



# ANNUAL REPORT 2010

*your member-owned electric cooperative*

**Don't Miss the Boat: Saturday, May 1<sup>st</sup>**

# TRAVEL INFORMATION

## SAN JUAN

Because of the spring ferry schedule, people coming from San Juan Island will sail to Orcas by chartered boats and get on the ferry. **RESERVATIONS ARE REQUIRED.** Call 376-3549 to reserve the limited space. The chartered boats are *not* wheelchair accessible. Please call 376-3549 if you will need special accommodations to participate in this meeting. Riders must be able to walk up the ramp from the Orcas county dock to the Orcas ferry landing.

Arrive at Spring St. Landing: **7:10 am**

Board Charter: **7:20 am**

*Register for Annual Meeting onboard*

Disembark at Orcas: **8:30 am**

Board Orcas Ferry: **8:45 am**

Disembark at Orcas: **11:40 am**

Board Charter: **11:50 am**

Return to Friday Harbor by **1:00 pm**

## ORCAS

Register at Landing: **8:00 am**

Board Ferry: **8:45 am**

Return to Orcas: **11:40 am**

## SHAW

Board Ferry: **9:10 am**

Register on board

Return to Shaw: **12:25 pm**

## LOPEZ

Register at Landing: **8:40 am**

Board Ferry: **9:25 am**

Return to Lopez: **11:25 am**



If you need special accommodations to participate in this meeting, please call Bev at 376-3549

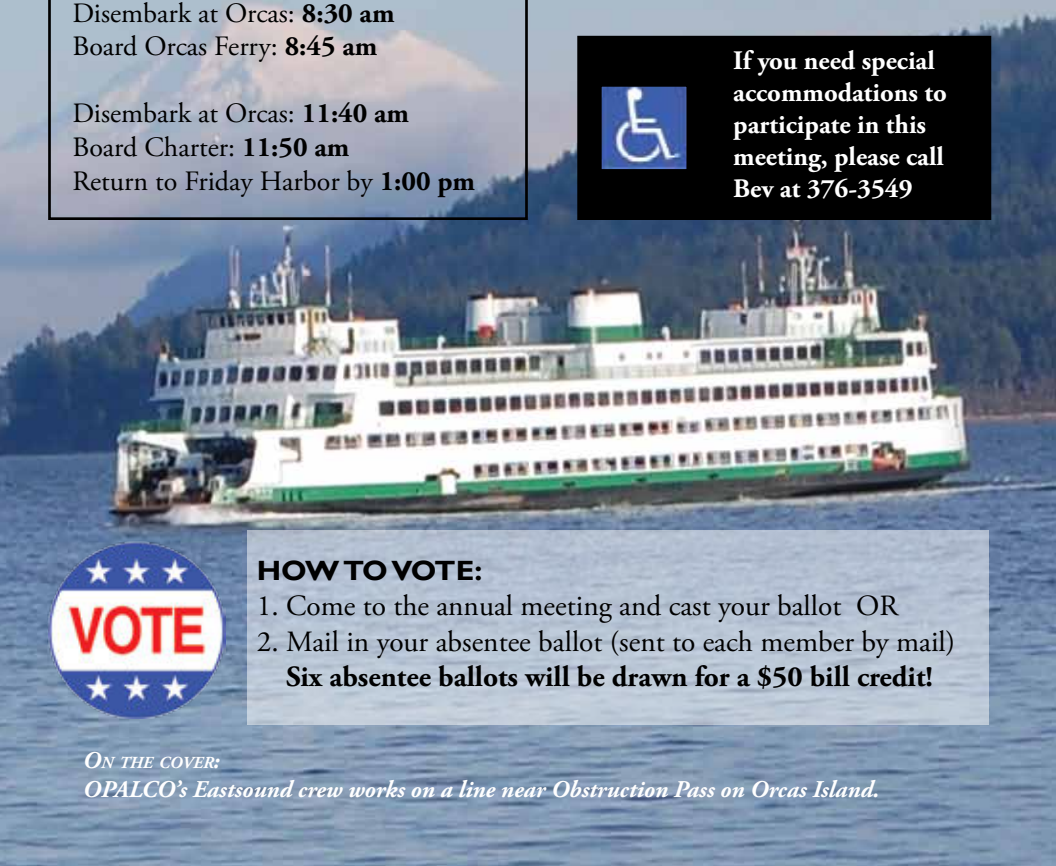


## HOW TO VOTE:

1. Come to the annual meeting and cast your ballot OR
  2. Mail in your absentee ballot (sent to each member by mail)
- Six absentee ballots will be drawn for a \$50 bill credit!**

ON THE COVER:

OPALCO's Eastsound crew works on a line near Obstruction Pass on Orcas Island.



# OFFICIAL NOTICE OF ANNUAL MEETING

The 73<sup>rd</sup> Annual Meeting of the Members of Orcas Power & Light Cooperative will be held aboard a Washington State Ferry on Saturday, May 1<sup>st</sup>, 2010.

