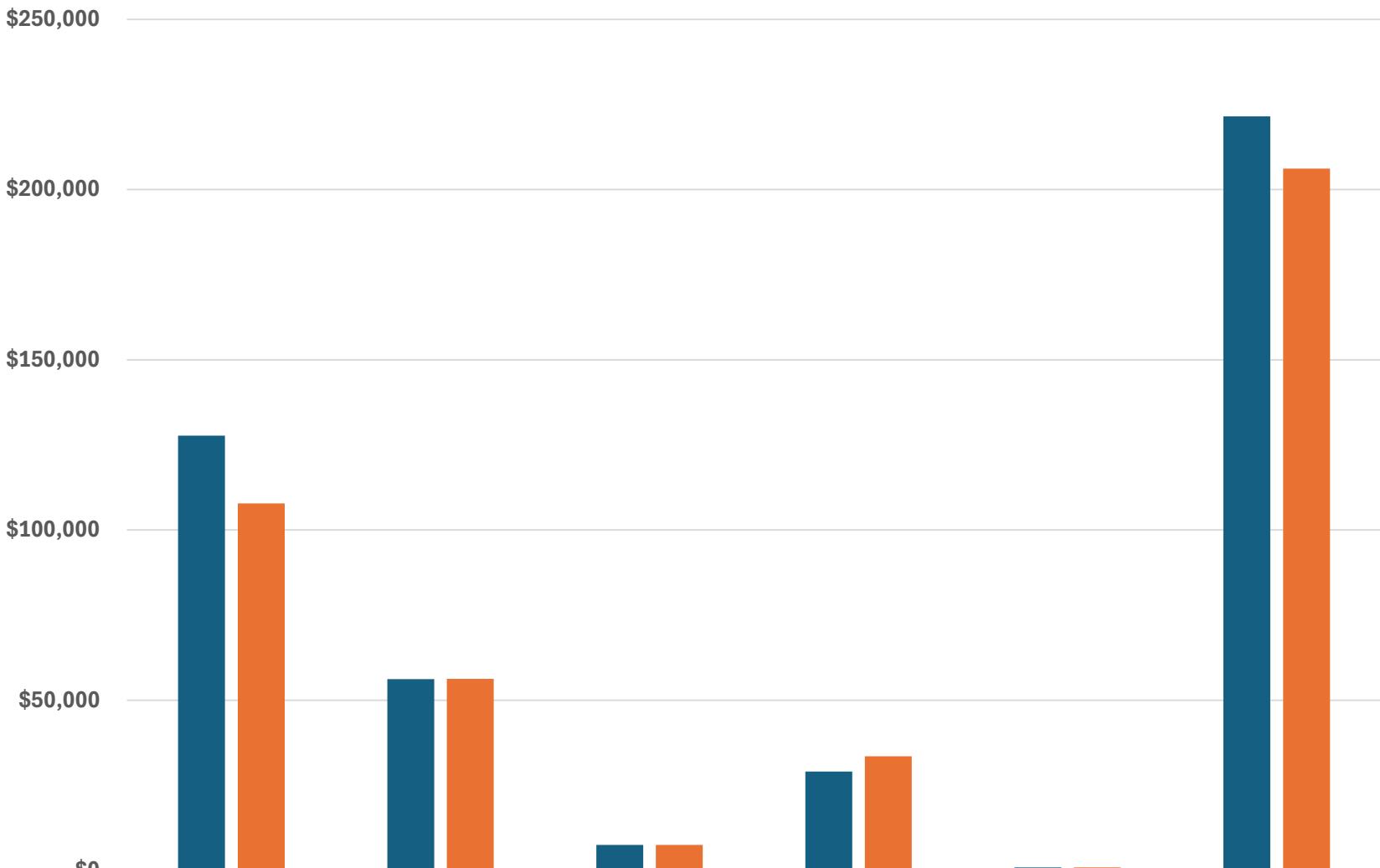
	Monthly Customer Composite Charge (\$)	Monthly Non-Slice Charge (\$)	Monthly Load Shaping HLH Charge (\$)	Monthly Load Shaping LLH Charge (\$)	Monthly Demand Charge (\$)	Total Tier 1 Cost (\$)	Part B Rate Charge (\$)
■ Sep-2025 Budget	\$178,091	(\$31,297)	(\$35,423)	(\$22,036)	\$38,338	\$127,672	\$56,236
■ Sep-2025 Actual	\$178,092	(\$31,298)	(\$38,716)	(\$24,095)	\$23,822	\$107,805	\$56,265

Sep-2025 Transmission Cost Budget vs Actual



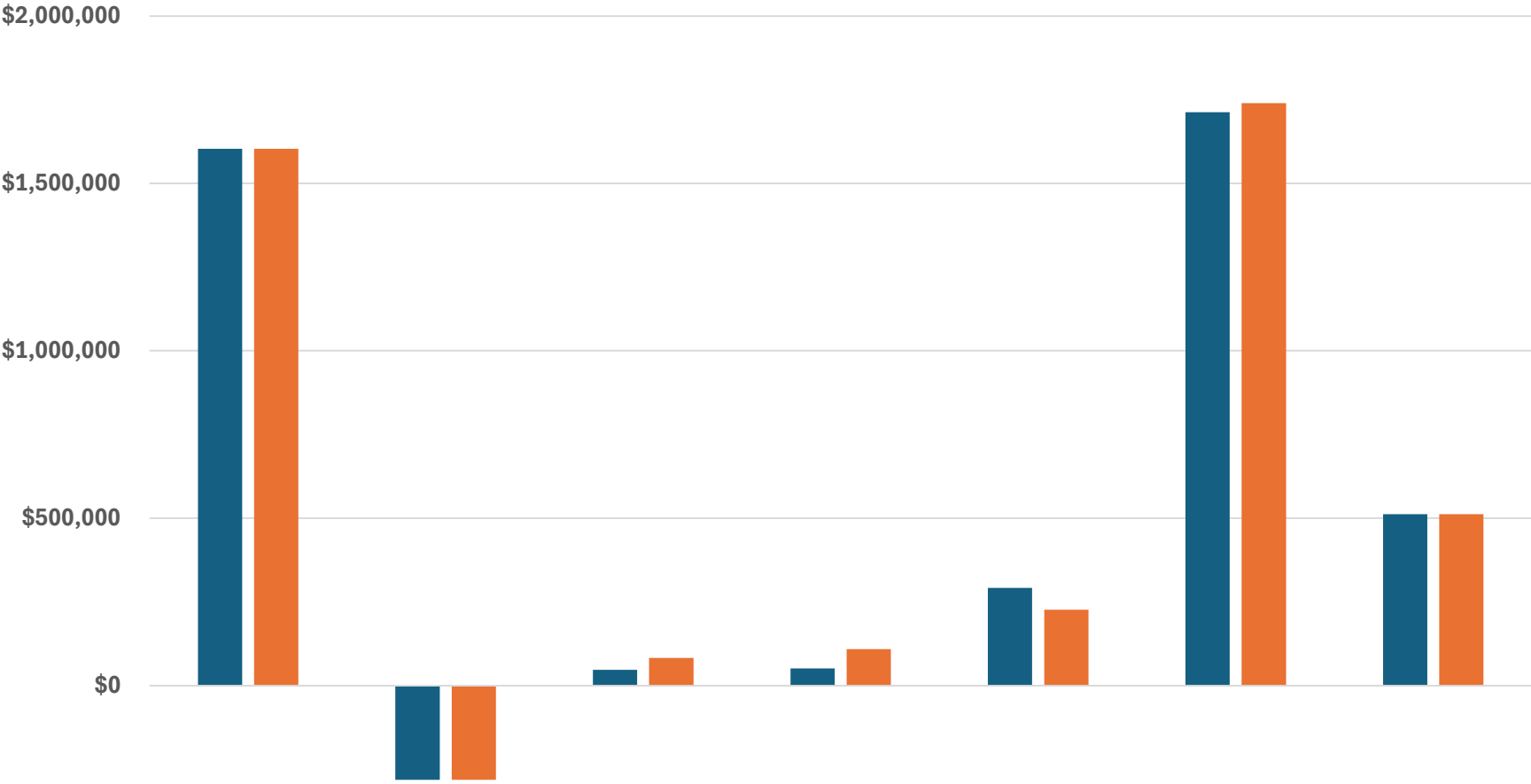
■ Sep-2025 Budget	\$12,541	\$10,222	\$2,402	\$1,667	\$1,256	\$821	\$152	\$29,061
■ Sep-2025 Actual	\$15,015	\$11,834	\$2,876	\$1,618	\$1,255	\$820	\$184	\$33,602

Sep-2025 Power Supply Total Cost Budget vs Actual



	Monthly Tier 1 Total Cost (\$)	Monthly Part B Rate Cost (\$)	PNGC Services (\$)	Transmission Cost (\$)	PNGC Equity Adder Cost (\$)	Total All-In Cost (\$)
■ Sep-2025 Budget	\$127,672	\$56,236	\$7,549	\$29,061	\$947	\$221,466
■ Sep-2025 Actual	\$107,805	\$56,265	\$7,549	\$33,602	\$919	\$206,140

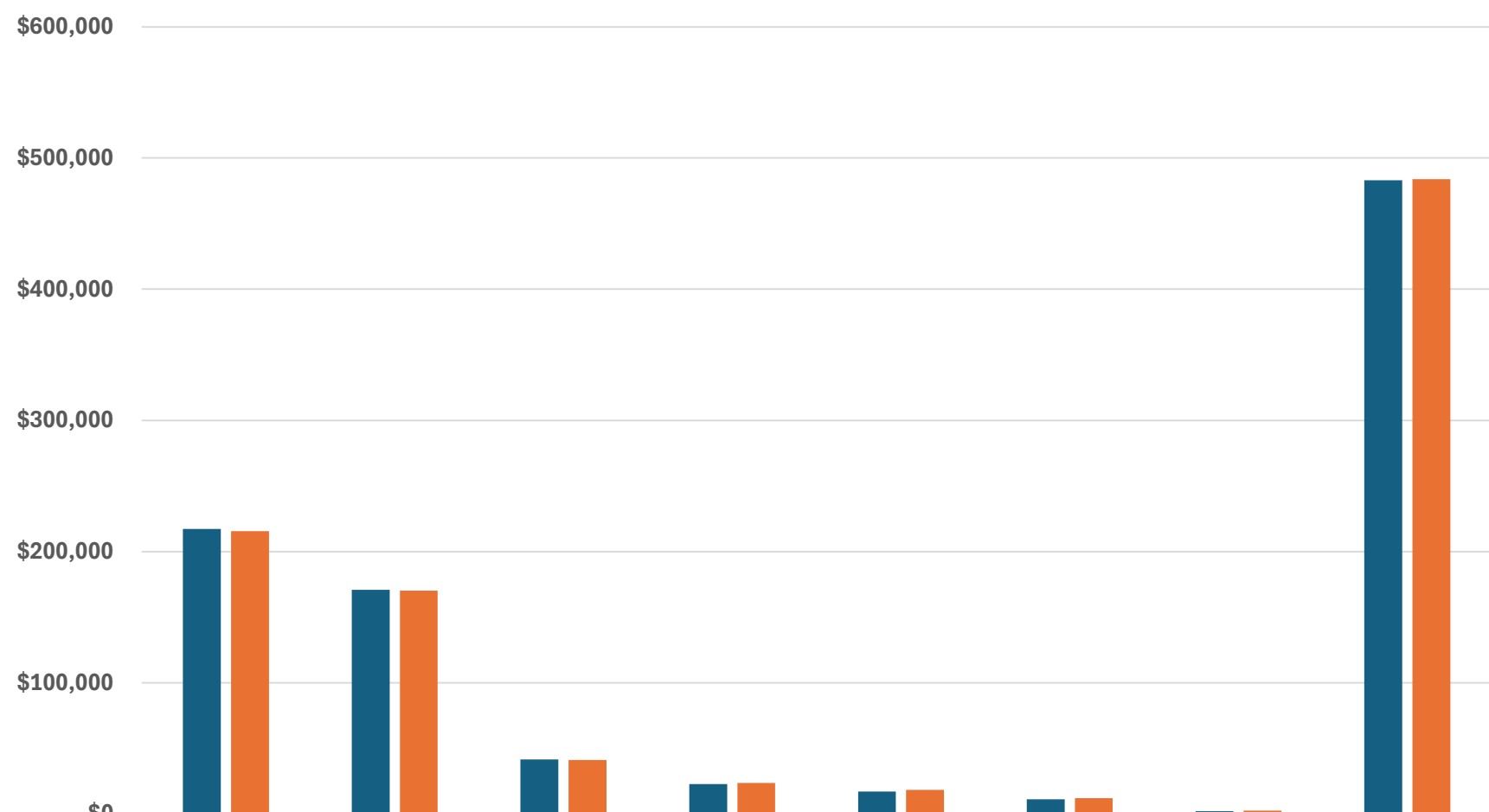
2025 YTD Power Total Cost Budget vs Actual



(\$500,000)

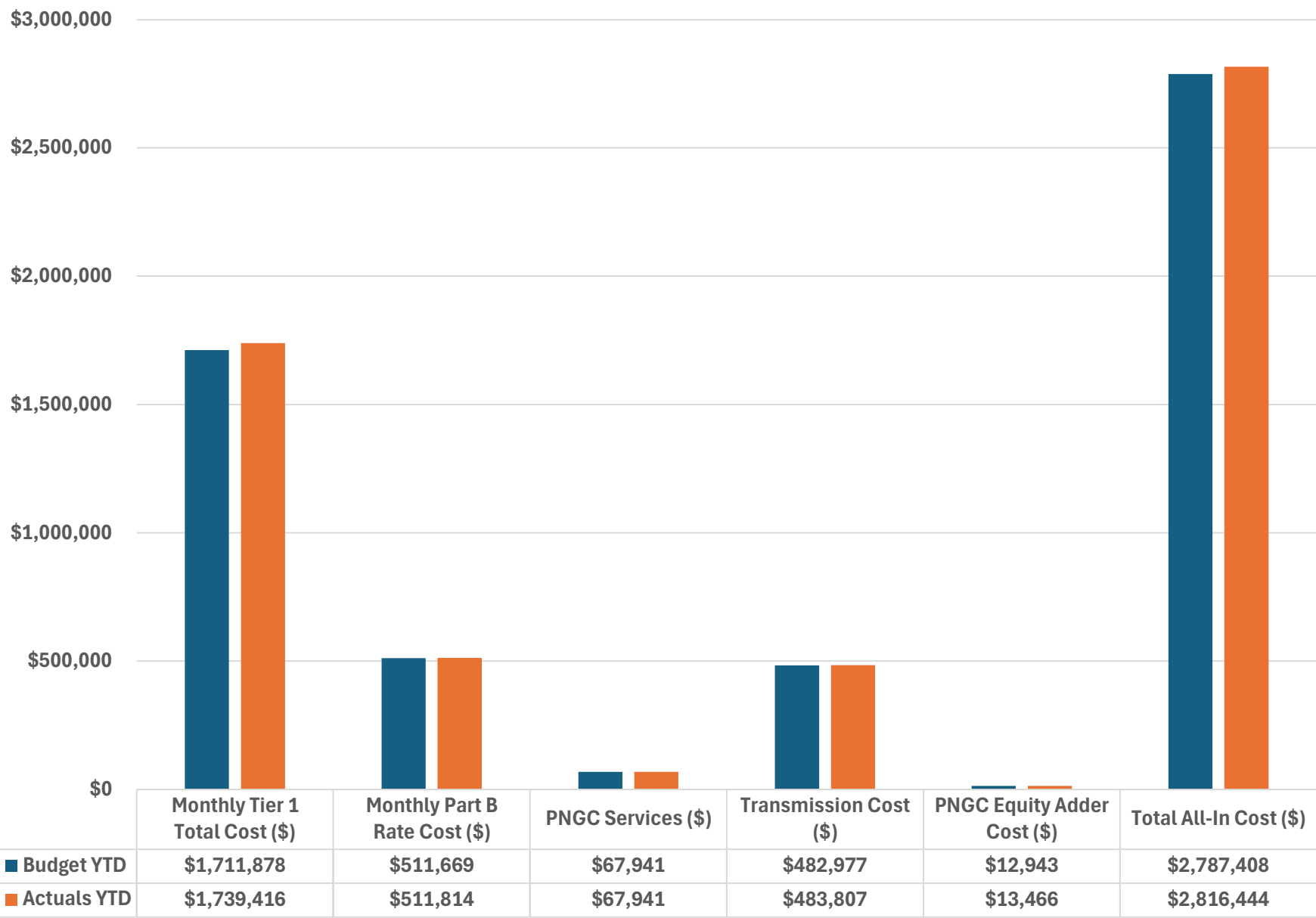
	Monthly Customer Composite Charge (\$)	Monthly Non-Slice Charge (\$)	Monthly Load Shaping HLH Charge (\$)	Monthly Load Shaping LLH Charge (\$)	Monthly Demand Charge (\$)	Total Tier 1 Cost (\$)	Part B Rate Charge (\$)
Budget YTD	\$1,602,821	(\$281,677)	\$47,264	\$51,397	\$292,073	\$1,711,878	\$511,669
Actuals YTD	\$1,602,828	(\$281,682)	\$82,955	\$108,596	\$226,719	\$1,739,416	\$511,814

