



**BOARD OF DIRECTORS
BOARD MEETING 9:00 a.m.
OPALCO Board Room
183 Mt Baker Road, Eastsound
Thursday, March 20, 2014**

TRAVEL (Note: Board members will stay overnight for Town Hall meeting 3/19)



Via Island Air

378-2376 / 378-8129 (cell)

To:

Leave FH 8:15 a.m.

Leave Lopez 8:30 a.m.

Arrive Eastsound 8:45 a.m.

From:

Leave Eastsound 2:00 p.m.

Arrive Lopez 2:15 p.m.

FH 2:30 p.m.



Via Ferry:

To:

Leave FH 6:10 a.m.

Lopez 6:20 a.m.

Shaw 7:00 a.m.

Arrive Orcas 7:20 a.m.

Orcas 6:35 a.m.

Orcas 7:20 a.m.

From:

Leave Orcas 2:55 p.m.

Arrive Shaw 3:10 p.m.

Lopez 3:30 p.m.

Leave Orcas 4:15 p.m.

FH 4:55 p.m.

**Orcas Power & Light Cooperative
Board of Directors
Regular Board Meeting
183 Mt Baker Road, Eastsound 376-3500
March 20, 2014 9:00 a.m.**

PAGES

WELCOME GUESTS/MEMBERS

CONSENT AGENDA

- 3-5** ○ Approval of February Minutes
- 6** ○ Admission of New Members

ACTION ITEMS

- 7-8** ○ 2013 Annual Meeting Minutes
- 9-10** ○ Special Meeting March 6, 2014 Minutes
- 11** ○ Capital Credits
- 12** ○ NWPPA Voting Delegate Designation
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DISCUSSION ITEMS

- 13-14** ○ Member-Initiated Bylaw Revision to Article VIII *Nonprofit Operation*
 Section 7 (*new*)
- 15-31** ○ Policy 1 *Functions of the Board of Directors*
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REPORTS

- 32** ○ Cash Recap
- 33** ○ Total Fund Balances Chart
- 34** ○ Outages
- 35** ○ Safety
- 36** ○ 2014 Nominating Committee
- 37-43** ○ General Manager
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INFORMATION ITEMS

- 44** ○ New Services
- 45** ○ Historical MORE Revenue
- 46** ○ Member Billing Revenue History
- 47-48** ○ BPA Consumption Summary

ADJOURNMENT

MINUTES OF THE BOARD OF DIRECTORS MEETING

ORCAS POWER & LIGHT COOPERATIVE

Thursday, February 20, 2014

President Chris Thomerson called the meeting to order at 8:50 a.m. at the Friday Harbor OPALCO office. Directors Winnie Adams, Vince Dauciunas, Glenna Hall, Jim Lett and Bob Myhr were present. Also present were General Manager Randy Cornelius, Manager of Engineering and Operations Russell Guerry, Manager of Information Services John Graminski and Executive Assistant Bev Madan, serving as recording secretary.

RUS RED-LG Loan Presentation

Jim Ghiglione, Lopez Fire District No. 4 was presented with a \$100,000 check representing an \$80,000 loan made through the Rural Utility Service (RUS) Rural Electric Development Loan/Grant Program (REDLG) and the required 20% match made by OPALCO. Funds will be used to purchase radio pagers, LifePacks (external defibrillators) and a paramedic vehicle. A Security Agreement on Equipment was signed by Ghiglione as well as a promissory note for monthly payments to begin February 2014 and end in 60 months.

Member/Guests

OPALCO attorneys Art Butler and Joel Paisner were present as well as Steve Hudson, Bob Jarman, Jay Kimball, Linda Lyshall of the San Juan Islands Conservation District, Lovell Pratt, Steve Ludwig, Dwight Lewis and Chom Greacen.

Approval of Minutes

Motion made by Hall to approve the January minutes as amended. The motion was seconded and carried by voice vote.

New Members

Motion made by Myhr to accept the new members as listed below. The motion was seconded and carried by voice vote.

Decatur

1. Foss, Forrest A

Lopez

2. Biggs, Colleen
3. Danielson, Charlotte
4. Lovejoy, Stephen & Holly
5. Pearson, Mark
6. Peter, Rebecca & Lucas
7. Steinhouse, Duane & Tamara
8. Troy, James J
9. Worsh, Lauren
10. Zantop, Mariana & Rothgeb, Dan

Orcas

11. Bridge, Margaret
12. Day, Lynn M
13. Jacczak, Rubiselina D & Ethan
14. Jauregui, Jose Armondo
15. Orcas 78 LLC
16. Orcas Art Studios
17. Previs, Ashley
18. Strollo, Richard & Diane
19. Vukelich, David & Laycock, Margaret

San Juan

20. Basta Tony
21. Benedict, Skip

22. Brillion, Tim & Maureen
23. Clifford Jeffries Revocable Living Trust
24. Dean Marine LLC
25. Evans, Heidi
26. Feldmiller, Susan L
27. Fenstermacher, Patricia
28. Fowler, Robert D
29. Gilmore, Carl P
30. Hackworth, Judith
31. Herb's Tavern
32. Hubbard, Louise D
33. Hudson, John Ryan
34. Korman, Todd & Nicole
35. Lopez, Sonja M Coronado
36. Low, Robert
37. Mansueto, Robert
38. Popham, Doug
39. Powell Management LLC
40. Sanabria, Antonio
41. Sanabria, Guadalupe
42. Stafford, Nicole & Marriett, Matt
43. Strategic Nationwide Funding
44. Sweet Water Farm Akhal-Teke LLC
45. Tarabochia, Nick J
46. Trefethen, John & Thea
47. Ware, Beth & Mariscal, Alejandro
48. Woody, Jill
49. Zacci, Alejandra

Capital Credits

Motion made by Myhr to approve \$9,426.28 in capital credit payments as indicated below. Motion was seconded and carried by voice vote.

To the estates of deceased members:

Roy Branstetter	\$762.46
Kenneth Day	\$676.37
Clarence W. Estenson	\$808.90
Bruce Jacobs	\$1,269.96
Clark O. Lovejoy	\$1,070.25
Orpa A. Turpen	\$1,155.95

Organizations no longer in business:	
Pacific Gem Seafoods, Co.	\$3,501.41
Tarabochia LLC	\$180.98

RUS 219

Motion made by Myhr and seconded to approve submittal of RUS 219s representing projects completed from the Construction Work Plan during December for \$760,686.83. Motion carried.

Member-Initiated Bylaw Amendments

The attorneys have reviewed both revisions and have determined that both are in proper form and consistent with the Articles of Incorporation. In addition they were submitted within the 90-day timeframe prior to the annual meeting and have the required minimum number of member signatures. As such, both are eligible to be included on the ballot for the annual meeting.

- Article II Meeting of Energy Members Section 9 Energy Member Informational Meetings** (new section) “The Board of Directors shall schedule three (3) Energy Member Informational Meetings. Said meetings shall be scheduled every third month following the Annual Meeting and in the following order: Orcas, San Juan and Lopez. Said meetings shall be held on a Saturday, at a time coordinated with the ferry schedule and in a facility to be selected by the Board.”

Motion made by Myhr to place the newly added section to Bylaw Article II on the annual meeting ballot; the motion was seconded and carried by voice vote.

- Article IV Meetings of Directors** new section “The Cooperative shall allow member-owners access to open board meetings (non-executive sessions) through Internet web-based streamed audiovisual (AV) and optionally videoconference. All AV will be presented unedited (except to excuse breaks and executive sessions) and made available on demand through a web server to energy members within 7 days of the meeting. Such AV will remain available for at least 24 months from the date of first posting. The Board may restrict access to the AV to include only member-owners and set terms of use restrictions.”

Motion made by Hall to place the newly added section to Bylaw Article IV on the annual meeting ballot; the motion was seconded and carried by voice vote.

Tariffs

A six percent (6%) increase to all tariffs was approved with the 2014 budget. This is the second reading of the tariff increases; changes will take effect with the March billing.

Motion made by Myhr to approve the increases to the tariffs; motion was seconded and carried by voice vote.

Reports

Cash Recap was reviewed by Hildreth showing a stable financial condition through February.

Outages showed several outages for January. The Board requested the inclusion of trending information that would include the total minutes/hours that members were without power during the named outages and the percentage of system reliability.

Safety There were no accidents, near misses or incidents during January. WRECA is a catalyst for the Rural Electric Safety Achievement Program (RESAP). OPALCO plans to join in the near future.

General Manager’s report was reviewed by Cornelius. RUS conducted a two-week audit of OPALCO’s loan documentation, loan draws and projects approved for loan funding for the period February 1, 2009 to February 1, 2014. The loan fund and accounting review (LFAR) report indicated that all receipts were properly accounted for and all RUS Construction Fund disbursements were for proper loan program purposes. Construction fund receipts totaled \$9,700,000.00 and disbursements totaled \$9,735,110.00. Myhr read from an email sent to the

Board by Thomerson, sharing comments made by the RUS auditor that OPALCO has gone from a “well meaning, good attitude” utility to a “meticulous, impeccable model for other utilities”. The Board noted that Cornelius is the driving force behind the improvements. The San Juan Islands Conservation District has secured an additional \$50,000 in matching grants; OPALCO has now matched a total of \$150,000. Energy Fairs, Solar Home Tours and community energy efficiency projects with the Youth Corps are planned for the spring. BPA is planning a countywide outage May 9 from midnight until 5:00 am. John Graminski was introduced as OPALCO’s new Manager of Information Services. Cornelius shared information regarding BPA’s proposal to segment transmission. If the plan proposed by Snohomish PUD is approved by BPA, it will mean rate increases of over 600%.

Conservation Potential Assessment

Kevin Smit of EES Consulting presented the Conservation Potential Assessment (CPA) prepared for OPALCO. This is an estimate of energy efficiency that could be achieved within the OPALCO service territory over a 20-year period. It treats energy efficiency as a resource and evaluates the cost effectiveness relative to other sources of electricity. It looks at building characteristics and estimates how many and what type of energy efficiency measures/products could be achieved. The results will be used for planning and implementing programs sponsored by OPALCO and others. Near term (5-10 years) results can be used for setting goals, targets and budgets.

Adjournment

The meeting adjourned at 10:45 a.m.to executive session.