The business meeting will take place from approximately 9:45 a.m. until 11:15 a.m. Please note the agenda below. All Members are invited and encouraged to attend.

Orcas Power & Light Cooperative  
*John Bogert*, Board Secretary

## FOOD & PRIZES

Come hungry—breakfast is served! All members attending the annual meeting are eligible to win a door prize. Last year there were more than 50 prizes, including power and garden tools, kitchen tools and appliances, camping and sporting goods, exercise equipment, generous gift certificates, gift baskets, Mariners tickets, OPALCO bill credits and art from local businesses. It's all about the good stuff!




.....  
EVERY OPALCO MEMBER  
WHO ATTENDS WILL SEE A

**\$5 CREDIT**

ON THEIR NEXT POWER BILL  
(ONE PER MEMBERSHIP).  
.....

## MEETING AGENDA

- Welcome Address
- Report of Quorum
- Introduction of Directors
- Introduction of Visitors
- Notice of Meeting
- Reading of the Minutes
- Introduction of Candidates
- Election of Directors
- President's Report
- Other Reports
- Manager's Report
- Election Report
- Questions & Answers
- Other Business
- Adjournment

**The 2010 Annual Meeting**  
is **EARLY** due to the spring  
 **ferry schedule**

Breakfast  
served  
on the ferry



## MESSAGE FROM THE BOARD PRESIDENT: CHRIS THOMERSON



OPALCO, your local non-profit member-owned cooperative continues to balance reliable service and exemplary resource stewardship with low cost.

We keep the cost of electricity low by our focus on efficiency: using up-to-date proven cost-effective technologies to run our entire system, getting the best deal we can buying electricity that is environmentally sound, upgrading substations and metering equipment, reconfiguring and upgrading our cables, and making sure all our own systems are energy efficient and waste as little electricity as possible.

We are also working to be good environmental stewards as we keep costs down. In the past few years we have converted from standard size pickup trucks to smaller, more efficient, less polluting vehicles wherever possible. We are upgrading the electric vehicle plug-in stations we have in place for public

use and, we are looking forward to getting our own next generation electric plug-in vehicle when they become available in the near future. Keep a look out for it around the islands.

We work closely with the Bonneville Power Administration (BPA), spending as much BPA energy efficiency rebate money as we can to save money for all of us. Islanders are able to take advantage of rebates for upgrading lighting, installing heat pumps and purchasing EnergyStar appliances. More and more local businesses have made cost saving improvements with energy efficiency rebates. Where business costs are lower, their prices to you can be lower.

Last year OPALCO alone saved more than \$300,000 through energy efficiency, and will again this year, and will again next year. We want you to join in, using rebates to make improvements that will save you money on your bills. Energy efficiency is just like the Energizer Bunny: the savings keep on going and going.

## ANNOUNCING THE NOURDINE JENSEN COOPERATIVE YOUTH PROGRAM

In honor of long-time OPALCO board member Nourdine Jensen, the board is pleased to announce the **Nourdine Jensen Cooperative Youth Program**. The program will award scholarships and Co-op educational opportunities to high school students from OPALCO member families beginning in 2011. Full program details will be announced in September, 2010.



## MESSAGE FROM THE GENERAL MANAGER: RANDY CORNELIUS



I want to thank the members, the Board of Directors, and our employees for helping Orcas Power & Light Cooperative (OPALCO) fulfill its commitment to deliver reliable

electrical service to you at a cost-based rate. Next year, that rate structure will change.

OPALCO has signed a new 20-year power sales agreement with Bonneville Power Administration (BPA), beginning in October 2011, and with it will come a new tiered rate structure. OPALCO will receive an allocation of the Federal Columbia River Power System (clean and green hydro-power) based on our actual 2010 loads, which BPA is measuring now. The allocation defines the amount of Tier I power (our current fuel mix) that OPALCO will receive at cost-based rate, which is the lowest and the most stable power rate available. For any load growth that we experience after October 2011, we will be charged market rates—or Tier II rates—which are potentially higher rates reflecting BPA's full cost of acquiring additional power. This will result in a long-term upward trend in energy costs.

Fortunately, you have the power to help us control our energy costs. As a co-op, we can work together to manage increasing electric bills through energy efficiency and conservation. You

have control over what you do in your homes and what practices will have the most impact in helping you lower your energy use and, most importantly, your electric bills. Energy efficiency will play an important role in managing our load growth and helping us minimize market purchases of potentially higher-priced Tier II power.

We have been working hard in collaboration with BPA to develop innovative conservation programs with the intent of capitalizing on the strengths of the region, and that are locally controlled and of least-cost to our members. As a result, OPALCO offers rebates for heat pumps, water heaters, and Energy Star appliances. Under BPA's conservation and energy efficiency program, our members saved 4,379,530 kWh (worth approximately \$332,000) from 2007-2009. See page 5 for more information.