2025 YTD Transmission Cost Budget vs Actual



	NT Base Charge (\$)	Delivery Charge (\$)	Scheduling, System Control, Dispatch Charge (\$)	Regulation and Frequency Response (\$)	Operating Reserves - Spinning Charge (\$)	Operating Reserves - Supplemental Charge (\$)	WECC Charge (\$)	Total Transmission Cost (\$)
Budget YTD	\$217,276	\$170,858	\$41,615	\$22,780	\$17,163	\$11,214	\$2,071	\$482,977
Actuals YTD	\$215,542	\$170,174	\$41,284	\$23,701	\$18,394	\$12,018	\$2,694	\$483,807

2025 YTD Power Supply Total Cost Budget vs Actual





OCEC MONTHLY OUTAGE REPORT

MONTH: SEPTEMBER YEAR: 2025

TOTAL NUMBER OF UNPLANNED OUTAGES:	<u>9</u>
TOTAL HOURS OF OUTAGES: (hours of outage x # of members affected)	<u>1,310</u>
TOTAL NUMBER OF MEMBERS AFFECTED: (sum of all outages and all members affected)	<u>1,089</u>
OUTAGE NUMBERS PER CIRCUIT	
WINTHROP: 1 CHEWUCH: 3 MAZAMA: 0 SUN MTN: 3 TWISP: 1 LOUP: 1 AIRPORT: 0	
SAIDI:	<u>2.08</u>
SAIFI:	<u>0.2</u>
CAIDI AVERAGE:	<u>624</u>

MAJOR OR REPEAT OUTAGES:

09/20/25 A TREE FELL DOWN ON A OVERHEAD LINE UP TWISP RIVER. CREW REMOVED TREE AND RESTORED POWER TO APPROXIMATELY 23 CUSTOMERS.

09/24/25 AN UNKNOWN ISSUE CAUSED THE SUN MOUNTAIN CIRCUIT TO TRIP AT THE WINTHROP SUB STATION. CREWS HAD TO PATROL THE ENTIRE LINE BEFORE ENERGIZING. THE ELECTRICAL SYSTEM WAS SET TO ONE-SHOT WHEN THIS OCCURED.

YEAR TO DATE

YTD NUMBER OF UNPLANNED OUTAGES:	<u>65</u>
YTD HOURS OF OUTAGES: (hours of outage x # of members affected)	<u>11,273</u>
YTD NUMBER OF MEMBERS AFFECTED: (sum of all outages and all members affected)	<u>4,763</u>
YTD OUTAGE NUMBERS PER CIRCUIT	
WINTHROP: 11 CHEWUCH: 25 MAZAMA: 13 SUN MTN: 6 TWISP: 5 LOUP: 2 AIRPORT: 1	
YTD SAIDI:	<u>178.62</u>
YTD SAIFI:	<u>1.27</u>
YTD CAIDI AVERAGE:	<u>142.2</u>

Unplanned Outages - Unexpected small or large electricity disruptions usually caused by network damage from severe weather, fallen branches and trees, animals coming into contact with powerlines and vehicles crashing into power poles.

SAIDI = System Average Interruption Duration Index = Total minutes of every customer without power / Total number of customer (2023 Nat. Avg.= 366.6)
SAIFI = System Average Interruption Frequency Index = Number of customer outages experienced by all customer / Total number of customers (2023 Nat. Avg.= 1.348)
CAIDI = Customer Average Interruption Duration Index = SAIDI / SAIFI (2023 Nat. Avg.= 271.8) Minutes

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Installment Loan

Open Balance

Page: 1

Loan	Account Number Name	Loan Amount	Remaining Principal	Prepaid Amount	Accrued Interest	Last Billed Period	Payment Amount	Billed Principal	Billed Interest
02.95000	24 TOWN OF WINTHROP	35,624.75	20,583.02	0.00	0.00	OCT 2025	791.67	791.67	0.00
Total For Loan Type 1		35,624.75	20,583.02	0.00	0.00		791.67	791.67	0.00
(Principal GL Account: 0 0143.15 GL Dept: 0)									
07.100000	33 MVSTA	67,500.10	51,666.64	0.00	0.00	OCT 2025	833.34	833.34	0.00
Total For Loan Type 10		67,500.10	51,666.64	0.00	0.00		833.34	833.34	0.00
(Principal GL Account: 0 0143.82 GL Dept: 0)									
06.100000	27 MVSTA	92,499.94	76,666.48	0.00	0.00	OCT 2025	833.34	833.34	0.00
Total For Loan Type 11		92,499.94	76,666.48	0.00	0.00		833.34	833.34	0.00
(Principal GL Account: 0 0143.83 GL Dept: 0)									
12.40000	25 SMILING WOODS YURTS	18,996.88	12,663.61	0.00	0.00	OCT 2025	333.33	333.33	0.00
Total For Loan Type 12		18,996.88	12,663.61	0.00	0.00		333.33	333.33	0.00
(Principal GL Account: 0 0143.85 GL Dept: 0)									
13.40000	26 TWISPPWORKS FOUNDATION	19,286.92	12,953.65	0.00	0.00	OCT 2025	333.33	333.33	0.00
Total For Loan Type 13		19,286.92	12,953.65	0.00	0.00		333.33	333.33	0.00
(Principal GL Account: 0 0143.86 GL Dept: 0)									
04.50000	28 STEVE DEVIN	47,499.98	39,529.04	0.00	0.00	OCT 2025	416.67	416.67	0.00
Total For Loan Type 2		47,499.98	39,529.04	0.00	0.00		416.67	416.67	0.00
(Principal GL Account: 0 0143.51 GL Dept: 0)									
03.26000	35 STEVE DEVIN	23,750.02	19,764.71	0.00	0.00	OCT 2025	208.33	208.33	0.00
Total For Loan Type 3		23,750.02	19,764.71	0.00	0.00		208.33	208.33	0.00
(Principal GL Account: 0 0143.52 GL Dept: 0)									
05.81000	34 OLD SCHOOLHOUSE BREWE	60,034.50	47,884.50	0.00	0.00	OCT 2025	675.00	675.00	0.00
Total For Loan Type 4		60,034.50	47,884.50	0.00	0.00		675.00	675.00	0.00
(Principal GL Account: 0 0143.59 GL Dept: 0)									
10.32500	31 EQPD	9,665.84	4,352.23	0.00	0.00	OCT 2025	270.83	270.83	0.00

10/08/2025 2:14:08 pm

Installment Loan

Open Balance

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Loan	Account Number Name	Loan Amount	Remaining Principal	Prepaid Amount	Accrued Interest	Last Billed Period	Payment Amount	Billed Principal	Billed Interest
Total For Loan Type 7		9,665.84	4,352.23	0.00	0.00		270.83	270.83	0.00
(Principal GL Account: 0 0143.65 GL Dept: 0)									
11.32500	32 LITTLE STAR SCHOOL	9,159.30	3,538.53	0.00	0.00	OCT 2025	295.83	295.83	0.00
Total For Loan Type 8		9,159.30	3,538.53	0.00	0.00		295.83	295.83	0.00
(Principal GL Account: 0 0143.67 GL Dept: 0)									
Grand Total:		\$ 384,018.23		\$ 0.00			\$ 4,991.67		\$ 0.00
			\$ 289,602.41		\$ 0.00			\$ 4,991.67	

General Manager's Report to the Board – October 2025

No report this month all updates will be covered with board agenda items and materials



BROADBAND

10/27/2025

METHOW FIBER

BROADBAND DEVELOPMENT



WSBO/ARPA FUNDED OKANOGAN COUNTY CONNECT

F1 Feeder Twisp to Winthrop

- 90% Main Line Construction complete minus a few short underground sections. OH Pole Attachment Cleanup on Mill Hill pending crew schedule.

Winthrop

- 45% Construction Complete
- Winthrop Area will be the focus to light up 100 to 200 customers before New Years.

Mazama

- 15% Construction Complete
- Construction Work Focus on Winthrop thru Winter

Lost River

- 50% Main Line Construction Complete

Drops to Homes

110+ Complete includes conduit and fiber from nearest vault or pole to home.

HUB Location Improvements (By Local Resources)

Twisp Works	80%	Next step – New Flooring, Walls, and Generator.
OCEC WIC	80%	Next step – Generator, Electrical, and Fiber.
Mazama Fire Hall	80%	Next Step - HVAC mini split and additional Outlets.



2026 Budget Request for Horizon Flatts

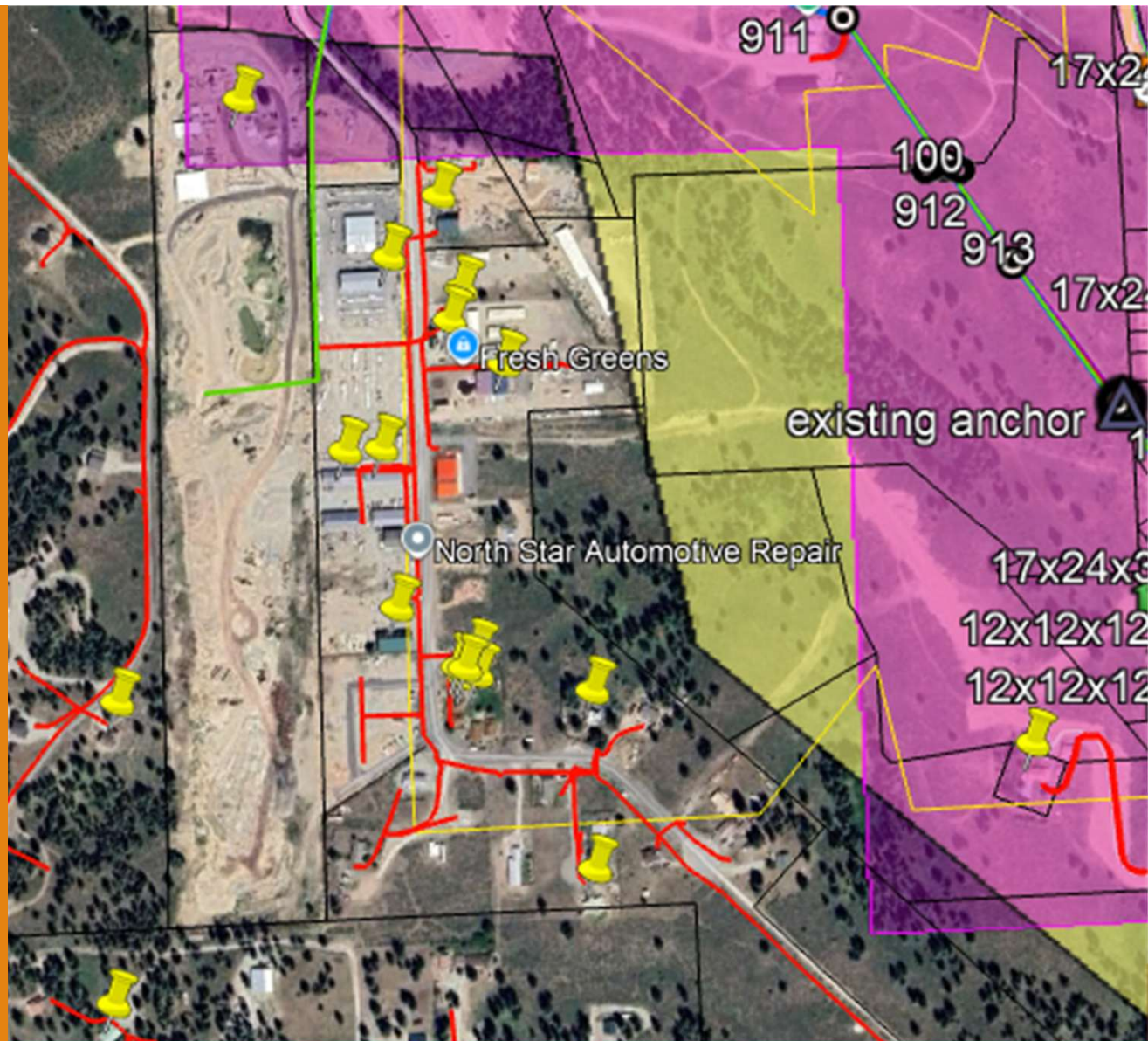
- Construction Work Plan for 2026 (labor + material + contractor)

