



BOARD OF DIRECTORS REGULAR MEETING

Thursday, October 15, 2015 8:15 a.m.
Woodmen Hall, 4102 Fisherman Bay Road, Lopez Island

TRAVEL



Via Island Air

378-2376 / 378-8129 (cell)

Depart:

FH 7:30 a.m.
Eastsound 7:45

Arrive:

Lopez 8:00 a.m.

Return:

Lopez 2:30 p.m.

Eastsound 2:45 p.m.
FH 3:00 p.m.



Via Ferry:

Depart:

FH 6:10 a.m.
Orcas 6:45 a.m.
Shaw 7:00 a.m.

Arrive:

Lopez 6:50 a.m.

Lopez 7:30 a.m.

Return:

Lopez 3:50 p.m.

Shaw 4:10 p.m.
Orcas 4:30 p.m.
FH 5:10 p.m.

**Orcas Power & Light Cooperative
Board of Directors
Regular Meeting**
Woodmen Hall, 4102 Fisherman Bay Road, Lopez Island
376-3549
October 15, 2015 8:15 a.m.

PAGES

WELCOME GUESTS/MEMBERS

- Member Comment Period

ACTION ITEMS

- 3-5** ○ Approval of September 23 Minutes
- 6** ○ New Members
- 7** ○ Capital Credits
- 8-17** ○ RUS 219s
- 18** ○ 2016 Annual Meeting
- 19** ○ 2014 Federal Tax Return (post Executive Session discussion)
- 20-23** ○ CoBank Line of Credit Resolution 9-2015

DISCUSSION ITEMS

- 24-40** ○ Low Income & Needs Assessment Report – CLEAResult

REPORTS

- 41** ○ Safety
- 42-43** ○ General Manager
- 44-47** ○ Rock Island Communications

INFORMATION ITEMS

- 48-54** ○ Dashboard Charts
- 55-57** ○ Member Correspondence

ADJOURNMENT

Executive Session: 2014 Federal Tax Return

MINUTES OF THE BOARD OF DIRECTORS MEETING
ORCAS POWER & LIGHT COOPERATIVE

Wednesday, September 23, 2015

President Jim Lett called the meeting to order at 8:45 a.m. at the Eastsound OPALCO office. Board Members present were Winnie Adams, Randy Cornelius, Vince Dauciunas, Jim Lett, Bob Myhr and Jerry Whitfield. Staff present included General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Administration Nancy Loomis, and Executive Assistant Bev Madan (serving as recording secretary). Rock Island Communications staff present were Executive Vice-President Gerry Lawlor; Accountant Chad Bailey and Vice President of Marketing & Sales Dan Burke. Also present were: OPALCO Consultants Jay Kimball, Anne Falcon (EES) Steve Andersen (EES) and Attorney Joel Paisner.

New staff were introduced: Travis Neal (Accounting); Jon Blomgren (Member Services); Jeff Tilstra and Zach Knight (Operations); Brett Deines and Daniel Martz (Engineering); Lindsey Curtis (Energy Savings)

Member/Guests

District 1 Board candidates present were Jim Hooper and Mark Madsen. Each member/guest was offered an opportunity to address the board.

Lopez: Steve Ludwig, Dwight Lewis

Orcas: Michael Riordan, Fred Klein, John Fleischer, Alex Conrad

Comments included the use of a helicopter to move 95 ft poles, use of wooden poles over metal poles, the revenue recovery add-on portion of members' bills; concern over low income members ability to pay their bills with the new rate structure; and rebuilding members' trust of OPALCO.

August Meeting Minutes

Myhr requested that the record state that he voted "no" for the amendment to Bylaw Article IV Section 1.

- **Motion** made by Myhr to accept the August 20, 2015 minutes as amended. Motion was seconded (Adams) and carried by voice vote.

New Members

- **Motion** made by Myhr to accept the new members listed below. Motion was seconded (Cornelius) and carried by voice vote.

DISTRICT 1

Henry

Schroeder, Jennifer & Dan

San Juan

Bakehorn, Teresa A.

Clarke, Bruce & Ignatowicz, Paula

Davis-Robeson, Laura

Deer Hazel LLC

Evans, Retha C

Fisher, Conrad & Janice

Fuqua, Kenneth

Giese, Eric & Mary

Harnden, Paul

Hinkle, Joanne

Howe, Jon

McLean, Theresa & Carlson, Brian

Neiwert, David

Nelsen, G. Cart

Nelson, Cynthia & Mark

O'Neil, Jennifer

Paschal, Cindy & Thomas

Percich Pond LLC

Rice, Jennifer

Rowland, Shalyn

Schultz Miller, Inc

Sheppard, Jamie

Simmons, James & Lisa

Swezey, Mindy

The Big Store

Thomas, Gary & Petsena,

La-ong

Thorne, Heather & Edwin

Thornton, Jennifer

Tyszka, Jacqueline

Vician, Daniel & Carolyn

DISTRICT 2

Orcas

Allan, Nancy & Christopher

Annino, Salvatore

Arora, Judge & Nesbet,

Barbara

Blackman, Samuel & McNeil,

Julie

Davis, Carl & Montgomery,

Rosalyn

Hearing, Justin

Henning, Linda

Key, Thomas

Kranick, Polly

Lenn, Ronald & Kathleen

Maitreya, Kimaya

McKelvey, Greg & Lacey

Meredith, Mary

O'Leary, Fannie

Orcas Family Connections

The Bloxom Company LLC

Thompson, Louise

Wachter, John

Woods, Guy

DISTRICT 3

Center

Baarstad, Brandon

Decatur

Schwab, Karlheinz

Lopez

Alek Taylor Art

Blackburn, Joanne & John

Blooms & Brushes
Brenner, Fay
Burnell, Christine
Hockstedler, Reed & Jessica

Kessler, Ron & Furry, Carol
Taylor-Hope, J Aleksander
Yunker, John

DISTRICT 4
None

Capital Credits

- **Motion** made by Myhr and seconded (Adams) to approve payment of \$4,158.83 in capital credits to the estates of deceased members and closed businesses listed below. Motion carried by voice vote.

Frederick E. Hardtke.....\$1,476.29
Andrew McLaglen.....\$2,610.94
R.W. Little, Trustee.....\$71.60

Total.....\$4,158.83

RUS 219s

The Inventory of Work Orders includes the wireless pilot project, URD cable replacements and minor system improvements.

- **Motion** made by Myhr and seconded (Adams) to approve submission of the RUS Form 219s totaling \$241,049.62. Motion carried by voice vote.

CFC Voting Delegate

- **Motion** made by Myhr and seconded (Dauciunas) to designate Hildreth as the voting delegate and Lett the alternate for the CFC District meeting to be held in Salt Lake City September 30. Motion carried by voice vote.

WRECA

Kent Lopez, General Manager of Washington Rural Electric Cooperative Association (WRECA), and Grant Nelson, lobbyist for WRECA, were present to highlight and review bills in the legislature that effect the electric industry. WRECA represents twelve cooperatives in Washington State.

Lopez encouraged the Board and management to invite their legislators to board meetings and participate in legislator activities.

Employee Handbook / Policies Elimination

Staff has been working with counsel to develop an Employee Handbook that would incorporate the employee-related OPALCO policies currently in place.

- **Motion** made by Whitfield and seconded (Cornelius) to eliminate OPALCO employee related policies, including Policies 4 *Employment of Relatives*; 7 *Employee Expense Reimbursement*; 9A *Personal Use of Company Vehicle*; 9B *GM's Personal Use of Company Vehicle*; 12 *Substance Abuse*; 14 *Sexual Harassment*; 15 *Smoke-Free Workplace*; 17 *Employee Use of Correspondence Courses*; 18 *Equal Employment Opportunity*; 19 *Family Medical Leave Act*; 20 *Acceptable Use of Electronic Resources*; 25 *Whistle Blower*, and 26 *Use of Social Media*. Motion carried by voice vote.

Town of Friday Harbor Quit Claim Deed / Resolution 8-2015

OPALCO owns a small piece of property within the Town of Friday Harbor that the Town would like to use for a road realignment project. The Town has agreed to grant a utility easement over this same parcel.

- **Motion** made by Adams and seconded (Cornelius) to approve Resolution 8-2015, which allows the General Manager to execute the necessary documents to quit claim Parcel No. 351151032000 to the Town of Friday Harbor. Motion carried by voice vote.

Integrated Resource Plan (IRP)

Steve Andersen and Anne Falcon were present to update the Board on the ongoing IRP process and corresponding EEI presentation. Also included was an update to the Conservation Potential Assessment (CPA) that was completed in 2013. Today's presentation covered a review of the objectives, strategic partners, an update on

conservation/energy efficiency (EE), an update on battery storage, smart inverters and draft strategies. Residential savings occurs mainly from water heaters, lighting, heat pumps and envelope retrofits. Commercial savings improves with HVAC controls, heat pumps and lighting. Savings beyond these measures can be improved through educating members regarding water heat temperature, HVAC usage and turning off lights.

The next step is to circulate a draft summary of the integrated resource plan and receive input from the Board, staff and members. Staff expects the final report will be complete by year-end.

Web Analytics

Staff reviewed PixelSpoke's website usage report with the Board. Staff and PixelSpoke have been using our specific website usage information as the basis for our ongoing website redesign. The full report was included as an informational item in the October Board report.

Reports

- **Safety:** The Rural Electric Safety Achievement Program (RESAP) inspection was conducted in September. The findings of the inspections will guide the Safety Committee in preparing the Safety Improvement Plan.
- **General Manager:** Staff reviewed the submarine cable project between Lopez and San Juan. At the September Board meeting, the Board inquired whether the existing "to be replaced" submarine cable could be left in place to reduce project costs. OPALCO's system engineer reviewed the environmental permitting process and requirements, which does not allow the existing cable to be left in place. Staff also provided the Board with an in depth history of the cable failures, replacements and repairs along this crossing, noting the importance of archiving the facts.
- **Rock Island Communications** Lawlor reported on the status of member internet deployment, fiber-hood development and LTE rollout. The Board expressed concern that the "last mile" fiber connections were taking too long. Additionally, the delays associated with the LTE deployment were discussed. Staff noted the dynamic effort to determine LTE pole placement from a radio frequency modeling perspective. Every time a pole location required to be adjusted, the environmental permitting process had to be re-evaluated. Pole transport was also discussed, related to the recent move of 26 poles via helicopter from Lopez Island to San Juan, Shaw and Orcas.

Preliminary Dashboard charts for OPALCO and Rock Island Communications were reviewed.

The Board convened to Executive Session at 1:30, reconvening at 3:20 p.m.

Adjournment

The meeting adjourned at 3:20 p.m.

Jim Lett, President

Jerry Whitfield, Secretary-Treasurer

New Members September 2015

DISTRICT 1

Brown

1. Mader, Mark

San Juan

2. Argyle Suites LLC
3. Blau, S. Forrest
4. Bourgaize, Bill
5. Brant, Albert & Brown, Holli
6. Christian, Loula
7. Crouch, Deva & Hetrick, Evan
8. Faylor, Candice
9. Fox, Kaitlin L.
10. Griffith, Hal & Joan
11. Hocking, Bert E. Jr
12. Lance, Tim
13. Lewin, Yasuko & David
14. Marino-Wagner, Tracy
15. McLaglen, Josh
16. Michalski, Joshua J
17. Pitchford, Richard
18. Rath Special Family Trust
19. Sadler, Russell
20. Samuelson, Kevin
21. Towle, Bianca
22. Walsh, Shane
23. Winings, Richard

DISTRICT 2

Orcas

24. Bayba, Michelle
25. Beadnall, Georgette
26. Boardman, Ethan
27. Carson, Susan
28. Clever Cow Creamery
29. Curtis, Lindsay A.
30. Darvill's Bookstore Inc
31. Dickens, Fisher L.
32. Eisenstein, James
33. Finney, Sonia & Jon
34. Greg Eiford Family LP
35. Keene, Courtney & Murphy, Michael
36. Khoury Leslie

37. Koppana, Paul K.
38. Koser, Arnt J. & Chris
39. Lieberman, Stephen & Diane
40. Macpherson, Charlie
41. Mayr, Teresa
42. Quishenberry, Shannon & Sievers, Ken
43. Ryder, Lillian
44. Segalt, Renee
45. Walker, Daniel & Adrianne K.
46. Womack, Noreen

DISTRICT 3

Center

47. Williams, Michael

Lopez

48. Bott, Chloe
49. Enslow, David
50. Lawrence, Kaycee
51. McCoy, Megan
52. Peterson, Kay
53. Pyne, Larry & Kristi L.
54. Snoer, Benni & Petersen, Lars

DISTRICT 4

Shaw

55. Oliver, Michelle

CAPITAL CREDITS

Approval is requested for payment of capital credits to the estates of the following deceased members and to organizations no longer in business:

Moreno, Edelmiro P.	\$256.36
Osborn, Janet M.....	\$721.66

Archipelago Properties LLC	\$2,575.52
Snug Harbor Resort LLC.....	\$8,590.44

Total.....	\$12,143.98
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MEMORANDUM

October 14, 2015

TO: Board of Directors

FROM: Foster Hildreth

RE: RUS 219s Inventory of Work Orders

Projects completed from the Construction Work Plan:

- Inventory # AN1509..... \$1,072,763.50
Smart Grid / Communications – Various Sites
- Inventory #1509M..... \$3,776.72
Conversion overhead to underground
- Inventory #201509..... \$410,306.47
Minor System Improvements: i.e. transformer replacements, retirement of single span secondary; transformer relocate

Staff requests a motion from the Board to approve submittal of RUS Form 219s totaling \$1,486,846.69.

10/12/2015 1:28:22 pm

RUS Form 219 Inventory Of Work Orders

Page: 12

Period: SEP 2015

System Designation: WA AH O9

Inventory : AN1509

Budget

Loan	Project	Amount
1	706 - 3	1,072,763.50
Total:		1,072,763.50



EXPIRES

3/16/17

BORROWER CERTIFICATION

WE CERTIFY THAT THE COSTS OF CONSTRUCTION SHOWN ARE THE ACTUAL COSTS AND ARE REFLECTED IN THE GENERAL ACCOUNTING RECORDS. WE FURTHER CERTIFY THAT FUNDS REPRESENTED BY ADVANCES REQUESTED HAVE BEEN EXPENDED IN ACCORDANCE WITH THE PURPOSES ON THE LOAN, THE PROVISIONS OF THE LOAN CONTRACT AND MORTGAGE, RUS BULLETINS, AND THE CODE OF FEDERAL REGULATIONS RELATIVE TO THE ADVANCE OF FUNDS FOR WORK ORDER PURPOSES. WE CERTIFY THAT NO FUNDS ARE BEING REQUESTED FOR REIMBURSEMENT OF CONSTRUCTION WORK IN A CBRA AREA.