In addition to OPALCO's rebates, it's a great time to take advantage of the **federal tax credits** available for qualified energy-efficiency improvements in existing homes. You can receive a tax credit for 30 percent of the cost up to \$1,500 for replacing windows, doors and insulation and for energy-efficient heating and cooling systems through 2010. Energy tax credits are also available for solar water heaters, geothermal heat pumps and other "green" technologies. These credits can cover 30 percent of the cost for approved projects completed on homes between 2009 and 2016. More information on these energy tax credits is available at:



## MESSAGE FROM RANDY CORNELIUS continued

[www.energystar.gov/taxcredits](http://www.energystar.gov/taxcredits).

Now on an operational note, OPALCO had a good year. Many **system improvements** were made to improve system reliability and minimize losses. In 2007, we recorded system losses of more than 9%; I'm pleased to report that for 2009 they were at just 5%. For every 1% of loss, it costs us approximately \$70,000—saving us about \$280,000 over two years. System improvements to date include: 22 miles of overhead lines converted to underground; 33 miles of old direct-buried cable replaced; three substations remodeled; and upgrades to wire and cables and transformers completed.

Our **automatic metering infrastructure** (AMI) is gradually being phased in; we are at about 45% of completion. Our goal is to have this system completed in 2011. With full AMI deployment, crews will be able to read meters and locate faults remotely, which keeps them safer, saves time and helps us save you money. The OPALCO staff is committed to continue to work to improve reliability through building and maintaining a robust electric system, through improved

work practices, and through the wise and cost-effective use of new technology (see page 19 for more information).

We had a **healthy financial year** with revenues of \$19,690,151 and expenditures of \$16,963,680. The board approved the payout of \$1,342,920 in the form of capital credits. We ended the year with a net margin of \$2,846,846 (see page 12-13 for more information).

Our budgeting and financial planning objectives include: building up our reserve accounts to stabilize our financial position and to help with risk management; implementing a construction work plan to address system reliability; and funding new technology to reduce future operating expenses.

In closing, I want to acknowledge the outstanding performance of our employees and directors. Their efforts, ranging from restoring service on stormy nights to answering member phone calls and board policy making, reflect a high level of dedication to our members. Our member-owners can take pride in knowing you are served by a progressive staff and officers committed to meeting your needs.



*Randy Cornelius and Chris Thomerson in Olympia during the Legislature Session.*

# ENERGY SERVICES OFFICE: SAVING \$\$ AND KWH

Beginning on October 1, 2009, OPALCO entered into a new Energy Conservation Agreement with Bonneville Power Administration (BPA). BPA credits our power bill based on the reported conservation our residential and commercial members have accomplished. These savings are passed on to our members through our many residential and commercial energy efficiency rebate programs. For example, during the previous contract period (2007-2009) we reported savings of **4,379,530 kWh** (worth approximately **\$332,000**). Energy efficiency measures included:

Measure	Units	kWh savings
Refrigerators	153	16,231
Dishwashers	158	10,681
Clothes Washers	294	107,019
Water Heaters	183	27,441
ES Manufactured Homes	8	26,143
Energy Smart (Grocer)	9	810,634
Commercial Lighting	30	1,772,288
Heat Pumps	5	6,603
CFL	23,726	1,225,942
Showerheads	3,016	376,548

Looking forward, we will continue to offer the rebates for water heaters, heat pumps, clothes washers, dishwashers and refrigerators. Check the website for details—in some cases, the requirements and reimbursement amounts will be changing.

In addition to the programs we've always provided, we are excited to

begin offering **Weatherization Rebates** (including window replacement, insulation, duct sealing and air sealing) and **Energy Use Awareness** education. We will be working with local certified contractors to offer **Home Snapshot Audits** (mini home energy audits) and comprehensive **Home Energy Audits**. We will also be conducting **DIY Energy Use Workshops**.

OPALCO's **Interconnect Program** now has 59 members generating their own local renewable power (solar, wind, micro-hydro) for a total generating capacity of approximately 229,053 kilowatt hours per year. See page 7 for information on how the Interconnect Program is evolving.

While not everyone can generate their own power, we can all increase our energy efficiency. Go to **www.opalco.com** to check out simple tips and practices for energy efficiency and find the latest information on OPALCO's programs and rebates.

## ELECTRIC CAR CHARGERS ARE COMING

OPALCO is replacing electric car charging stations on Orcas, Lopez and San Juan Islands this summer. Stay tuned to [www.opalco.com](http://www.opalco.com) for more information and exact locations.



## MEET THE ENERGY EFFICIENCY SPECIALIST:

### ANNE BERTINO



Anne Bertino came to us from Phoenix, Arizona. She has a BS in Engineering Physics, had a career in Aerospace/Software Engineering for Motorola and has been run-

ning her own green building and design company for the past three years. She is a LEED accredited professional and recently completed a professional certification through the Building Performance Institute and is capable of diagnosing critical performance factors

in a home that impact comfort, health, safety, durability and energy efficiency.

Anne and her husband Patrick have owned property on Orcas since 2005 and look forward to building a home on their property in the near future.