- **METHOW FIBER**

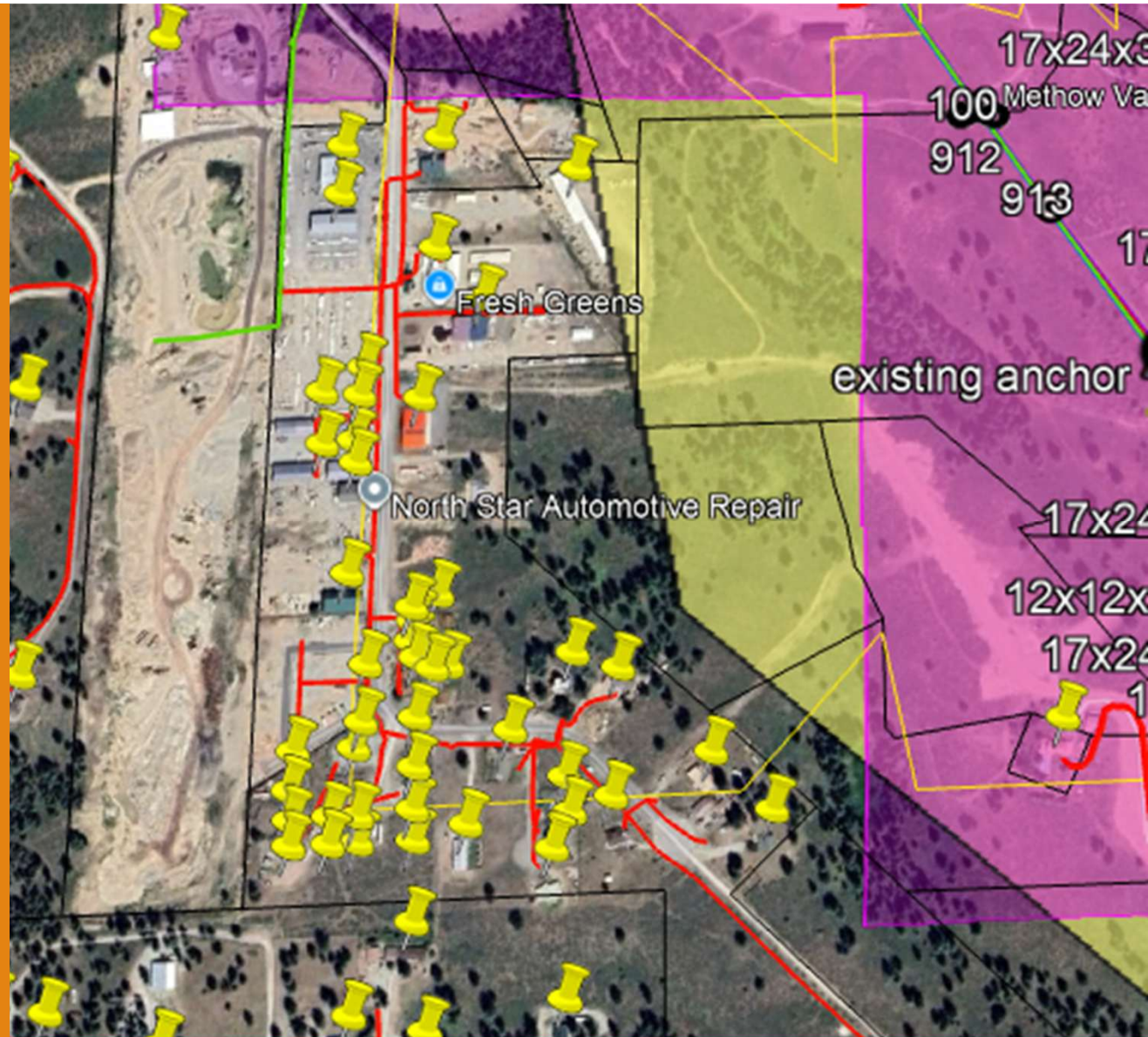
- Recommend in house (subcontract excavation and trench) of mainline fiber underground in Horizon Flatts Commercial Area.
- Estimated 10% is already complete.
- Estimated 75 parcels mixed use Commercial and Residential
- Potential easement into Twin Lakes Area via Sun Mtn Ranch Club roads and/or Palomino Road.
 - 2,300' (1.5" conduit at \$0.50ft) \$1,150
 - 6 - 17x30x24 GLB's (\$337ea) \$2,022
 - Fiber 48ct \$759
 - 6 – G5 Splice Cases (\$195ea) \$1,170
 - Excavation and Reclamation
 - \$25 per foot \$57,500
 - Plans and permitting City Of Winthrop \$10,000
 - Misc \$10,000

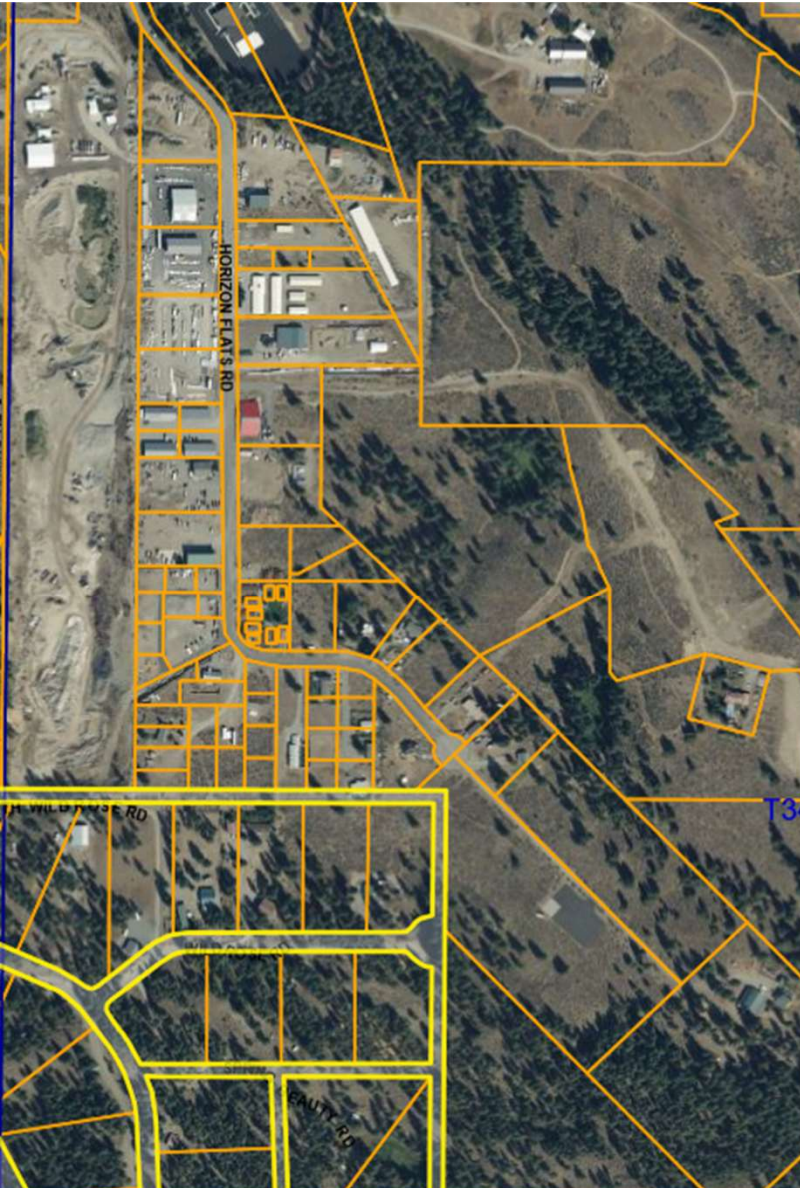
\$82,601 to \$100,000

Horizon Flatts Industrial Area 18 Current Wireless Customers



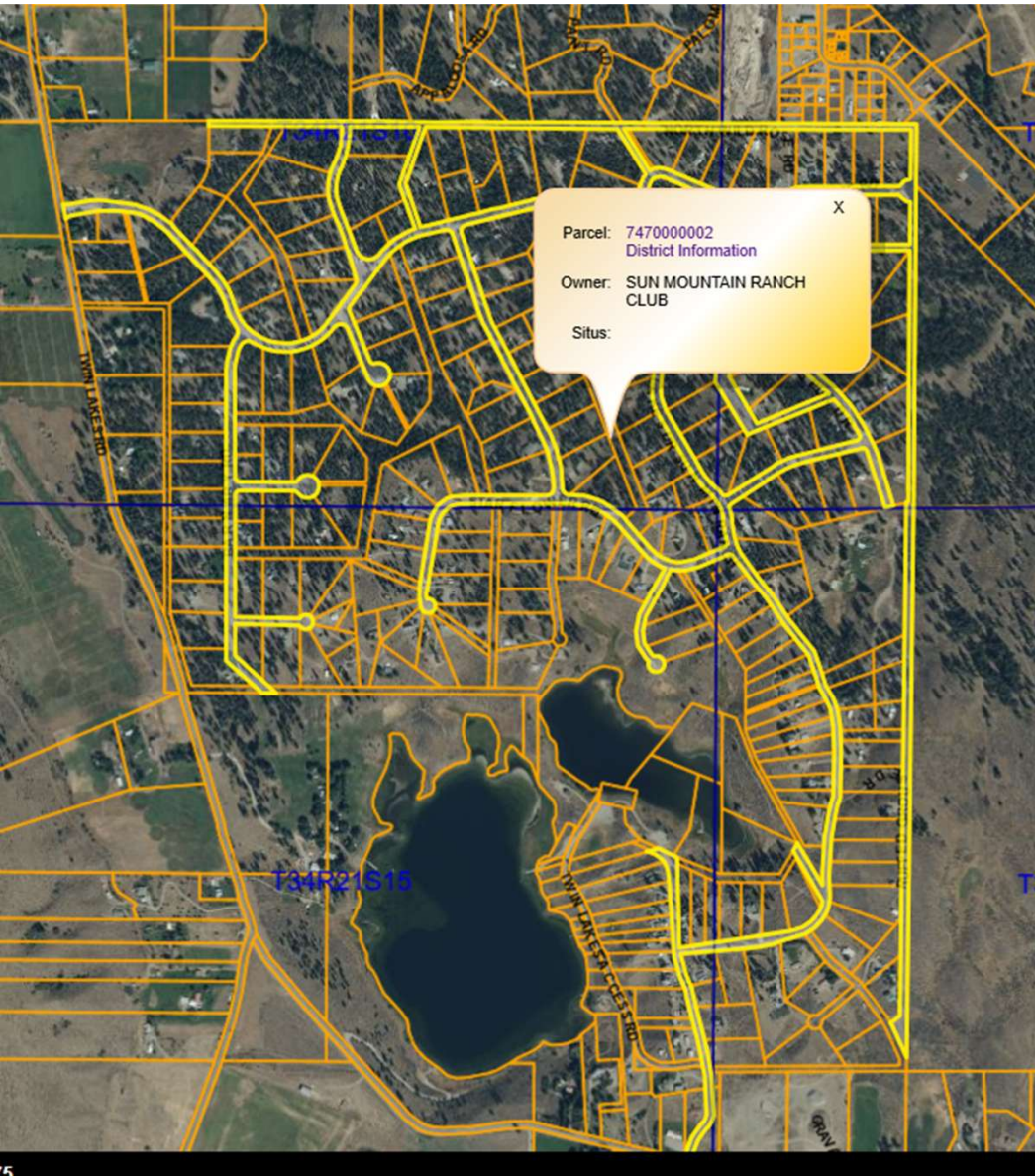
Horizon Flatts Industrial Area 50 Current Potential Customers



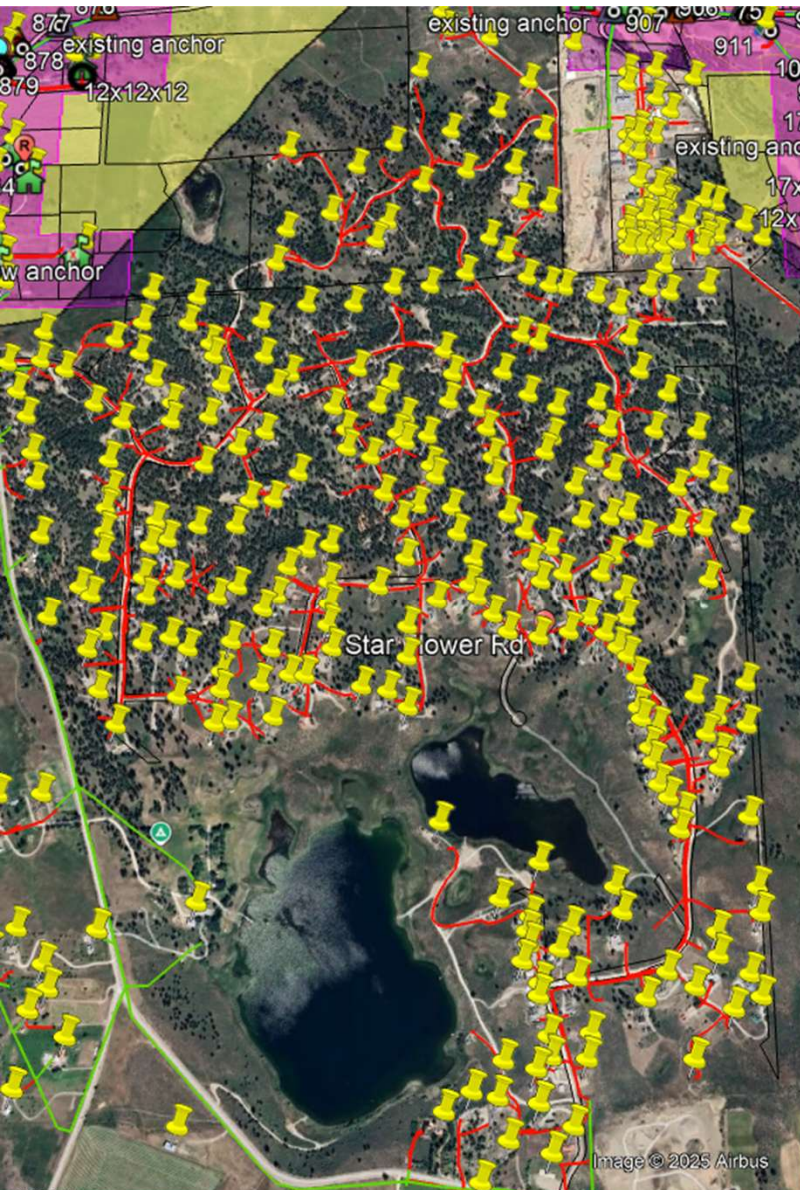


Horizon Flats Industrial Area 75 +/- Parcels Fiber Install on

Horizon Flatts provides multiple locations for an easement into the Sun Mountain Ranch Club Twin Lakes Development



Sun Mountain Ranch Club / Twin Lakes Development



Twin Lake Development

125+ expressed interest but were left out of the ARPA/WSBO project area due to budgetary limitations for costly underground construction.