SIGNATURE (MANAGER)

DATE

SIGNATURE (BOARD APPROVAL)

DATE

ENGINEERING CERTIFICATION

I HEREBY CERTIFY THAT SUFFICIENT INSPECTION HAS BEEN MADE OF THE CONSTRUCTION REPORTED BY THIS INVENTORY TO GIVE ME REASONABLE ASSURANCE THAT THE CONSTRUCTION COMPLIES WITH APPLICABLE SPECIFICATIONS AND STANDARDS AND MEETS APPROPRIATE CODE REQUIREMENTS AS TO STRENGTH AND SAFETY. THIS CERTIFICATION IS IN ACCORDANCE WITH ACCEPTABLE ENGINEERING PRACTICE.

Joel Mietzner P.E.

OPALCO

INSPECTION PERFORMED BY

FIRM

42902

3/16/17

LICENSE NUMBER

DATE

SIGNATURE OF LICENSED ENGINEER

10/12/2015 1:28:22 pm

RUS Form 219 Inventory Of Work Orders

Page: 7

Period: SEP 2015

System Designation: WA AH O9

Inventory: AN1509

Project	Year	Work Order Construction (1)		Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
		Retirement (2)	Bdgt (3)	Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
706 - 3	2014	1585 ✓	1	142,075.81	0.00	0.00	0.00	0.00	139,567.07
706 - 3	2014	1587 ✓	1	156,927.64	0.00	0.00	0.00	0.00	154,458.76
706 - 3	2014	1599 ✓	1	58,316.53	0.00	0.00	0.00	0.00	57,341.01
706 - 3	2014	1613 ✓	1	11,069.00	0.00	0.00	0.00	0.00	10,907.00
706 - 3	2014	1620 ✓	1	56,255.37	0.00	0.00	0.00	0.00	55,502.19
706 - 3	2014	1621 ✓	1	90,860.64	0.00	0.00	0.00	0.00	89,365.57
706 - 3	2014	1625 ✓	1	52,235.53	0.00	0.00	0.00	0.00	50,586.21
706 - 3	2014	1627 ✓	1	50,552.28	0.00	0.00	0.00	0.00	50,240.85
706 - 3	2014	1818 ✓	1	49,432.48	0.00	0.00	0.00	0.00	49,176.98
706 - 3	2014	1842 ✓	1	95,523.92	0.00	0.00	0.00	0.00	93,021.01
706 - 3	2014	1936 ✓	1	42,258.03	0.00	0.00	0.00	0.00	42,137.15
706 - 3	2014	1962 ✓	1	76,794.17	0.00	0.00	0.00	0.00	76,368.92
706 - 3	2015	1909							

10/12/2015 1:28:22 pm

RUS Form 219 Inventory Of Work Orders

Page: 8

Period: SEP 2015

System Designation: WA AH O9

Inventory: AN1509

Loan		Work Order Construction (1)	Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year			Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
		Retirement (2)							
			1	45,856.04	0.00	0.00	0.00	0.00	45,140.86
706 - 3	2015	1921 ✓ 1921 ✓					AFUDC: 715.18		
			1	52,077.69	0.00	0.00	0.00	0.00	51,692.53
706 - 3	2015	1927 ✓					AFUDC: 385.16		
			1	17,408.81	0.00	0.00	0.00	0.00	17,138.16
706 - 3	2015	1928 ✓					AFUDC: 270.65		
			1	43,354.10	0.00	0.00	0.00	0.00	42,809.80
706 - 3	2015	1951 ✓ 1951 ✓					AFUDC: 544.30		
			1	47,631.55	0.00	0.00	0.00	0.00	47,309.43
							AFUDC: 322.12		
				1,088,629.59	0.00	0.00	0.00	0.00	1,072,763.50
Grand Totals:				\$ 1,088,629.59	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,072,763.50

10/12/2015 1:28:22 pm

RUS Form 219 Inventory Of Work Orders

Page: 10

Period: SEP 2015

System Designation: WA AH O9

Inventory : 1509M

Budget			
Loan	Project		Amount
1	1600		3,776.72
Total:			3,776.72



EXPIRES 3/16/17

ENVIRONMENTAL CERTIFICATION

- 1 ☒ WE CERTIFY THAT CONSTRUCTION REPORTED ON THE LISTED WORK ORDERS (EXCEPT CERTIFICATION "2" BELOW), IS A CATEGORICAL EXCLUSION OF A TYPE DESCRIBED IN 7 CFR 1794.31 (b) WHICH NORMALLY DOES NOT REQUIRE PREPARATION OF A BORROWER'S ENVIRONMENTAL REPORT.
- 2 ☐ WE CERTIFY THAT CONSTRUCTION REPORTED ON WORK ORDERS _____ IS A CATEGORICAL EXCLUSION OF A TYPE THAT NORMALLY REQUIRES A BORROWER'S ENVIRONMENTAL REPORT WHICH IS ATTACHED.

SIGNATURE (MANAGER)

DATE

BORROWER CERTIFICATION

WE CERTIFY THAT THE COSTS OF CONSTRUCTION SHOWN ARE THE ACTUAL COSTS AND ARE REFLECTED IN THE GENERAL ACCOUNTING RECORDS. WE FURTHER CERTIFY THAT FUNDS REPRESENTED BY ADVANCES REQUESTED HAVE BEEN EXPENDED IN ACCORDANCE WITH THE PURPOSES ON THE LOAN, THE PROVISIONS OF THE LOAN CONTRACT AND MORTGAGE, RUS BULLETINS, AND THE CODE OF FEDERAL REGULATIONS RELATIVE TO THE ADVANCE OF FUNDS FOR WORK ORDER PURPOSES. WE CERTIFY THAT NO FUNDS ARE BEING REQUESTED FOR REIMBURSEMENT OF CONSTRUCTION WORK IN A CBRA AREA.

SIGNATURE (MANAGER)

DATE

SIGNATURE (BOARD APPROVAL)

DATE

ENGINEERING CERTIFICATION

I HEREBY CERTIFY THAT SUFFICIENT INSPECTION HAS BEEN MADE OF THE CONSTRUCTION REPORTED BY THIS INVENTORY TO GIVE ME REASONABLE ASSURANCE THAT THE CONSTRUCTION COMPLIES WITH APPLICABLE SPECIFICATIONS AND STANDARDS AND MEETS APPROPRIATE CODE REQUIREMENTS AS TO STRENGTH AND SAFETY. THIS CERTIFICATION IS IN ACCORDANCE WITH ACCEPTABLE ENGINEERING PRACTICE.

INSPECTION PERFORMED BY

FIRM

LICENSE NUMBER

DATE

SIGNATURE OF LICENSED ENGINEER

10/12/2015 1:28:22 pm

RUS Form 219 Inventory Of Work Orders

Page: 3

Period: SEP 2015

System Designation: WA AH O9

Inventory: 1509M

Loan		Work Order Construction (1)	Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year			Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
		Retirement (2)							
1600	2014	1983 ✓ 1983 ✓	1	4,496.37	391.81	0.00	0.00	1,087.22	3,776.72
							AFUDC: 24.24		
				4,496.37	391.81	0.00	0.00	1,087.22	3,776.72
Grand Totals:				\$ 4,496.37	\$ 391.81	\$ 0.00	\$ 0.00	\$ 1,087.22	\$ 3,776.72

Minor Construction Work Orders

Work Order: 1983 - EXISTNG MEMBER IS DIGGING A NEW TRENCH TO REDO LOW SAGGING SECONDARY LINE AND OVERHEAD LINE TO BE REMOVED AND BURIED. THE MEMBER IS PROVIDING THE TRENCH FOR THE NEW UG PRIMARY. THIS IS A GOOD OPPORTUNITY TO BURY AN OLD OH SPAN IN A BAD AREA.

10/12/2015 1:28:22 pm

RUS Form 219 Inventory Of Work Orders

Page: 11

Period: SEP 2015

System Designation: WA AH O9

Inventory : 201509

Budget Loan	Project	Amount
1	0000	0.00
1	601	37,641.02
1	603	47,605.07
1	606	7,183.92
1	608	317,876.46
Total:		410,306.47



EXPIRES 3/16/17

BORROWER CERTIFICATION

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SIGNATURE (MANAGER)

DATE

SIGNATURE (BOARD APPROVAL)

DATE

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Joel Mietzner P.E.

INSPECTION PERFORMED BY

42902

LICENSE NUMBER

3/16/17

DATE

OPAL CO

FIRM

SIGNATURE OF LICENSED ENGINEER

10/12/2015 1:28:22 pm

Page: 4

RUS Form 219 Inventory Of Work Orders

Period: SEP 2015

System Designation: WA AH O9

Inventory: 201509

Loan		Work Order Construction (1)	Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year			Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
		Retirement (2)							
0000	2015	2198							
			1	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00
601	2013	1445							
		1445	1	397.98	0.00	0.00	0.00	0.00	385.19
							AFUDC: 12.79		
601	2014	1357							
		1357	1	1,209.74	821.41	0.00	0.00	0.00	2,024.68
							AFUDC: 6.47		
601	2014	1770							
		1770	1	8,149.54	0.00	27.55	0.00	0.00	7,860.08
							AFUDC: 261.91		
601	2014	1826							
		1826	1	6,319.35	0.00	269.69	0.00	1,089.04	4,540.77
							AFUDC: 419.85		
601	2014	1990							
			1	8,430.03	0.00	0.00	0.00	0.00	8,364.61
							AFUDC: 65.42		
601	2014	2059							
		2059	1	102.53	159.02	1,292.05	0.00	0.00	-1,031.57
							AFUDC: 1.07		
601	2015	1896							
		1896	1	424.04	0.00	0.00	0.00	0.00	421.39
							AFUDC: 2.65		
601	2015	1945							
		1945	1	6,723.73	0.00	0.00	0.00	0.00	6,710.21
							AFUDC: 13.52		
601	2015	2041							
		2041	1	3,727.80	0.00	0.00	0.00	1,449.29	2,279.80
							AFUDC: -1.29		
601	2015	2079							
		2079	1	5,494.78	600.22	0.00	0.00	0.00	6,085.86
							AFUDC: 9.14		
				40,979.52	1,580.65	1,589.29	0.00	2,538.33	37,641.02
603	2013	1530							

10/12/2015 1:28:22 pm

RUS Form 219 Inventory Of Work Orders

Page: 5

Period: SEP 2015

System Designation: WA AH O9

Inventory: 201509

Loan		Work Order Construction (1)		Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year	Retirement (2)	Bdgt (3)	Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
			1	49,009.62	0.00	0.00	0.00	0.00	47,605.07
							AFUDC: 1,404.55		
				49,009.62	0.00	0.00	0.00	0.00	47,605.07
606	2015	1685							
		1685	1	3,971.30	485.55	0.00	0.00	0.00	4,411.69
							AFUDC: 45.16		
606	2015	1979							
		1979	1	3,235.89	233.33	675.79	0.00	0.00	2,772.23
							AFUDC: 21.20		
				7,207.19	718.88	675.79	0.00	0.00	7,183.92
608	2013	1343							
		1343	1	29,570.04	728.57	0.00	0.00	0.00	30,197.65
							AFUDC: 100.96		
608	2014	1698							
		1698	1	15,246.59	0.00	0.00	0.00	0.00	14,826.67
							AFUDC: 419.92		
608	2014	1816							
			1	13,017.76	0.00	0.00	0.00	0.00	12,599.28
							AFUDC: 418.48		
608	2014	1845							
			1	76,365.97	0.00	0.00	0.00	0.00	74,208.34
							AFUDC: 2,157.63		
608	2014	1849							
		1849	1	109,635.84	1,575.85	0.00	0.00	24,115.77	84,932.70
							AFUDC: 2,163.22		
608	2014	1890							
			1	2,373.79	0.00	0.00	0.00	0.00	2,357.45
							AFUDC: 16.34		
608	2014	1964							
			1	10,877.51	0.00	0.00	0.00	0.00	10,811.50
							AFUDC: 66.01		
608	2014	2076							
			1	24,308.81	0.00	0.00	0.00	0.00	24,114.84
							AFUDC: 193.97		
608	2014	2088							

10/12/2015 1:28:22 pm

Page: 6

RUS Form 219 Inventory Of Work Orders

Period: SEP 2015

System Designation: WA AH O9

Inventory: 201509

Inventory: 201509			Gross Funds Required			Deductions			Loan Funds Subject To Advance By RUS (9)	
Loan		Work Order Construction (1)	Bdgt (3)	Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)		Retirements Without Replacements (7)		Contrib In Aid Of Constr and Previous Advances (8)
Project	Year	Retirement (2)								
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				1	27,900.36	0.00	0.00	0.00	0.00	27,761.90
608	2014	2090						AFUDC: 138.46		
				1	9,321.29	0.00	0.00	0.00	0.00	9,276.64
608	2014	2166						AFUDC: 44.65		
				1	4,921.04	0.00	0.00	0.00	0.00	4,897.47
								AFUDC: 23.57		
608	2015	2046 2046		1	21,441.98	594.93	0.00	0.00	0.00	21,892.02
								AFUDC: 144.89		
					344,980.98	2,899.35	0.00	0.00	24,115.77	317,876.46
Grand Totals:					\$ 442,177.31	\$ 5,198.88	\$ 2,265.08	\$ 0.00	\$ 26,654.10	\$ 410,306.47

MEMORANDUM

October 15, 2015

TO: Board of Directors

FROM: Foster Hildreth, General Manager

RE: 2016 Annual Meeting

The purpose of this memorandum is to begin planning for the 2016 annual meeting. Staff requests a motion to:

- 1) set the date for the meeting; (staff recommends April 30)
- 2) establish a deadline for the absentee ballots; (staff recommends 10 am April 29)
- 3) appoint a parliamentarian; (staff recommends Joel Paisner)
- 4) appoint a tally chair (staff recommends Doug Pearson)

Bylaw mandates:

- Board of Directors selects a date and place for the annual meeting
- 120 days prior to the meeting: Committee on Nominations to be appointed
- 70 days prior to the meeting: candidates posted
(3 days following the candidates' posting: Legal notice)
- 45 days prior to the meeting: candidates by petition posted
- 10-35 days prior to the meeting: ballots mailed

MEMORANDUM

October 9, 2015

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2014 Federal Tax Return

The draft 2014 federal tax return will be reviewed during Executive Session.