“This is basically my dream job,” said Bertino. “It’s a good fit with my experience and training—and I get to share my passion for energy efficiency. I am grateful to have the opportunity to serve OPALCO and hope to make a difference in our island communities.”

## OPALCO REVAMPS RENEWABLE ENERGY PROGRAM

The number of members wanting to take advantage of OPALCO’s incentives for renewable energy interconnection has tripled from about 20 in the first five years of the program (2000-2005), to 59 members in 2010. OPALCO has paid members a total of \$174,134 for installation incentives—and \$113,055 (65%) of that was paid out in 2009.

Originally, the green power program was set up to fund interconnect incentives. For several years, the green power program did create some revenue for the incentives and, in addition, BPA provided Conservation Rebate Credits (CRCs) to help fund the incentive. Over time, the wholesale costs of green power went up, BPA’s CRCs have gone down and the funding stream for the incentives dried up.

With an unfunded budget liability of more than \$100,000 in 2009 for incentive payouts, the board voted to cap incentive payouts for 2010 at \$25,000 and asked staff to come up with a new revenue source for the incentives going forward.

OPALCO is committed to finding a good solution. One proposal for funding member owned renewable generation would be modeled after Project PAL, running on voluntary donations by OPALCO members with decision making provided by an independent council of OPALCO members

OPALCO staff are working out the details and hope to announce a new program in late summer. Stay tuned to [www.opalco.com](http://www.opalco.com) for more information.



## WHAT IS YOUR ENERGY SAVINGS PLAN?

### COMMON GROUND—LOPEZ ISLAND



Eleven homes in Lopez Community Land Trust's new Common Ground neighborhood are among OPALCO's newest net-metering members. Each home in the neighborhood draws power from its own section of a 33.8 kilowatt solar array that is interconnected to OPALCO's electrical grid. With good sun and low energy usage in the homes, the new homeowners hope to achieve net zero energy usage.



OPALCO Board member Bob Myhr presented Lopez Community Land Trust with a check for \$49,500 in the form of a rebate for their photovoltaic installation. OPALCO's policy is to offer a rebate of \$1.50/kWh (up to a maximum of \$4,500) for energy produced at each interconnected meter, as funding is available. Members choose a Buy-Sell or Net-Metering agreement to bank or sell their surplus production. Net-metering members can also participate in the Washington Renewal Energy Production

Incentive program which pays out an additional financial incentive based on total renewable production each year. For more information, go to [www.opalco.com](http://www.opalco.com).

## WHY CFLs MAKE SENSE

According to the federal government, if every American home replaced just one light bulb with an Energy Star approved compact fluorescent lightbulb (CFL), the U.S. would save enough energy to light more than 2.5 million homes for a year and prevent greenhouse gases equivalent to the emissions of nearly 800,000 cars.

The life of a CFL is 10,000 hours—13 times longer than an incandescent bulb. Over the life of one 23-watt compact fluorescent lightbulb (CFL) there is a savings of 770 kilowatt hours (kWh)—which equates to \$58.00 in the members' pockets for each bulb installed. Want to learn more?

Go to: **[www.opalco.com](http://www.opalco.com)**.



# WHAT IS YOUR ENERGY SAVINGS PLAN?

## WILD ROSE MEADOW—ORCAS ISLAND



OPAL Community Land Trust's newest neighborhood of 32 permanently affordable homes were designed and built with energy efficiency as a top priority. What was achieved is quite remarkable—especially considering these homes had to be affordable to households with lower incomes. “The foresight is genius,” says contractor Justin Paulsen of Terra Firma. “Because of the energy efficiency features built in, the homes are not just more affordable at purchase, but will be more affordable to maintain over the long term. The return on investment for energy efficiency is 30-40% each year—compounding over the life of the house.”

The new homes include:

- Super tight air sealing, weather-stripping and caulking throughout the construction process
- Insulation that meets or exceeds code in walls (R23), ceilings (R38) and floors (R30)
- Orientation to take advantage of maximum solar gain
- Double-paned, low-e windows
- 100% Energy Star interior lighting
- Energy Star appliances wherever possible (nearly 100%)

- Highly efficient Convect Air electric heaters and a zonal heat design with programmable thermostats
- TED – The Energy Detective home energy monitor to help homeowners manage their usage
- Plumbing and electrical are in place for future solar applications

Homeowner Beth Baker saw her energy bill drop to less than half that of her previous home. “Cost efficiency is very important to me,” said Beth. “I don’t believe in waste, and because of what’s going on in the world, energy efficiency is critical.” Beth heats only the rooms she is using and has installed surge protectors on all electronics so she can turn them completely off when not in use. CFLs are installed throughout the house—and Beth hasn’t had to replace a bulb in the year that she’s been there. She appreciates the efficiency of the house and acknowledged, “the biggest savings come with changing your behaviors—it’s the small things that really add up. The first thing I did when I moved in was to sew window coverings with an extra layer of flannel as insulation. I love coming home to a warm, cozy house.”