50+ Current Wireless Customers



Strategic Planning Implementation Tracking Model - Q3-2025

Objectives	Objective	Budget Implications	Strategies/Tactics	Person Responsible		Start Date	Due Date	% Complete	Status	Comments
Enhance OCEC's distribution system reliability and resiliency										
1	Develop a comprehensive construction work plan	No	Update CWP for the 2026-2030 budget cycle	Glenn Huber		1/1/2025	8/1/2026	15%	Not on track	Pushed due date back from 9/30/2025 to 8/1/2026. No progress made during 2025 and will be working on the CWP for the 2027-2031 budget cycle.
		No	Develop 2-3 projects relating to resiliency, hardening, or wildfire mitigation to prepare for grant opportunities	Glenn Huber					On Hold / Carryover	Pushed to 2026
2	Create a facilities and long term headquarters plan	Yes	Contract with Cooperative Building Solutions for a review and refresh of previous plan	Tracy McCabe					On Hold / Carryover	Q4-2025 will begin discussions with CBS to provide quotes for completing a proposal and plan with multiple scenarios in 2026 for the board to consider. Delivery estimated Q4-2026.
		Yes	Contractor to create new headquarters plan somewhat generic to land	Tracy McCabe					On Hold / Carryover	Will be completed after approving a direction after the CBS report and board support behind a plan.
		No	Identify and track potential properties within service area suitable for new building or expanded headquarters	Greg Mendonca		1/1/2024			On Hold / Carryover	Placed on hold - focusing efforts on CBS engagement and plan. Still keeping tabs on potential properties as they come up. Very difficult to provide recommendation for transacting without comprehensive plan.
		No	Identify needs/wants for facilities with current staff	Tracy McCabe		1/1/2025	12/31/2025	10%	Concerns with completion	Pulled requested improvements from CBS 2020 report. Met with staff member for initial fleet square foot discussion. Will schedule meetings with depts for updated improvements list and updated square footage including Methownet.
3	Invest in reliability improvements that demonstrate commitment to community	Yes	Increase system improvement budgets to allow for contracting for system improvements	Greg Mendonca		8/1/2025	12/1/2025	100%	Complete	2026 capital budget includes system improvement projects slated for outside contractor crews to complete. Forecast sustained increases in system improvement budgets through 2030 and COMPASS model outputs.
		Yes	Create overhead to underground study to identify areas suitable for multi-year projects	Glenn Huber					On Hold / Carryover	Will be included in the CWP with target completion 8/1/2026.
		Yes	Complete an oil circuit recloser replacement plan that studies moving towards electronic style	Glenn Huber		1/1/2025	8/1/2026	5%	Not on track	Pushed due date to from 9/30/2025 to 8/1/2026. Will be included in CWP update.
4	Enhance wildfire mitigation plan with a review of new technologies	No	Perform benchmarking with other cooperatives on wildfire mitigation technologies deployed	Glenn Huber		1/1/2025	4/1/2026	10%	Not on track	Moved due to from 9/30/2025 to 4/1/2026. Will begin putting together a survey form to send to operations group and PNGC group. Target survey completion 1/1/2026 and compile and analyze results by 4/1/2026.
		Yes	Invest in real-time weather tools to inform operations during wildfire season	Glenn Huber					On Hold / Carryover	Opportunity has come up through the existing GRIP Grant Consortium with NRECA for this item. Will investigate Q4-2025 and provide updates.
		Yes	Perform analysis on contract tree trimming vs in-house	Glenn Huber					Complete	Awarded \$4.2M grant for ROW clearing and hazard tree removal programs beginning in 2026 through 2030. Moving forward all ROW work will be handled under the grant and in-house will only address emergency issues.
		No	Create tracking sheet for grant opportunities relating to wildfire mitigation, resilience, and hardening the system	Greg Mendonca					Complete	Tracking spreadsheet is not useful and will remove this initiative. Grant opportunities are less abundant and when they come up they are typically quick turnaround times where a tracking sheet isn't useful.
Ensure OCEC's long-term financial strength and stability										
1	Adopt a robust financial forecast with special emphasis on enhanced capital planning and rate structure analysis	No	Create board financial policy that provides long-term guidance on key financial metrics	Greg Mendonca		1/1/2025	12/31/2025	20%	Not on track	Held meeting with Finance Committee Chair and Board President with internal staff. Reviewed template policy from CFC and established action items for staff. Anticipate Internal draft ready for Finance Committee review early 2026, potential board approval end of Q1-2026
		Yes	Create debt optimization tool to inform debt placement, repricing, and debt instrument options	Tracy McCabe		1/1/2025	12/31/2025	25%	On Track	Networked with other utilities at Acct/Finc conference. Currently, using loan spreadsheet for assistance. Continued networking with Finance contact and use of AI for tool for LTD. Adjusted date to YE.
		No	Create detailed capital budget vs actual reports for internal and board	Tracy McCabe					Complete	Data being retrieved from NISC for board reports.
2	Reform rate structures that minimize subsidization, align rates with cost of service, and address demand cost recovery fairness	No	Develop a 5-year rate design plan to achieve board goals	Greg Mendonca					Complete	Board approved rate design plan in October 2024. After public process small tweaks to plan and still on track to begin implementing 2026.
		Yes	Perform COSA every three years to guide rate design, identify subsidies, and inform revenue requirement	Greg Mendonca					On Hold / Carryover	COSA in 2027 to inform 2028 final rate design plan rates based on three years worth of data.
		Yes	Introduce 3-part rate to all general service rate classes by 2027	Greg Mendonca					Complete	Board approved rate design plan in October 2024

3	Manage costs and adopt rates that are affordable	No	Develop budget tracking tools to inform managers for decision-making	Tracy McCabe			6/30/2025	25%	Not on track	Developed capital budget tracking for OCEC and Methow Fiber. Project-specific tracking for major categories of WSBO fiber project. Attended NISC inteject class & documents created for 3 divisions(will need different format for OCEI). Need to break out /map total budget numbers to specific GL accounts within NISC and extend due date to 8/30/2025. Need to utilize approved 2026 budget for 2026.
		Yes	Maintain 60 days cash on hand	Tracy McCabe					On Hold / Carryover	Waiting for financial policy. Currently, operating on 14 days cash plan for all 4 divisions. Wiring money to/from LOCs on weekly basis.
		No	Adopt technology to enhance expense tracking at the employee level	Tracy McCabe			6/30/2025	100%	Complete	Using NISC for expense tracking. Will need ongoing training for staff as needed.
		No	Perform expense scrubbing annually prior to budget season	Tracy McCabe				20%	On Track	Performed at budget. Tracking expenses for separation by division. Identifying and decreasing current recurring charges.
Enhance the members' overall experience with OCEC										
1	Create a member communication plan	No	Identify major areas of communication, assess current methods, identify areas for improvement	Tracy McCabe			12/31/2025	75%	On Track	Front office tracking member comments/questions as of Feb. Post-grad Intern provided rough draft communication plan. See below benchmarking survey. Created strategic item template. Meeting with Mnet staff weekly to continue project. Changed completion date to YE.
		No	Benchmark other cooperative communication plans, methods, strategies	Tracy McCabe				100%	Complete	Due to unexpected resources from summer intern we surveyed 37 utilities for comparison and summarized data.
2	Analyze and commit resources to website enhancements	Yes	Engage with cooperative-focused web developers to explore options	Deanna Melton		1/1/2025	6/30/2025		Complete	Researched different site options - WordPress (existing) vs html. 06/2025: Received proposal from Powerful Web. Presented at May board meeting, signed contract 7/2025. <\$15k. 11 weeks from start to go-live.
		Yes	Bring recommended website plan from consultants to management for decision	Deanna Melton		1/1/2025	6/30/2025		Complete	Started capturing notes/screenshots to present. 06/2025: Project kick-off 7/9. 10/2025: Internal approval of Powerful Web proposed layout, design, color scheme. Content migration started, estimated completion mid-novemver. Scheduled board demo for November.
3	Invest in member-facing technology improvements	No	Investigate further features within NISC SmartHub	Deanna Melton					On Hold / Carryover	Pushed to 2026
		No	Study whether to engage on social media platforms	Tracy McCabe				50%	On Track	Pushed to 2026. See benchmarking above. Survey showed OCEC only utility not using Facebook.
4	Educate members on critical strategic decisions	Yes	Schedule and hold at least two education sessions on key topics impacting the cooperative	Greg Mendonca		1/1/2025	12/31/2025	50%	Concerns with completion	Meeting with MVCC to hold EV-focused meeting did not result in action. Staff is planning two town hall meetings this winter 1) Methow Fiber / Methownet project updates, and 2) BESS and ROW Clearing Grant Updates. Will need to work on scheduling and content.
		No	Create one-page issue documents for newsletter and website	Greg Mendonca			12/31/2025	0%	Not on track	No progress made on this topic.
5	Provide the coop community with reliable Broadband service while ensuring it stands on its own financial merit	Yes	Track and apply for grant funding for fiber buildout in electric service territory	Adam Glenn		N/A	N/A	N/A	On Track	Two Grant Funded Projects currently in progress (WSBO & PWB). BEAD Funding in a cooperative application agreement with OKPUD has potential pending Application Approval with a 3rd round of application efforts .
		Yes	Expand service into Okanogan PUD on a retail basis on their network	Adam Glenn		N/A	N/A	N/A	On Track	PUD Retail Wireless Customers - 347 (2023) / 356 (2024) / 351 (2025) / 352 (2025-Q2) / (Q3 2025) 331 . PUD Retail Fiber Customers - 43 (2023) / 50 (2024) / 60 Q2 2025) / (Q3 2025) 61 . Methownet was expanding services on the PUD Retail Wireless network over the last 4 years but has now churned 19 Wireless Customers in 2025. A net gain of 1 PUD Fiber Customers in 2025. Goin into 2026 we will need to stratagize on retail efforts with the PUD in Twisp.
6	Keep a strong pulse on changing member expectations and services the coop might provide in the future	Yes	Contract for survey of membership satisfaction once every two years	Tracy McCabe			6/1/2026	40%	On Track	Pushed to 2026. Obtained sample survey from Mason PUD. OCEC survey questions developed and ready for 2026 survey.
Ensure OCEC has a long-term, reliable, and affordable power supply										
1	Adopt a resource evaluation policy outlining the coop's overall power purchasing strategy and self-development of generating resources	No	Educate board on general costs of different generation sources, including local vs regional	Greg Mendonca		N/A	N/A	100%	Complete	Presentation from PNGC will include reviews of regional and local resource opportunities and related levelized cost of energy.
		No	Invite PNGC to give education sessions on resource development at least once a year	Greg Mendonca		N/A	N/A	100%	Complete	PNGC presenting Resource Development Plan to OCEC Board October 2025
		Yes	Research battery storage options,either paired with solar or stand-alone, for local resource	Greg Mendonca					Complete	Received grant award for 1 MW BESS up for approval in July 2025 board meeting.
		No	Board policy/guidance on resource diversity, ownership vs PPA, and preferred resource technologies	Greg Mendonca					On Hold / Carryover	Need additional direction from the OCEC Board on this objective.
2	Adopt demand response measures that minimize peak costs and are a net overall savings to the coop	Yes	Develop demand response program in partnership with OCEI to leverage existing backup generation, remote disconnect meters	Glenn Huber/Jesse Potvin		1/1/2025	9/1/2026	10%	Not on track	Pushed due date from 12/31/2025 ro 9/1/2026. We have identified 12 possible locations for pilot project this winter. Working on getting quotes for required remote disconnect meters. Workload on electric operations due to fiber make ready and other grant projects causing resource issues on electric side.

		Yes	Create electric vehicle membership group, educate on charging impacts to the grid, leverage for future potential of car-to-grid demand response	Greg Mendonca					On Hold / Carryover	Pushed to 2026
		No	Educate membership on peak demand typical times, campaign for usage outside of those times	Tracy McCabe		10/1/2024	N/A	20%	On Track	Post-grad Intern assigned to develop materials, started 4/14. Documents created and stored in shared folder ready to be utilized.
		Yes	Contract for consultant to study demand response potential in service area	Glenn Huber					On Hold / Carryover	Pushed to 2026
Ensure OCEC members are served by a qualified workforce										
1	Adopt an emergency succession plan	Yes	Create emergency succession plan for all senior staff positions with assistance from HR contractor	Greg Mendonca		1/1/2025	12/31/2025	0%	Not on track	No progress made yet.
2	Create a staff development, training, and retention plan	No	Identify training modules within NISC for all positions necessary for basic function, advanced usage, lay out for continued development	Tracy McCabe		1/1/2025	12/31/2025	60%	On Track	Roles determined for Fiber/Mnet staff. Training recommended and webinar dates provided for 3 engineering staff (Inventory), 2 front office (capital credits) and 1 accounting staff (1-AP and 4-Payroll webinars). All Methownet staff have been assigned "financials" training. Project manager to assign "service" training prior to go-live date of 11/10. Appsuite training refresher requested for outside crew to be scheduled during winter months. Learn-it-live class schedule forwarded to appropriate staff. Continued Mnet staff training prior to Go-Live on 11/10.
		Yes	Hire contractor to assist with discussions with employees to identify key issues to management for development, training, and retention	Greg Mendonca					On Hold / Carryover	Pushed to 2026
3	Develop and approve an overall staffing plan	Yes	Hire contractor to assist with the overall staffing plan, including one-on-one discussions with employees on roles and responsibilities	Greg Mendonca					On Hold / Carryover	Pushed to 2026
Fully leverage technology that results in a net positive impact on the overall member experience										
1	Maximize the Broadband backbone and technology	Yes	Identify areas for enhanced communication and/or technology on the electric distribution system as a result of fiber (NRTC Technology Plan)	Deanna Melton					On Hold / Carryover	Pushed to 2026
2	Invest in a metering system that is future-ready	No	Research the need for replacement meters	Deanna Melton		10/1/2024	4/30/2025	90%	Not on track	Daily reads are at 99.71% consistently. Meter fails are therefore identified and changed out faster, with no delay on billing data. Demand resets are at...95%..? Don't have numbers from last batch, but all fails are either able to be explained (temp disc, idle service). Learned a new detail about mapped/unmapped and how to schedule the jobs for different types. 06/2025: Recommend at July board meeting we continue with existing plan, standardize on the i210 Aclara meters. 10/2025: Presenting quote from Hubbell (Aclara) at October board meeting for approval. Suggest standards of i210+ for single-phase and KV2c for poly-phase. Purchase total system replacement over 3 years, internal (linecrew) replace over 5 years.
		Yes	Enhance meter replacement budget, or schedule mass meter replacement, based on research	Deanna Melton		1/1/2025	5/31/2025	50%	Not on track	Researching different meter brands/models and focused on desire to: enhance functionality/data availability to members unify plan for meter type/model 06/2025: Aclara i210 for single-phsae and UMT modules for poly-phase. Replacement schedule can follow past practice unless Board wants enhanced data (time of demand, daily demand values sent to SmartHub) for a larger group of members on a faster timeline. Currently, we can do this for approx. 800, but cannot do this for 3,300 meters. 10/2025: Created a 'Meter Replacement Action Plan' detailing a strategic initiative action plan for meter replacemnts, identifying tasks, internal and external resources, timelines, risk assessment and mitigation, stakeholders, and communication methods.
		Yes	Hire consultant to investigate different metering technologies to compare with status quo	Deanna Melton				100%	On Track	Awaiting meter discussion with board July 2025. Proposal received from Power Engineers.
3	Investigate cybersecurity programs to ensure member data and system security	Yes	Engage with NRECA programs around cybersecurity	Adam Glenn					On Hold / Carryover	Pushed to 2026
		Yes	Investigate joining NRECA's broadband membership group to leverage their information	Adam Glenn					On Hold / Carryover	Pushed to 2026
4	Create a disaster recovery and business continuity plan	Yes	Hire consultant to work with staff on disaster recovery and business continuity plan	Deanna Melton					On Hold / Carryover	Pushed to 2026



Rate Design Plan Rate Impacts Oct-24 thru Sep-25

OCTOBER 27, 2025



Background

OCEC staff has been maintaining an analysis of the Rate Design Plan individual member impacts for all General Service 1 (G1) and General Service 2 (G2) members through the year

Beginning in October 2024 we considered the peak demand data from billing reliable for analysis so this is the first full year of analysis we can complete