The 2014 return is consistent with last year's filings and is based on the 2014 audited financial statements which were approved by the Board of Directors in April 2015.

Upon review and concurrence, staff requests the Board reconvene in regular session and make a motion to approve the submittal of the return.

MEMORANDUM

October 7, 2015

To: Board of Directors

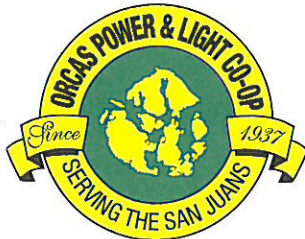
From: Foster Hildreth, General Manager

Re: CoBank Line of Credit / Resolution 9-2015

Staff is requesting Board approval to renew the existing \$5M unsecured line of credit with CoBank.

Based on Strategic Directive #3 *Cash and Asset Availability*, the original line of credit was executed in 2011 for use as capital and/or contingency funding. At that time OPALCO's legal counsel completed a thorough language conflict analysis comparing RUS, CFC and CoBank loan documents and approved both sets of loan documents as to form. Please note that OPALCO will not incur any maintenance fees to keep the proposed loan active. Further Board approval will be obtained prior to drawing down this line of credit.

Staff recommends that the board make a motion to approve Resolution 9-2015 which allows OPALCO to renew and execute the documents relating to the CoBank \$5M line of credit.



RESOLUTION 9-2015

RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING CoBANK LOAN

WHEREAS, the above named borrower (the "Cooperative"), under its articles of incorporation, bylaws, or other organizational documents, has full power and authority to borrow money and to secure the same with its own property and property delivered to it for marketing or otherwise; and

WHEREAS, all prerequisite acts and proceedings preliminary to the adoption of this Resolution have been taken and done in due and proper form, time and manner;

NOW, THEREFORE, BE IT RESOLVED, that each of the following officers or positions~ President, Vice President, Secretary-Treasurer, General Manager~ ("Officers") of the Cooperative are jointly and severally authorized and empowered to obtain for and on behalf of the Cooperative from time to time, from CoBank, ACB ("CoBank"), a loan or loans or other financial accommodations (including, without limitation, letters of credit, note purchase agreements and bankers acceptances) (collectively, a "Loan") under this Resolution; and for such purposes:

- (1) to execute such application or applications (including exhibits, amendments and/or supplements thereto) as may be required for all borrowings;
- (2) to obligate the Cooperative to pay such rate or rates of interest as the Officers so acting shall deem proper, and in connection therewith to purchase such interest rate risk management products as may be offered from time to time by CoBank;
- (3) to obligate the Cooperative to such other terms and conditions as the Officers so acting shall deem proper;
- (4) to obligate the Cooperative to make such investments in CoBank as required by CoBank;
- (5) to execute and deliver to CoBank or its nominee all such written loan agreements, documents and instruments as may be required by CoBank in regard to or as evidence of any Loan made pursuant to the terms of this Resolution;
- (6) to pledge, grant a security interest or lien in, or assign property of the Cooperative or property of others on which it is entitled to borrow, of any kind and in any amount as security for any or all obligations (past, present and/or future) of the Cooperative to CoBank;
- (7) from time to time extend, amend, renew or refinance any such Loan;
- (8) to reborrow from time to time, subject to the provisions of this Resolution, all or any part of the amounts repaid to CoBank on any Loan made pursuant hereto (whether for the same or a different purpose);
- (9) to execute and deliver to CoBank an Electronic Commerce Master Service Agreement, a separate Service Agreement for each different service requested by the Cooperative, and such other agreements, addenda, documents or instruments as may be required by CoBank in the event that the Cooperative elects to use CoBank's electronic banking system (the "System");
- (10) to execute and deliver to CoBank any agreements, addenda, authorization forms and other documents or instruments as may be required by CoBank in the event that the Cooperative elects to use

any services or products related to the Loan that are offered by CoBank now or in the future, including without limitation an automated clearing house (ACH) service;

(11) to direct and delegate to designated employees of the Cooperative the authority to direct, by written or telephonic instructions or electronically, if the Cooperative has agreed to use the System for such purpose, the disposition of the proceeds of any Loan authorized herein or any property of the Cooperative at any time held by CoBank; and

(12) to delegate to designated employees of the Cooperative the authority to request by telephonic or written means or electronically, if the Cooperative has agreed to use the System for such purpose, loan advances and/or other financial accommodations, and in connection therewith, to fix rates and agree to pay fees. In the absence of any direction or delegation authorized in (11) or (12) above, all existing directions and/or delegations shall remain in full force and effect and shall be applicable to any Loan authorized herein.

RESOLVED FURTHER, that each of the Officers is hereby jointly and severally authorized to:

- (1) establish a Cash Investment Services Account at CoBank;
- (2) make such investments therein as any Officer shall deem proper;
- (3) direct by written or telephonic instructions or electronically, if the Cooperative has agreed to use the System for such purposes, the disposition of the proceeds therein;
- (4) delegate to designated employees of the Cooperative the authority set forth in (2) and (3) above; and
- (5) execute and deliver all documents and agreements necessary to carry out this authority.

RESOLVED FURTHER, that each of the Officers are hereby jointly and severally authorized and directed to do and/or cause to be done, from time to time, all things which may be necessary and/or proper for the carrying out of the terms of these Resolutions.

RESOLVED FURTHER, that all prior acts by the Officers or other employees or agents of the Cooperative to accomplish the purposes of these Resolutions are hereby approved and ratified.

RESOLVED FURTHER, that any Officer of the Cooperative is hereby authorized and directed to cast the ballot of the Cooperative in any and all proceedings in which the Cooperative is entitled to vote for the selection of a member of CoBank's board of directors or for any other purpose.

RESOLVED FURTHER, that these Resolutions shall remain in full force and effect until a certified copy of a duly adopted resolution affecting a revocation or amendment, as the case may be, shall have been received by CoBank. The authority hereby granted shall apply with equal force and effect to the successors in office of the Officers herein named.

RESOLVED FURTHER, That the President of the Cooperative Board of Directors is hereby authorized and directed to certify to CoBank a copy of these Resolutions, the names and specimen signatures of the present Officers above referred to, and if and when any change is made in the personnel of any said Officers, the fact of such change and the name and specimen signatures of the new Officers. CoBank shall be entitled to rely on any such certification until a new certification is actually received by CoBank.

CERTIFICATE

The undersigned, President of the Cooperative, hereby certifies that the Board of Directors, at a meeting duly called, noticed, convened and held on the 20th day of January, 2011, at which a quorum was present,

did unanimously adopt the foregoing resolutions and that said resolutions have not been revoked or amended in any way.

(SEAL)

By: _____
Jim Lett, President

MEMORANDUM

October 7, 2015

To: Board of Directors

From: Foster Hildreth, General Manager

RE: Low Income Needs Assessment Report

During the rate design process, OPALCO committed to compiling the low income needs assessment related to electric utility needs of our community. Our current PAL Program relies on voluntary member funding and provides individual grants to an average of 225 recipients annually. The Board approved additional support to the program for the 2014 and 2015 budget years in the amount of \$20k and \$25k, respectively.

OPALCO began a stakeholder engagement process in partnership with CLEARResult Consulting in order to comprehensively understand and address the needs of the community.

Our first step was to gather data and understand the depth of this challenge. Various organizations were invited to participate, including Family Resource Centers, the Housing Bank Commission, the Opportunity Council, Community Foundations, OPAL, SJC Veteran Assistance Program, SJC Health and Community Services, and the SJ County Council. Over a series of stakeholder meetings, we initiated discussions across a wide variety of topics ranging from housing to utility bills and provided stakeholders the opportunity to better understand the vital role that each of them can play to help improve the standard of living in the local community.

At this point we have compiled our draft report (see attached), for review and discussion. CLEARResult will present their report at the meeting.



OPALCO Low Income Assessment & Report Draft

October 9, 2015

PREPARED FOR Orcas Power and Light Cooperative (OPALCO)

PREPARED BY CLEAResult

Matt Braman
Phone 503.808.9003
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100 SW Main St #1500, Portland, OR 97204
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Contents

Report Overview	3
Executive Summary	3
San Juan County Market Profile and Demographics.....	4
Demographics of San Juan County.....	4
Low Income Needs Assessment	5
Summary of Data Sources and Analysis (Experian and Census).....	5
Explanation of Federal Poverty Level Ranges for San Juan County	5
Low-Income Population and Size of Problem.....	6
Demographic Trends	7
Low Income Budget vs Living Wage	9
Existing San Juan County Energy Assistance Programs.....	11
Project PAL.....	11
LIHEAP.....	12
Veteran Benefits	12
New Program Implementation Considerations	13
Key Considerations.....	13
Means Testing	13
Supplemental Nutrition Assistance Program (SNAP)	13
National School Lunch Program	14
Apple Health (MEDICAID)	14
TANF	14
SSDI	14
Progressive Assistance Example	15
Other Considerations	16

Report Overview

EXECUTIVE SUMMARY

To many people, the San Juan Islands are thought of as a vacation destination, but permanent residents face many economic challenges, resulting in a significant low income population. In order to better serve the needs of low income households in their service territory, Orcas Power and Light Company (OPALCO) hired CLEAResult to conduct a low income needs assessment. The primary goal of this assessment was to estimate the total number of low income households in San Juan County so that OPALCO and other stakeholders could design and budget for programs that can start to provide the needed assistance.

While there are many ways to define low income, this analysis uses 150 percent of the federal poverty guideline as the threshold for determining low income eligibility. Using available market and Census data, CLEAResult estimated that approximately 19 percent of the population lives below 150 percent of federal poverty guidelines, representing almost 1,500 households and 3,000 people.

With this information in hand, OPALCO began a stakeholder engagement process in order to comprehensively address the needs of low income residents. Over a series of three stakeholder meetings, OPALCO brought together a number of local community groups. These meetings initiated discussions across a wide variety of topics from health care to utility bills and provided stakeholders the opportunity to better understand the vital role that each of them can play to help improve the standard of living in the local community. These meetings also provided the opportunity for CLEAResult staff to receive input on the low income needs assessment and gather additional information from the local community to improve the analysis. Throughout this process OPALCO has made a significant investment in this initiative and in the community.

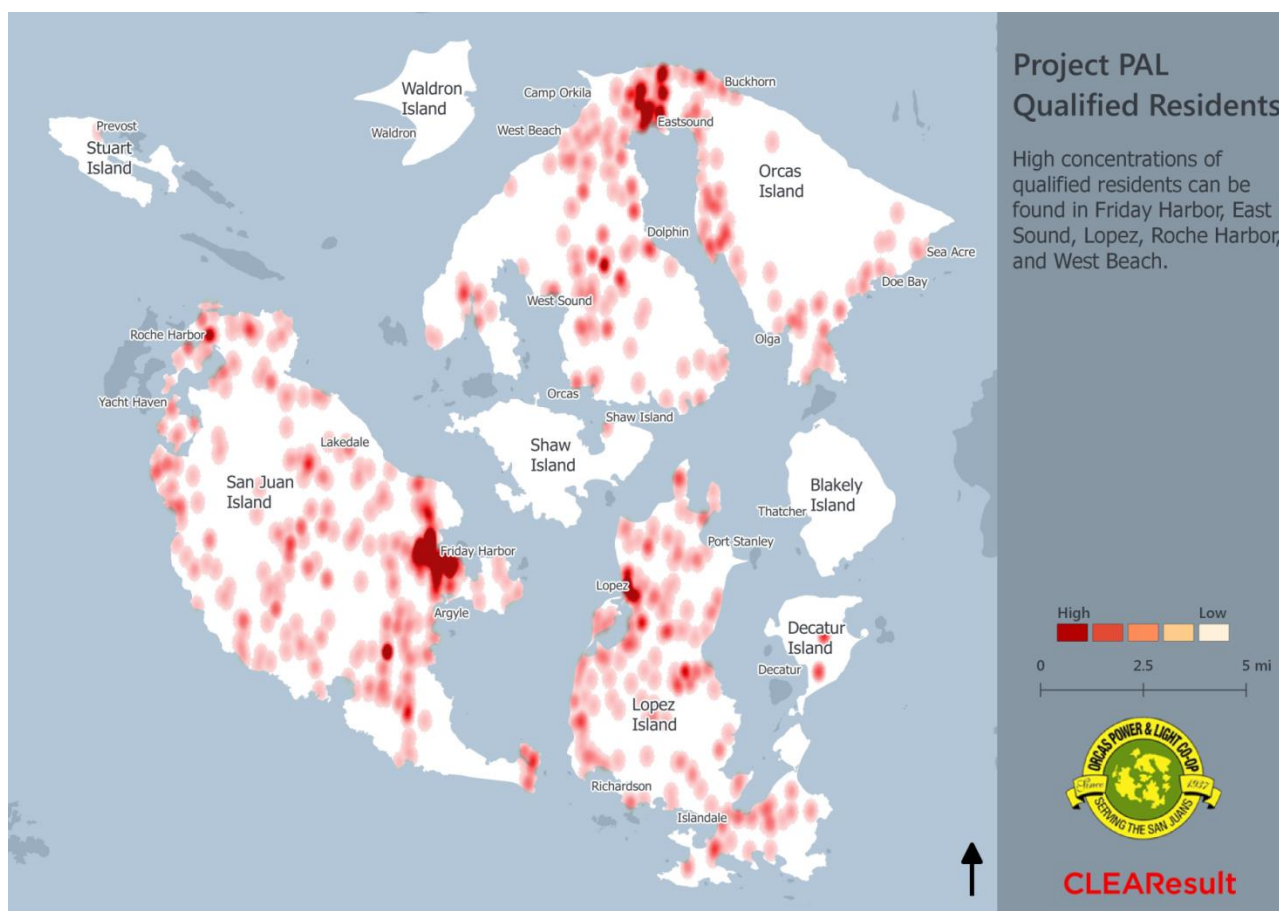
San Juan County Market Profile and Demographics

DEMOGRAPHICS OF SAN JUAN COUNTY

San Juan County is unique among counties in Washington in having an older population than the state average (52 years vs. 38 years), along with having the highest per capita income of any county in Washington, but a lower median income than the state average. It is also distinct in having a very high rate of seasonal occupancy due to the high number of second homes and vacation rentals that make up 35 percent of the overall housing stock. Overall family size is small—average household size is just about 2.05 people per home compared to 2.49 for Washington State, a difference of over 20 percent—and families with children only make up 16 percent of the overall households.