When asked what sacrifices she’s had to make for energy efficiency she quipped, “I’ve added a sweater.”



## WHAT IS YOUR ENERGY SAVINGS PLAN?

### AMBER & ANDREW BORNER—SHAW ISLAND



When the Borners decided to leave Fairbanks, Alaska to build their home on Shaw Island, energy efficiency was a top design and budget priority—as were good

light and plenty of warmth. Their goals were to reduce energy usage as much as possible—primarily through home and water heating; site the home for maximum solar gain; and consider the sustainability of the home—building it to last longer than their own tenure. “We saw an opportunity to really get it right—from the ground up,” said Amber. “To build a home that would be comfortable and efficient for us, for the long term—and also inspire others to think about energy efficiency.”

The Borners built a home that is super air tight—minimizing drafts and heat loss—and included an energy recovery ventilator (with a HEPA filter) to maintain air quality. They installed insulation that exceeds the code requirement, low-e coated windows, a Marathon water heater, solar hot water tubes and EnergyStar appliances (for which they received OPALCO rebates). There are timers on bathroom fans, a towel-bar heater that heats the bathroom on demand—and a small, efficient wood stove for back-up and pre-heating.

The biggest investment (and pay off) in energy efficiency is in their heating system: a super efficient ground source heat pump with radiant floor heat and nine separately controlled heating zones in the home. With zonal heating, they can close off parts of the house (guest rooms, basement) that they aren’t using daily and reduce their heating demand dramatically. The heat pump has a “desuper heater” that utilizes waste heat from the heat pump to pre-heat the domestic hot water—unless it’s sunny, in which case the water gets pre-heated in the solar tubes and sophisticated controllers manage the whole exchange.

Andrew monitors the mechanical room to track their energy usage and has experimented with various heating scenarios to see where the greatest efficiencies can be gained. “This is the most comfortable house we’ve ever lived in,” said Andrew. “We like using the earth’s energy to heat our home and water. Our electric bill is half as much now (compared to our previous home) and this house is twice as big.”



2008 ANNUAL MEETING





# OPALCO LINECREW





# COMBINED BALANCE SHEETS

FOR YEARS ENDING DECEMBER 31, 2009 AND 2008

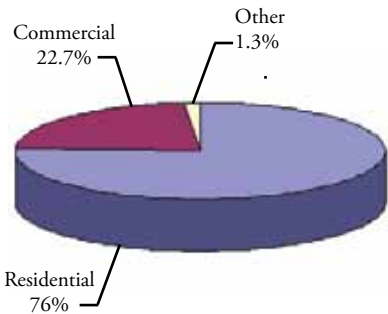
	2009 <i>unaudited</i>	2008 <i>audited</i>
ASSETS		
Utility Plant	72,912,977	69,978,218
Less Accumulated Depreciation & Amortization	<u>28,610,400</u>	<u>26,998,434</u>
Net Electric Plant	44,302,577	42,979,784
OTHER PROPERTY AND INVESTMENTS - AT COST		
Non-utility Property (net)	175,230	155,515
Investments in Associated Organizations	<u>872,071</u>	<u>845,860</u>
Net Non-Utility Property	1,047,301	1,001,375
CURRENT ASSETS		
Cash and Cash Equivalents	2,628,906	2,449,889
Accounts Receivable	2,124,542	1,967,441
Materials and Supplies	1,172,123	1,077,896
Other Current & Accrued Assets	<u>76,053</u>	<u>70,786</u>
Total Current Assets	6,001,624	5,566,012
DEFERRED CHARGES	<u>(848)</u>	<u>130,762</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$51,350,654</u></u></b>	<b><u><u>\$49,677,933</u></u></b>
EQUITIES AND MARGINS		
Memberships	\$57,465	56,385
Other Equities	2,177,715	1,589,669
Patronage Capital	<u>36,471,130</u>	<u>34,964,528</u>
Equity and Margins	38,706,310	36,610,582
LONG-TERM DEBT		
RUS Mortgage Notes	9,584,001	9,229,431
CFC Mortgage Notes	<u>1,576,572</u>	<u>1,699,749</u>
Long-term Debt	11,160,573	10,929,180
CURRENT LIABILITIES		
Accounts Payable	123,573	760,258
Customer Deposits	62,962	63,734
Accrued Liabilities	730,650	757,082
Current Maturities of Long-Term Debt	<u>519,744</u>	<u>532,493</u>
Total Current Liabilities	1,436,929	2,11,567
DEFERRED CREDITS	<u>46,842</u>	<u>24,604</u>
<b>EQUITIES, MARGINS AND LIABILITIES</b>	<b><u><u>\$51,350,654</u></u></b>	<b><u><u>\$49,677,933</u></u></b>