Chris Thomerson, President

Jim Lett, Secretary-Treasurer

New Members February 2014

Crane

1. Kimball, Kate & Davison, Bob

Lopez

2. Honeywell, Justin
3. Island's Oil Spill Association
4. Mariana Robles, Rosa & Gerardo

Obstruction

5. Frazer, Marc

Orcas

6. Boucher, Angela R
7. Durham, Daphne & Doberstein, Craig
8. Gamez, Jose C
9. Gonzalez, Stephanie A Joey D
10. Grubb, Farley
11. Nollman, Holly Claire
12. Punte, Jorge Jimenez, Pamela
13. Royal, Tyson C

San Juan

14. Aiello, Paul
15. Bair, Jeremiah & Terica
16. Chinn, Kevin
17. Feliz, Jimmie
18. Free, Jonathan & Jennifer
19. Griem, Torsten
20. Hayden, Mark
21. Hull, Dale
22. Long, Michael J & Accetturo, Courtney A
23. Magana, Elena
24. McLean, Forrest
25. Paitson, Waverly A
26. Rhoades, Vicki J
27. Smith, Sherry
28. Soper, Kevin Matthew
29. Streck, Kathryn
30. Turner, Robbin

Shaw

31. Estate of James Haviland

MINUTES OF THE ANNUAL MEETING OF ORCAS POWER & LIGHT COOPERATIVE

The 76th Annual Meeting of the members of Orcas Power and Light Cooperative was called to order by President Chris Thomerson at 9:45 a.m. **May 4, 2013** aboard the M/V Elwha.

A quorum was met, with 231 members in attendance and 347 attendees.

Thomerson welcomed members and guests, and introduced the current Board of Directors: District 1 Vince Dauciunas and George Mulligan; District 2 Winnie Adams and Thomerson; District 3 Bob Myhr and James Lett; District 4 John Bogert. Guests welcomed included Stuart Clarke, BPA Senior Account Executive who has been attending for at least eighteen years and will retire in three months. Also acknowledged were Walt Wilson, General Pacific sales representative; Jess Case, Oldcastle sale representative, former director Ed Marble; and recent OPALCO retiree Ginny Reagles.

Thomerson introduced the Parliamentarian Brad Cattle, from the law firm of Anderson Hunter; Doug Pearson as Tally Committee Chair; and Dennis McKinney, Sergeant at Arms.

A motion was made and seconded to waive the reading of the Official Notice of the Meeting; motion carried. A motion was then made and seconded to waive the reading of the Minutes of the 2012 Annual Meeting; motion carried.

Board candidates from District 3 (Lopez, Decatur, Center and Charles Islands) were introduced and included Michael Karp, Jim Lett, Bob Myhr, and Dwight Lewis. Candidate Jerrold Gonce was not in attendance. District 4 (Shaw, Bell, Canoe and Crane Islands) candidate and incumbent John Bogert was introduced.

After giving members time to mark their ballots, Thomerson declared registration and balloting closed for this annual meeting.

Thomerson then spoke of the achievements OPALCO has earned this past year including a national award for our 75th anniversary website and the front cover of the NWPPA *Bulletin's* April 2013 issue.

The focus now will be on the next 75 years as the limits of hydroelectric resources become apparent, presenting new challenges and new opportunities. Forty-four local renewable energy producers generate a capacity of 244.72 kW. Five hundred members received energy efficiency rebates of \$264,470 representing 985,603 kWh saved.

"My Usage" will be introduced in the next month giving members utilizing "ebill" the ability to access graphs that show their own energy usage by hour, day, month or year.

OPALCO's proposed Broadband plan should be a complete technical solution to the county's needs. The plan provides a platform for emergency responder communications, mobile internet coverage in population centers and ferry landings, and enables cell providers the possibility of increasing their geographic coverage. The plan is costly and poses a significant financial challenge to our cooperative—it will take a majority of OPALCO members to pre-subscribe to the service and support the plan. Meanwhile management and the Board continue working to find the best, most affordable solution to the broadband problem. Meeting will begin in June to give members more information and hear feedback about the Broadband Initiative.

Thomas closed in saying that electricity is the clean, low cost, energy of choice; using it or switching to it makes good sense; using it efficiently makes super good sense.

The third annual Nourdine Jensen Scholarship Awards were presented to Maya Kidwell-Burt of Orcas Island High School; Bree Swanson of Lopez High School and Brodie Miller of Spring Street International School. Each student will receive a \$500 scholarship and a week at the Youth Rally Leadership Camp at the College of Idaho this summer.

Acting General Manager Foster Hildreth thanked everyone for attending and acknowledged The Galley Catering as well as the captain and crew of the Elwha. Hildreth noted that "The Next Chapter" remains to be written for OPALCO but that technology will play an important role. Reflecting back on 2012 it was noted that the Board approved \$628,000 in capital credit payments, replaced 76 distribution transformers with new more efficient models; replaced 4.2

miles of aging underground cable; installed new protective relays and power monitoring equipment in substations and installed fiber optic conduit whenever there was an open ditch for other work.

Hildreth encouraged participation in Project PAL, helping members with their power bills by “rounding up” their energy payment.

In closing, Hildreth stated that together we will write OPALCO’s next chapter as it belongs to the members, stating “we truly do get our power from you”.

Thomerson announced the six members whose absentee ballots were drawn to win a \$50 credit on their utility bill: Mick Foster, San Juan Island; Andre Hirss, Lopez Island; Brian Hurley, Orcas Island; D.N. Kinsey, Orcas Island; Warren Odegard, Decatur Island; and Michael Shaffer, Shaw Island.

Tally Committee Chairman Doug Pearson announced the following voting results for District 3:

	Total	Absentee	Annual Meeting
Jerry Gonce	440	427	13
Michael Karp	974	951	23
Jim Lett	1,188	1162	26
Dwight Lewis	728	714	14
Bob Myhr	1,499	1462	37

And District 4:

John Bogert	1,856	1811	45
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A total of 2,593 ballots were cast. Thomerson thanked all of the candidates for running.

Randy Cornelius, General Manager entertained questions from the floor with the assistance of Foster Hildreth.

There being no further business, Thomerson declared the meeting adjourned at 10:45 a.m. Door prizes were then awarded.

Chris Thomerson, President

John Bogert, Secretary-Treasurer

MINUTES OF A SPECIAL BOARD OF DIRECTORS MEETING ORCAS POWER & LIGHT COOPERATIVE

Thursday, March 6, 2014

President Chris Thomerson called the meeting to order at 11:00 am.

Present in the Eastsound office: Chris Thomerson (President), Winnie Adams and Glenna Hall.
Via telephone: Jim Lett, Bob Myhr, Vince Dauciunas, Attorney Art Butler and Attorney Joel Paisner

Also present in the Eastsound office were General Manager Randy Cornelius, Assistant General Manager Foster Hildreth and Executive Assistant Bev Madan.

Notice of Meeting

President Thomerson asked if any of the directors had any objections to the method of notification of the meeting; via roll call: Adams No; Dauciunas No; Hall No; Lett No; Myhr No. Myhr commented for the record that he would have preferred to delay discussion of the bylaw amendment for the next regularly scheduled board meeting.

Agenda Item Added

Hall moved to amend the agenda to add discussion of Jerry Whitfield's candidacy for the District 4 vacancy on the Board of Directors. The motion was seconded; the motion carried via roll call vote: Adams Yea; Dauciunas Yea; Hall Yea; Lett Yea; Myhr Yea.

Bylaw Article I Section 10 – Removal of Directors and Officers

After discussion Myhr moved to accept the changes to Bylaw Article I Section 10; the motion was seconded. The motion carried by roll call vote: Adams Yea; Dauciunas Yea; Hall Yea; Lett Yea; Myhr Yea. The bylaw, with changes highlighted, now reads:

Any energy member may seek removal of a director or officer by bringing written charges of malfeasance or misfeasance against an officer or director by filing them in writing with the secretary, at least 30 days prior to any annual or special meeting of the energy members of the Cooperative, together with a petition signed by ten percent (10%) of the energy members, requesting the removal of the officer or director in question. The secretary shall provide a copy of the charges to the director or officer being charged within five (5) business days of their filing with the secretary. To be considered, the removal request must state sufficient facts in writing to support the charge of malfeasance or misfeasance. The Board of Directors, excluding the director or officer subject to the charges, with the advice of the cooperative's counsel, shall determine whether the removal request states sufficient facts to support the charges. In the event all members of the Board of Directors are subject to petitions charging malfeasance or misfeasance at the same time, the President shall appoint an independent committee made up of seven (7) energy members from the districts established in Article III, Section 2 of these Bylaws, reflecting the same District representation as the then current Board of Directors. The independent committee, with the advice of the cooperative's counsel, shall determine whether the removal request states sufficient facts to support the charges by a majority vote. A removal request that has been found to be sufficient shall be considered at the next regular or special meeting of the energy members. The director or officer against whom such charges have been brought shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity. Following the presentations, all members shall be entitled to vote on the requested removal, based upon the factual allegations in the removal request presented. The vote on the removal petition shall be by mail and/or electronic transmission. The secretary shall arrange for distribution of absentee ballots to the membership electronically after the presentations at the regular or special meeting of the energy members, and shall include a transcript of the meeting, written materials from the members charging malfeasance or misfeasance in the removal petition and the written response from the director or officer who is the subject of the petition. Absentee ballots shall be marked "Yes" or "No" on whether the director or officer shall be removed. Voting shall be concluded thirty (30) days after the date ballots were electronically distributed to the membership. Members may complete ballots either by mailing them to the cooperative or returning them electronically to the cooperative, within the thirty (30) day period set for voting. Votes shall be tabulated by an independently hired accountant selected solely for that purpose, who will certify the results to the Board of Directors. In the event a director or officer is removed, a replacement director shall be appointed pursuant to Article III, Section 4 to complete any of the removed director or officer's unexpired term. In the event all directors are removed, the membership shall immediately call

for an election of replacement directors, for the remainder of the term each prior director was serving.

District 4 Vacancy

Myhr moved to appoint Jerry Whitfield to fill the vacancy in District 4 which represents Shaw Island effective with the March 20 board meeting. The motion was seconded and carried by roll call vote: Adams Yea; Dauciunas Yea; Hall Yea; Lett Yea; Myhr Yea.

Adjournment

The meeting adjourned at 11:40 a.m.

Chris Thomerson, President

Jim Lett, Secretary/Treasurer

CAPITAL CREDITS
March 2014

Application has been received for payment of capital credits to the estates of the following deceased members:

Marjorie Belvin.....	\$2,389.92
Annetha Schmitt	\$507.31
Thelma A. Water.....	\$799.96

And from organizations no longer in business:

Friday Harbor Realty, Inc.....	\$771.39
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Total	\$4,468.58
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MEMORANDUM

March 4, 2014

TO: Board of Directors
FROM: Randy J. Cornelius
RE: NWPPA Voting Delegate Designation

NWPPA will hold its annual conference and membership meeting at the Holiday Inn Grand Montana in Billings, Montana May 19-23.