Rate Impact Charts Sep-2025

Includes change of peak kW thresholds (analysis only on G1/G2 classes)

G1 – 20kW

G2 – 20kW to 40kW

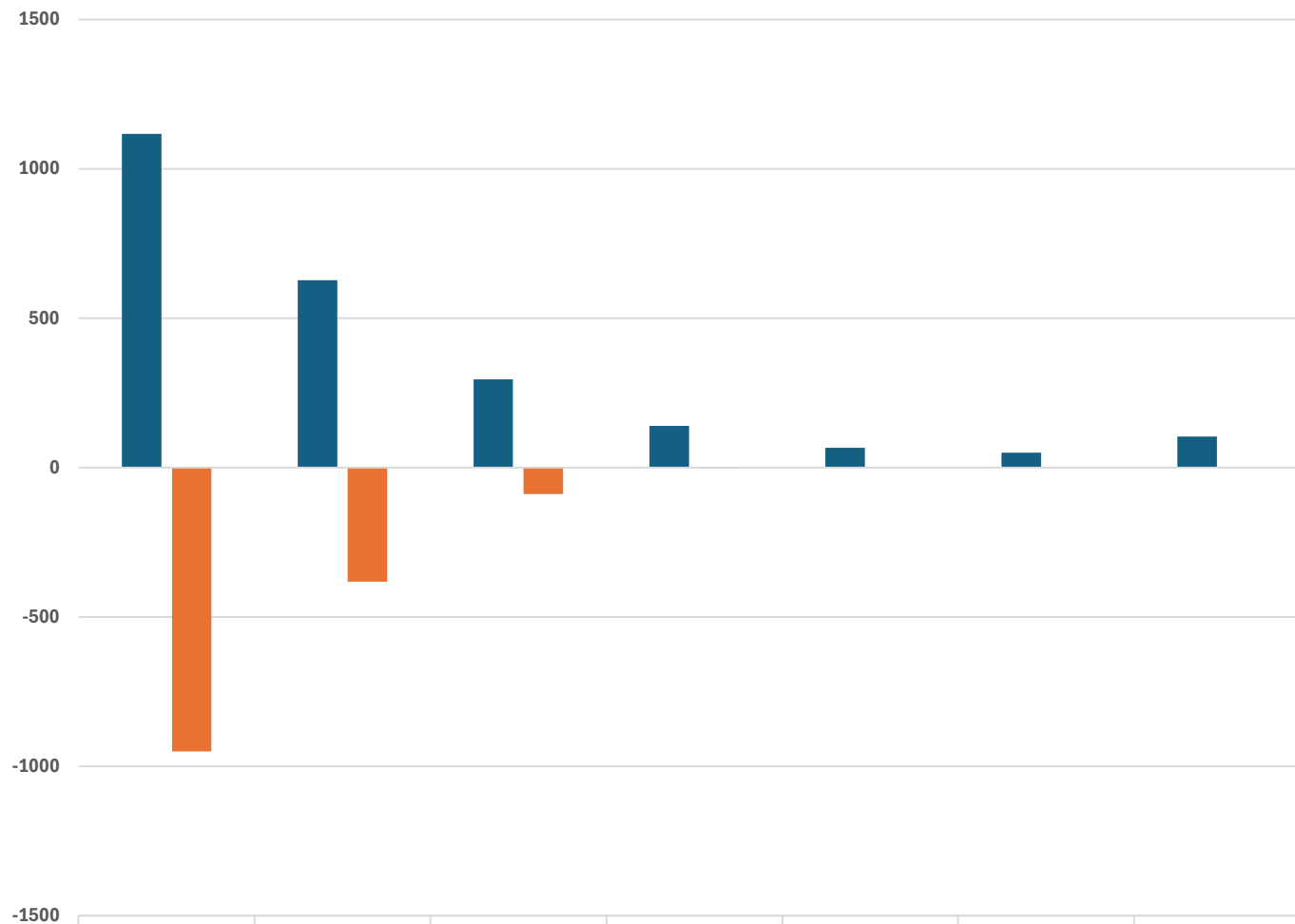
G3 – 40kW to 100kW

of members changing classes w/ new thresholds: (only looking at annual peak, not kWh)

G1 – 258 (~10% of G1)

G2 – 26 (~2% of G2)

G1/G2 Members - % Cost Increase/Decrease Distribution 2025 v 2028



Not included on chart:

- 209 Members with zero rate impact

0%-5%: 56% of Members

5%-10%: 25% of Members

10%-15%: 10% of Members

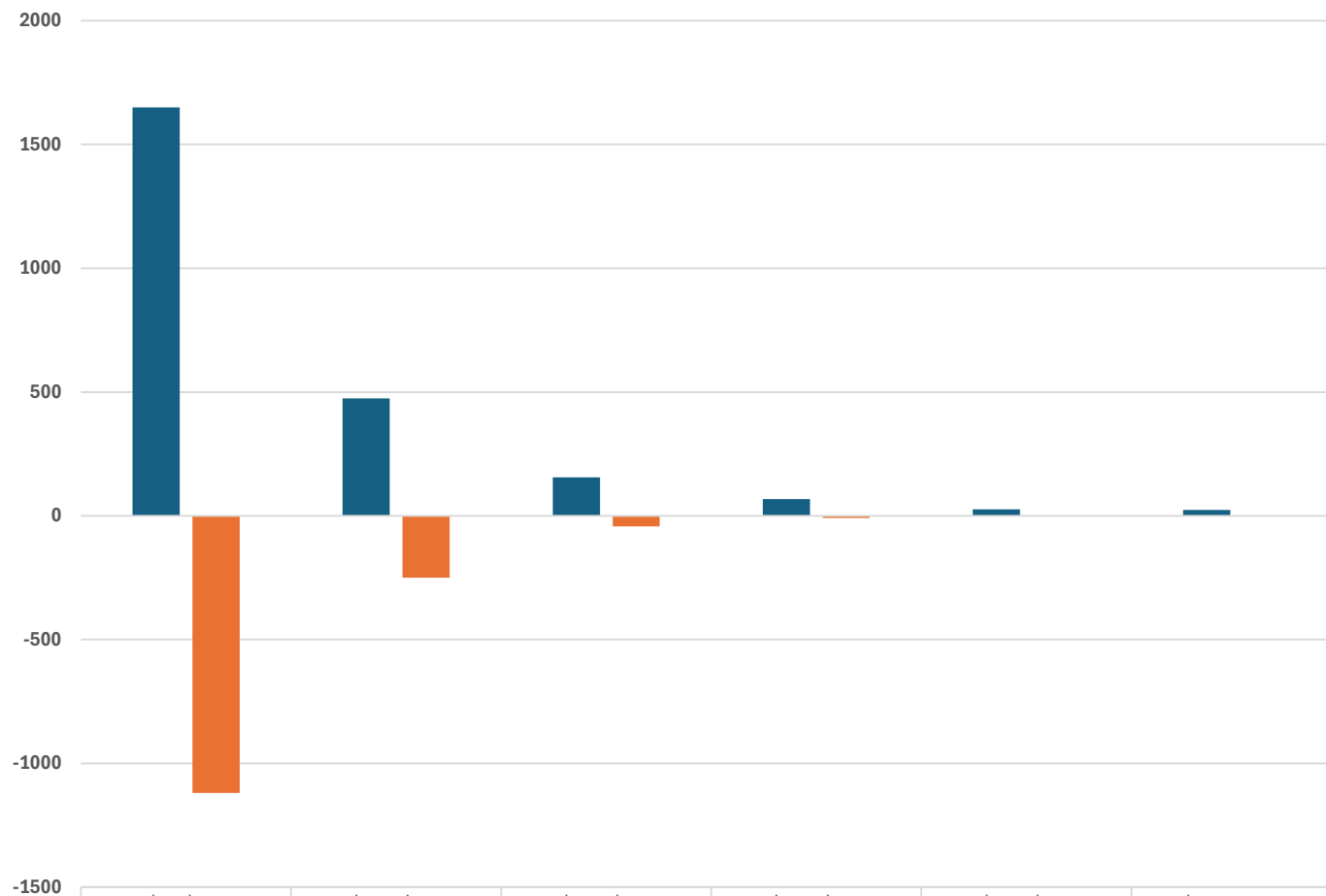
15%-20%: 4% of Members

20%-25%: 2% of Members

25%-30%: 1% of Members

30%+: 3% of Members

G1/G2 Members - \$/Month Cost Increase/Decrease Distribution 2025 v 2028



Not included on chart:

- 209 Members with zero rate impact

\$0-\$10: 74% of Members

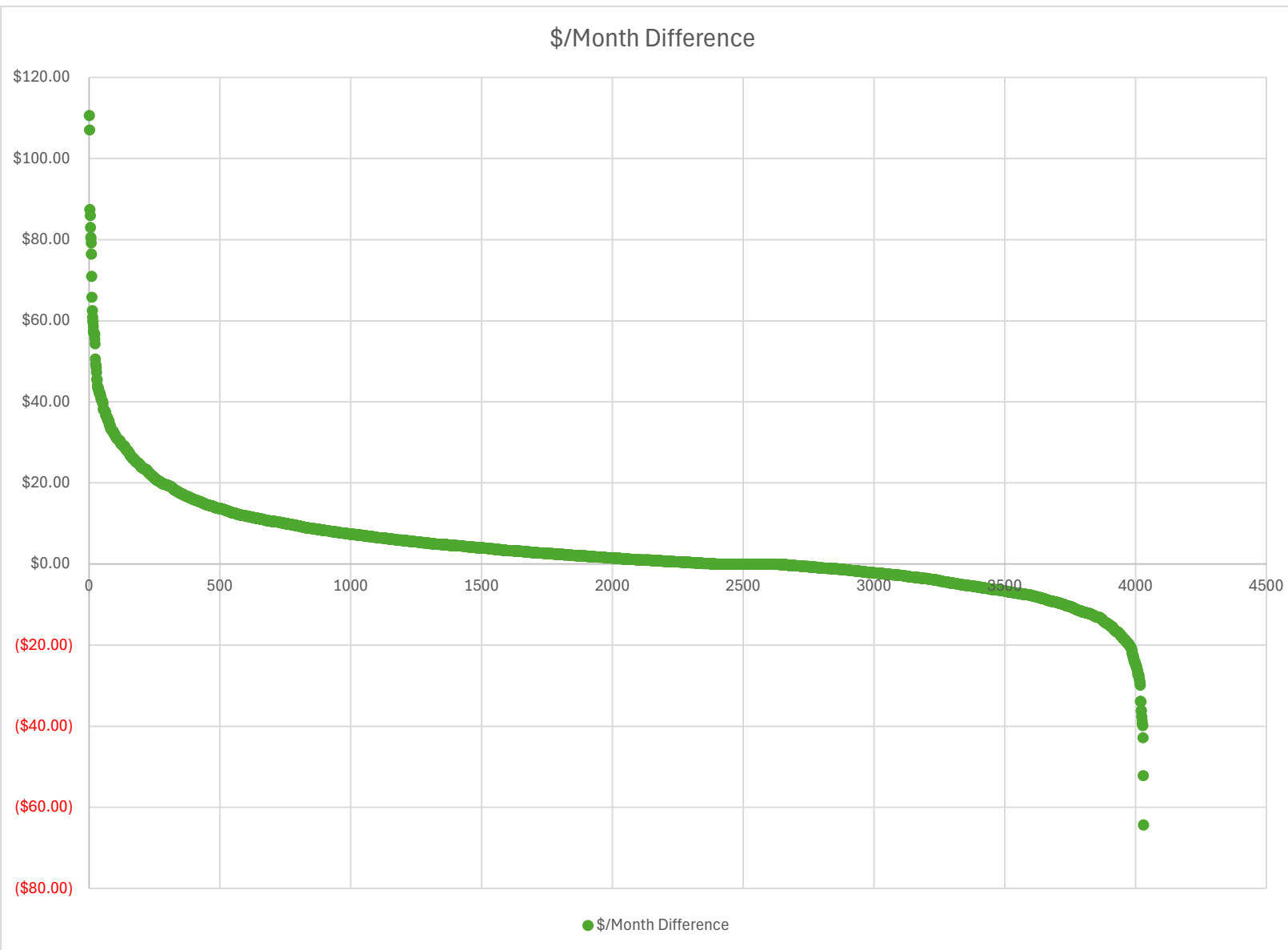
\$10-\$20: 18% of Members

\$20-\$30: 4% of Members

\$30-\$40: 2% of Members

\$40-\$50: 1% of Members

\$50+: 1% of Members



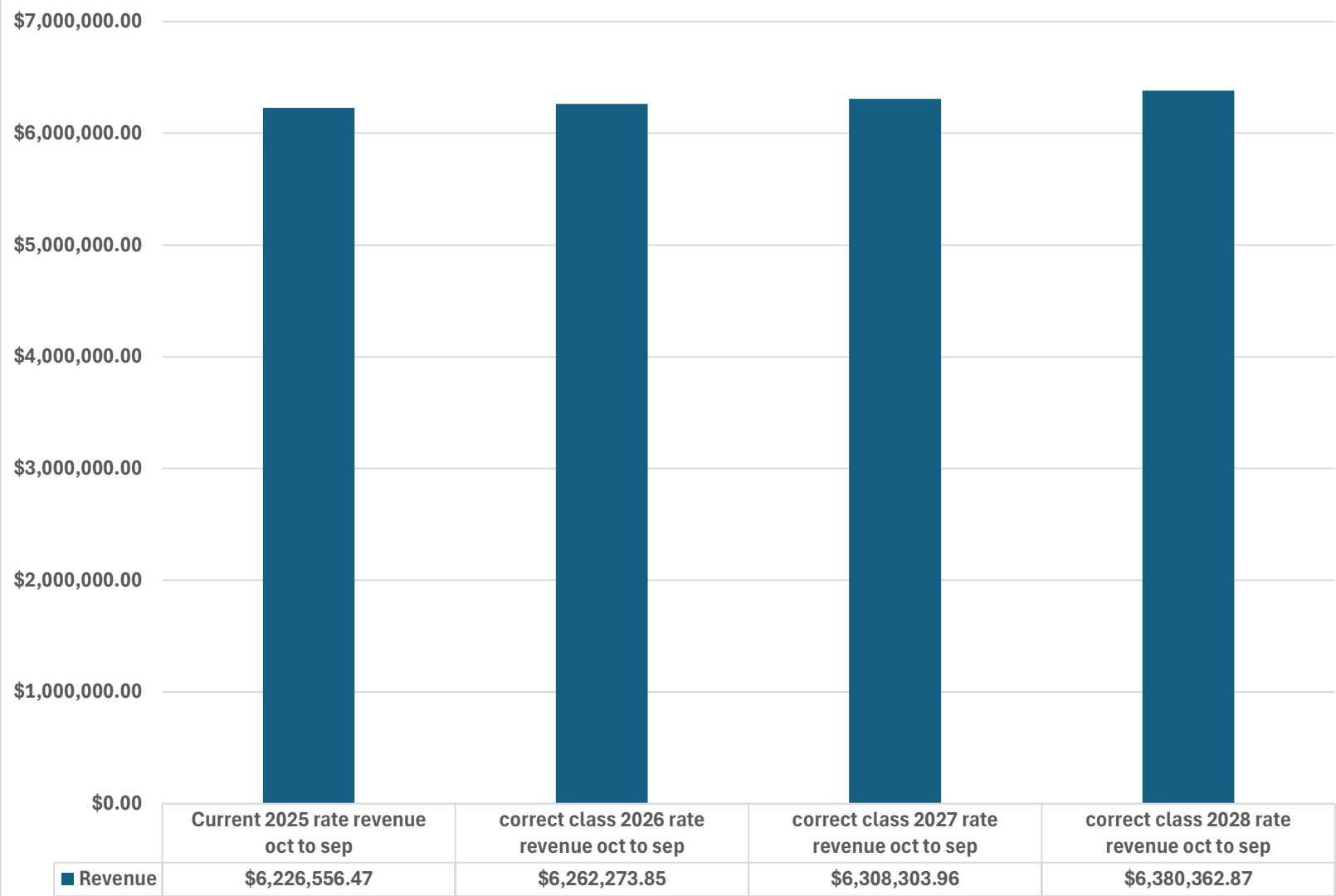
Each green dot represents one member's average \$/mo impact