Because of this, the territory of OPALCO needs to be approached differently than similar utilities in the state of Washington that tend to be either wealthier urban or suburban, or poorer rural areas. The county has a mix of both wealthier residents, along with a population of residents subsiding on more marginal incomes. The lower income population, while concentrated in the population centers of Friday Harbor, Eastsound, and Lopez is also distributed through rural areas of Lopez, San Juan, and Orcas islands.

The map below details the concentrations of households qualifying for the Project PAL program based on income levels—making up to 200 percent of federal poverty level guidelines.



Low Income Needs Assessment

SUMMARY OF DATA SOURCES AND ANALYSIS (EXPERIAN AND CENSUS)

CLEAResult used Experian consumer demographic data along with recent US Census data to conduct the analysis related to overall low income population and size and demographics in San Juan County. Experian data is a purchased data set based on financial and household data from major credit card companies and is used to track overall consumer information. For this project Experian data covered approximately 80 percent of all households in the service territory. Household level data was filtered down to only include accurate entries and to eliminate possible seasonally occupied second homes and vacation rentals. Experian data was used in part because it allowed more in depth analysis in terms of household size and income and the actual household unit level compared to census data, which is limited to census-block group level data as the lowest geographic level.

Demographic data was also taken from the American Community Survey related to income levels and household size, along with overall population data from the 2010 and 2013 Census for San Juan County. Census data also provided data points that were not captured in Experian, such as household family composition of those with children and housing stock data.

We found that for the most part Experian-based and Census-based analyses were fairly consistent in terms of overall results, providing similar levels of estimated populations falling into the different poverty level guidelines. Where data didn't align completely could be due to some limitations of the Experian data such as the lack of information in that data set regarding children per home.

EXPLANATION OF FEDERAL POVERTY LEVEL RANGES FOR SAN JUAN COUNTY

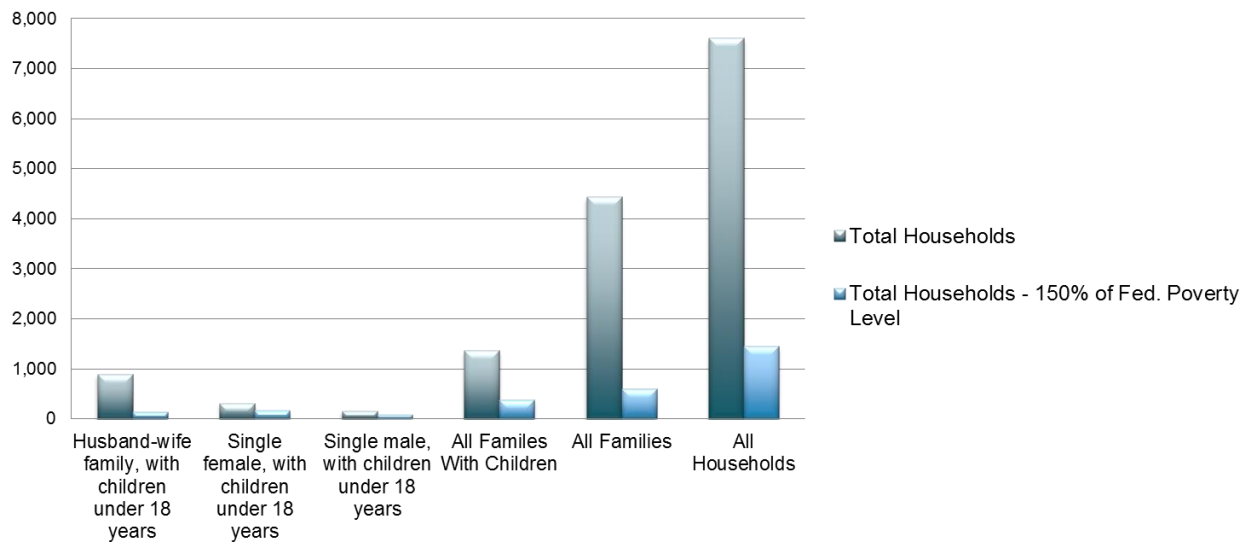
Federal poverty level guidelines are updated yearly by the Department of Health and Human Services. The guidelines are simplifications of the poverty level thresholds updated by the Census Bureau for determining financial eligibility for certain federal programs. The analysis examined overall population qualifying by household size for income levels at 100 percent, 125 percent, and 150 percent of federal poverty level guidelines. The table below shows qualifying income ranges based on the percent of federal poverty level ranges for one and two person households.

Annual income for a single adult meeting 150 percent of federal poverty level guidelines is \$17,505 which equates to an hourly total of \$8.42. For reference, minimum wage in Washington State is \$9.42 per hour, so single adult households with incomes in this range are usually not full-time workers, often being retired seniors living on Social Security, part-time or seasonal workers, unemployed, or on disability or other assistance programs. Annual income for a two adult household meeting 150 percent of federal poverty level guidelines is \$23,598 which equates to an hourly total of \$11.35.

Percent of Federal Poverty Level Guidelines By Household Size and Income Level	Estimated Total Households	Estimated Total Population	Maximum Income for 1 Person Household	Maximum Income for 2 Person Household	Maximum Income for 3 Person Household
100%	851	1,711	\$11,670	\$15,732	\$19,788
125%	1,152	2,315	\$14,588	\$19,665	\$24,735
150%	1,446	3,010	\$17,505	\$23,598	\$29,682
200%	2,128	4,278	\$23,340	\$31,464	\$39,576

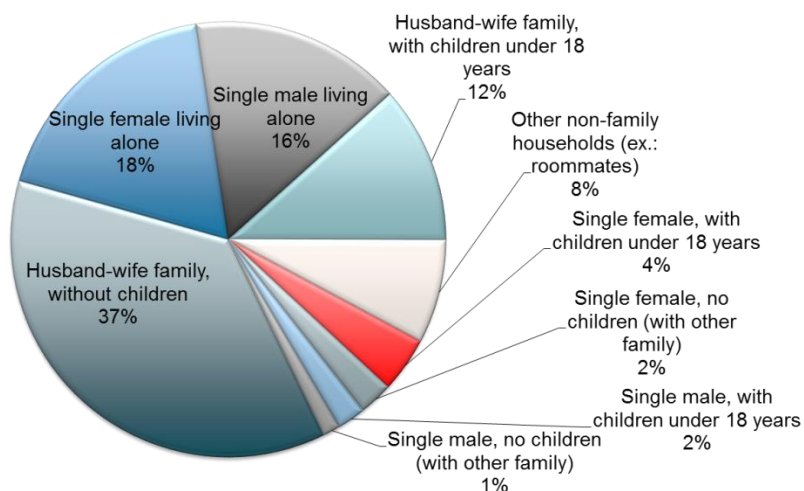
LOW-INCOME POPULATION AND SIZE OF PROBLEM

Our analysis estimated close to 1,500 households or 3,000 people in San Juan County would fall into the 150 percent of federal poverty level guidelines. This estimate was based on our analysis of Experian and Census household-level data detailing household income levels by household size. The population falling into this threshold is mostly single adult households based on both analyses—up to 70 percent of the households in this range. The threshold of 150 percent of federal poverty level guidelines was used to provide a balance between existing programs such as Project PAL at 200 percent of FPL and the Low Income Home Energy Assistance Program (LIHEAP) at 125 percent of FPL in Washington State.



Source: Analysis Based on 2010 US Census

DEMOGRAPHIC TRENDS

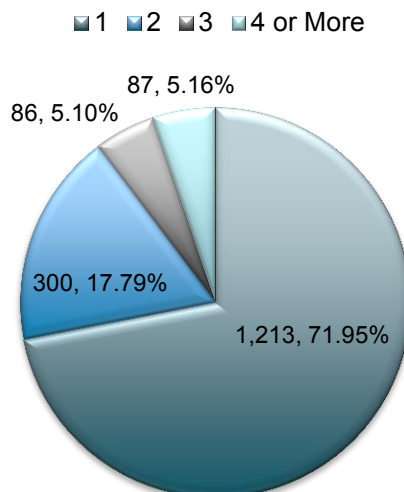


Source: 2010 Census Data

The chart above details the overall home composition of all households in the San Juan Islands. Households are predominantly without children under the age of 18, with husband-wife families without children, single adult households, and other family households without children making up 82 percent of the overall households in the county. About 18 percent of all county households have children under the age of 18.

While the percent of single adult households in the county is about 40 percent of all households—they make up over 70 percent of all households with incomes under 150 percent of federal poverty level guidelines. The chart below from household level analysis from the Experian data-set shows estimated households in this range by number of adults. Experian data does not capture number of children in the home as a usable data-point.

Estimated Households By Number of Adults Making 150% of Federal Poverty Level Guidelines



Source: Experian Consumer Demographics Data

The following table is from Experian data and details estimated household size and income ranges based on household consumer data. This data was used during the project to gain a more in depth look at individual household estimates of possible participation in any program using federal poverty guidelines as a baseline for qualification.

Income Range	Household Size								All Households
	1	2	3	4	5	6	7	8	
\$1,000 to \$14,999	9.74%	1.41%	0.11%	0.02%	0.02%	0.02%	0.00%	0.00%	11.31%
\$15,000 to \$24,999	6.18%	2.54%	0.62%	0.30%	0.16%	0.02%	0.04%	0.02%	9.87%
\$25,000 to \$34,999	5.53%	1.37%	0.41%	0.16%	0.09%	0.09%	0.02%	0.02%	7.68%
\$35,000 to \$49,999	8.25%	3.86%	1.46%	0.42%	0.26%	0.09%	0.05%	0.00%	14.39%
\$50,000 to \$74,999	7.89%	10.15%	4.28%	2.20%	1.11%	0.65%	0.32%	0.19%	26.80%
\$75,000 to \$99,999	1.89%	3.74%	2.57%	1.87%	0.85%	0.53%	0.21%	0.09%	11.73%
\$100,000 to \$124,999	1.92%	1.73%	0.88%	0.51%	0.32%	0.11%	0.07%	0.00%	5.53%
\$125,000 to \$149,999	1.48%	1.09%	0.46%	0.18%	0.05%	0.02%	0.05%	0.00%	3.33%
\$150,000 to \$174,999	1.74%	0.58%	0.14%	0.05%	0.09%	0.04%	0.02%	0.00%	2.66%
\$175,000 to \$199,999	0.28%	0.19%	0.12%	0.07%	0.02%	0.04%	0.04%	0.00%	0.76%
\$200,000 to \$249,999	1.30%	0.42%	0.18%	0.05%	0.00%	0.00%	0.02%	0.00%	1.97%
\$250,000 +	2.34%	1.15%	0.28%	0.12%	0.04%	0.04%	0.00%	0.00%	3.96%
All Households	48.56%	28.22%	11.50%	5.95%	3.00%	1.62%	0.83%	0.32%	100.00%

Source: Experian Consumer Demographics Data

The table below details the overall home composition of all households in the San Juan Islands falling into the 150 percent of federal poverty level guidelines based on 2010 Census Data. As shown and referenced earlier, non-family households (mostly single-adult households) combined with single parent households with children constitute over 70 percent of this range. While families with children are only 18 percent of households in the county, households with children make up 26 percent of households under 150 percent of the poverty level. Single female households with children, while making up a small percentage of total households in the county (2 percent) make up 12 percent of households under 150 percent of the poverty guidelines, with 56 percent of all single female parent households falling under that threshold.

Household Type	Number of Households	% of Households for Type below 150% of Federal Poverty Level Guidelines	% of All Households (San Juan County)	% of Households Making 150% of Federal Poverty Level Guidelines
Husband-wife family, with children under 18 years	144	16%	2%	10%
Single female, with children under 18 years	175	56%	2%	12%
Single male, with children under 18 years	54	34%	1%	4%
All Families With Children	373	27%	5%	26%
All Families	635	14%	8%	44%
Non-family households	811	26%	11%	56%
All Households	1,446	19%	19%	100%

Source: Analysis based on 2010 Census Data

LOW INCOME BUDGET VS LIVING WAGE

We used a living wage budget calculator (<http://livingwage.mit.edu/>) for estimated average expenses for categories ranging from medical to child care. Additionally we used median rent figures from the 2013 Census, additional medical expenses for senior citizens, and added other unique expenditures for San Juan County including monthly ferry trip costs. Monthly utility costs were based on OPALCO estimates for electricity and other local utility pricing estimates for non-electric.

The advantage of using a living wage instead of a poverty level income budget is that poverty level usually does not take into account living costs beyond a basic food budget and doesn't include costs of childcare, healthcare costs or market rate housing costs. For example, a poverty level monthly income of \$972 for a single adult would spend most of their net income on unsubsidized market rate housing.

A living wage budget reflects overall expenses needed to live in San Juan County rather than the average budget or poverty level budget. Most households at poverty level or 125 percent to 150 percent of poverty level are surviving through subsidies for basic expenses including housing and health care and not through personal income. The MIT living wage calculation is market based approach that examines the cost of expenditures related to basic necessities for all residents of the San Juan Islands before subsidies or public assistance.

One other factor to take in to consideration was that the median rent for housing costs didn't reflect the higher costs that newer renters in the islands would pay or the lower costs older residents with paid-off mortgages would face for housing.

	1 Adult	% of Budget	2 Adults	% of Budget
Housing	\$746	35%	\$957	28%
Transportation	\$388	18%	\$665	19%
Medical	\$140	7%	\$361	11%
Child Care	\$0	0%	\$0	0%
Food	\$301	14%	\$551	16%
Other	\$190	9%	\$331	10%
Entertainment	\$135	6%	\$249	7%
Other Utility	\$200	9%	\$200	6%
Electric Utility	\$47	2%	\$105	3%
Total Monthly Budget (Before Taxes)	\$2,147	100%	\$3,419	100%

All figures are from Living Wage Calculation for San Juan County (<http://livingwage.mit.edu/>) except where noted.

	1 Senior	% of Budget	2 Seniors	% of Budget
Housing	\$746	31%	\$957	25%
Transportation	\$388	16%	\$665	17%
Medical	\$422	17%	\$844	22%
Child Care	\$0	0%	\$0	0%
Food	\$301	12%	\$551	14%
Other	\$190	8%	\$331	8%
Entertainment	\$135	6%	\$249	6%
Other Utility	\$200	8%	\$200	5%
Electric Utility	\$47	2%	\$105	3%
Total Monthly Budget (Before Taxes)	\$2,429	100%	\$3,902	100%

All figures are from Living Wage Calculation for San Juan County (<http://livingwage.mit.edu/>) except where noted.