Staff requests a motion to designate a primary voting delegate as well as an alternate.

MEMORANDUM
CONFIDENTIAL ATTORNEY CLIENT COMMUNICATION

TO: OPALCO Board of Directors

FROM: Mr. Joel Paisner, Ascent Law Partners, LLP
Mr. Arthur Butler, Ater Wynne, LLP

DATE: January 30, 2014

RE: Member Proposed Bylaw Amendment Regarding Charges for Non-Electric Service

INTRODUCTION

We have been asked to review the proposed bylaw amendment offered by a petition from OPALCO members in advance of the annual meeting of members. This memorandum will address the amendment regarding a proposed limitation on certain charges for non-electric services.

PETITION LIMITING NON-ELECTRIC CHARGES FOR SERVICES

A member petition was submitted to the Board of Directors that proposes in material part as follows:

NEW SECTION 7 TO ARTICLE VIII. If the Cooperative...engages in the business of furnishing goods or services, including, but not necessarily limited to: administration, advertising, equipment, maintenance, and operation other than for the specific purposes of purchase and/or distribution of electric energy to energy members or to non-energy members, all costs of such goods and services shall be borne solely by the users of such goods and services. Energy members and non-energy members using such goods and services shall be billed separately from the costs of purchasing and/or distributing electric energy.

The proposed bylaw amendment has several defects. First, by its terms it would effectively establish distinct classes of memberships – energy members and non-energy members. Any and all costs related to the sales of electric energy may be charged to all members of the cooperative. Any and all costs incurred for the sale of goods or services other than electric energy, may only be borne by subscribers of those services. By its terms, the petition contemplates that non-cooperative members may subscribe to such services, unlike energy members, who must be accepted as

members of the cooperative before receiving energy services.¹ The amended articles of incorporation specifically grant to the Board of Directors the ability to create different classes of members, not the bylaws.

There shall be one class of memberships called “Energy Members” as hereinafter defined, and such other classes of memberships *as shall be established by resolution of the Board of Directors*. Article VII, Section 1. (emphasis added).

This is consistent with RCW 24.06.065 that allows creation of new membership classifications, but only as prescribed in the articles of incorporation.

Thus, absent such a resolution of the Board of Directors – as required by the amended articles of incorporation, the proposed bylaw amendment will be in conflict with the amended articles of incorporation. The bylaws must not conflict with the articles of incorporation. Provisions of the articles will control over provisions of the bylaws where they are inconsistent. See RCW 24.06.020.

Additionally, this amendment is confusing, and seeks to amend the wrong section of the bylaws. Both of these flaws introduce confusion into the cooperative’s bylaws. As drafted, the amendment states that OPALCO furnishes the following goods and services: “administration, advertising, equipment and operation.” Those are certain costs incurred by OPALCO, but are not specific goods and services provided by it to its membership. The cooperative provides electric energy services to its membership, but, for example, it does not provide advertising services for sale. It is difficult to determine the exact meaning of this proposed amendment. The proposed bylaw amendment also seeks to amend Article VIII of the bylaws which solely addresses the nonprofit aspects of the corporation, such as patronage capital, treatment of capital credits, and refunds. This section has nothing to do with allocating costs to certain classes of members. As a result, the offered bylaw amendment would create confusion in the bylaws, and potentially create inconsistencies where there are none.

¹ Article VII, Section 1 of the amended articles of incorporation defines Energy Members.

POLICY 1

FUNCTIONS OF THE BOARD OF DIRECTORS

Preamble

This policy is the responsibility of the Board and it may be changed or amended only by the Board.

Board Governance policies are intended to define the Governance activities of the Board of Directors and their functioning within the Organization.

Board-authorized documents such as Mission and Values Statements and Strategic Directives will provide further guidance and instructions to the Organization.

All of the powers of the cooperative are conferred upon and may be exercised by the Board of Directors, except as reserved to or conferred upon its members by law, the Articles of Incorporation, or the Bylaws. ~~It is the purpose of this policy to identify and establish standards where such power may be exercised in the best interests of the cooperative.~~

This policy establishes Board of Director duties, roles, and policies to enable it to effectively and efficiently fulfill its purposes on behalf of the members it serves. The Board seeks to develop policies consistent with its Articles of Incorporation, Bylaws, and the general law. It seeks to conduct business at the highest ethical level, hire appropriate consultants and counsel, and establish an operating structure that will provide its members with the highest service levels. OPALCO shall be managed by a General Manager ~~that who~~ reports directly to the Board of Directors, ~~and~~ who ~~will be is~~ responsible for the implementation of policies developed and approved by the Board of Directors. The Board of Directors seeks to communicate its policies clearly and directly to the General Manager, its membership, and other important stakeholders involved in the cooperative. ~~It is the purpose of this policy to identify and establish standards whereby the Board's such power may be exercised in the best interests of the cooperative system.~~

1. FIDUCIARY RELATIONSHIP

1.1 ~~Legal~~ Duties

Directors ~~hold a are subject to legal standards of~~ fiduciary ~~duty and~~ responsibility ~~to the cooperative.~~ These ~~responsibilities~~ include the duties of care and loyalty.

Under the duty of care, directors are required to:

- i. Exercise that degree of care that an ordinarily prudent person would exercise under similar circumstances.
- ii. Have or acquire the minimum knowledge and skills necessary to direct the affairs of the cooperative.

- iii. Make every effort to attend all meetings of the board and to study materials sent prior to each board meeting.
- iv. Study and adhere to all obligations imposed by the Articles of Incorporation, the bylaws, contractual agreements and board policies.

Under the duty of loyalty, directors are required to:

- i. Act only in the best long term interest of the cooperative and its members.
- ii. Place the interests of the cooperative over any personal and personal business interests.
- iii. Avoid conflict of interest and the appearance of any conflict of interest, as further defined in Policy 23 and consistent with cooperative these policies.
- ~~iv.~~ Avoid any future conflict of interest by refusing to receive any remuneration from any entity proposing to purchase all or substantially all of the assets of the cooperative.
- ~~v.iv.~~ Represent and support the interests of the cooperative to elected and public officials.
- ~~vi.v.~~ Publicly support actions decisions of the board except in extraordinary circumstances where the director reasonably believes that there is a clear and present threat to the survival of substantial harm to the cooperative

1.2 If the Board should determine that an incumbent, nominee or potential appointee lacks, or has lost, any of the necessary legal qualifications, it is the duty of the Board to remove such incumbent or to declare such nominee or potential appointee ineligible for election, whichever may be the case. By adopting, publishing and appropriately disseminating this Policy, it is the Board's respectful hope- intent that Board member incumbents, nominees or potential appointees will not only be fully apprised of these requirements, but mindful of their importance in deciding whether to continue or commence service on the Board.

2. BOARD ETHICAL STANDARDS

The Board may neither cause nor allow any o Organizational practice or event that is imprudent or unethical, or that could damage the short-term or long-term viability of OPALCO. Board members should conduct themselves, personally and professionally as well as in their representative capacity for the Cooperative, in accordance with the

highest ~~of moral and~~ ethical standards, ~~and avoid the appearance of any conduct inconsistent with such standards~~. This policy shall be consistent with the general ethics policy adopted by the Board of Directors.

23. CONFIDENTIALITY

Directors are required to keep confidential all matters involving the cooperative that have not been disclosed to the public. Information received by a director shall not be disclosed to any other persons unless the director reasonably believes that he or she must do so to fulfill his fiduciary duty. This confidentiality obligation shall continue after the director completes ~~service on the Board of Directors~~ the term of service.

4. DIRECTOR CONDUCT

Regardless of any personal differences, directors are required to:

4.1 Foster an environment where expression of individual experience, expertise and point of view shall be encouraged where relevant to the discussion at hand.

4.2 Demonstrate mutual respect and allow opportunity for every other director to be heard on any matter being considered by the Board.

4.3 Publicly ~~support respect~~ support decisions of the Board such that the board speaks with one voice, except in extraordinary circumstances where the director reasonably believes can demonstrate that a decision or action will bring substantial ~~significant~~ harm to the cooperative or threaten the cooperative's survival.

4.4 Refrain from revealing to persons other than directors, the General Manager, or the cooperative's attorney any differences of opinion among directors on matters ~~both~~ either considered by ~~and/or~~ acted upon by the Board in executive session. (This standard does not preclude fair and accurate publication of such differences to the cooperative's members in relation to contests for director elections or other matters to be voted upon by the members. Nor does it impinge upon a director's right to dissent and to have his dissenting vote recorded in the minutes.)

4.5 Recognize that personal notes taken during meetings are legally discoverable unless intended to be and identified as Attorney/Client Privileged communications.

4.6 Recognize that the Board acts as a collective body at regularly scheduled and special Board Meetings and that the development of policy and direction to the General Manager is best done at those regularly scheduled and special meetings when all Board members can be present.

4.7 ~~Each Board member has an obligation to help members of the Cooperative, the media, and the general public to the Cooperative in the best possible light. Public comment, whether to a group or an individual, must be supportive of the Cooperative's initiatives, activities, and personnel. Disagreements are to be aired in confidence, in the~~

~~Board room.~~ Each Board member has an obligation to help members of the Cooperative, the media, and the general public to put the Cooperative in the best light. Public comment, whether to a group or an individual, must be supportive of the Cooperative's initiatives, activities, and personnel. When in executive session, any disagreements are to be held in confidence, in the Board room, and once a decision has been reached, the board is to speak with one voice.

45. CONFLICT OF INTEREST DISCLOSURE

Board members are required to disclose any possible conflicts between their ~~non-OPALCO~~ ~~personal~~ interests and the interests of OPALCO with regard to ongoing or specific transactions on any matters before the Board and to fully comply with Policy 23, Conflict of Interest. Board members shall attest annually in writing that they have no material undisclosed conflicts of interest with OPALCO.

6. BOARD MEMBER ACCESS TO INFORMATION

Any Board member is entitled to have access to any data or information of the Cooperative, at reasonable times during business hours and for a proper purpose that is germane to his or her standing as a Board member. This principle is subject to and will be honored in accordance with the following standards:

- 6.1 All requests for such information or data shall be made to and through the General Manager. In no case whatever (unless after consultation with and being advised otherwise by the Cooperative's counsel because an actual or potential criminal activity of the General Manager is involved) shall such information or data be sought by a Board member through other employees, agents, or independent contractors.
- 6.2. In any instance in which a Board member has sought access to information or data not generally or ordinarily made available or reported to the Board, the General Manager shall so report in detail to the next succeeding meeting of the Board.
- 6.3. Information or data received by a Board member pursuant to this policy shall not be revealed by him to any other persons (the remaining Board members and General Manager excepted) unless he is ~~sincerely convinced that to do so is compelled by law, the overriding best interests of the Cooperative~~ ~~compelled by law~~, or to fulfill his or her fiduciary duty.
- 6.4. In no case should a Board member reveal to others information and data he receives because of his inside position in the Cooperative if the actual or potential effect of such revelation is to damage the Cooperative, including its image

7. BOARD MEMBER QUALIFICATIONS

- 7.1 Board members shall be competent to sign legal contracts and shall exercise their best business judgment in performing their duties as Directors.