Y-axis = Avg \$/mo impact

X-axis = member number

Sorted from highest impact (left) to lowest impact (right)

Revenue Difference Chart - 2025 thru 2028 Rates





Observations from First Year

Vast majority of the membership sees small rate impact, up and down, from the Rate Design Plan changes in year 2028 vs base year of 2025

- 81% of members see a percent change of +/- 10% compared to status quo
- 74% of members see a \$ impact per month of less than +/- \$10/mo, 92% of members less than +/- \$20/mo

Groups who were initially identified as potentially having higher rate impact due to net meter solar were validated by the data

- “Tail” cases on the high-end of % rate impact are essentially all solar net meter members

Revenue neutral approach was very close, ultimately resulting in 2.5% more revenues in 2028 with meter data compared to 2025

- This includes 285 members who would move up a rate class resulting in increased revenues compared to status quo
- Address this potential issue with a 2027 COSA to re-align the demand vs energy rates



2026 Draft Capital Budget Narrative - OCEC

OCTOBER 27, 2025



Strategic Plan Impacts on Budget

Enhance OCEC's distribution system reliability and resiliency

- Develop a comprehensive construction work plan
- Invest in reliability improvements that demonstrate commitment to community
 - Increase system improvement budgets to allow for contracting for system improvements
- Enhance wildfire mitigation plan with a review of new technologies

OCEC staff plans to increase our capital budget to achieve the goals above compared to historical levels

2026 OCEC Capital Budget Summary

	Internal Labor and Overheads	Materials / Small AP	Stores (Material Handling)	External Contractors/C onsultants	Allocated Transportation	Totals
Distribution Plant						
Members Requested Facilities (CIAC)	\$452,914	\$75,000				\$527,914
Replacements (Poles/Transformers/Cutouts)	\$387,850	\$90,250				\$478,100
Chewuch State Park - System Improvement	\$0	\$40,000		\$207,270		\$247,270
Chewuch - System Improvement	\$0	\$50,000		\$335,735		\$385,735
Substation Switches - System Improvement	\$24,320					\$24,320
Gang Switches - System Improvement	\$29,600	\$20,000				\$49,600
BESS Project	\$30,000	\$190,000		\$2,503,248		\$2,723,248
Meter Replacement Plan	\$64,000	\$230,000				\$294,000
Major Storm/Fire Damage	\$20,000	\$10,000				\$30,000
Pole Inspections				\$11,000		\$11,000
Fire Retardant/Treatment on Poles	\$12,800					\$12,800
Commercial Meter Projects	\$5,000			\$10,000		\$15,000
Transformers (Special Equipment)		\$80,000				\$80,000
Meters (Special Equipment)		\$20,000				\$20,000
Stores & Transportation			\$128,567		\$237,070	\$365,637
Subtotal Distribution Plant	\$1,026,484	\$805,250	\$128,567	\$3,067,253	\$237,070	\$5,264,624
Less Forecast Member Contribution (CIAC)						\$3,362,000
Net Distribution Plant						\$1,902,624
General Plant		Materials				
Misc Items		\$30,000				\$30,000
Tools		\$15,000				\$15,000
Computer/IT Replacements		\$5,000				\$5,000
Facilities Upgrades		\$20,000				\$20,000
Vehicle Replacements		\$325,000				\$325,000
Total General Plant						\$395,000
Total Capital Budget (Distribution Plant + General Plant)						\$2,297,624

Notes:

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- NOTES:
- 1) Internal labor focused on Member work and utilized historical trends for forecast
 - 2-3) Identified project in construction work plan, utilizing external contractors to finish job
 - 4) Material purchased in 2025, labor only to install upgraded switches in Winthrop Substation
 - 5) Installing gang switches in strategic locations to increase loop feed and reliability
 - 6) 100% Grant for BESS Project
 - 7) Year 1 of three-year meter replacement plan
 - 8) Pole wraps already purchased in 2025, labor only to install wrap on strategic locations
 - 9) Commercial meters needing upgraded service, coordinate with Member and electrician
 - 10) Includes \$612k of assumed Member CIAC, \$2.75M of BESS Grant CIAC
 - 11) Includes oil/transformer container for compliance
 - 12) Replacement of two small bucket trucks damaged truck from 2025

- Layout broken into Distribution Plant (with contributions in aid of construction or CIAC), and General Plant
- Changed major categories (columns) for Distribution Plant to align with CFCBudgetPro and other budgeting tools
- General Plant are typically assets on OCEC books
- Notes on the bottom to provide color to the line items they correspond to



Review of Budget PDF – Distribution Plant

Member facilities and replacements lower than 2025 based on actuals through Sep-2025

Two large system improvement projects budgeted to be completed by contractors

- Chewuch and Chewuch-State Park projects both from engineering study completed early 2025

Two smaller system improvement projects to be completed by internal labor

Battery Energy Storage System (BESS) project included with 100% grant in CIAC (\$2.75M)

Year 1 of Meter Replacement Plan included

- 3-year purchase of meters (\$690k) and 5 years of labor (\$374k) included

Special Equipment (Transformers and Meters) at amounts necessary to support replacements and member work



Review of Budget PDF – General Plant

Continued replacement and upgrading of computer equipment

- Moving to laptops and docking stations for remote work capability and disaster response capability

Vehicle Replacements high for 2026 and 2027

- 2026 – two small bucket trucks broke down in 2025 and we plan to replace both, one used at \$125k and one new at \$200k
- 2027 we plan to receive the already-ordered big bucket truck at \$400k



2027-2030 Highlights

GRIP Grant pushed to 2027 execution (~\$300k project)

Assumed \$750k system improvement budget in 2027 and increased by \$50k per year through 2030

- Will be filled by projects identified in the Construction Work Plan (CWP) to be completed in 2026

Member facilities and replacements escalated at 2%/yr

CIAC assumed to be \$612k per year no escalation

Meter replacement plan ends in 2030

No planned escalation of special equipment (transformers and meters)



Review of COMPASS Model Outputs

Fairly conservative forecast of growth in members, sales

Material increase in budgeted capital investments starting in 2026

Assumption is 100% of distribution plan investments are funded through new debt in this model resulting in material increases

- Moving from budgeted \$750k new debt (net new debt ~\$350k) to budgeted \$2M of new debt (net new debt ~\$1.6M)

Equity ratio steadily decreases to 40% from 63% through forecast period

Driver for model is currently 1.35 Debt Service Coverage (DSC) ratio, a loan covenant, resulting in necessary rate increases starting in 2030

- Rate increase chart should be viewed as OCEC would need a cumulative amount of additional revenue across that time, not as incremental rate increases for each year based on the bar chart



COMPASS Model Cash Flows Chart

Shows back to 2015 for operations cash flows, investment cash flows, and financing cash flows

OCEC was a net debt re-payer and did not borrow funds on a net basis until 2022

Completely funded any investment activities through operations revenues



Items for Board Discussion

Is the new level of system improvement budget adequate given the direction of the strategic plan?

- It's an elevated level that will challenge staff to execute with contractors consistently on identified projects, not something we've done much of in the past

Current assumption is funding 100% of distribution plant via new debt, reducing need for increases in rates until late in the forecast period. Is this the direction the board would like or would the board like to see more rate increases to fund budgets via operations?

- Alternatively reducing capital budget could result in less borrowings but also less work completed



Next Steps

Please provide any additional comments to OCEC by 11/30 on the capital budget

Staff will continue to update with new information and feedback from the board and present a version for final approval December 2025

2026 OCEC Capital Budget Summary

	Internal Labor and Overheads	Materials / Small AP	Stores (Material Handling)	External Contractors/C onsultants	Allocated Transportation	Totals	Notes:	2026	2027	2028	2029	2030
Distribution Plant												
Members Requested Facilities (CIAC)	\$452,914	\$75,000				\$527,914	1	\$527,914	\$538,472	\$549,242	\$560,227	\$571,431
Replacements (Poles/Transformers/Cutouts)	\$387,850	\$90,250				\$478,100		\$478,100	\$487,662	\$497,415	\$507,364	\$517,511
Chewuch State Park - System Improvement	\$0	\$40,000		\$207,270		\$247,270	2	\$247,270	\$1,000,000	\$800,000	\$850,000	\$900,000
Chewuch - System Improvement	\$0	\$50,000		\$335,735		\$385,735	3	\$385,735				
Substation Switches - System Improvement	\$24,320					\$24,320	4	\$24,320				
Gang Switches - System Improvement	\$29,600	\$20,000				\$49,600	5	\$49,600				
BESS Project	\$30,000	\$190,000		\$2,503,248		\$2,723,248	6	\$2,723,248				
Meter Replacement Plan	\$64,000	\$230,000				\$294,000	7	\$294,000	\$300,000	\$305,000	\$80,000	\$85,000
Major Storm/Fire Damage	\$20,000	\$10,000				\$30,000		\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Pole Inspections				\$11,000		\$11,000		\$11,000	\$11,500	\$12,000	\$12,500	\$13,000
Fire Retardant/Treatment on Poles	\$12,800					\$12,800	8	\$12,800	\$30,000	\$30,000	\$30,000	\$30,000
Commercial Meter Projects	\$5,000			\$10,000		\$15,000	9	\$15,000	\$17,000	\$8,500	\$0	\$0
Transformers (Special Equipment)		\$80,000				\$80,000		\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Meters (Special Equipment)		\$20,000				\$20,000		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Stores & Transportation			\$128,567		\$237,070	\$365,637		\$365,637	\$372,950	\$380,409	\$388,017	\$395,777
Subtotal Distribution Plant	\$1,026,484	\$805,250	\$128,567	\$3,067,253	\$237,070	\$5,264,624		\$5,264,624	\$2,887,584	\$2,712,566	\$2,558,107	\$2,642,719
Less Forecast Member Contribution (CIAC)						\$3,362,000	10	\$3,362,000	\$862,000	\$612,000	\$612,000	\$612,000
Net Distribution Plant						\$1,902,624		\$1,902,624	\$2,025,584	\$2,100,566	\$1,946,107	\$2,030,719
General Plant	Materials											
Misc Items	\$30,000					\$30,000	11	\$30,000	\$25,000	\$25,000	\$25,000	\$25,000
Tools	\$15,000					\$15,000		\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Computer/IT Replacements	\$5,000					\$5,000		\$5,000	\$10,000	\$10,000	\$10,000	\$10,000
Facilities Upgrades	\$20,000					\$20,000		\$20,000	\$25,000	\$30,000	\$35,000	\$40,000
Vehicle Replacements	\$325,000					\$325,000	12	\$325,000	\$400,000	\$75,000	\$100,000	\$75,000
Total General Plant						\$395,000		\$395,000	\$475,000	\$155,000	\$185,000	\$165,000
Total Capital Budget (Distribution Plant + General Plant)						\$2,297,624		\$2,297,624	\$2,500,584	\$2,255,566	\$2,131,107	\$2,195,719

NOTES:

- 1) Internal labor focused on Member work and utilized historical trends for forecast
- 2-3) Identified project in construction work plan, utilizing external contractors to finish job
- 4) Material purchased in 2025, labor only to install upgraded switches in Winthrop Substation
- 5) Installing gang switches in strategic locations to increase loop feed and reliability
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- 12) Replacement of two small bucket trucks damaged truck from 2025

WA032 Okanogan County Electric Cooperative, Inc.

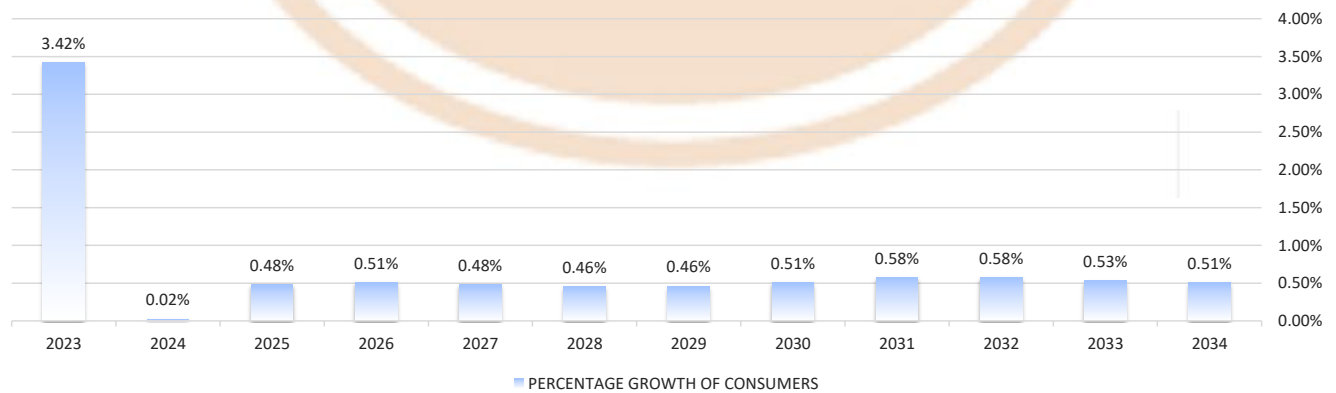
WA032 Okanogan County Electric Cooperative, Inc.

Growth in Number of Consumers



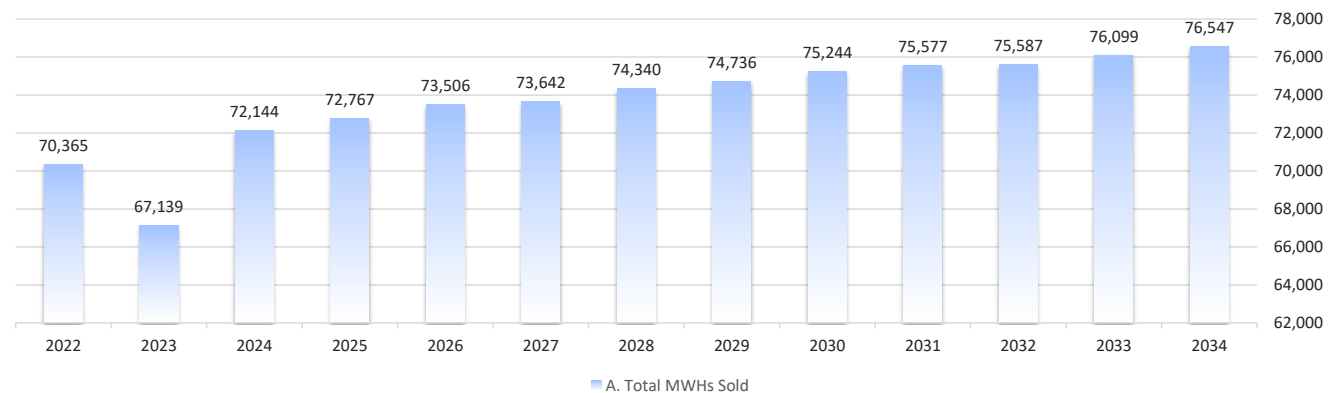
WA032 Okanogan County Electric Cooperative, Inc.