	1 Adults, 1 Child	% of Budget	2 Adults, 2 Children	% of Budget
Housing	\$957	23%	\$1,263	23%
Transportation	\$665	16%	\$881	16%
Medical	\$480	12%	\$468	8%
Child Care	\$656	16%	\$972	18%
Food	\$443	11%	\$886	16%
Other	\$331	8%	\$438	8%
Entertainment	\$249	6%	\$303	5%
Other Utility	\$200	5%	\$200	4%
Electric Utility	\$105	3%	\$114	2%
Total Monthly Budget (Before Taxes)	\$4,087	100%	\$5,524	100%

All figures are from Living Wage Calculation for San Juan County (<http://livingwage.mit.edu/>) except where noted.

Existing San Juan County Energy Assistance Programs

PROJECT PAL

Project PAL is housed at Orcas Power & Light Cooperative and serves OPALCO members, but is run by an independent, volunteer council. This anonymous council of six member volunteers reviews Project PAL applications and makes award decisions monthly during the heating season, November through April. Half of PAL funds each year are designated for seniors and disabled persons of low income. The remainder is made available to any member who meets the PAL Eligibility and Guidelines 2014 and whose application is approved by the volunteer council. Low income participants are qualified currently with incomes up to 200 percent of federal poverty level guidelines.

Overall the PAL program, serves about 15 to 16 percent of qualified households within that income range annually.

Season	Senior and Disabled Grant Recipients	Other Grant Recipients(Low-income)	Total Grants	% of Households Participating	% of PAL Qualified Households	Total Cost of Grants
2011-12	126	101	227	2.93%	15.70%	\$33,703
2012-13	129	90	219	2.82%	15.15%	\$32,700
2013-14	119	114	233	3.00%	16.11%	\$36,519
2014-15	116	104	220	2.84%	15.21%	\$39,661

LIHEAP

The Low Income Home Energy Assistance Program is a federal program that assists low income families with energy costs including utility bills, weatherization programs, and assistance during energy crises. LIHEAP can help renters or low income homeowners with their heating and electric bills as well as pay for heating or cooling system repair costs. Households qualifying for LIHEAP can receive up to \$1,000 for paying their primary heat source and bills, though in San Juan County the average assistance amount was \$483 per household.

The LIHEAP statute establishes 150 percent of the poverty level as the maximum income level allowed in determining LIHEAP income eligibility, except where 60 percent of state median income is higher. Income eligibility criteria for LIHEAP may not be set lower than 110 percent of the poverty level. In San Juan County eligibility is at 125 percent of federal poverty level guidelines.

Under the law, LIHEAP grantees have the flexibility of serving households having at least one member who also receives assistance under any of the following Federal programs (referred to as categorical eligibility) including Temporary Assistance for Needy Families, Supplemental Security Income, Food Stamps, and Veteran Benefits.

For comparison here is the total population served and cost of energy assistance for LIHEAP qualified by household income levels under 125 percent of federal poverty level guidelines—serving about 29 percent of qualified households during the 2014-15 season:

Season	Total Households	Total Population Served	% of Households Participating	% of Qualified Households	Average Grant Amount	Total Cost of Grants
2014-15	168	336	4.33%	29.17%	\$483	\$81,144

VETERAN BENEFITS

There are 1,544 veterans in San Juan County (2013 US Census), which is about 10 percent of the population. Of these, 105 have a service-connected disability rating. Per capita Veterans Administration benefits spending is under \$2,500 per veteran, the lowest per county spending average in Washington State. Due to the distance of many veterans from VA services, participation in programs remains low. The Veterans Assistance Fund will provide assistance with utility bills for eligible veterans if considered indigent—already receiving public assistance, receiving an annual income of less than 150 percent of federal poverty level guidelines, or unable to pay for shelter, food, utilities, or transportation because of insufficient funds.

http://www.co.san-juan.wa.us/committees/veterans/docs/VAB_Manual_Update_2013.pdf

New Program Implementation Considerations

KEY CONSIDERATIONS

- Means testing for any potential new program based on income and household size levels and eligibility and crossover with other existing assistance programs.
- Progressive income based program reaching the full spectrum of households in need from extremely low income below poverty level to households making up to 150 percent of federal poverty guidelines

MEANS TESTING

As part of the planning process for new or modified low income energy assistance, we looked at income qualifications and ranges for other low income programs.

The following table details existing assistance programs with available participation data and the average benefits and eligibility requirements for each. Note that the high percentage of households receiving income from Social Security would be reflective of San Juan County residents over the age of 65 (25 percent of the overall population) along with other retired residents over the age of 62, but would also include those receiving payments for SSDI.

Program	# of Participating Households	Household Participation Rate	Average Benefits Amount	Eligibility
Project PAL	220	2.84%	\$159	200% of FPL or seniors/disability
LIHEAP	336	4.33%	\$483	125% of FPL
Social Security	3,118	40.20%	\$18,213	Varies
Supplemental Security Income	166	2.10%	\$7,054	65 or older and certain medical conditions (blind/disabled)
SNAP Benefits(Food Stamps)	595	7.70%	\$118	130% of gross FPL or 100% of net FPL
Other Cash Public Assistance	166	2.10%	\$4,109	Varies

Source: Project PAL and LIHEAP based on most recent program data and other programs based on 2013 Census estimates

The program also looked in depth at other assistance programs available in San Juan County for eligibility requirements and possible cross-over with a potential new progressive assistance approach (in which eligibility for one assistance program might trigger eligibility for a newer program).

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

- SNAP provides federal nutrition assistance in the form of food stamps or other food benefits for low income individuals and families
- To qualify for SNAP benefits, households must meet an income test of gross income below 130 percent of poverty guidelines and net income below 100 percent of poverty levels. If a household has a senior or someone else on disability payments they only need to meet the net income test.
- About 7.7 percent of San Juan County households participate in the SNAP program (2013 Census data)

NATIONAL SCHOOL LUNCH PROGRAM

- The National School Lunch Program is a federal assisted meal program operating in public and nonprofit private schools and residential child care institutions providing low-cost or free lunches to children from low-income households each school day.
- Eligibility for reduced price meals is limited to households with incomes falling under 185 percent of federal poverty guidelines. To qualify for free meals, students must be from households that make less than 130 percent of federal poverty guidelines. Eligibility rates vary for reduced and free lunches from 23 percent for students on Orcas Island to 42 percent on San Juan Island and 50 percent on Lopez Island.

APPLE HEALTH (MEDICAID)

- The federal Medicaid program in Washington State is called Apple Health. Low income health coverage is available to individuals and families under a number of income-based guidelines. These vary with different programs for adults with dependent children along, pregnant women, or those on supplemental social security income and the medically needy.
- The income limit for adults from age 19 through 65 is at or below of 133 percent of federal poverty guidelines. Apple Health for Kids is free to children with households at or below 210 percent of the federal poverty guidelines and available for monthly premium of children in households with income at or below 312 percent of the federal poverty guidelines.

TANF

- Temporary Assistance for Needy Families (TANF) provides temporary cash for families in need. Some families participate in the WorkFirst Program, which helps participants find and keep jobs.
- To be eligible for TANF a family must have resources of \$1,000 or less in checking and savings accounts, stocks, bonds, and mutual funds.

SSDI

- Social Security Disability (SSDI) provides benefits for anyone disabled and unable to workers who have already paid into the Social Security system through their payroll taxes. SSI is considered more of an entitlement program helping individuals who have limited income and resources, irrespective of their past work history or how much they have paid into the Social Security system.
- SSDI benefits are available to workers under the age of 65 who are disable under the guidelines of the Social Security Administration and requires medical diagnosis as an individual unable to perform work.

PROGRESSIVE ASSISTANCE EXAMPLE

The table below details a potential energy assistance program that provides electric bill assistance based on income (column on left) and electric bill and usage (monthly kWh on top row, average annual electric bill on third row). The program would cap electric bills at 10 percent of household budget with most recipients being very low-income households.

10% cap kWh/ month>	200 kWh	400 kWh	600 kWh	800 kWh	1000 kWh
	Average Annual Electric Bill				
Annual Income	\$671	\$875	\$1,079	\$1,283	\$1,487
\$3,000	\$371	\$575	\$779	\$983	\$1,187
\$7,500	\$0	\$125	\$329	\$533	\$737
\$12,500	\$0	\$0	\$0	\$33	\$237
\$17,500	\$0	\$0	\$0	\$0	\$0
\$22,500	\$0	\$0	\$0	\$0	\$0

The table below details the low income population that would fall into this range based on 2013 US Census Data figures as possible participants in a progressive income-based approach. One thing to take into consideration is the higher percentage of renters at the lower income ranges. Potential programs would be aimed at bill-payers, who could be owners rather than the occupying tenant, but also address the special needs of low income renters.

	Occupied Housing Units	Total Households	Owner- occupied housing units	Renter- occupied housing units
Less than \$5,000	3.00%	233	2.60%	4.00%
\$5,000 to \$9,999	3.50%	271	1.90%	7.40%
\$10,000 to \$14,999	4.80%	372	3.00%	9.40%
\$15,000 to \$19,999	4.60%	357	3.00%	8.70%
\$20,000 to \$24,999	5.50%	426	3.80%	9.70%

Source: 2013 Census Data

OTHER CONSIDERATIONS

- Will the program provide assistance monthly for the entire year or be limited to the heating season?
- Participation rates for existing energy bill assistance programs are under 5 percent of total households but range from 15 to 30 percent of qualified households. Would a progressive program combined have higher participations rates?
- Should the new assistance program take into account energy assistance already obtained?
- Special considerations for renters versus home owners participating in any program and different outreach methods.

MEMORANDUM

October 09, 2015

To: Board of Directors
From: Foster Hildreth, General Manager
RE: Safety Program – September 2015

Safety Training

Jeff Myers conducted training on traffic control and flagging. This training includes the certification of employees to flag.

Safety Manual

The new company Safety Manual has been under development for the last year. The final draft has been presented to the Safety Committee for review and should be published and in effect by December.

RESAP

The Safety Committee is developing the Safety Improvement Plan with a target completion of end of year. Kai Burleson and Steve Eyler completed RESAP inspection training in early October, allowing them to aid in our own informal inspections and inspections at other RESAP participating cooperatives.

Accidents/Incidents/Near Miss

None

	September 2015	YTD (2015)
Near Misses	0	1
Incidents	0	1
Accidents	0	1
Loss Time	0	0

Total Hours Worked without Loss Time Accident: 105,852 hours

GENERAL MANAGER'S REPORT

INTEGRATED RESOURCE PLAN (IRP)

Progress on the IRP continues. At the September Board meeting, EES reviewed resource objectives, strategic partners and gave an update on conservation/EE measures, battery storage and smart inverters.

The draft IRP objectives target continued delivery of affordable, reliable, clean, sustainable energy to members. Strategies detailed in the report aim to accelerate fuel switching to electrical sources, flattening of load, integration of emerging Smart Grid standards, local renewable energy and storage, conservation, diversification of resources, and expansion of local energy market. The draft report will be circulated upon completion. The 2016 Budget implications will be discussed at the November Board meeting.

ENGINEERING AND OPERATIONS

Work In Progress (WIP)

As of October 6, 2015, there are 372 OPALCO and 247 RIC work orders open totaling \$4,876,267 and \$684,194 respectively. Of those, Operations has completed construction on 103 OPALCO work orders, totaling \$1,706,290.

Submarine Cable

The bore at Otis Perkins Park, Lopez Island is on-schedule and budget. The installation of the first conduit is complete as of 10/09/2015. Second bore is complete and crews are waiting on slack tide for installation of the second conduit. Completion of the boring and conduit installation will be by the end of October.

Outage – Orcas, Calypso Lane/Enchanted Forest Area – 10/07/2015

On Wednesday at about 2 PM, an outage occurred due to faulty equipment and corroded neutral on cables in the Calypso Lane/Enchanted Forest area. The lack of neutral caused damage to the phone system in the area and the members' secondary conductor, meterbases, well pumps, and other equipment. The event effected 12 members and CenturyLink.

FINANCE

Transition of accounting records of the Island Network Dept. to Rock Island

Staff has been working closely with the Rock Island team to transition the Island Network Department accounting to the separate legal entity ledger before year-end.

Loan Position

Staff is working with CFC and CoBank to explore re-pricing or refinancing of current RUS and CFC loans in order to take advantage of the current lower interest rates. Further update will be provided at the November Board meeting.

2016 Budget Process

Staff is currently in an accelerated September accounting close in order to have the basis for the 2016 budget, which will be presented at the November Board meeting.

2014 Federal Tax Return

Staff has reviewed the draft federal filing and will discuss in executive session, in order for the board to approve in the regular session at the October Board meeting.

MEMBER SERVICES

Staff is working to transition new team members to Member Services. We have recently been utilizing staff from multiple offices to fill gaps to ensure that service quality did not drop, and all deadlines were met. PCI compliance efforts are ongoing, and new policies and procedures are being implemented to be in line with guidelines.

Rebates/Energy Savings

OPALCO's EEI funding for the BPA rate period FY16-FY17 was released in the amount of \$525,941, of which approximately \$230,000 will be submitted by November. No self-funding occurred. Depending on the number of large rebates in the pipeline, we expect to use the remaining current year's EEI funding by the first quarter of 2016. We have recently completed 3 major commercial projects, and are continuing to accept and process residential rebate applications.

COMMUNICATIONS

Website Redesign

Content development and programming are nearing completion. Based on the usage profile of the web analytics, new functionality will include "dashboard" views of data. Launch is expected in November.

Member Survey

More than 1500 members (13%) participated. Bill credits are being issued within the October billing cycles. A draft report is in process, and the results will be reviewed with the Board in December.

October is National Co-op Month

OPALCO is cooperating with the San Juan Island Food Co-op and Orcas Food Co-op to engage our communities in a full month of activities and awareness messaging. We are also celebrating National Co Op Month, and participating in a "Take Ownership" challenge to encourage our Members to get involved.