- 7.2 Board members are required to attend Board meetings as specified in other governing documents and to travel and perform other reasonably required duties in a safe and competent manner.
- 7.3 Board members are required to complete an initial orientation conducted by the Board President and General Manager within 45 days and are encouraged to achieve NRECA Credentialed Cooperative Director status or equivalent within 24 months of first election to the Board.
- 7.4 Board members are required to complete one or more relevant ongoing one day educational sessions during each additional three years of tenure.
- 7.5 Board members are encouraged to attend conferences and other activities designed to improve their skills and knowledge. The expenses of enrollment and attendance at Board training programs are paid by the cooperative. Board training programs shall be conducted within the confines of an annual budget established by the Board of Directors for this purpose.

8 BOARD POLICIES AND STRATEGIC DIRECTIVES

- 8.1 The Board shall whenever possible formally and explicitly express the Board's expectations and standards regarding General Manager, Board, and Organizational performance.
- 8.2 Board Policies shall address matters that are expected to be permanent and pervasive in nature and define the limitations imposed on the General Manager and the Cooperative.
- 8.3 Board Strategic Directives shall address matters that may be impermanent in nature, address specific circumstances, may terminate when complete or rendered obsolete by changing circumstance and provide guidance in addressing the goals and objectives of the Cooperative.
- 8.4 Any Board member may propose a new policy, ~~or amendment~~ or strategic directive or amendment to a current policy.
- 8.5 All Board Policies and Strategic Directives shall be maintained up-to-date in a format that is available to every Board member,
- 8.6 The Board shall review its own Policies and Strategic Directives for relevance, appropriateness and benefit to OPALCO at least annually.

9. STRATEGIC PLANNING

The Board shall set the Cooperative's mission and purposes, engage in strategic planning on a regular basis and produce Strategic Directives, to be reviewed and updated at least annually.

10. OVERSIGHT

The Board shall provide oversight of the cooperative including the adoption of policies and monitoring for compliance with legal and regulatory requirements as well as the adequacy of internal controls, primarily through appropriate use of Auditors and Legal Counsel

11. BOARD INTERACTION WITH AUDITORS

The Board shall approve an engagement agreement for annual audit services to be provided to the cooperative that:

- 11.1 Requires pre-approval by the Board for all services to be provided by the audit firm.
- 11.2 Sets out the scope of the audit, its objective and purposes, and deadlines for work to be performed.
- 11.3 Specifies all fees to be paid for all audit, audit-related and tax work provided by the audit firm.
- 11.4 If a multi-year agreement, provides for regular rotation of the ~~lead~~-audit partner personnel.
- 11.5 Complies with all RUS Policies and ~~for~~ other applicable regulatory standards on Audits.

12. BOARD INTERACTION WITH LEGAL COUNSEL

This policy shall outline the Board and Cooperative's relationship with its legal counsel.

- 12.1. The Board shall make all decisions regarding retaining, employing, and discharging attorneys for the cooperative.
- 12.2. The Board reaffirms that the attorney represents the cooperative and does not represent individual directors, officers, employees, or members or affiliated entities of the cooperative, unless the Board consents to such representation and the attorney has complied with applicable conflict of interest requirements.
- 12.3. The Board shall require the attorney to keep the Board and the General Manager informed of matters for which the attorney is providing legal services.
- 12.4. The Board shall require the attorney to report evidence of any actual or intended material violation of law or material breach of duty that would likely cause substantial harm.

13. BOARD INTERACTION WITH THE COMMITTEE ON NOMINATIONS

This policy is intended to provide guidance for the Board and the Committee on Nominations and in no way overrides ~~nor or~~ supersedes any requirement in OPALCO Bylaws or Articles of Incorporation, or other applicable state or federal requirements.

Committee on Nominations Purpose:

To facilitate the ability of the membership to elect board members most qualified and appropriate to serve in the best interests of OPALCO as a member-owned non-profit cooperative.

To both recruit members who are both competent, and willing and able to commit to serve on the OPALCO board if elected.

- 13.1 The Board will act to minimize conflict of interest exposure of staff in the Board election process.

13.2 Committee on Nominations Appointment

The OPALCO Board as a whole will propose and consider suitable qualified members from the Voting District and will appoint the members of each Committee on Nominations.

13.3 Committee on Nominations Preparation

The Board will instruct members of the Committee on Nominations to meet with OPALCO staff for a Board approved orientation.

13.4 Election Notifications

The Board will direct the General Manager to have notices placed on appropriate visible public bulletin boards, newspapers, websites, and other appropriate media as soon as practicable after the Committee on Nominations appointment. These notices will serve to attract and facilitate interested candidates to contact the Committee on Nominations.

- 13.5. The Board will require each proposed nominee to the board to acknowledge and agree to this policy in writing.

14. GENERAL MANAGER

The Board selects the General Manager, and regularly evaluates performance, and sets his compensation. The Board shall retain a competent General Manager to whom it delegates authority and responsibility for the operation of cooperative within the limits of the Bylaws, this and other approved policies, programs and budget. Policy 2 elaborates the specific delegations to the General Manager from the Board.

14.1 Board Interaction with General Manager

- 14.1.1 The Board develops the policies of OPALCO, consistent with the Articles of Incorporation, Bylaws, general law and these policies. The Board directs the General Manager to achieve specific results within these laws and policies. The General Manager is authorized to make all decisions, take all actions, and establish all practices to achieve these specified results that are consistent with Board policies.

- 14.1.2 The Board may change its policies and thus the expectations or limitations imposed on the General Manager. The Board shall communicate any changes clearly to the General Manager. So long as any particular delegation is in place the Board members will respect and support the General Manager's choices.
- 14.1.3 All Board authority is delegated to the General Manager. The General Manager is to be considered the only employee of the Board. It is understood that the “flow” of authority for the management of the cooperative shall pass through the General Manager, and the General Manager shall be the connecting link between the Board of Directors and the employees. The Board of Directors shall require full and complete information from the General Manager concerning all matters in connection with the management of the cooperative as set forth in these Board policies. The General Manager shall establish an organizational structure, a budgetary framework, and schedule to implement Board approved policies that effectively and efficiently achieve cooperative's aims, purposes and objectives.
- 14.1.4 Only decisions of the Board acting as a body are binding upon the General Manager. The Board understands that it acts as a collective body, and that each Director understands that he or she must not individually exert pressure upon the General Manager.
- 14.1.5 Decisions or instructions of individual Board members, officers, or committees are not binding on the General Manager except in circumstances where the Board has specifically authorized such exercise of authority.
- 14.1.6 In the case of Board members requesting information or assistance without Board authorization, the General Manager can refuse such requests that require in his judgment a material amount of staff time or funds or are disruptive, and any such requests are to be consistent with the director's role as established in this Policy.

14.2 General Manager Relationship Review

The Board shall ensure that the General Manager knows and understands the expectations and limitations it has placed on discretionary decision making. These expectations and limitations shall be identified in approved policies or directives. Such policies and directives shall be used as the foundation for the annual appraisal of the General Manager's performance.

15. BOARD EVALUATION

The Board shall complete an annual evaluation of its performance and accomplishments in relation to the goals and mission of OPALCO, to confirm its compliance with all relevant policies and procedures, and to review its working methods and contribution to OPALCO.

16. BYLAWS MANDATED BOARD WORK [\[NOTE: IS THIS SECTION REQUIRED?\]](#)

- 16.1 New Memberships. The Board approves new memberships according to Bylaws Article I Section 2.

16.2 Membership fee

The Board sets the initial membership fee according to Bylaws Article I Section 3

Expulsion of Members

The Board shall expel any member according to Bylaws Article I Section 6.

16.4 Annual Meeting Date Selection

The Board selects the date for Annual Meeting according to Bylaws, Article II Section1.

16.5 Committee on Nominations

The Board appoints a committee on nominations for each election according to Bylaws, Article III Section 3.

16.6 Board Vacancy Replacements

The Board fills Board vacancies according to Bylaws, Article III Section 4. 14.7 Director Compensation

The Board sets a fixed sum and expenses for attendance of meetings on behalf of the Coop. according to Bylaws Article III Section 5.

16.8 Annual Audit

The Board provides for an annual audit, the Officers present an audit summary at the next annual meeting which follows after completion of each audit according to Bylaws Article III Section 7.

16.9 Annual Meeting Report

The Officers report the condition of the cooperative at the Annual Meeting according to Bylaws, Article V Section12.

16.10 Contracts

The Board may authorize any officer or agent to enter into contracts on behalf of the Coop in general or in specific instances according to Bylaws Article VII Section1.

16.11 Capital Credits

The Board shall be responsible for establishing policies for the retirement of capital credits and shall review and approve the pay-out of retired capital credits. Members relinquishing their membership may have their Capital Credits retired at a discounted rate. At the Board's discretion, discounted rate retirements may be used to reduce outstanding or delinquent billing amounts.

Board approval is required for retirement payments according to Bylaws Article VIII Section 2.

The Board may distribute forfeit capital credits to the "Education and Promotion Fund" or the "Retirement and Replacement Fund" according to Bylaws Article VIII Section 5.

16.12 Disposition of Assets

The Board may dispose of unnecessary property not exceeding 10% of the value of all property of the Cooperative according to Bylaws Article X Section 1.

16.13 Other Organizations

The Board shall authorize membership in other organizations according to Bylaws Article XII

16.14 Bylaws Amendments

The Board shall make necessary Bylaws amendments according to Bylaws Article XIV Section1.

ORCAS POWER & LIGHT COOPERATIVE
POLICY 1
FUNCTIONS OF THE BOARD OF DIRECTORS

Preamble

This policy is the responsibility of the Board and it may only be changed or amended by the Board.

Board Governance policies are intended to define the Governance activities of the Board of Directors and their functioning within the Organization.

Board-authorized documents such as Mission and Values Statements and Strategic Directives will provide further guidance and instructions to the Organization.