Percentage Growth of Consumers



WA032 Okanogan County Electric Cooperative, Inc.

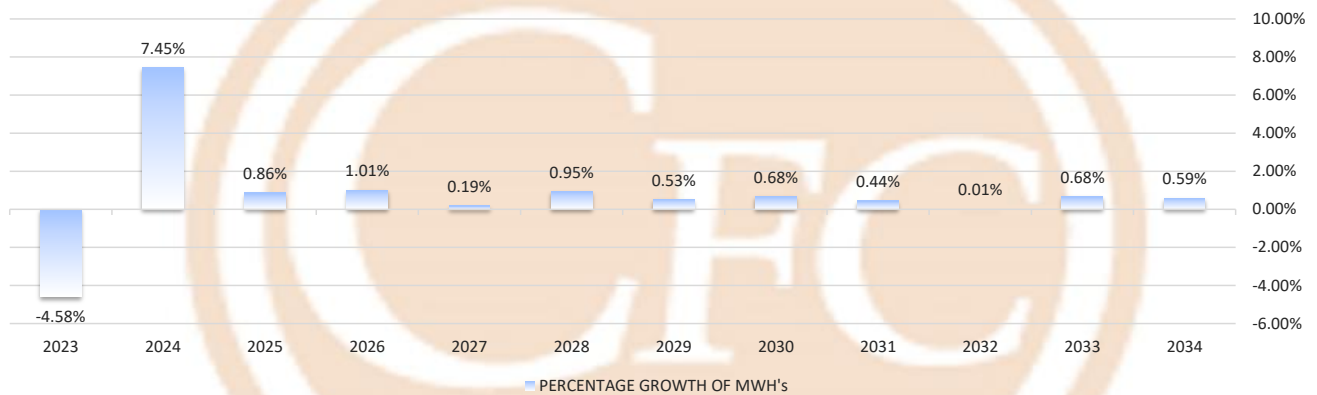
Growth in MWH Sales



WA032 Okanogan County Electric Cooperative, Inc.

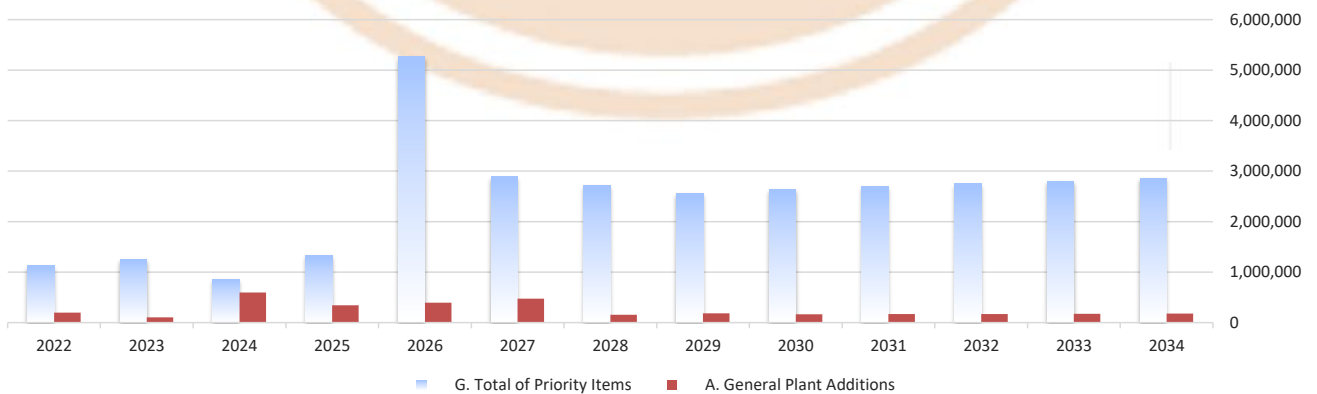
WA032 Okanogan County Electric Cooperative, Inc.

Percentage Growth in MWH Sales



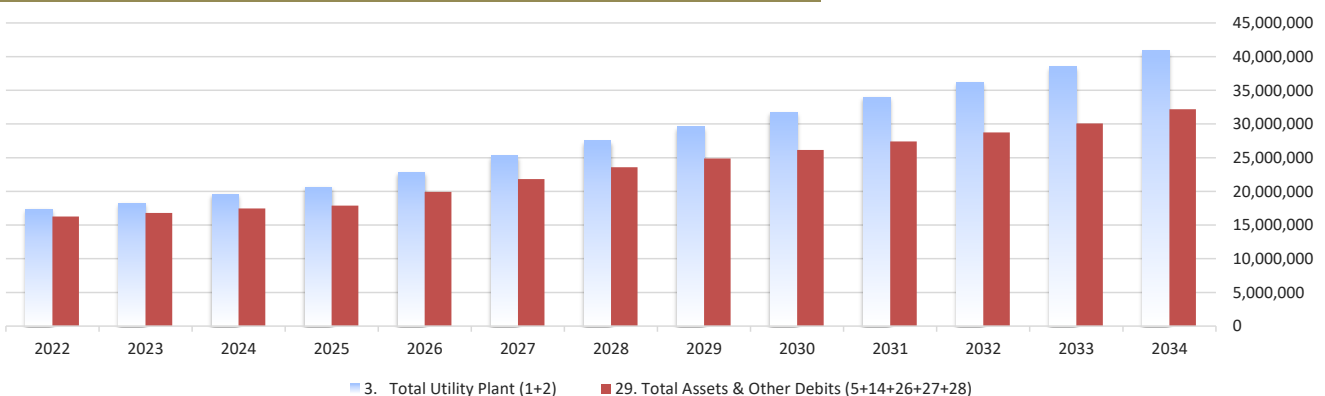
WA032 Okanogan County Electric Cooperative, Inc.

Capital Investments



WA032 Okanogan County Electric Cooperative, Inc.

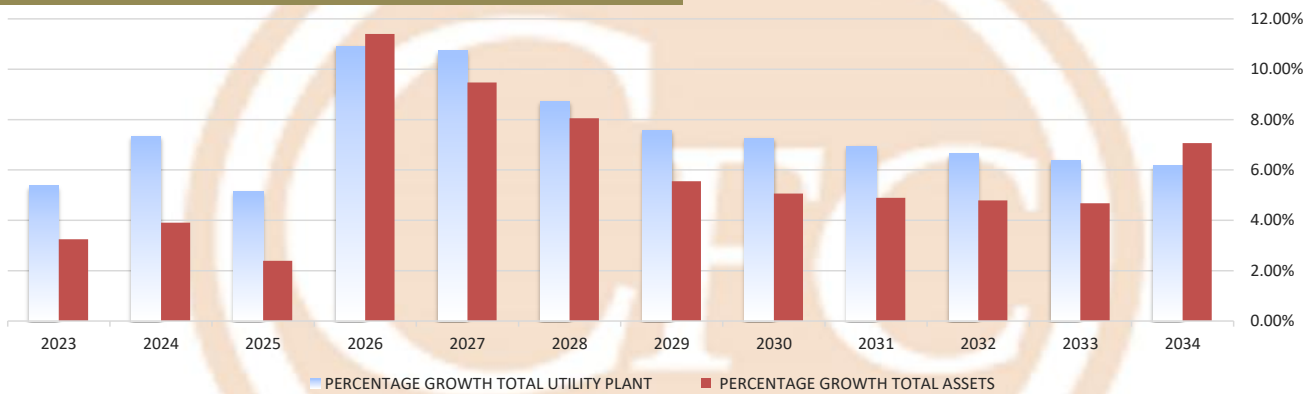
Total Utility Plant and Assets



WA032 Okanogan County Electric Cooperative, Inc.

WA032 Okanogan County Electric Cooperative, Inc.

Percentage Change Utility Plant and Assets



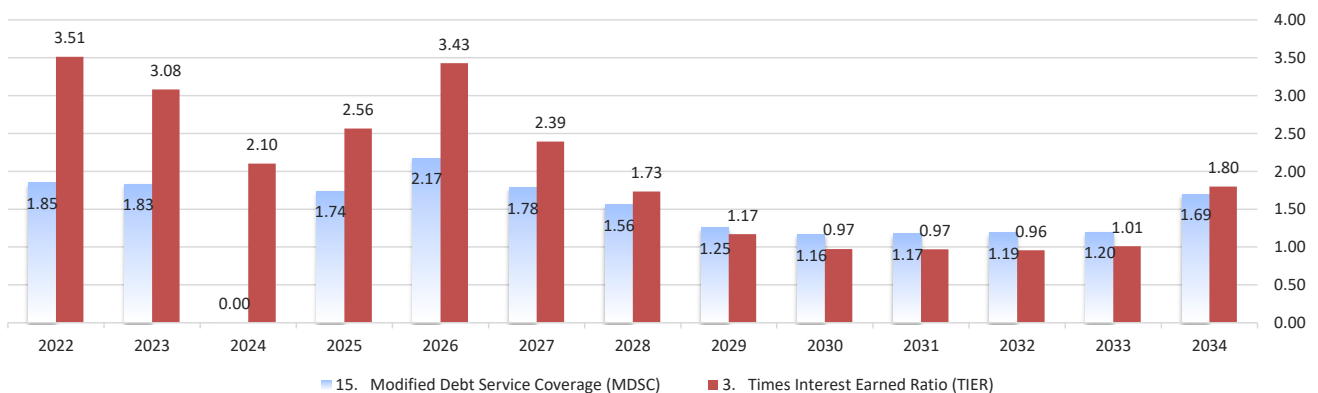
WA032 Okanogan County Electric Cooperative, Inc.

Projected Annual New Debt

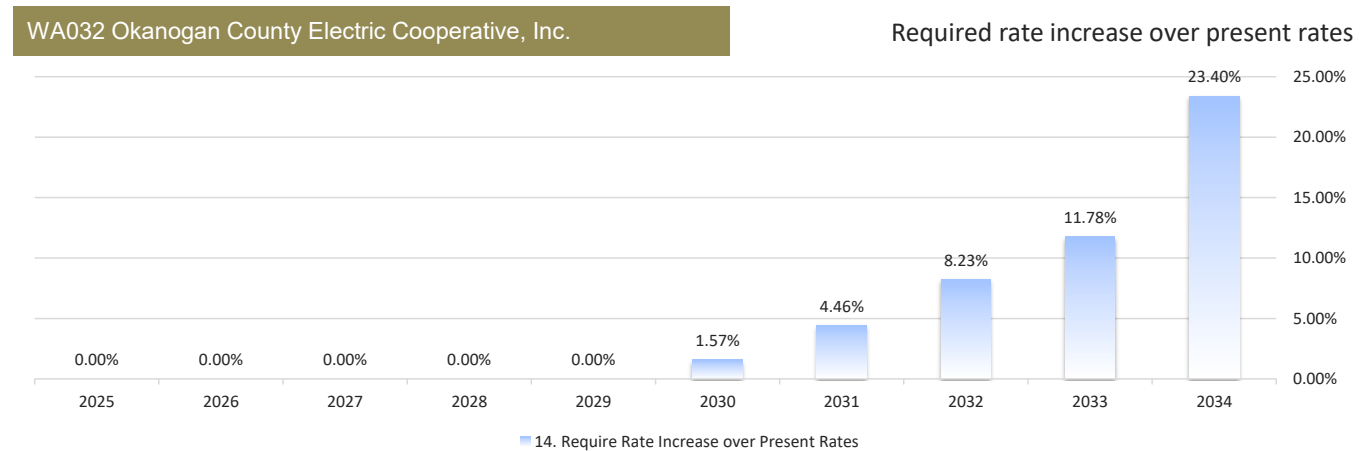


WA032 Okanogan County Electric Cooperative, Inc.

TIER and MDSC ratios



WA032 Okanogan County Electric Cooperative, Inc.

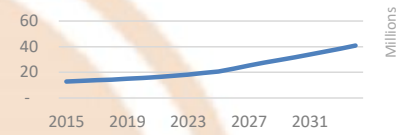


WA032 Okanogan County Electric Cooperative, Inc.

Ratios

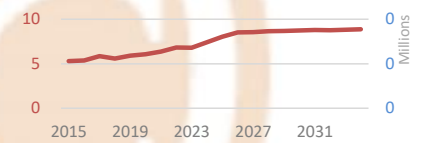
	2022 - 2034 Low / High	2022 - 2024 2025 - 2034	2022 - 2034 Std Dev
		Avg	
Equity	40.00% 64.20%	63.32% 50.16%	0.0915
Modified Debt Service Coverage (MDSC)	0.00 2.17	1.23 1.49	0.5411
Times Interest Earned Ratio (TIER)	0.96 3.51	2.90 1.70	0.9550
Debt Service Coverage (DSC)	0.00 2.40	1.45 1.68	0.6146

Plant Year End

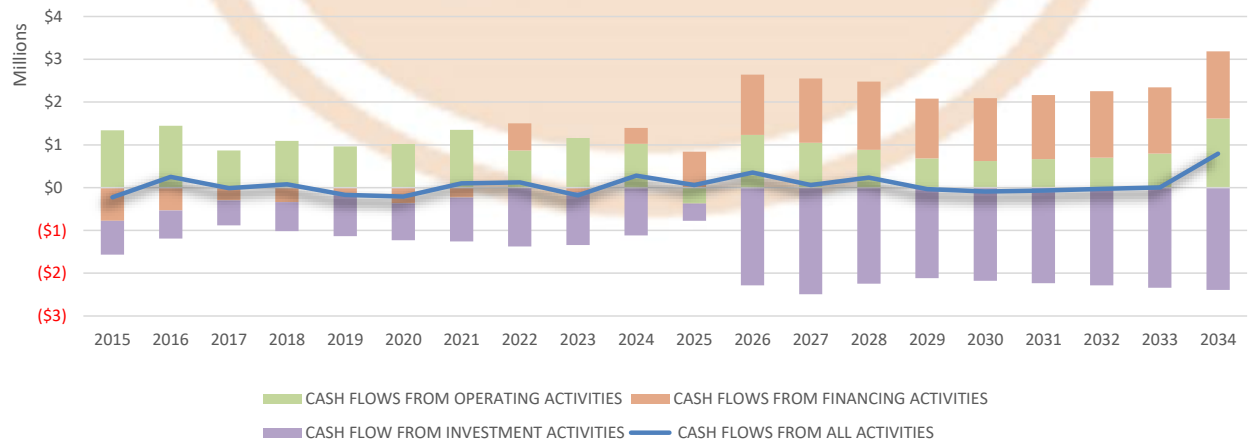


Revenue

ADJ



Cashflow



Considerations



2026 Draft Capital Budget Narrative - MF

OCTOBER 27, 2025



Review of Budget PDF – Distribution Plant

We are assuming some small amount of fiber line extensions, similar to member CIAC work, in 2026