Rock Island Communications October 2015

CURRENT CONSTRUCTION

CAPE SAN JUAN: 70% of Total Project Complete

- 87 are awaiting subscriptions and 4 are connected
- The LTE site is built and commissioned
- Current backhaul radio has issues related to stability and tidal activity. Private spectrum obtained and equipment is partially on hand to resolve stability. New backhaul should be in place over the next 2-3 weeks
- 19 of 23 last mile construction efforts complete. Half of FTTH final installs complete. Those connections will come up once new backhaul is in place
- LTE rollout plan to the 64 target customers in place when the LTE radios come online with new backhaul

SPRING POINT: 70% of Total Project Complete

- 77 are awaiting subscriptions, and 12 are connected
- 32 last miles constructed
- 23 additional final installs on the books for this week
- We should have a total of 30 customers online by mid-month, then 10 each week for the next several weeks beyond that

MINERAL POINT: 70% of Total Project Complete

- 46 homes are awaiting subscriptions and 13 homes are connected
- 21 last-mile constructions are complete with 9 ready to go

ALDER FOREST: 100% of Total Project Complete

- Services delivered to all buildings in September with 4 homes active in the system; two will be active when owners return from travel

WHISKEY HILL: 25% of Total Project Complete

- Middle mile construction is nearly complete
- Scheduling for last mile appointments will start October 15th
- Last-mile digs will start in November

SUNCREST: 50% of Total Project Complete

- Middle mile construction complete week of October 12th
- Scheduling for last mile appointments will start October 15th
- Last mile digs will start in November

LTE Rollout Project

- Deploying the first LTE customers in proximity to the Eastsound Office location. Results are favorable, with more than 12 customers online. The team is learning a lot about wireless coverage limitations and strengths

- 15 poles are in the ground
- Next sites to be deployed are Olga, Spring Point, Mineral Point and N. Shaw. Hope to have all functional and taking LTE customers by November 15th

Individuals

- Booting up crew to deal specifically with individuals along the backbone
- Big push for individual connections along Deer Harbor Rd from now until the end of the year
- Hoping to acquire 100 new connections by year-end via individual connections countywide where available

Businesses

- Islanders Bank build complete; need to complete network survey then live
- Washington Federal Bank: awaiting their Board approval for lighting connection
- Island Excavation Cluster (Island Excavation, Transfer Station, The Grange, San Juan Sanitation): dig begins in next two weeks and includes an LTE pole
- Four Winds Camp: Need to drill our last 200 feet to bring backbone to them. Awaiting final approval from county before we schedule the dig
- Lopez: Scott Rosenbaum, Lopez Chamber of Commerce, John Bent, Tom Ruggles

Fiber Sales Pipeline

- Verbal commitment, awaiting payment: 5 communities
- Actively in discussion: 13 communities

Network Redundancy Project

- OPALCO radio up and tested to Bellingham 200+mbps capacity; currently a 100mbs cap on it
- More work underway to bring up full redundancy

Company Operations

- New CFO Chad Bailey in place. Elise Jensen hired on contract to assist with finance work in Friday Harbor office.
- Rick Lysen and Sebastien Ghizzo are up to speed on technical items to take over for departing Mike Greene and Mike Roling.
- Dashboard subscriber and revenue budget-to-actual chart attached.
- Staff will be available to discuss this topic in detail at the meeting.

DASHBOARD: ROCK ISLAND COMMUNICATIONS

SUBSCRIBERS

BUDGET Subscribers	2015 Budget Subscribers												2015	2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Period End (Sept) Budget	Year End Budget
DSL/Canopy	-	1,618	1,618	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
Fiber	108	108	138	151	165	178	228	278	328	385	443	500	328	500
LTE	-	-	100	150	200	250	300	350	400	469	539	608	400	608
Total	108	1,726	1,856	1,945	2,009	2,072	2,172	2,272	2,372	2,499	2,625	2,752	2,372	2,752
New Subscribers	-	1,618	130	89	63	63	100	100	100	127	127	127	2,264	2,644

ACTUAL Subscribers	2015 Actual Subscribers												2015	2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Period End (Sept) Actual	Year End Actual
DSL/Canopy		1,561	1,564	1,569	1,578	1,582	1,587	1,590	1,593	-	-	-	1,593	
Fiber	115	123	128	137	167	221	227	235	275	-	-	-	275	
LTE	-	-	-	-	-	-	-	3	13	-	-	-	13	
Total	115	1,684	1,692	1,706	1,745	1,803	1,814	1,828	1,881	-	-	-	1,881	
New Subscribers	7	1,569	8	14	39	58	11	14	53				1,773	

VARIANCE Subscribers	2015 Variance Subscribers												2015	2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Period End (Sept) Variance	Year End Variance
DSL/Canopy	-	(57)	(54)	(75)	(66)	(62)	(57)	(54)	(51)	-	-	-	(51)	
Fiber	7	15	(10)	(14)	2	43	(1)	(43)	(53)	-	-	-	(53)	
LTE	-	-	(100)	(150)	(200)	(250)	(300)	(347)	(387)	-	-	-	(387)	
Total Variance (Actual - Budget)	7	(42)	(164)	(239)	(264)	(269)	(358)	(444)	(491)	-	-	-	(491)	
Variance New Subscribers	7	(49)	(122)	(75)	(24)	(5)	(89)	(86)	(47)				(491)	

Pipeline Subscribers	2015 Subscriber Pipeline (Transition to \$ Paying Subscribers)												2015	2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	4th Qtr Pipeline	Total Actual + Pipeline
DSL/Canopy										60	80	71	211	
Fiber										25	62	73	160	
LTE														
Total Pipeline	-	-	-	-	-	-	-	-	-	85	142	144	371	-
Actual + Pipeline Subscribers	7	1,569	8	14	39	58	11	14	53	85	142	144		2,144
Actual + Pipeline Variance	7	(49)	(122)	(75)	(24)	(5)	(89)	(86)	(47)	(42)	15	17		(500)

DASHBOARD: ROCK ISLAND COMMUNICATIONS

REVENUE

BUDGET Revenue	2015 Budget Revenue												2015	2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Period End (Aug) Budget	Year End Budget
DSL/Canopy	-	94,565	94,565	94,565	94,565	94,565	94,565	94,565	94,565	94,565	94,565	94,565	661,954	1,040,213
Fiber	26,982	26,982	26,982	35,976	35,976	35,976	58,461	58,461	58,461	58,461	58,461	58,461	305,796	539,640
LTE	12,938	12,938	12,938	17,250	17,250	17,250	28,031	28,031	28,031	28,031	28,031	28,031	146,625	258,750
IT Services	-	26,667	26,667	26,667	26,667	26,667	26,667	26,667	26,667	26,667	26,667	26,667	186,667	293,333
Total	\$39,920	\$161,151	\$161,151	\$174,458	\$174,458	\$174,458	\$207,724	\$207,724	\$207,724	\$207,724	\$207,724	\$207,724	\$1,301,042	\$2,131,937

ACTUAL Revenue	2015 Actual Revenue												2015	2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Period End (Aug) Actual	Year End Actual
DSL/Canopy	-	74,701	74,900	66,965	76,629	76,875	77,484	76,517	-	-	-	-	524,071	
Fiber ²	43,833	50,469	50,960	50,733	50,398	53,946	60,980	61,829	-	-	-	-	423,148	
LTE	-	-	-	-	-	-	-	-	-	-	-	-	-	
IT Services	-	47,226	46,354	45,954	44,470	45,815	49,139	45,762	-	-	-	-	324,720	
Total	\$43,833	\$172,396	\$172,214	\$163,652	\$171,497	\$176,636	\$187,603	\$184,108	\$0	\$0	\$0	\$0	\$1,271,939	-

VARIANCE Revenue	2015 Variance Revenue												2015	2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Period End (Aug) Variance	Year End Variance
DSL/Canopy	-	(19,864)	(19,665)	(27,600)	(17,936)	(17,690)	(17,081)	(18,048)					\$ (137,883)	
Fiber ²	16,851	23,487	23,978	14,757	14,422	17,970	2,519	3,368					\$ 117,352	
LTE	(12,938)	(12,938)	(12,938)	(17,250)	(17,250)	(17,250)	(28,031)	(28,031)					\$ (146,625)	
IT Services	-	20,559	19,687	19,287	17,803	19,148	22,472	19,095					\$ 138,053	
Total Variance (Actual - Budget)	3,914	11,245	11,063	(10,806)	(2,961)	2,179	(20,121)	(23,616)	-	-	-	-	(29,103)	-
Variance %	8.9%	6.5%	6.4%	-6.6%	-1.7%	1.2%	-10.7%	-12.8%	0.0%	0.0%	0.0%	0.0%	-2.3%	0.0%

Revenue Per Subscriber	2015 Revenue per Subscriber												2015	2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Period End August	Year End
Subscriber Types														
DSL/Canopy	-	48	48	43	49	49	49	48	-	-	-	-	48	
Fiber ²	381	410	398	370	302	244	269	263	-	-	-	-	263	
LTE	-	-	-	-	-	-	-	-	-	-	-	-	-	

Notes:

General: Accounting consolidation ongoing (Legacy Rock Island + Island Network = Rock Island Communications)

1. RIC acquisition closed on February 6th 2015

2. Reflects transition to residential subscriber base from larger commercial connections (e.g. 'Noanet)

MEMORANDUM































October 7, 2015

To: Board of Directors

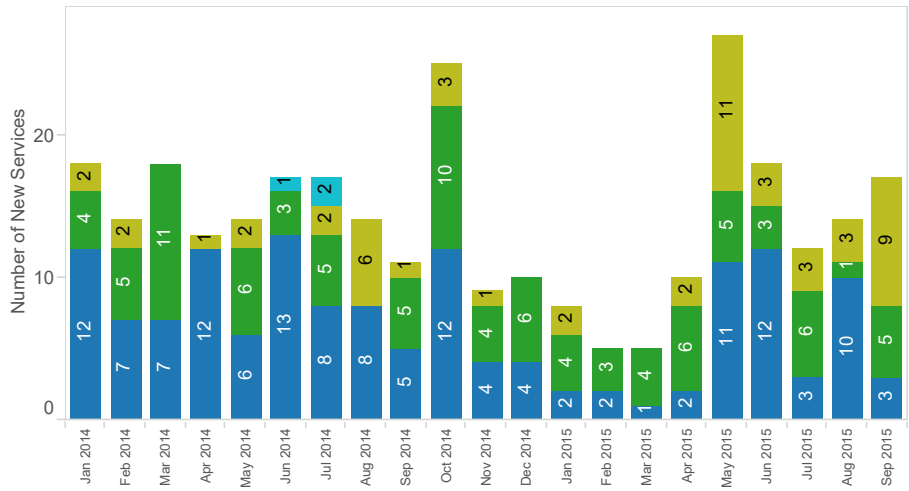
From: Foster Hildreth, General Manager

Subject: Dashboard

Attached please find the latest version of our dashboard charts. Please remember these charts are a work in progress that will evolve over the coming months. The chart listed below indicates their status.

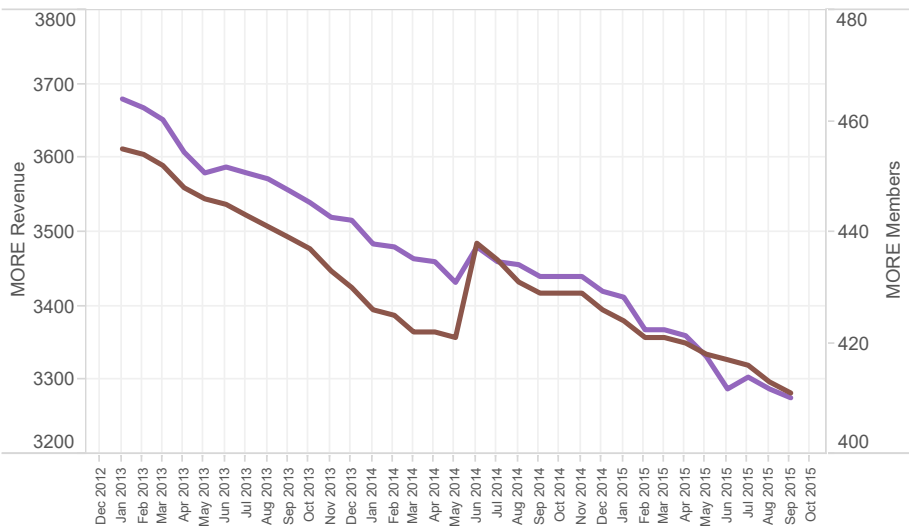
Title	Status			Comment
Service Additions by Board District				Continued new services
PAL				Additional funding required to sustain
MORE/All Green				Continued decline in participation
Cash				Pursuant to Board Directives
TIER				Stable due to CRC
Equity				Pursuant to Board Directives/budget
Debt				Pursuant to Board Directives/budget
Outage Summary				Trending is level
Outage Statistics				Durations above Industry Trends
Power Cost				Below budget

Services Additions by Board District (excluding transfers)



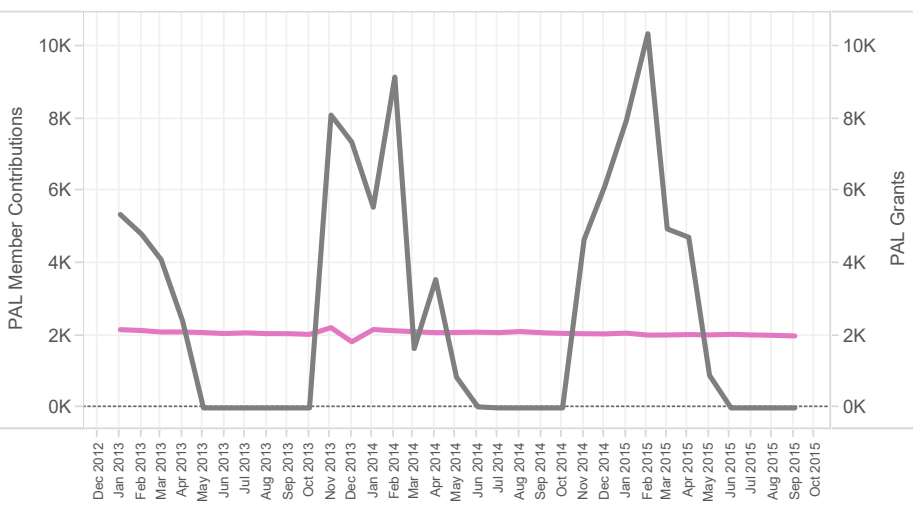
- District 4 - Shaw, Bell, Canoe, and Crane
- District 3 - Lopez, Decatur, Center, and Charles
- District 2 - Orcas, Blakely, Obstruction, Armitage, Bid Double, Little Double, and Fawn
- District 1 - San Juan, Brown, Henry, Pearl, and Spieden