1. BOARD ETHICAL STANDARDS

The Board may neither cause nor allow any Organizational practice or event that is imprudent or unethical, or that could damage the short-term or long-term viability of OPALCO.

2. CONFIDENTIALITY

Directors are entitled to reasonable access to Organizational data and information.

Directors are required to keep confidential all matters involving the cooperative that have not been disclosed to the public. Information received by a director shall not be disclosed to any other persons unless the director reasonably believes that he or she must do so to fulfill his fiduciary duty.

3. DIRECTOR CONDUCT

Regardless of any personal differences, directors are required to:

- 3.1 Foster an environment where expression of individual experience, expertise and point of view shall be encouraged where relevant to the discussion at hand.
- 3.2 Demonstrate mutual respect and allow opportunity for every other director to be heard on any matter being considered by the Board.
- 3.3 Publicly support decisions of the Board except in extraordinary circumstances where the director can demonstrate that a decision or action will bring harm to the cooperative or threaten the cooperative's survival.
- 3.4 Refrain from revealing to persons other than directors, the General Manager, or the cooperative's attorney any differences of opinion among directors on matters considered and acted upon by the Board. (This standard does not preclude fair and accurate publication of such differences to the cooperative's members in relation to contests for director elections or other matters to be voted upon by the members. Nor does it impinge upon a director's right to dissent and to have his dissenting vote recorded in the minutes.)
- 3.5 Recognize that personal notes taken during meetings are legally discoverable unless intended to be and identified as Attorney/Client Privileged communications.

4. CONFLICT OF INTEREST DISCLOSURE

Board members are required to disclose any potential conflict of interest with regard to ongoing or specific transactions on any matters before the Board and shall attest that they have no material undisclosed conflict of interest situations in writing annually.

5. BOARD MEMBER QUALIFICATIONS

- 5.1 Board members shall be competent to sign legal contracts and shall exercise their best business judgment in performing their duties as Directors.
- 5.2 Board members are required to attend Board meetings as specified in other governing documents and to travel and perform other reasonably required duties in a safe and competent manner.
- 5.3 Board members are required to complete an initial orientation conducted by the Board President and General Manager within 45 days and are encouraged to achieve NRECA Credentialed Cooperative Director status or equivalent within 24 months of first election to the Board.
- 5.4 Board members are required to complete one or more relevant ongoing one day educational sessions during each additional three years of tenure.
- 5.5 Board members are encouraged to attend conferences and other activities designed to improve their skills and knowledge. The expenses of enrollment and attendance at Board training programs are paid by the cooperative. Board training programs shall be conducted within the confines of an annual budget established by the Board of Directors for this purpose.

6. BOARD POLICIES AND STRATEGIC DIRECTIVES

- 6.1 The Board shall whenever possible formally and explicitly express the Board's expectations and standards regarding General Manager, Board, and Organizational performance.
- 6.2 Board Policies shall address matters that are expected to be permanent and pervasive in nature and define the limitations imposed on the General Manager and the Cooperative.
- 6.3 Board Strategic Directives shall address matters that may be impermanent in nature, address specific circumstances, may terminate when complete or rendered obsolete by changing circumstance and provide guidance in addressing the goals and objectives of the Cooperative.
- 6.4 Any Board member may propose a new policy or amendment to a current policy.
- 6.5 All Board Policies and Strategic Directives shall be maintained up-to-date in a format that is available to every Board member,
- 6.6 The Board shall review its own Policies and Strategic Directives for relevance, appropriateness and benefit to OPALCO at least annually.

7. STRATEGIC PLANNING

The Board shall set the Cooperative's mission and purposes, engage in strategic planning on a regular basis and produce Strategic Directives, to be reviewed and updated at least annually.

8. OVERSIGHT

The Board shall provide oversight including the adoption of policies and monitoring for compliance with legal and regulatory requirements as well as the adequacy of internal controls, primarily through appropriate use of Auditors and Legal Counsel.

9. BOARD INTERACTION WITH AUDITORS

The Board shall approve an engagement agreement for annual audit services to be provided to the cooperative that:

- 9.1 Requires pre-approval by the Board for all services to be provided by the audit firm.
- 9.2 Sets out the scope of the audit, its objective and purposes, and deadlines for work to be performed.
- 9.3 Specifies all fees to be paid for all audit, audit-related and tax work provided by the audit firm.
- 9.4 If a multi-year agreement, provides for regular rotation of the lead audit partner.
- 9.5 Complies with all RUS Policies and/or other applicable regulatory standards on Audits.

10. BOARD INTERACTION WITH LEGAL COUNSEL

The Board shall:

- 10.1. Make all decisions regarding retaining, employing, and discharging attorneys for the cooperative.
- 10.2. Reaffirm that the attorney represents the cooperative and does not represent individual directors, officers, employees, or members or affiliated entities of the cooperative, unless the Board consents to such representation and the attorney has complied with applicable conflict of interest requirements.
- 10.3. Require the attorney to keep the Board and the General Manager informed of matters for which the attorney is providing legal services.
- 10.4. Require the attorney to report evidence of any actual or intended material violation of law or material breach of duty that would likely cause substantial harm.

11. BOARD INTERACTION WITH THE COMMITTEE ON NOMINATIONS

This policy is intended to provide guidance for the Board and the Committee on Nominations and in no way overrides nor supersedes any requirement in OPALCO Bylaws or Articles of Incorporation, or other applicable state or federal requirements.

Committee on Nominations Purpose

To facilitate the ability of the membership to elect board members most qualified and appropriate to serve in the best interests of OPALCO as a member-owned non-profit cooperative.

To both recruit members who are competent, willing and able to commit to serve on the OPALCO board if elected.

11.1 The Board will act to minimize conflict of interest exposure of staff in the Board election process.

11.2 Committee on Nominations Appointment

The OPALCO Board as a whole will propose and consider suitable qualified members from the Voting District and will appoint the members of each Committee on Nominations.

11.3 Committee on Nominations Preparation

The Board will instruct members of the Committee on Nominations to meet with OPALCO staff for a Board approved orientation.

11.4 Election Notifications

The Board will direct the General Manager to have notices placed on appropriate visible public bulletin boards, newspapers, websites, and other appropriate media as soon as practicable after the Committee on Nominations appointment. These notices will serve to attract and facilitate interested candidates to contact the Committee on Nominations.

12. GENERAL MANAGER

The Board selects the General Manager, and regularly evaluates performance, and sets his compensation.

12.1 Board Interaction with General Manager

12.1.1 The Board will direct the General Manager to achieve specific results within the restraint of specific limitations. He is authorized to make all further decisions, take all actions, and establish all practices to achieve these specified results that do not transgress the limitations imposed.

12.1.2 The Board may change its policies and thus the expectations or limitations imposed on the General Manager. So long as any particular delegation is in place the Board members will respect and support the General Manager's choices.

12.1.3 All Board authority is delegated through the General Manager. The General Manager is to be considered the only employee of the Board.

12.1.4 Only decisions of the Board acting as a body are binding upon the General Manager.

12.1.5 Decisions or instructions of individual Board members, officers, or committees are not binding on the General Manager except in circumstances where the Board has specifically authorized such exercise of authority.

12.1.6 In the case of Board members requesting information or assistance without Board authorization, the General Manager can refuse such requests that require in his judgment a material amount of staff time or funds or are disruptive.

12.2 General Manager Relationship Review

The Board shall ensure that the General Manager knows and understands the expectations and limitations it has placed on discretionary decision making. These expectations and limitations shall be identified in approved policies or directives. Such policies and directives shall be used as the foundation for the annual appraisal of the General Manager's performance.

13. BOARD SELF-EVALUATION

The Board shall complete an annual self-evaluation of its performance and accomplishments in relation to the goals and mission of OPALCO, to confirm its compliance with all relevant policies and procedures, and to review its working methods and contribution to OPALCO.

14. BOARD SUBCOMMITTEES

14.1 Board subcommittees will be formed, defined, controlled, and dissolved by action of the Board;

14.2 Authority of any subcommittee will be limited to reporting findings to the Board, unless specifically authorized by the Board. No action may be taken by a subcommittee unless authorized specifically or in general by the Board;

- 14.3 Board member participation in any subcommittee will be determined and controlled by the Board. There will be no more than three Board members on any subcommittee;
- 14.4 Employee involvement with a subcommittee will only be with the agreement of the General Manager;
- 14.5 The General Manager shall be kept informed of the work of the subcommittee;
- 14.6 Communications with employees will be copied to the General Manager.
- 14.7 Purpose may include a review of methods, plans, or results, propose solutions, strategic directives;
- 14.8 Duration of the subcommittee shall be at the pleasure of the Board.

APPENDIX 1

BYLAWS MANDATED BOARD WORK

Annual Meeting

Date Selection

The Board selects the date for Annual Meeting according to Bylaws, Article II Section1.

Report

The Officers report the condition of the cooperative at the Annual Meeting according to Bylaws, Article V Section12.

Audit

The Board provides for an annual audit. The Officers present an audit summary at the next annual meeting which follows after completion of each audit according to Bylaws Article III Section 7.

Board of Directors

Committee on Nominations

The Board appoints a Committee on Nominations for each election according to Bylaws, Article III Section 3.

Compensation

The Board sets a fixed sum and expenses for attendance of meetings on behalf of the Coop. according to Bylaws Article III Section 5.

Vacancy Replacements

The Board fills vacancies according to Bylaws, Article III Section 4.

Bylaws

Amendments

The Board shall make necessary Bylaws amendments according to Bylaws Article XIV Section1.

Contracts

The Board may authorize any officer or agent to enter into contracts on behalf of the Coop in general or in specific instances according to Bylaws Article VII Section1.

Capital Credits

The Board shall be responsible for establishing policies for the retirement of capital credits and shall review and approve the payout of retired capital credits.

At the Board's discretion, discounted rate retirements may be used to reduce outstanding or delinquent billing amounts. Board approval is required for retirement payments according to Bylaws Article VIII Section 2.

The Board may distribute forfeit capital credits to the "Education and Promotion Fund" or the "Retirement and Replacement Fund" according to Bylaws Article VIII Section 5.

Disposition of Assets

The Board may dispose of unnecessary property not exceeding 10% of the value of all property of the Cooperative according to Bylaws Article X Section 1.

Members

Expulsion

The Board shall expel any member according to Bylaws Article I Section 6.

Membership fee

The Board sets the initial membership fee according to Bylaws Article I Section 3.

New Members

The Board approves new memberships according to Bylaws Article I Section 2

Other Organizations

The Board shall authorize membership in other organizations according to Bylaws Article XII.