- We are assuming these are simple drops from existing network and member pays 100% for drop in CIAC

Horizon Flats Distribution Expansion Project - \$100k

- Staff working on additional details for ROI, high-level overview included in fiber update agenda item

WSBO/ARPA Grant Project – Estimated \$6.4M remaining in project

- Will be completed October 2026, \$5.5M of remaining reimbursement estimated for 2026
- Remaining project and budget/reimbursement will depend on work done in Q4-2025
- Overall project budget currently in the range of \$14M (original estimate was \$15M when approved Jan 2024)

PWB Grant/Loan Project – Estimated \$1.25M work completed in 2026

- \$5.5M total budget for project (\$3.5M loan, \$1.5M grant, \$500k OCEC match)
- Received completed environmental and notice to proceed from PWB October 2025



Review of Budget PDF – General Plant

Equipment purchase (skid steer + attachments) - \$110k

- Versatile piece of equipment for use at Horizon Flat property and various projects in the future
- Can likely also be used by the other two divisions and costs will be recovered from those divisions

Vehicle replacements - \$65k

- Ongoing replacement of old fleet to uniform and new trucks
- Passing down old small bucket truck from electric to fiber saves fiber \$200k for new vehicle

Computer/IT replacements - \$12k (\$10k planned, \$2k unplanned)

Access Point / Headend Router Replacements - \$10k

- Have current spares but budget for replacement should we use one in emergency replacement



2027-2030 Highlights

Fiber line extensions and distribution expansion ramp up to continue building out network funded by OCEC capital for distribution and CIAC for drops

- Assumed \$1M/yr in distribution expansion build into budget, associated \$100k in drops funded by CIAC to correspond with member fiber extensions to the new distribution construction
- This is an item assumed by staff but needs board strategic discussion and guidance this winter

PWB Project - \$4.25M estimated in construction 2027 to complete project

- Grant/Loan reimbursement estimated at \$3.875M for 2027



10-yr Model Development

Currently the COMPASS model does not incorporate Methow Fiber and staff will need to internally develop a 10-yr model similar to COMPASS to produce outputs similar to what we have on the OCEC side

Objectives of 10-yr Model:

- 10-yr revenue/expense inputs to show operating cash flows
- 10-yr plant inputs (additions, retirements, CIAC, depreciation)
- 10-yr estimate of capital credit retirements (if any)
- 10-yr estimate of cash flows, debt needs
- Integration into COMPASS model for OCEC to produce consolidated 10-yr financial pro-forma

We assume this model development will be a winter project and hope to have something in spring 2026 to review with the OCEC Board



Items for Board Discussion

Staff sees the need for a dedicated strategic session between OCEC Board and Methow Fiber key staff to discuss:

- Current state of grant opportunities for future fiber buildout
- Results of BEAD grant and the impact on competition for service in the Methow Valley
- High-level design and costs of future build areas

The objective of the session would be to walk out of that meeting with guidance from the OCEC Board on:

- Level of capital investment Methow Fiber is willing to entertain for future fiber buildout (if any)
- Policy decision on what Methow Fiber will be paying for (i.e. distribution) and what customers will be paying for (i.e. drops) for any line extensions of the fiber network
- Preliminary priority areas for expansion (if any)



Next Steps

Provide any comments to staff on the 2026 draft capital budget by Nov 30th to be included in the final packet Dec 2025 for approval

Staff will look at dates to set a strategic session to discuss the issues identified this upcoming winter

2026 Methow Fiber Capital Budget Summary

	Internal Labor and Overheads	Materials / Small AP	Stores (Material Handling)	External Contractors/C onsultants	Allocated Transportation	Totals	Notes:	2026	2027	2028	2029	2030
Distribution Plant												
Fiber Line Extensions (CIAC)	\$12,977	\$20,000				\$32,977	1	\$32,977	\$100,000	\$102,000	\$104,040	\$106,121
Replacements (splice cases, fiber)	\$5,000	\$10,000				\$15,000		\$15,000	\$15,300	\$15,606	\$15,918	\$16,236
Distribution Expansion - Horizon Flats	\$5,000	\$20,000		\$75,000		\$100,000	2	\$100,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
ARPA Grant Project	\$390,000			\$6,000,000		\$6,390,000	3	\$6,390,000				
PWB Grant/Loan Project				\$1,250,000		\$1,250,000	4	\$1,250,000	\$4,250,000			
Stores & Transportation			\$12,193		\$3,353	\$15,546		\$15,546	\$15,857	\$16,174	\$16,498	\$16,827
Subtotal Distribution Plant	\$412,977	\$50,000	\$12,193	\$7,325,000	\$3,353	\$7,803,523		\$7,803,523	\$5,381,157	\$1,133,780	\$1,136,456	\$1,139,185
Less Forecast Member Contribution (CIAC)						\$6,625,000	5	\$6,625,000	\$2,250,000	\$112,200	\$114,444	\$116,733
Net Distribution Plant						\$1,178,523		\$1,178,523	\$3,131,157	\$1,021,580	\$1,022,012	\$1,022,452
General Plant	Materials											
Misc Items	\$15,000					\$15,000		\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Equipment Purchases	\$110,000					\$110,000	6	\$110,000	\$15,000	\$0	\$0	\$0
Computer/IT Replacements	\$12,000					\$12,000	7	\$12,000	\$15,000	\$15,000	\$15,000	\$15,000
Acces Point / Headend Router Replacements	\$10,000					\$10,000	8	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000
Vehicle Replacements	\$65,000					\$65,000	9	\$65,000	\$65,000	\$100,000	\$0	\$0
Total General Plant						\$212,000		\$212,000	\$115,000	\$135,000	\$35,000	\$35,000
Total Capital Budget (Distribution Plant + General Plant)						\$1,390,523		\$1,390,523	\$3,246,157	\$1,156,580	\$1,057,012	\$1,057,452

- NOTES:
- 1) Assume small and infrequent line extensions during network buildout
 - 2) Distribution buildout to potential for 30 commercial lots and 40 residential lots
 - 3) ARPA project will be completed by October 2026
 - 4) PWB project assumed to be 50% constructed in 2026, primarily distribution and some drops
 - 5) ARPA and PWB grant funds
 - 6) Skid steer with attachments for trenching and dump trailer
 - 7) \$10 in planned replacements and \$2k in unplanned replacements
 - 8) Budgeted for replacements of spares if necessary
 - 9) Continued replacement of old fleet with uniform trucks

Strategic Objective

Invest in a metering system that is future-ready.

Strategies/Tactics

- Research the need for replacement meters.
- Enhance meter replacement budget by creating a systematic approach for replacement prior to meter failure.
- Provide budget numbers for hardware (meters and Substation Communication Equipment (SCE)), software upgrades, labor for installation, consulting costs, and timelines for the budget.

Tasks

Description	Department	Employee	Frequency
Confirm total # of system meters, broken down by type/model	IT	Deanna Melton	Annually
Identify % of system to target for replacements	IT/Ops	Deanna Melton /Jesse Davis	Annually
Identify # of hours needed for targeted % of meter changes.	Operations	Jesse Davis	Annually
Confirm targeted % of meter changes will be available from supplier.	IT	Deanna Melton	Annually
Identify & match Engineering Specs to standardize meter type/model	IT / Ops	Deanna Melton /Jesse Davis	Once
Confirm w/ NISC which field(s) can be used as selection criteria for Bulk Meter Change SO's.	IT	Deanna Melton	Once
Identify a field in NISC to use for identification of meters to be replaced	IT	Deanna Melton	Once
Train necessary staff and/or consultants on SO creation and physical replacement process.	IT / Ops	Deanna Melton /Jesse Davis	Annually
Front office staff prepared to create / process bulk SO's	Front Office	Tracy McCabe	Annually
Obtain quotes for SCE upgrades	IT	Deanna Melton	Once
Create specific plans for bulk meter replacement by location, broken down into map areas based on available resources and desired timeline.	IT / Ops	Deanna Melton /Jesse Davis	Annually

Resources

- Annually: .5 hours to confirm total number of meters, broken down by type/model.
- Annually: .5 hours to discuss/confirm appropriate percentage of targeted annual meter replacements.

- One time: 10 hours: work with Aclara to verify/update programming for existing and pending meter type/models.
- Ongoing: negligible as-needed for new type/models added.
- 5 hours: work with NISC to identify and update field(s) to be used as selection criteria for bulk Meter Change SO creation.
- One time: 20 hours: work with Aclara on SCE updates/upgrades/maintenance.
- Engineering:
 - .5 hours to discuss/confirm crew labor availability to hit target replacement %
 - 1.5 hours to confirm/update Handbook/Specifications of OCEC-supported meter type/models.
- Operations: 1 hour annually to process order (create PO, etc.)
- Front Office: unknown until field identified and populated. Best guess is 2.5 hours per billing cycle during the targeted replacement window.

Dependencies

- Crew/Service man available for targeted task completion.
- Supply chain intact.
- Front office staff has appropriate bandwidth to complete processing.
- Substation has physical space necessary for potential upgrades.
- Aclara and NISC systems adequately prepared for the meter replacement tasks

Milestones

- Meter change target % identified: 20% annually or 5-year replacement plan
- Supplier quote for meters received and capital budget for project approved by Board.
- Meter Change Bulk Service Order process confirmed.
- Uniformity achieved on Engineering Specifications for Meter Type/Model.
- Systematic identification of meter change criteria implemented.
- Fiber connection between SCE and OCEC office completed
- POTENTIAL: data transferred from onsite to cloud through Aclara
- Annual completion of target meter changes complete.

Budget

YEAR	ITEM	COST
2026	Meter Hardware	\$194k
	SCE Upgrades	\$50k
	Software Integration	\$0 (no add'l charges)
	Labor	\$64k
2027	Meter Hardware	\$194k
	Labor	\$70k
2028	Meter Hardware	\$194k
	Labor	\$75k

2029-2030	Labor	\$165k
Totals	Meter Hardware	\$582,000
	SCE Upgrade	\$50,000
	Labor	\$374,000
Grand Total		\$1,006,000

Timeline and Deadlines

- COMPLETE: Confirm total number of system meters, broken down by type/model.
- COMPLETE: Identify an appropriate percentage of system to target annual meter replacements.
- November, 2025: Identify an appropriate field in NISC to utilize for identification of meters to be replaced.
- November, 2025: Confirm with NISC which fields can be used as selection criteria when creating Bulk Meter Change SO's.
- COMPLETE: October 6, 2025: Obtain quotes for SCE upgrades
- November 3, 2025: Identify the amount of time needed for targeted % of meter changes.
- October, annually: Confirm targeted % of meter changes will be available from supplier.
- December 2025: Identify and match Engineering Specifications for OCEC-supported meter type/models; aim for a more uniform approach.
- September, 2026: Train staff on bulk creation process, using the criteria identified by IT with NISC. Ongoing if staff changes occur.
- October, 2026: Front office staff prepared to create/process bulk Service Orders.

Risk Assessment and Mitigation

Potential Challenges/Barriers

- SCE insufficient as-is to support measurable improvements in billing reads, interval data, or demand reset command successes.
- Meter hardware not available from vendor.
- Staff resources not sufficient to complete tasks by the identified deadlines.

Mitigation Strategies

Develop plans to overcome or minimize the impact of identified risks.

- Broadband connection from Substation to Winthrop Office.
- SCE maintenance/upgrades performed as suggested by vendor.
- Cross-train staff on tasks.
- Confirm schedule/availability of staff annually.

Monitoring and Evaluation

- Evaluation Plan:

- Milestones completed per approved timelines.
- Potential challenges/barriers effectively mitigated.
- Communication plan followed.
- Meter changeout metric goal tracking (# meters changed per time period)
- Feedback and Adjustments
 - Open communication with stakeholders following approved method and frequency.
 - Pre-winter meeting with operations and engineering to align schedules, metrics, and expectations

Communication Plan

Stakeholders

- GM
- Engineering & Operations: meetings to confirm meter type/model, timeframe for replacements,
- Front Office
- Membership

Communication Methods

- GM
 - prior to Board approval: meeting for weekly status updates, including budget numbers and current status of plan/process.
 - after Board approval: Monthly status email
- Engineering & Operations
 - Monthly meetings during planning process to: confirm meter type/model uniformity, timeframe for replacements, crew availability.
 - Weekly emails during replacement timeframe confirming crew availability, percent complete and percent remaining.
- Membership: annual targeted email, noting timeframe of proposed meter replacements in their area. Explanation FAQ created for project with multimedia and other key items. Newsletter.

Frequency of Updates

- GM: Monthly
- Engineering & Operations: Quarterly during 'off' months; weekly during 'change out' season.
- Front Office: same as E&O group.

METER CONFIGURATIONS

Aclara i210+ - Single Phase

- Billing Register – kWh net
- Interval Data channel 1 – kWh net, 15-minute intervals
- Interval Data channel 2 – kWh net, 60-minute interval



SOFTSWITCHES

The i210+ offers a set of features that can be individually enabled, either in the factory before shipment or after receipt by the utility, through a mechanism referred to as a ‘softswitch’.

The softswitches OCEC has enabled at the factory:

Aclara i201+

Softswitch	Description
O	AMR Communication
V	Voltage Event Monitoring, in addition to a display of RMS momentary voltage on the lower LCD digits
S	AMI Calculated Demand displayed
J	Demand Limiting
F	Emergency Curtailment
U	Prepayment

Aclara KV2c

Softswitch	Description
T	Time of Use
Q	Power Quality
E	Event Logging (500 events)
V	Sag & Swell Monitoring

Using the MeterMate software, OCEC can upgrade or downgrade the Softswitches.

METER CONFIGURATIONS

Aclara kV2c - PolyPhase

- Energy Measures
 - kWh Forward
 - kWh Reverse
 - kWh DEL – REC (NET)
 - Kvarh total lag only fund
 - Kvarh total lead only fund
- Demand Measures
 - kW Forward demand
 - kW Reverse demand
 - kW del – rec (net) demand
 - Kvar total lag only fund
 - Kvar total lead only fund
- Values brought back by TWACS Module
 - kWh DEL energy
 - kWh reverse energy
 - kWh NET energy
 - kvarh total lead energy
 - kvarh total lag only energy
 - KW forward demand
 - KW reverse demand
 - KW net demand
 - KVAR total lag demand
 - KVAR total lead demand
 - Demand reset count
 - Average PF (denominator)
 - Average PF (numerator)
 - Outage count
 - Outage count date/time
 - Host meter diagnostics
 - Register 120
 - KV2 diagnostic 1
 - KV2 diagnostic 2
 - RMS Voltage Phase A, B & C
 - Instantaneous forward demand
 - Previous Max kw forward demand
 - Sag count
 - Swell count
- Sag & Swell settings
 - Meter program is using Sag & Swell
- Interval Data
 - Channel 1: Forward kWh – 60 minute interval
 - Channel 2: Reverse kWh – 60 minute interval
 - Channel 3: Net kWh – 60 minute interval
 - Channel 4: kVARh total lead only – 60 minute interval