MORE



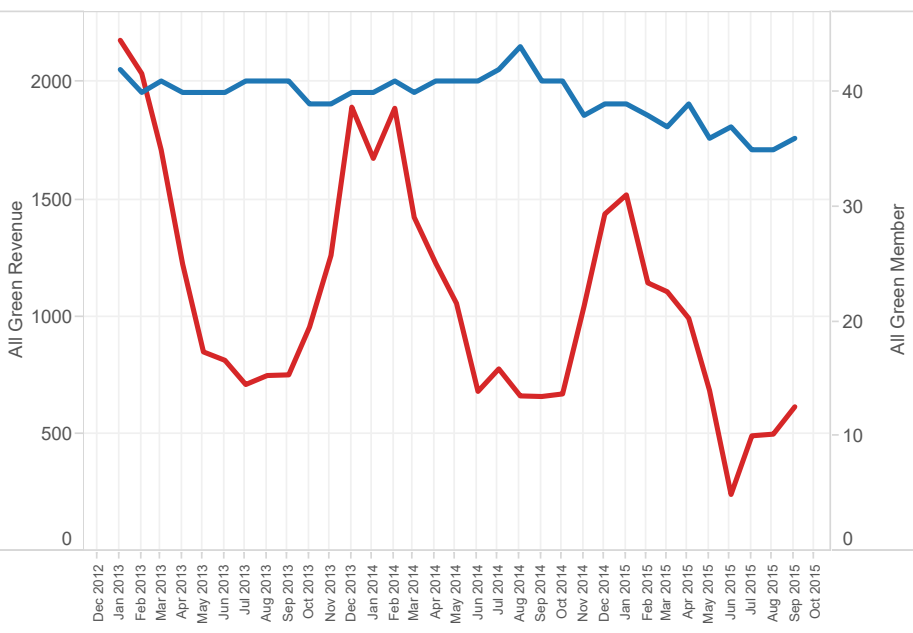
- MORE Members
- MORE Revenue

PAL



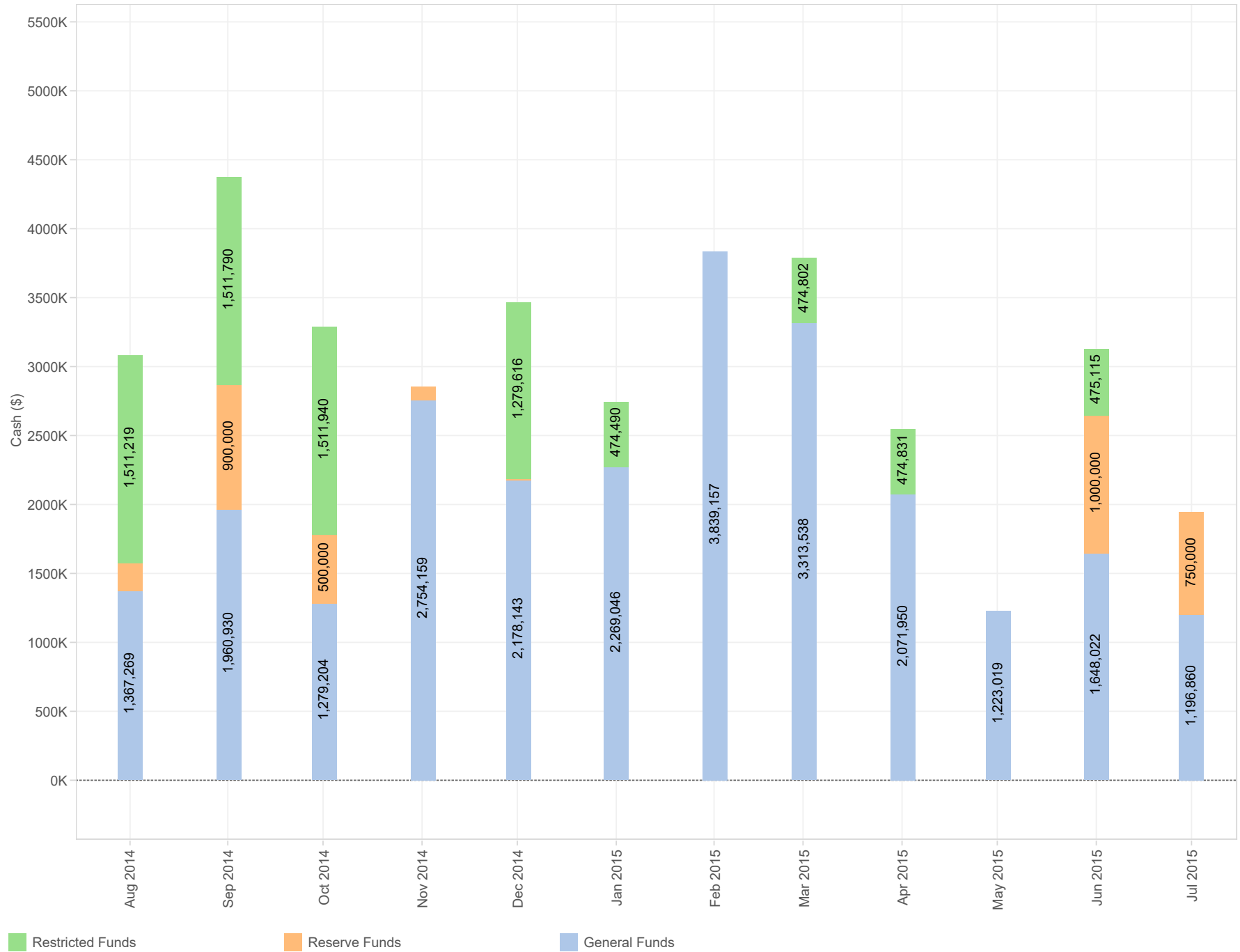
- PAL Grants
- PAL Member Contributions

All Green

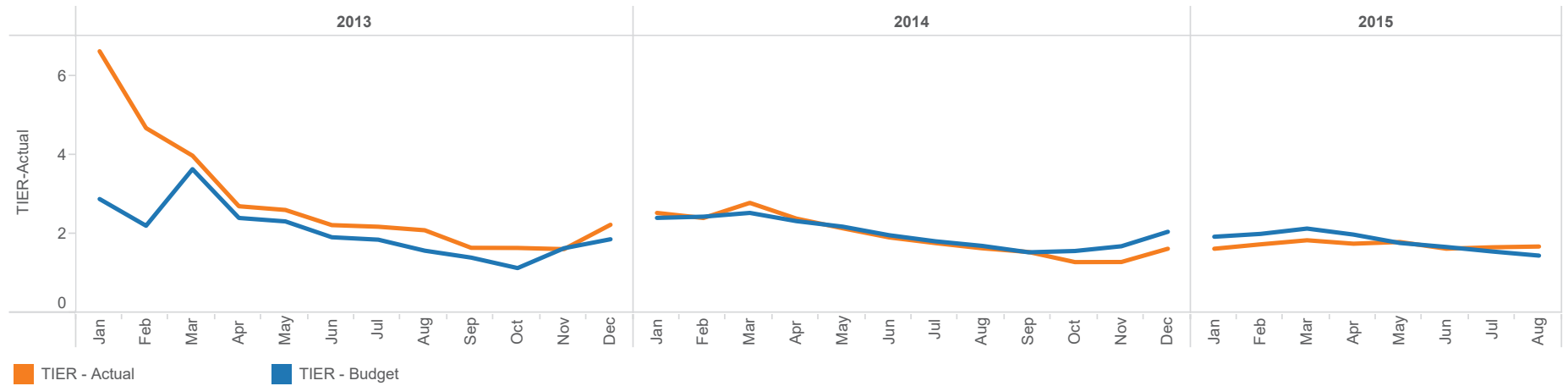


- All Green Member
- All Green Revenue

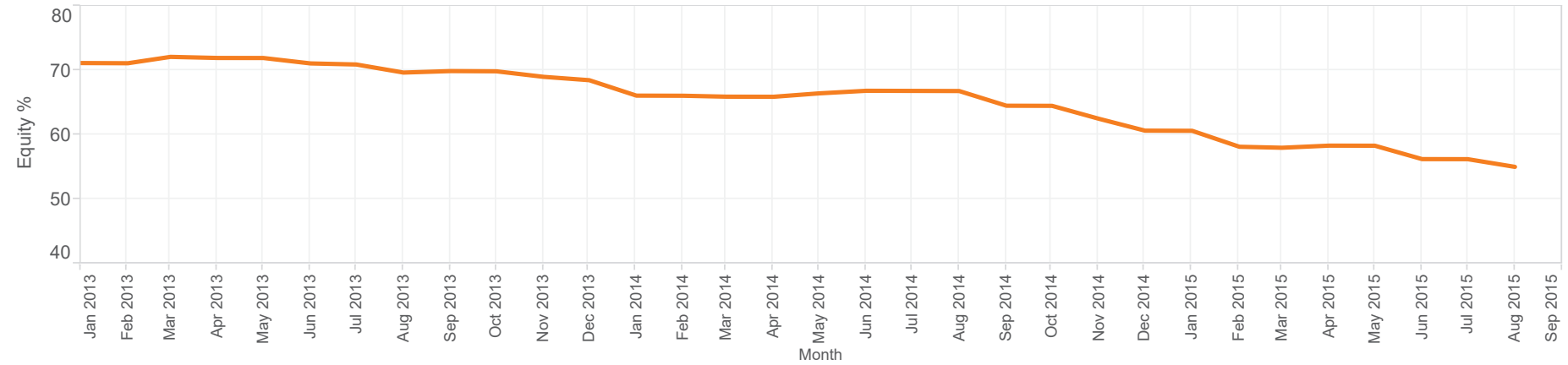
Cash



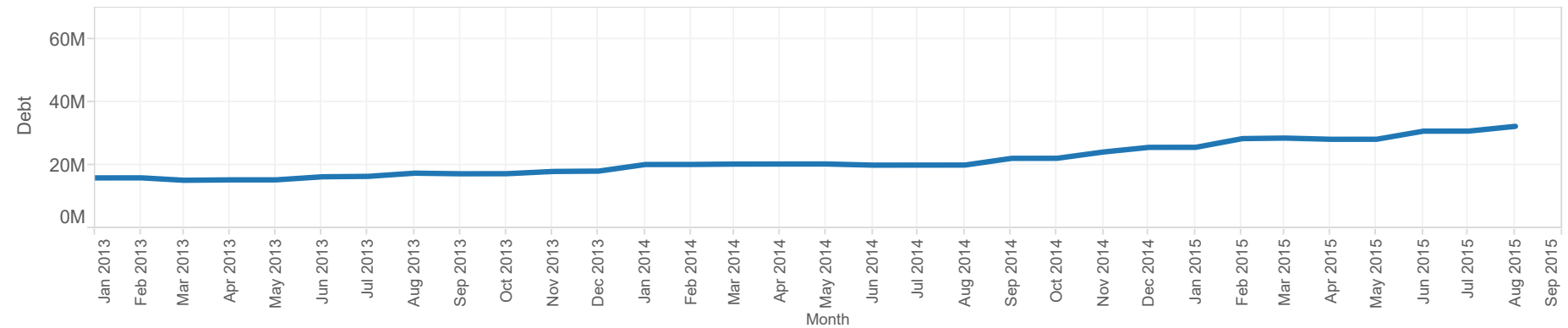
TIER



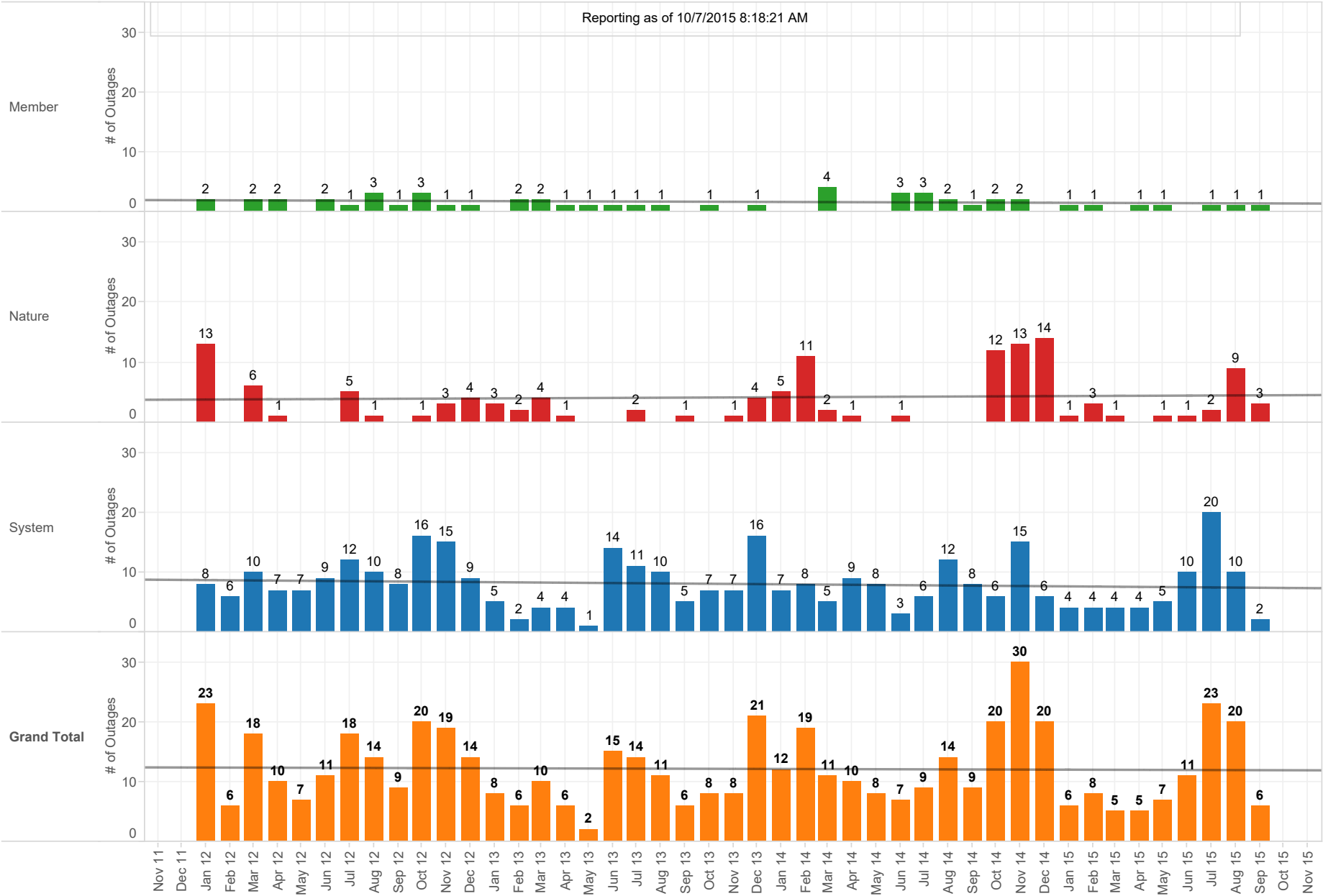
Equity



Debt



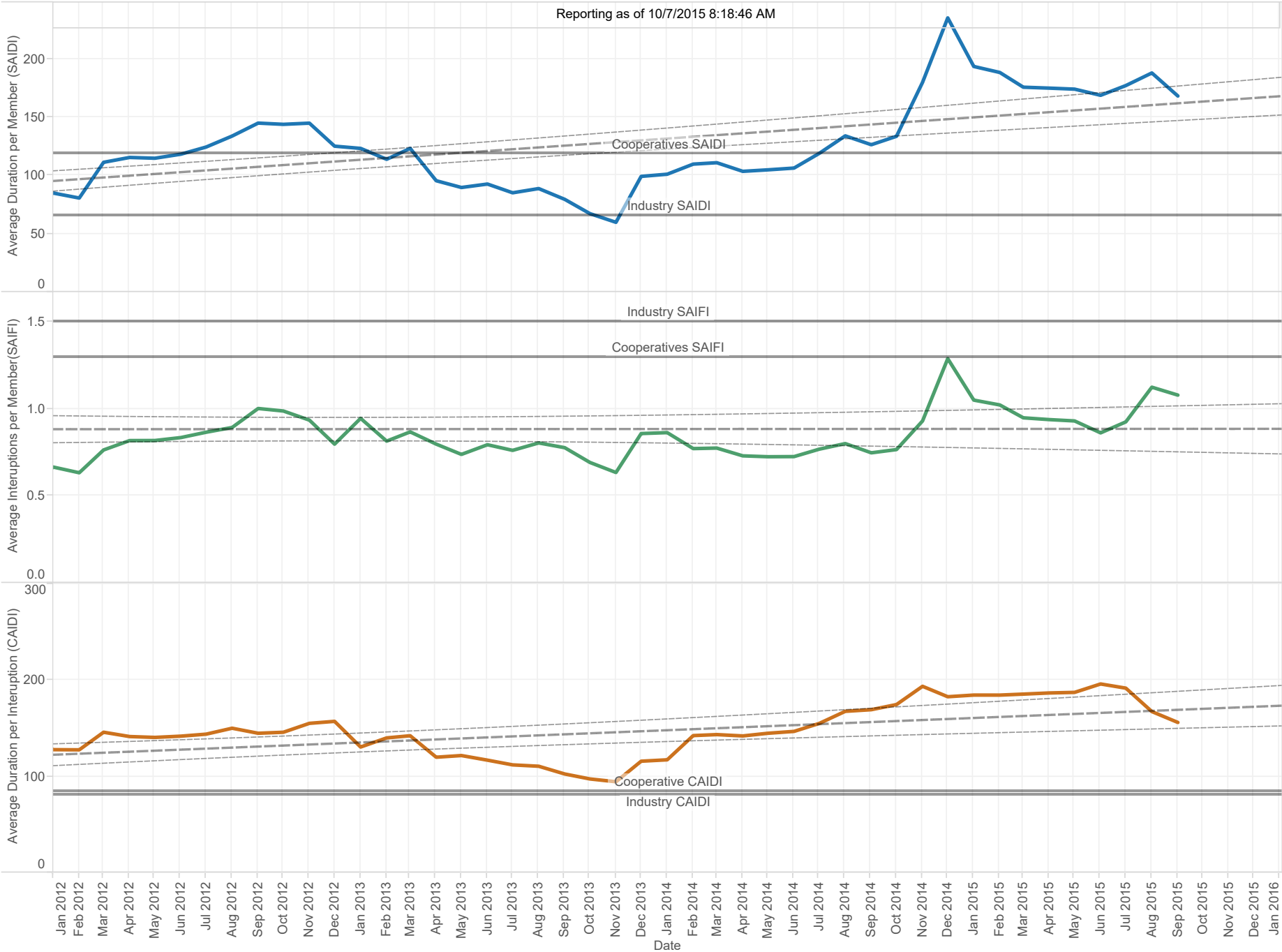
Outage Summary



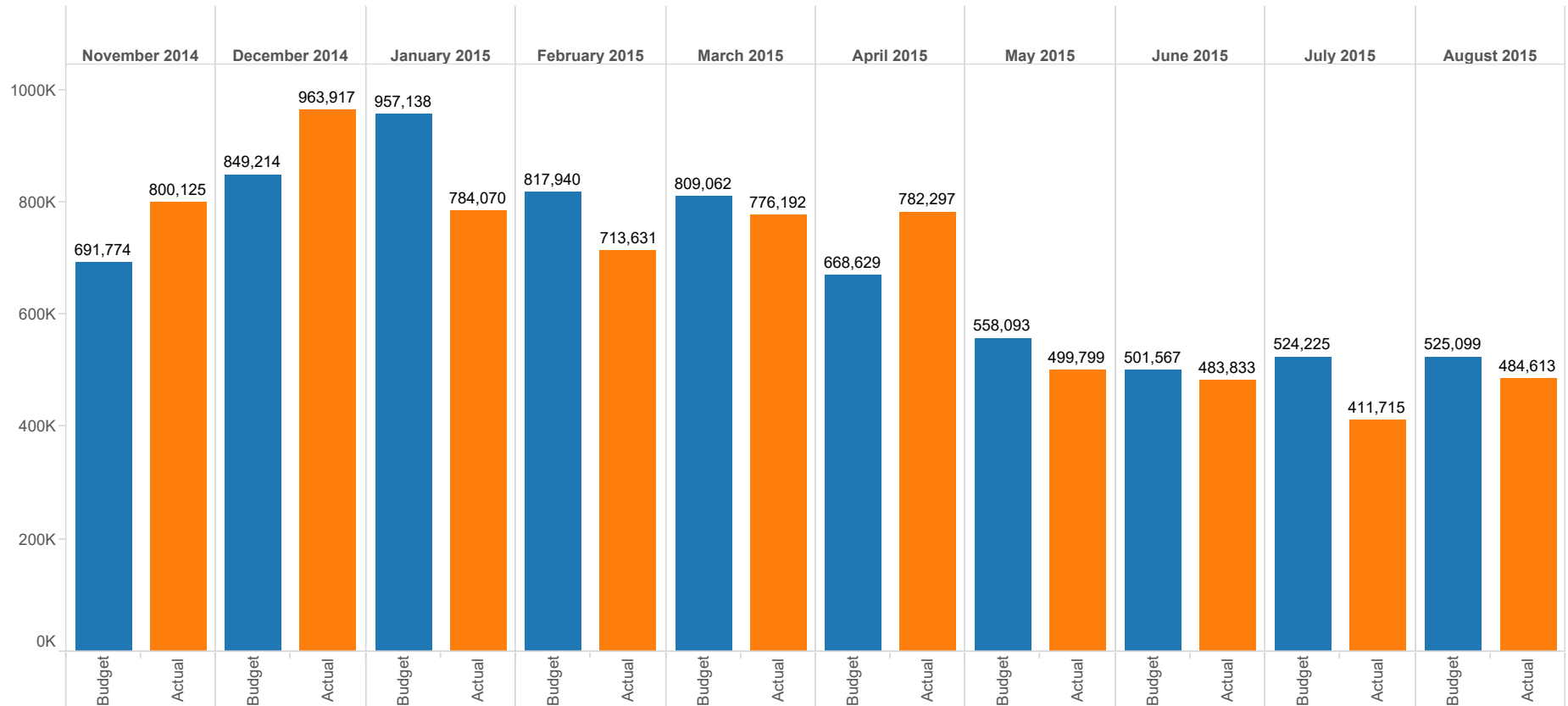
Category Description

Member Nature System Grand Total

Outage Statistics



Power Cost



Prior Rolling 12 Months

	Budget	Actual	Variance
September 2013	409,365	438,193	28,828
October 2013	630,777	683,267	52,490
November 2013	629,849	720,443	90,594
December 2013	864,907	1,125,500	260,593
January 2014	866,852	765,166	-101,686
February 2014	850,331	1,105,673	255,343
March 2014	773,388	778,706	5,318
April 2014	763,902	713,126	-50,776
May 2014	487,679	475,013	-12,666
June 2014	502,284	473,272	-29,012
July 2014	431,674	421,778	-9,896
August 2014	496,352	481,176	-15,177
Grand Total	7,707,358	8,181,313	473,954

Current Rolling 12 Months

	Budget	Actual	Variance
September 2014	568,008	494,856	-73,152
October 2014	638,675	564,620	-74,055
November 2014	691,774	800,125	108,351
December 2014	849,214	963,917	114,703
January 2015	957,138	784,070	-173,068
February 2015	817,940	713,631	-104,309
March 2015	809,062	776,192	-32,870
April 2015	668,629	782,297	113,668
May 2015	558,093	499,799	-58,294
June 2015	501,567	483,833	-17,734
July 2015	524,225	411,715	-112,510
August 2015	525,099	484,613	-40,487
Grand Total	8,109,423	7,759,668	-349,755

MEMORANDUM

October 11, 2015

TO: Board of Directors

FROM: Foster Hildreth

RE: Member Comments for Board Information

The following emails were received from members:

<u>Topic</u>	<u>Member</u>
1. Rock Island Communications	Angela Saxe
2. Rock Island Communications	Norm Zimlich

MEMBER COMMENT #1 – ANGELA SAXE

OPALCO Board:

In August 2014, when I attended my first broadband meeting with Gerry Lawlor, I thought, "Should we trust this guy? Can he really deliver broadband?"

YES!!! Gerry and the hardworking Rock Island team got the first Spring Point modem lit up in less time than it took us Spring Point homeowners to pass the middle mile assessment and secure a loan. I suspect I'll continue hearing cheers go up around the neighborhood as more of my neighbors are brought online.

I keep re-running the internet speed test just to see the needle hit 200 MBPS--DOUBLE the top speed that Gerry had committed to. My client conference calls no longer drop. My husband no longer refreshes his coffee cup while mapping files upload/download. We no longer wonder where we will have to relocate our business.

I sincerely want to thank the Rock Island staff and contractors for:

- Patiently answering (and re-answering) the myriad of questions from me, the Spring Point board and members of our community
- Installing approximately six miles of middle mile conduit and fiber in a topographically challenging neighborhood while keeping our middle mile costs well under budget
- Delivering an outstanding last mile experience – our conduit installation was complete in about two hours and the fiber and modem installation took less than an hour

I continue to hear positive reports. Just yesterday, a neighbor told me how impressed she has been with the Rock Island folks – including Brian, Justin, Alan, and Dan – and how it is clear that they are extremely passionate about their work and the impact broadband will make in this community. Another neighbor said the guys came out at 7:30 PM the other night to fix an issue that had come up. These guys are working long hours. They are dealing with challenging landscapes, aggressive timelines, and impatient customers clamoring to be next. They have bent over backwards and are absolutely to be commended.