Christopher Thomerson, Board President

Effective Date August 15, 2013

Orcas Power and Light Cooperative
Cash Recap
February 28, 2014

	Rate	Term	Due Date	Amount	Total Balance
GENERAL FUNDS:					
Cash on Hand				600	
Cash in Checking - Key Bank				76,127	
Cash in Checking/MMDA/Construction - Islanders Bank				1,151,645	
Cash in Checking/Savings/Payroll - Wells Fargo				336,911	
SUBTOTAL GENERAL FUNDS					1,565,283
CASH RESERVE FUND:					
CFC Commercial Paper	0.10%	15	3/14/14	250,000	
CFC Commercial Paper	0.12%	45	3/31/14	250,011	
CFC Commercial Paper	0.12%	40	4/9/14	250,025	
CFC Commercial Paper	0.14%	62	4/30/14	250,000	
CFC Commercial Paper	0.14%	78	5/16/14	250,000	
CFC Commercial Paper	0.16%	92	5/30/14	250,000	
SUBTOTAL CASH RESERVE FUND					1,500,036
RESTRICTED FUND:					
CFC Select Notes	0.4600%	160	3/24/14	351,382	
CFC Select Notes	0.3700%	160	4/21/14	352,646	
CFC Select Notes	0.3700%	162	5/27/14	279,084	
CFC Select Notes	0.3600%	159	7/14/14	200,324	
CFC Select Notes	0.3500%	160	7/14/14	350,568	
CoBank - AIM				151,628	
Home Street Bank	0.3490%	547	4/29/15	104,959	
Washington Federal Savings	0.4000%	365	5/19/14	108,866	
Washington Federal Savings	0.4000%	395	12/29/14	107,784	
SUBTOTAL RESTRICTED FUNDS					2,007,240
GRAND TOTAL FUND ENDING BALANCE 2/28/14					<u>5,072,559</u>

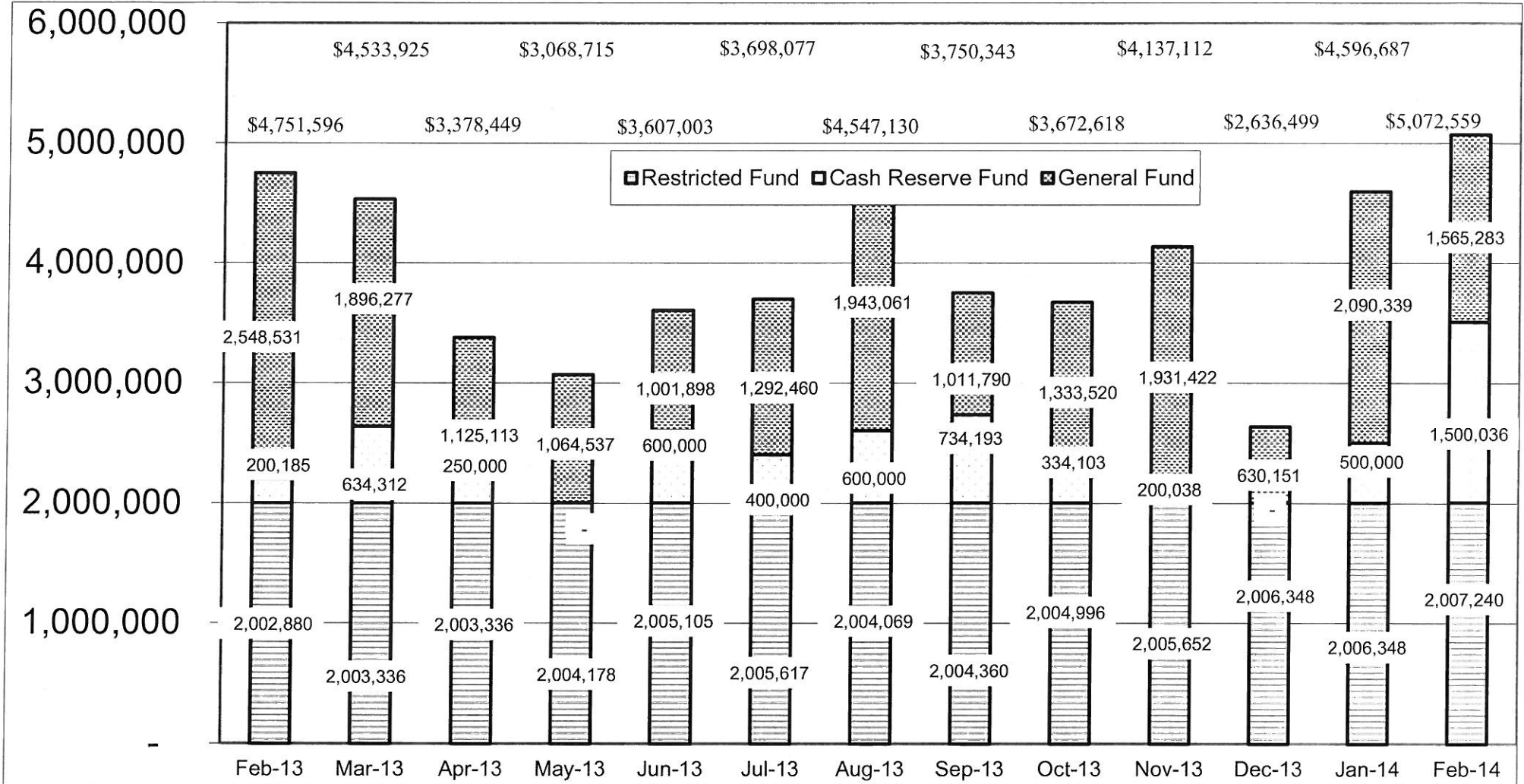
Project PAL: Islanders Bank	<u>16,394</u>
MORE Program: Islanders Bank	<u>154,238</u>
RUS Cushion of Credit *	<u>1,024,312</u>

CASH PROJECTION:
March 31, 2014

GENERAL FUNDS:					
Beginning Cash 2/28/14				1,565,283	
Estimated Revenue (based on 95% of billing)				2,346,051	
Estimated Other Revenue				20,000	
Estimated Transfer From Reserve Fund				68,000	
Estimated Transfer From RUS Cushion of Credit				235,000	
Subtotal Cash/Revenue					4,234,334
Estimated Accounts Payable				(700,000)	
Estimated Payroll and Benefits				(636,000)	
Estimated CFC and RUS Principal and Interest Payment				(303,000)	
Power and Transmission Bill (February bill)				(1,105,673)	
Subtotal Expenses					(2,744,673)
Projected Ending Balance 3/31/14					1,489,661
CASH RESERVE FUND:					
Beginning Cash 2/28/14				1,500,036	
Estimated Transfer To General Fund				(68,000)	
Projected Ending Balance 3/31/14					1,432,036
RESTRICTED FUND:					
Beginning Cash 2/28/14				2,007,240	
Transfer To General Fund				0	
Projected Ending Balance 3/31/14					2,007,240
PROJECTED GRAND TOTAL FUND ENDING BALANCE 3/31/14					<u>4,928,937</u>
PROJECTED CHANGE IN TOTAL FUND BALANCE ENDING 3/31/14					<u>(143,622)</u>
RUS CUSHION OF CREDIT*:					
Beginning Balance 2/28/14				1,024,312	
Estimated Transfer To General Fund				(235,000)	
Projected Ending Balance 3/31/14					<u>789,312</u>

* represents advance payments unapplied for RUS long term debt

TOTAL FUND BALANCE



Notes:

1. Add'l liquidity: CFC \$10M LOC, \$5M PV line, and CoBank \$5M LOC
2. 2014 - RUS loan draw \$1.22M @ 3.456% (January 2014)
3. 2014 - RUS loan draw \$878k @ 3.479% (January 2014)

ORCAS POWER & LIGHT COOPERATIVE

UNSCHEDULED OUTAGE REPORT

FEBRUARY 2014

OUTAGE CODE	CAUSE OF OUTAGE	DISTRICT			2014 TOTALS		
		ORCAS	SJ	LOPEZ	FEB	JAN YTD	YTD TOTAL
001	Power Supplier-Bonneville	-	-	-	0	0	0
002	Power Supplier-Puget Power	-	-	-	0	0	0
100	OPALCO Construction	-	-	-	0	0	0
200	Severe Storm	-	-	-	0	0	0
300-303	Faulty Equipment/Installation	-	-	-	0	2	2
350	Sectionalizing	-	-	-	0	0	0
351	Fuses/Fusing	-	-	-	0	0	0
352/353	Electrical/CAL/Transformer Overload	-	1	1	2	2	4
400	Underground Cable Failure	2	-	1	3	4	7
401	Contamination/Leakage (Equip. Fail.)	-	-	-	0	0	0
402/403	Aging Material/Equipment	-	-	1	1	2	3
450	Trees/Right of Way	-	-	-	0	0	0
500/509	Weather (Other than Severe Storm)	7	4	1	12	8	20
600	Small Animals/Rodents	-	-	-	0	0	0
601	Birds	-	-	-	0	0	0
602	Birds-Endangered (Swans; Eagles)	-	-	-	0	0	0
603	Large Animals	-	-	-	0	0	0
700/701	Cable Dig-In	-	-	-	0	0	0
702	Traffic Accident	-	-	-	0	0	0
703	Fire	2	-	-	2	0	2
704	Substation Vandalism	-	-	-	0	0	0
705	Construction	-	-	-	0	0	0
709	Public Caused Outage	-	1	-	1	1	2
800	Member Secondary Outage	-	2	-	2	1	3
900	Cause Unknown	-	-	-	0	1	1
PTD/YTD OUTAGES: FEBRUARY 2014		11	8	4	23	21	44
PTD/YTD OUTAGES: FEBRUARY 2013		4	3	1	8	24	32

Date: March 13, 2014
To: Randy Cornelius, General Manager
From: Russell Guerry, Manager of Engineering & Operations
Subject: Operations Safety Program – February 2014

Jeff Meyers reviewed all portions of WAC 296-45 *Electrical Workers* pertaining to standard worksite inspections. This served as a reminder of the potential hazards around the work sites that our crews see day to day. Management reviewed violations outlined by L&I from the September accident.

Accidents/Incidents/Near Miss

Date: NA
Type: NA
Description: NA
Action Taken: NA

	February 2014	YTD (2014)
Near Misses	0	0
Incidents	0	0
Accidents	0	0
Loss Time	0	0

Total Hours Worked without Loss Time Accident: 36,438

February 27, 2014 Meeting

Present:

Peter Kilpatrick

Victoria Compton

Mark Madsen

Mark Madsen reported that two individuals he talked with are extremely interested in running for the board: Mike Greene, and Bryan Hoyer. Mike has indicated that he would also submit a petition and run.