# STATEMENTS OF REVENUE AND MARGINS

FOR YEARS ENDING DECEMBER 31, 2009 AND 2008

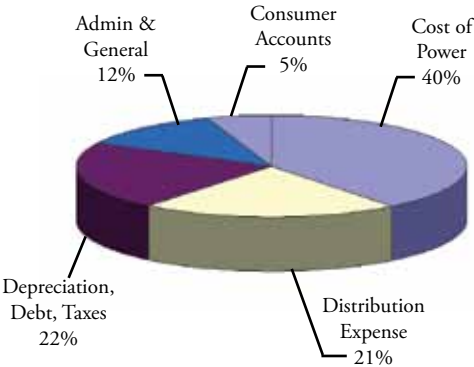
	2009 <i>unaudited</i>	2008 <i>audited</i>
OPERATING REVENUES	\$19,690,151	\$19,175,354
OPERATING EXPENSES		
Cost of Purchased Power	6,695,609	6,550,525
Distribution Expense	3,610,420	3,642,574
Consumer Accounts	913,044	916,180
Administrative and General	2,069,218	1,902,482
Depreciation and Amortization	2,237,125	2,195,483
Taxes	814,561	814,222
Interest on Long-term Debt	623,703	657,776
<b>Total Operating Expenses</b>	<b><u>16,963,680</u></b>	<b><u>16,679,242</u></b>
OPERATING MARGINS	2,726,471	2,496,112
NON-OPERATING MARGINS	80,653	184,348
PATRONAGE CAPITAL CREDITS	<u>39,722</u>	<u>34,862</u>
<b>NET MARGINS</b>	<b><u>\$2,846,846</u></b>	<b><u>\$2,715,322</u></b>

2009 REVENUE



- Residential (76%)
- Commercial (22.7%)
- Other Revenue (1.3%)

2009 EXPENSE



- Cost of Purchased Power (40%)
- Depreciation, Debt and Taxes (22%)
- Distribution Expense (21%)
- Administrative and General (12%)
- Consumer Accounts (5%)

## 2010 BOARD ELECTION: DISTRICTS 3 & 4

OPALCO's governing board consists of seven directors who are elected for three-year terms, with the elections staggered. Each director is elected by a vote of OPALCO members and all members may vote in every election, regardless of their home district.

Present directors are **District 1** (San Juan, Brown, Henry, Pearl and Spieden Islands): David Hylton and George Mulligan; **District 2** (Orcas, Armitage, Big Double, Blakely, Fawn, Little Double, and Obstruction Islands): Roger Crosby and Chris Thomerson; **District 3** (Lopez, Decatur, Center and Charles Islands): Jim Lett and Bob Myhr; **District 4** (Shaw, Bell, Canoe and Crane Islands): John Bogert. District 3 and District 4 Directors are up for election in 2010.

Absentee Ballots (mailed to each co-op member) must be received at OPALCO no later than Friday, April 30<sup>th</sup> at noon. Ballots can also be cast at the annual meeting on the ferry, Saturday, May 1<sup>st</sup>. The election results will be announced at the annual meeting and subsequently published at **www.opalco.com** and in local papers.

Please vote for any *two* candidates for District 3 and any *one* candidate for District 4. Each member household gets one ballot regardless of how many meters or accounts a member may have.

In this year's election, incumbents Jim Lett and Bob Myhr are running for two positions in District 3. In District 4, nominee John Ashenhurst and incumbent John Bogert are running for one position.

### DISTRICT 3

#### JAMES LETT (INCUMBENT)



Jim Lett was appointed at the beginning of 2009 to fill the remaining term of retiring OPALCO Director, Ed Marble. Since then, Jim has completed the five part certification program offered by the National Rural Electric Cooperative Association and received credentialed Director Certification. Additionally, Jim's 35 years of commercial insurance experience allowed him to provide counsel and guidance in the 2009 renewal of OPALCO's complex insurance program.

He is a graduate of Oklahoma State University, was honorably discharged from the U.S. Marine Corps Reserve, and retired as Regional Vice President of a national property/casualty insurance company. For several years, he served as a member of the Washington State University's School of Business Advisory Board.

Jim and his wife Shanley have been full-time residents of Lopez Island and active in the community for the past 15 years. They have been appreciative recipients of OPALCO's efficient, affordable electrical service and are members of the OPALCO Ambassadors, Project PAL, and subscribers of Green Power.

OPALCO has been a leader in supporting new technology, energy efficiency and conservation methods such as plug-in electrical vehicles, solar and wind power for home use, automatic meter reading, and power management systems. Jim is committed to further strengthening OPALCO's programs and its reputation as a model northwest utility by promoting energy efficiency programs where members can participate and implementing proven cost-effective technologies that support conservation, enabling OPALCO to continue providing affordable, efficient, reliable power while protecting our special environment.