I want to thank the OPALCO board for showing its commitment to San Juan County by advancing this forward-thinking initiative and thus laying the foundation for improved emergency communications and greater economic vitality. Your leadership is setting an example that I hope will be followed by other co-ops across the nation. Broadband is quickly becoming a must-have utility. I can think of no one better equipped to deliver it than OPALCO and Rock Island.

Thank you – and well done!

Angela Saxe

Broadband community coordinator for Spring Point

MEMBER COMMENT #2 - Norm Zimlich

Subject: Wahoo! 50 Mbps

I just returned to my computer tonight and was delighted to discover my internet running at 50/50 Mbps. Wahoo! (Dan, Alan, I don't have an address for Justin or Thomas, but please pass on my thanks to them and all the staff.)

I didn't expect this fix to happen until next week, but once again, you guys came through and went the extra mile to find that kink. We Orcas denizens are not accustomed to this kind of excellent service.

Background: I was the second Spring Point user to come on line last week, but unfortunately had a nasty, hard-to-find glitch which kept the up/down speeds fluctuating below 25 Mbps. When I called this in on the Rock Island help line, I quickly got the whole team press to make it right. The task included methodically eliminating the possible gremlins in the modem, the connectors, and the vaults. It was a truly confounding gremlin which allowed a "ping" or red light passage back up 16,000 feet of fiber line, but nonetheless wouldn't support the full speed. Amazing that you guys could even track down a single fiber wrinkle!

But what is more amazing is the human attention I got -- at least two late-evening work sessions by Alan and Justin, several extra day trips to Spring Point, repeated calls from Dan to schedule and coordinate service, and even a call-back from San Juan to Orcas for Justin to work on my glitch in some very wet vault conditions. Wow! I believe that many of us on Orcas have become conditioned to a sort of hair-trigger cynicism about repair services, timely work, and scheduling disappointments. Orcas is, after all, a small market with limited personnel and difficult terrain -- we get it. That's what makes it so amazing when we get this kind of excellent service and attention from Rock Island.

In fact, the entire Middle Mile fiber installation in Spring Point has been amazing, under budget, and completed timely. Yes, a few unmapped phone and water lines have been broken in the process, but these were rapidly mended. The contractor excavation work has also been excellent, especially given the Spring Point rocky terrain -- but you can drive in Spring Point now and barely tell that miles of fiber has been installed.

Most important -- even better than the technical skills and professional services -- is the attitude and courtesy which the Rock Island team and their contractors have displayed. It has been great to associate with a bunch of folks who are enthusiastic about their work, and motivated by their conviction that they are delivering a valuable resource and good product for the San Juan County community. I'm not sure who has inspired that kind of spirit or how it is being maintained, but GOOD JOB! The traditional OPALCO code of excellence is being well represented by Rock Island.

Please feel free to relate this story, and my appreciation, to the OPALCO Board or anyone who may need to know.

Norm Zimlich
Spring Point HOA
Orcas