Pete Kilpatrick reported that John Sheehan is interested in running.

Victoria Compton reported that Doug Rowan is interested in running.

The committee thus submits its list of candidates for OPALCO's District 1 board seats:

1. Mike Greene mikeg@rockisland.com
2. Bryan Hoyer bhhoyer@gmail.com
3. John Sheehan 360-370-7795
4. Doug Rowan drowan519@gmail.com

in addition to the incumbents:

5. Vincent Dauciunas
6. Glenna Hall

and two petitioners, reported by Bev Madan:

7. Bob Jarman
8. Steve Hudson


MARK MADSEN 3/4/14

General Manager's Report March 2014

Finance

2013 Year End Reporting

Staff continues to work on 2013 year-end reporting in order to file the WA Public Utilities Annual Report, the RUS Financial and Operating Report Form 7 and the Annual Electric Power Industry Report Form EIA-861.

2013 Financial Statement Audit

Staff continues to prepare for the Moss Adams 2013 financial statement audit fieldwork scheduled for the week of March 31 to April 4.

2013 Unaudited Financial Statements

Staff will present and discuss the draft 2013 financial statements and capital projects at the March board meeting, based on the documents provided under separate cover.

Member and Energy Services

Business PALs

The new Business PALs program continues to grow. Partnerships include Washington Federal, Islanders Bank, Key Bank, Orcas Island Community Foundation (OICF) and Country Corner. The Doe Bay Café will be hosting a PAL “pizza night” benefit Thursday nights in June. Member Services staff is partnering with Orcas Angels to plan an awareness campaign this summer.

Nonprofit Partnership

Energy Fairs are scheduled for 5/17 (San Juan), 5/31 (Lopez), and 6/7 (Orcas) with a goal of building community, providing tools and education to support efficiency and conservation, and increasing SmartHub and MORE participation. Planned activities include solar home tours, efficiency and conservation workshops, hands-on projects for kids and prize giveaways. OPALCO staff will host a booth to enroll members in SmartHub and energy audits, promote MORE, and explain the rebate programs.

Roundtable meetings continue for outreach, retrofits and Community Solar project planning.

Rebates/EEI Funding

Energy Services has submitted a total of \$117,691 for the period 10/2013 – 2/2014, with a total reported kWh savings of 454,983. This is approximately half of the annual EEI funding allotment. The rebate activity is expected to increase sharply as the outreach partnership ramps up. A rebate summary report will be provided in the April board packet.

Energy Education Grants

OPALCO has granted \$3,000 to the Friday Harbor Film Festival for a project to engage high school students in documentary filmmaking. This effort corresponds with the resource conservation theme of the 2014 Festival. Students will be challenged to produce short films on the subject of energy efficiency and conservation to be screened at the festival.

The Funhouse Commons on Orcas has initiated its solar education project and installation of a solar array. OPALCO staff will participate in a science fair at the Funhouse in March. An appreciation letter from director Krista Bouchey is attached to this report.

Staffing

Patty Kelly has accepted the Member Services Supervisor position. She has a strong background in accounting, customer service and human resources. She and her husband own a home on Orcas and are looking forward to becoming full-time islanders. Patty begins work April 14.

Engineering & Operations

WIP

As of March 3, there are 304 work orders open totaling \$2,967,130. Operations has completed construction on 79 of those work orders, totaling \$1,136,681.

- Victorian Valley Replacement to be completed and operational by end-month
- Vista Road and Lopez Road Loop to be completed by end of April
- Cattle Point – Mullis Road to begin installation by the end of April

Accident Investigation

Labor & Industries (L&I) investigation is ongoing.

Submarine Cables

Lopez to San Juan: Contract for installation and submarine cable is being reviewed by attorneys.

San Juan to Henry Island: Environmental work is in progress to be submitted in April causing delays in project.

Outage Statistics

Reviews of the outage statistics will be conducted until after the annual meeting. This should provide an overview of the health of the system and the operations.

Information Services

Vacant Positions

We are moving forward filling the vacant positions within Information Services.

1. The Software Specialist position is currently advertised "open until filled" and we continue to receive applications. We are performing initial evaluations and will begin setting up telephone interviews in the next two weeks.
2. The Network Engineer job description is being finalized and will be advertised in the next two weeks.

Communication Backbone Design

The communication backbone design project is underway to improve safety communications and connect electric field devices. Vantage Point is currently staking the installation while OPALCO IS and Engineering resources are moving forward with permitting and environmental requirements.

Island Network Website Redesign

The new Island Network Website is undergoing final edits in preparation for launch next week. The Website will include information about current and future Island Network services, interim rates, system maps, and online forms for customer contact and new service requests.

Island Network New Services

Member interest in Island Network services continues. We are currently working with 6 members who want Island Network service where there is existing fiber equipment. In February 2014, we connected 2 of these members. In addition, we have received 12 applications for new service and Engineering has provided construction estimates for these services. Of these applicants, 5 members have submitted construction payments, so they can be placed on the schedule. We are upgrading our infrastructure in Lopez Village to allow for additional expansion and to optimize the fiber connections in the Lopez POP. This will allow us to preserve the backbone fiber infrastructure from the Lopez POP to the Eastsound POP.

WiFi Hotspots at Interisland Ferry Terminals

In response to the CenturyLink fiber cable break last November and as a precaution for future communication failures, OPALCO is in the process of installing and testing Wi-Fi access points at the four (4) interisland ferry terminals. Please note that OPALCO already provides fiber connections to the Washington State Ferry system and associated ferry terminals. This system will allow OPALCO staff and crew to access our internal communication systems, as well as provide us with the ability to broaden access to our members, as needed. At this point, we are in the final stages of system testing, optimization and deployment.



Funhouse Commons

Mr. Randy Corneilus, General Manager
Orcas Power and Light Cooperative
183 Mount Baker Road
Eastsound, WA 98245

February 13, 2014

Dear Mr. Corneilus,

On behalf of the Board, and the kids of Orcas Island, thank you so much for your generous grant of \$15,000.00!

This grant will contribute to the installation of a photovoltaic solar system. We will be using this system as an educational tool and a key component in our youth programming curriculum.

We invite you stop in anytime so we can show you how our solar project is coming along. The solar system will be installed this April. This spring, as the sun comes out, we will be incorporating fun solar projects during our after school and teen programs so stop in and check out the magic happening here.

Best regards,

Krista Bouchey
Interim Director
The Funhouse Commons
krista@thefunhouse.org

We are so excited
about this project!

The Funhouse Commons Board of Directors

Jill Blankenship • Sara Farish • Kyle Freeman • Paul Pollard • Margaret Manning
Jeni Sanders • Tad Sommerville • Amanda Sparks • Mary Wachter • Eric Youngren

The Children's Discovery Foundation dba the Funhouse Commons is a public 501(c)(3) non-profit organization, EIN: 91-1806943.
This letter certifies you have not received goods or services in exchange for your gift. Your gift is tax-deductible according to IRS regulations.

*Extracted from an email from Terry Flores, Executive Director
Northwest RiverPartners*

CleanHydro ads started running during the Oscars last Sunday and will continue one-week on/one week off through mid-June. We are launched! We did get a pre-campaign opinion poll in the field just prior to the ads running and will do a post-campaign poll so we can measure the effectiveness of the campaign.

Additionally, related materials are posted to the CleanHydro website and we encourage you to use them to extend the reach of the campaign. To access the materials go to www.cleanhydro.com/files and enter this password: NWRPch0513.

(Be patient as some of these are large files and take time to download). Materials can be sized for specific uses. They include:

- A press release announcing the second year of the campaign;
- Op ed(s) one short/one long for GMs to use in newsletters, placement with local newspapers, etc.;
- Print ads for your newsletter and/or newspapers;
- Bill stuffer;
- An ad with subtitles that can be played on TVs in lobbies, etc.

Graphics for bumper stickers (to put on utility trucks/cars), a radio spot and Facebook memes are in the works and will be provided when ready. We'd like to track use of the materials so please shoot Richelle Beck an email at: rbeck@nwriverpartners.org if you plan on running an article, placing a print ad etc. Thanks for all your support!

CleanHydro/NW RiverPartners TV & Cable Recap

Flight Dates 3/2 (Academy Awards, some Sunday programming that day)
3/3-6/15

Seattle:

Adults 25-54
GRP's 1,496
96% Reach
15.7x Frequency
Total Gross Impressions: 28,982,000

W25-49
GRP's 1628.7
97% Reach
16.8x Frequency
Total Gross Impressions: 12,825,000

Buy highlights:

- Negotiated PSA-type promo spots with KING/NBC to highlight NW river system "brought to you by" NW RiverPartners. (10x per week – 8 weeks)
- ABC/KOMO Academy Awards pre and post news as well as the post show (8:30-10P) and Jimmy Kimmel post awards show.
- CBS/KIRO Prime ID's (:5-second) (no cost)

- Exclusive sponsor of KSTW Weather Break at 7:30PM M-F for three weeks of campaign
- ABC/KOMO Prime (8p-11p) bonus spots (1x per week – 8 weeks)
- NBC/KING News Sponsor ID's (2x per week – 8 weeks)
- In addition to a strong presence in Morning, Evening and late news, here are some programming highlights:
- The Good Wife, Criminal Minds, Castle, Grey's Anatomy, Mad Men, Elementary, The Voice, Revolution, Dancing w/Stars, Grimm, American Idol, NW Backroads, Today Show, Ellen, House Hunters, Seattle Mariners, Chopped/Food Network, Deadliest Catch, Oregon Field Guide, Nature, PBS Prime Rotator

Portland:

Adults 25-54
GRP's 1,322.1
97% Reach
13.6x Frequency
Total Gross Impressions: 16,174,000

W25-49
GRP's 1298.9
98% Reach
13.3x Frequency
Total Gross Impressions: 6,595,000

Buy Highlights:

- Academy Awards pre show, Red Carpet show, the actual Awards show as well as the post show (8:30-10P). No-cost bonus spots in pre-show and after the awards as well. Talk shows day after the awards as well (Ellen, The Chew, The View, Kelly & Michael, etc.)
- CBS/KOIN :5-second billboards (2x/wk – 8 weeks) and No-cost bonus spots (3x – 6 weeks)
- NBC/KGW :5-second billboards (2x/wk – 8 weeks) and No-cost bonus spots (3x – 8 weeks)
- FOX/KPTV :5-second news sponsor billboards (3x/wk – 8 weeks)
- In addition to a strong presence in Morning, Evening and late news, here are some programming highlights:
- The Voice, Revolution, Dateline, Parenthood, Ellen, Project Runway Law & Order SVU, Survivor, The Good Wife, The Amazing Race, NCIS: LA, Undercover Boss, Grey's Anatomy, Scandal, Mad Men, Nature, Globe Trekker, Portland Trail Blazers, Pac 12 B-ball, American Idol

Missoula

Adults 25-54
GRP's 1,577.2
96% Reach
16.4x Frequency

Total Gross Impressions: 1,582,000

W25-49

GRP's 1,669.2

98% Reach

17.0x Frequency

Total Gross Impressions: 668,000

Buy Highlights:

- Academy Awards Red Carpet show, the actual Awards show as well as the post show (8:30-10P) and Jimmy Kimmel/News after the post show.
- NBC/KECI :30-second bonus spots (3x/wk – 3 weeks)
- ABC/KTMF :5-second billboards (2x/wk – 8 weeks)
- In addition to a strong presence in Morning, Evening and late news, here are some programming highlights:
- The Voice, Biggest Loser, Dateline, Hawaii Five-O, Law & Order SVU, Survivor, The Good Wife, Nashville, Once Upon A Time, NCIS: LA, , Grey's Anatomy, Scandal, The Billboard Music Awards, The Following, American Idol, Big Bang Theory, Dancing With The Stars, Castle, NCIS, Shark Tank

Extracted from an email from Richelle Beck, NW RiverPartners Technical and Communications Specialist:

FYI: The Facebook memes are now available on the Cleanhydro.com/files website. Password is NWRPch0513. Just right click on them to copy and paste to your pictures, then upload them onto your facebook page.