## **ROBERT MYHR (INCUMBENT)**

---



As director and past president of the OPALCO Board of Directors, I advocate the long established policy of the co-operative—to make reliable electric energy available to our members at the lowest cost consistent with sound economy, good management, and the public interest. I believe this includes meeting the following objectives:

- Make sure our co-op's long-term plan provides for a strong and reliable transmission and distribution system, including the investment needed for repair and replacement of lines, poles, transformers, sectionalizing equipment, and submarine cables.
- Continue cost- and energy-efficient conservation programs that encourage wiser use of electric power, support local innovative renewable generation, and prepare to serve a growing number of electric-powered vehicles.
- Expand our use of proven new technologies, including load management systems, remote meter reading, and automatic internet bill paying, to achieve cost savings and maintain co-op efficiency.
- Continue to place the distribution system underground, where economically feasible, to maintain both system reliability and the natural beauty of the islands.
- Work closely with Bonneville Power Administration (BPA) to successfully manage our long-term contracts for power and transmission to assure the lowest possible wholesale costs for our members.

I am a long-time property owner on the islands and have been a co-op member since 1967. My wife, Joyce, and I have been permanent residents of Lopez Island for the past 25 years. I am a member of the San Juan County Council, past executive director of The San Juan Preservation Trust, and active in several civic organizations. I respectfully ask for your support to continue my service on the Board of OPALCO.

## DISTRICT 4

### JOHN ASHENHURST

---



John Ashenhurst and his wife Yvonne have been Crane Island residents for three years and lived in Deer Harbor, on Orcas Island, for ten years before that. John has degrees from Princeton University and the University of Chicago and founded four technology companies, one that is very successful in electronic publishing. John has significant experience in management, budgeting, marketing, operations, publishing, development and technology.

John has served on the boards of the Orcas Island Public Library, the Orcas Island Yacht Club, the Cayou Valley Homeowners Association and now the Crane Island Association, where he is incoming water system manager.

Interested in conservation and the appropriate use of technology, John installed OPALCO's off peak heating system in his Deer Harbor house and since moving to Crane Island has used TED (The Energy Detective) to lower his usage by 40%. John believes that OPALCO is a well-run organization. Over the last ten years OPALCO has improved the efficiency and reliability of its services and has instituted prudent financial policies that ensure its long-term viability.

Three areas stand out that could benefit from a stronger OPALCO focus:

- OPALCO should become more effective in helping its members become significantly more energy efficient—a better alternative than acquiring more power.
- OPALCO should encourage and support the extension of its power system communication network into other community uses, for instance linking distributed infrastructure like water systems.
- OPALCO should improve its member communications especially in understanding the real issues and practical strategies of power generation, transmission, government regulation, conservation, and the connection to climate change.



## JOHN BOGERT (INCUMBENT)



John Bogert is currently serving OPALCO as Secretary/Treasurer of the Board and is dedicated to the cooperative model as the best, most efficient and cost-effective method of supplying the island communities with reliable, low-cost electric power. A member of the Shaw Island community since 1988, John has served on the Shaw Inc. Board of Directors since moving to Shaw full time in 2006.

John brings technical experience and a strong commitment to conservation and energy efficiency to the Board. He holds degrees in Electrical Engineering from Princeton University and a Master's Degree in Electric Power Engineering from Rensselaer Polytechnic Institute (RPI) and has extensive experience in the electric industry. John has also completed course work with the National Rural Electric Cooperative Association (NRECA) and is a "Credentialed Cooperative Director."

His work history encompasses all aspects of the small hydroelectric industry: development, operations, contract negotiations, control system design and manufacturing. John has worked with the NRECA as a consultant in rural hydroelectric development and has had the opportunity to work with small independent power producers, BPA and municipal utilities throughout the country.

John's focus as a board member is to ensure that OPALCO continues to provide our co-op members with safe, reliable, cost-effective electric power while remaining at the forefront of appropriate technology to achieve that end.

His priorities for OPALCO continue to be:

- Enhance and expand efforts to encourage and support energy efficiency and conservation;
- Continuous monitoring of new power supply opportunities, both conventional and alternative, to meet the growth needs of our co-op;
- Provide excellent communication and service to all our members;
- Collaborate with community organizations, businesses and legislative entities to expand our knowledge base and achieve our cooperative goals.



### **Your absentee ballot will arrive by mail.**

Cast your votes for the OPALCO Board of Directors by mailing in your absentee ballot (due by noon on Friday, April 30<sup>th</sup>) or by attending the

**73<sup>rd</sup> Annual Meeting on the ferry  
Saturday, May 1<sup>st</sup>**



## PROJECT PAL

# ROUND UP TODAY

The PAL program was developed to help low income OPALCO members pay their winter heating bills.

Project PAL is funded through voluntary member contributions. These contributions consist of rounding up electric bill amounts to the next whole dollar, plus other member donations.

An independent volunteer council made up of OPALCO members meets to evaluate each application and awards grants by unanimous vote.

Half of PAL funds are designated for seniors and disabled persons of low income; the remainder is made available to any member who meets the guidelines ([www.opalco.com](http://www.opalco.com)) and whose application is approved by the volunteer council.

### 2008-2009 Project PAL Report:

- Nearly **2,850 members** rounded up their bills each month for a total of **\$10,116**. An additional **\$14,182** was received from members in monthly and one-time gifts
- **173 members** received grants for a total of **\$37,370** PAL funds disbursed\*
- **80** were senior or disabled members

*\* Includes additional funds rolled over from 07-08*

## WHEN TIMES ARE TOUGH ...

### CO-OP MEMBERS HELP EACH OTHER OUT

PAL Applications are up by 60%

Local funding is down by 20%

Won't you help a Co-op neighbor in need?

Simply check the Project PAL box on your next bill—or call 376-3500 to round up your bill. Your bill will be automatically rounded up each month for an average donation of \$6 *per year*. You can also make a fixed one-time or monthly donation. **We're all in it together.**

# OPALCO'S NEWEST EMPLOYEES



The Eastsound Line Crew has three new linemen: **Scott Otto**, Journeyman Lineman (from Hawaii); **Matt Minnis**, Apprentice Lineman (from Orcas Island); and **Tim Jones**, Journeyman Lineman (from Oregon)



**Michelle Beal**, Accountant (from Texas) and **Anne Bertino**, Energy Services Specialist (from Arizona). See page 6 for more information on Anne.



**David Harold**, Communications Technician (from San Juan Island)

## AUTOMATED METER INFRASTRUCTURE (AMI) NEARING COMPLETION

OPALCO's Automated Meter Infrastructure (AMI) is about 45% complete with San Juan Island (and surrounding islands) scheduled for installation in 2010-11. What does this mean for you?

Some members may notice an increase in their kWh usage because their old mechanical meter may have slowed down and become less accurate over time. The cost of covering the gap between inaccurately metered kWh usage and the actual power bill has been paid by all Co-op members through higher

operational costs. With the new digital meters, your usage and costs are accurately captured which can help keep rates down for everyone.



The entire Co-op benefits from accurate accounting—and also from the remote access for meter reading, problem solving and outage resolution that comes with AMI.



HOW CAN YOU HELP YOUR CO-OP SAVE  
MONEY AND KEEP RATES DOWN?

## SIGN UP FOR EBILL+AUTOPAY TODAY!

- **Save time**—no more trips to the OPALCO office
- **Save money**—no more stamps
- **Save worry**—have your bill paid automatically
- **Save the environment**—use less paper

With E-bill, you can view information about your account—including your current bill, graphs, payment history and power usage—from any place where you have access to the internet! You'll receive a notice via email each month when your bill is ready to view.

When you sign up for **eBill and Auto-Pay** together, your Co-op sees the greatest savings and your bill will be automatically deducted from your checking or credit card account each month. It's easy!

To get started, simply log onto our site at **www.opalco.com** or call the office at 376-3500 and we'll walk you through the process.

## OPALCO'S WEBSITE EARNS PRESTIGIOUS AWARDS



OPALCO's new website ([www.opalco.com](http://www.opalco.com)) won the **2009 Silver Davey Award** in the Energy category. The Davey Award is an international creative award honoring outstanding creative work from the best small firms worldwide. The

award was presented to **Synotac**

([www.synotac.com](http://www.synotac.com)), the small web design firm that built the OPALCO website. The Davey is judged and overseen by the International Academy of the Visual Arts (IAVA).

The new website has also garnered a National Rural Electric Cooperative Associations (NRECA) **Spotlight on Excellence Award**.

See for yourself at:

**[www.opalco.com](http://www.opalco.com)**

---

*Photo (opposite): OPALCO staff and their kids prepare for the Orcas Island Fourth of July Parade.*

# *Member Owned & Operated*

## *We get our power from YOU!*



*The mission of the Orcas Power & Light Cooperative (OPALCO) is to serve our Members with safe, reliable, cost effective and environmentally sensitive electric utility services.*



SET YOUR COURSE . . .  
FOR ENERGY SAVINGS

*What is your energy savings plan?*

OPALCO'S 73<sup>RD</sup>  
**ANNUAL MEETING**  
ON THE GOOD SHIP W.S. FERRY  
**SATURDAY, MAY 1<sup>ST</sup>**

- \* A SHIP'S FEAST (FREE MEAL) FOR MEMBERS AND THEIR FAMILIES
- \* DISCOVER HOW TO SAVE \$\$ ON YOUR POWER BILL
- \* ELECT THE DIRECTORS WHO STEER THE SHIP
- \* GET A \$5 CREDIT ON YOUR BILL
- \* FIND TREASURE (GREAT PRIZES)



PICK UP YOUR **GREEN** TREASURE MAP - A GUIDE TO OPALCO'S ENERGY EFFICIENCY SERVICES - TO HELP YOU SAVE MONEY AND STEER YOUR HOUSEHOLD TOWARD A HEALTHY ENERGY FUTURE!



*Meeting time: 9:45 - 11:15 am*

*travel schedule on page 1*

*[www.opalco.com](http://www.opalco.com)*

ORCAS POWER & LIGHT COOPERATIVE: MEMBER OWNED AND OPERATED