Radio spot is coming soon!

The Recipe ad is available for posting on social media via Vimeo at this link: <http://vimeo.com/m/87795722>

NEW SERVICES

February 2014

	Orcas	San Juan	Lopez	Center/ Decatur	Blakely/Obstruction /Crane/Shaw	Total
Residential	1	4	1			6
Commercial	2					2
Line Retention						0
Other - OPALCO						0
Total*	3	4	1	0	0	8
2014 YTD	3	9	2	0	1	15
2013 YTD	3	7				10
2012 YTD	1	4	3		1	9
2011 YTD	1	8	7		3	19
2010 YTD	4	9	4		1	18

*Figures have been queried from the Service Order billing module and reconciled to the RUS Form 7 New Service numbers.

OPALCO
Historical MORE Revenue
(All Green kWh and MORE Blocks)
For Years 2012 - 2014 YTD

Month	2012 YTD						
	All Green			MORE Blocks			Total Revenue
	#	kWh	Revenue	#	#	Block Revenue	
	Members	kWh	Revenue	Members	Blocks	Revenue	
			\$ 0.04			\$ 4	
Jan	44	47,428	1,897	454	970	3,880	5,777
Feb	43	37,664	1,507	452	962	3,848	5,355
Mar	42	37,682	1,507	449	953	3,812	5,319
Apr	42	27,636	1,105	449	953	3,812	4,917
May	42	21,993	880	448	952	3,808	4,688
Jun	43	20,335	813	448	952	3,808	4,621
Jul	43	19,649	786	449	953	3,812	4,598
Aug	43	22,457	898	446	948	3,792	4,690
Sep	42	13,136	525	443	947	2,530	3,055
Oct	42	21,162	846	443	947	3,788	4,634
Nov	44	30,335	1,213	438	943	3,772	4,985
Dec	43	43,849	1,754	437	929	3,716	5,470
Total	43	343,326	\$ 13,733	446	11,409	\$ 44,378	\$ 58,111

2013 YTD						
All Green			MORE Blocks			Total Revenue
#	kWh	Revenue	#	#	Block Revenue	
Members	kWh	Revenue	Members	Blocks	Revenue	
		\$ 0.04			\$ 4	
43	54,479	2,179	433	921	3,684	5,863
43	50,927	2,037	432	918	3,672	5,709
42	42,787	1,711	429	915	3,660	5,371
42	31,063	1,243	427	904	3,616	4,859
41	21,699	868	426	897	3,588	4,456
41	20,336	813	426	897	3,588	4,401
43	17,756	710	425	895	3,580	4,290
42	18,716	749	421	893	3,572	4,321
42	18,786	751	418	890	3,560	4,311
43	23,882	955	415	887	3,548	4,503
44	31,535	1,261	414	881	3,524	4,785
44	47,347	1,894	412	879	3,516	5,410
43	379,313	\$ 15,173	423	10,777	\$ 43,108	\$ 58,281

2014 YTD						
All Green			MORE Blocks			Total Revenue
#	kWh	Revenue	#	#	Block Revenue	
Members	kWh	Revenue	Members	Blocks	Revenue	
		\$ 0.04			\$ 4	
44	41,878	1,675	411	871	3,484	5,159
44	47,227	1,889	410	870	3,480	5,369
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
44	89,105	\$ 3,564	411	1,741	\$ 6,964	\$ 10,528

Notes: 2 members participate in both All Green and Green Blocks. Average blocks per member is 2.1.
Beginning June 2011, report reflects combined data for the former Green Power program and MORE.
Beginning September 2012, half of the members were transitioned to a mid-month billing cycle; these members were billed for 15 days of consumption, a prorated basic charge, and prorated MORE blocks on 9/14/12.

OPALCO Member Billing Revenue History

Month	2010	2011	2012	2013	2014	Average
January	\$ 2,091,129	\$ 2,266,724	\$ 2,203,319	\$ 2,354,732	\$ 2,294,020	\$ 2,241,985
February	1,684,100	2,018,866	1,980,380	2,190,659	2,469,527	2,068,706
March	1,693,238	2,100,947	2,080,586	2,031,007		1,976,445
April	1,659,771	1,803,095	1,733,543	1,803,826		1,750,059
May	1,453,989	1,634,542	1,536,601	1,580,671		1,551,451
June	1,409,557	1,383,932	1,419,883	1,450,461		1,415,958
July	1,300,950	1,302,528	1,380,472	1,423,753		1,351,926
August	1,342,739	1,360,611	1,450,397	1,448,015		1,400,440
September*	1,297,936	1,421,174	1,005,902	1,458,553		1,295,891
October	1,389,529	1,483,658	1,499,863	1,636,955		1,502,501
November	1,584,909	1,977,782	1,779,353	1,923,857		1,816,475
December	2,123,602	2,375,284	2,085,584	2,480,061		2,266,133
Total**	\$ 19,031,449	\$ 21,129,143	\$ 20,155,885	\$ 21,782,552	\$ 4,763,547	\$ 20,637,971

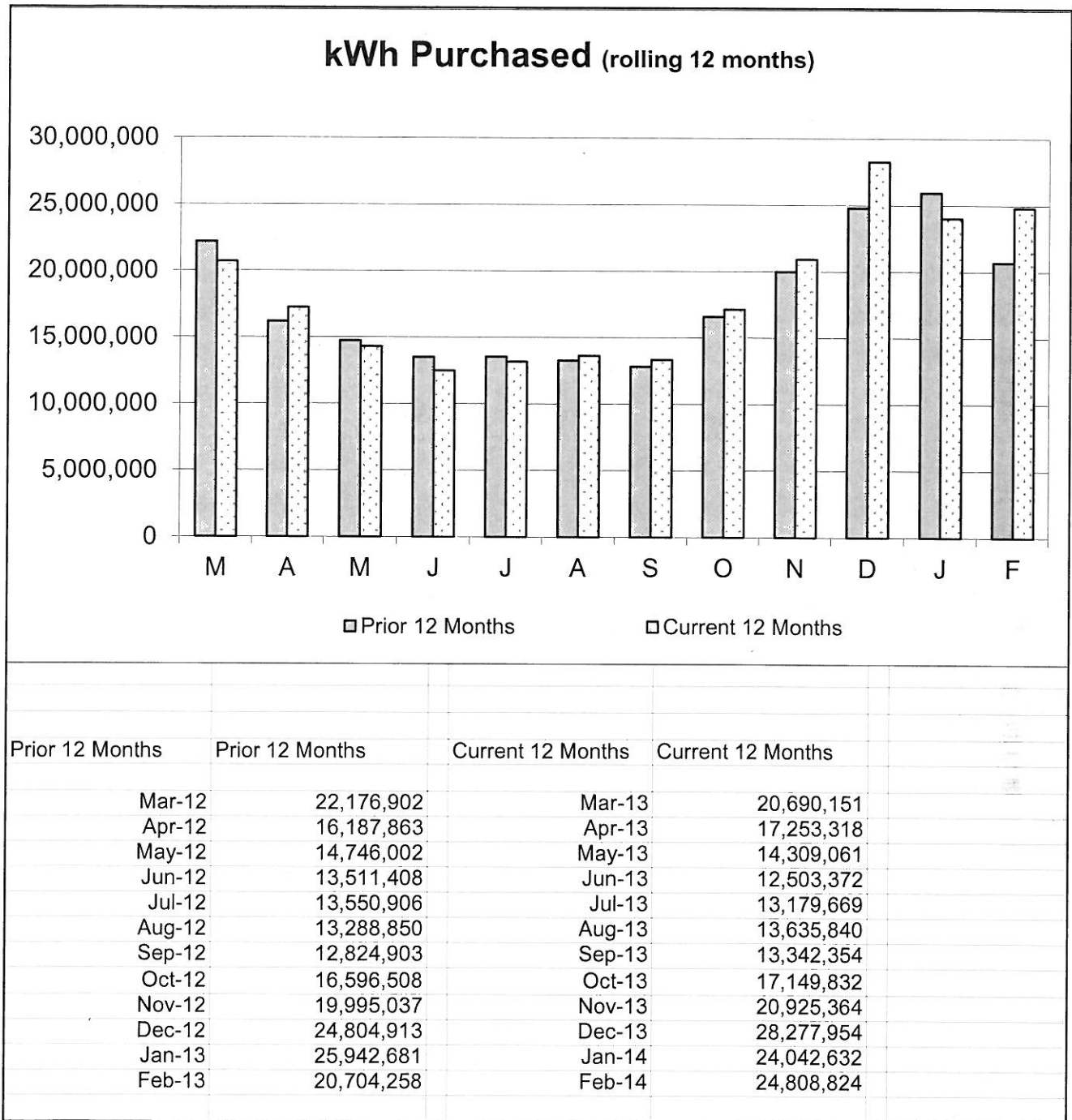
Notes:

* September 2012 excluded - half of the membership transitioned to a mid-month billing cycle. These members were billed for 15 days of consumption and a prorated basic charge on 9/14/12.

**Totals include Island Network billing

BPA Consumption Summary

Through
February 2014



BPA Consumption Summary

Through
February 2014

