



**BOARD OF DIRECTORS
REGULAR BOARD MEETING 8:15 am
Woodmen Hall
4102 Fisherman Bay Road, Lopez Island
Thursday September 19, 2013**

TRAVEL



Via Island Air
378-2376 / 378-8129 (cell)

To:

Leave FH 7:45

Arrive Lopez 8:00 a.m.

From:

Leave Lopez 1:00 p.m.

Arrive FH 1:15 p.m.



Via Ferry:

To:

Leave Orcas 7:15 a.m.

Leave Shaw 7:30 a.m.

Leave FH 8:30 a.m.

Arrive Lopez 7:50 a.m.

Arrive Lopez 9:50 a.m.

From:

Leave Lopez 1:05 pm

Leave Lopez 1:30

Leave Lopez 3:45

Arrive FH 1:55 pm

Arrive Orcas 1:45 pm

Arrive Shaw 4:05 p.m.

**Orcas Power & Light Cooperative
Board of Directors
Regular Monthly Meeting
Woodmen Hall
4102 Fisherman Bay Road, Lopez Island 8:15 a.m.
September 19, 2013**

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WELCOME GUESTS/MEMBERS

Kent Lopez, WRECA Executive Director

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- 9-15 ○ Voting Delegate
 - NRECA Director Election
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- 16-18 ○ OPALCO Policy 27 *RED-LG*
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ADJOURNMENT

MINUTES OF THE BOARD OF DIRECTORS MEETING

ORCAS POWER & LIGHT COOPERATIVE

Thursday, August 15, 2013

President Chris Thomerson called the meeting to order at 8:40 a.m. at the Friday Harbor OPALCO office. Directors Winnie Adams, John Bogert, Vince Dauciunas, Glenna Hall, Jim Lett and Bob Myhr were present. Also present were General Manager Randy Cornelius, Assistant General Manager Foster Hildreth; Assistant Manager of Finance & Member Services Nancy Loomis and Executive Assistant Bev Madan, serving as recording secretary.

Consent Agenda

Motion: Lett moved to accept the Consent Agenda, which included the July 18, 2013 Board meeting minutes, and admission of new members listed below. The motion was seconded and carried by voice vote.

DECATUR

1. O'CONNOR, ROBERT & PEGGY

LOPEZ

2. HUFF, MARC D
3. KENNER, JEFFREY & CYNTHIA
4. RAMOS, JEREMY
5. TAYLOR, ELIZABETH

OBSTRUCTION

6. KRUMM, ANTON

ORCAS

7. AGAPE-LICHTER, KATE
8. BOE, ALISON
9. CAMPBELL, TREVOR
10. CHOMSKY, GENELLE
11. CLARK, JON & ELLEN, GRACE
12. FOUGHT, JOHN & DENA
13. GRIFFITH, MEREDITH & BRYAN
14. HARVEY, RAYMOND
15. IRWIN, ALEX
16. KAZAS, JANIE & HUGHES, LAWRENCE
17. KEMP, BRIAN & HOLLY
18. KRAMPITZ, EILEEN
19. LUHRS, BOBETTE & PETER
20. LUNDQUIST, CINDY L
21. MACONDRAY, DIANNE
22. MCLEOD, BEN & DEBBIE
23. PEREZ, REYNOLDO
24. ROEHL, THOMAS H
25. THOMAS, HEATHER
26. TYLER, CRYSTA
27. WHEELER, ADRIANA

SAN JUAN

28. BENTZ, PAUL
29. BOLGER, THANE
30. BROWNSTEIN, CHERYL & HARRELL, WALTER
31. CAPRON, JULIE
32. COBOS, MILES
33. COOPER, IAN
34. CRAWLEY, JOSEPH R & CYNTHIA
35. EASTERBROOK, NOAH C
36. FIGELSKI, GARY
37. FUQUA, ANGELA
38. GIDMARK, STEPHANIE & NICHOLAS
39. HEMKER, MARC & JENNIFER
40. HONEYWELL, DAVID & NANCY
41. JACKSON, ALEX J
42. KATZIN, SHARON
43. KRAMER, MIKE
44. LACKEY, RAQUEL & RICHARD
45. LAMPARD, DAN
46. LEVASHEFF, STEPHANIE & JOSH
47. LOVIK, CRAIG J
48. REITAN, ROWAN AVERY
49. ROAD SCHOLARS
50. SAN JUAN ISLANDS CONSERVATION DISTRICT
51. SCOTT, LORNE
52. UNIVERSITY OF WASHINGTON
53. WAITE, MATTHEW
54. WIELAND, MONICA & CONSTABLE, KEITH
55. WOODEN LLC

Capital Credits

Motion: Myhr moved to approve \$3,591.20 in payment of capital credits to the estates of deceased members and the nonexistent business listed below; the motion was seconded and carried by voice vote.

| | |
|-------------------------------------|------------|
| Don Breazeale | \$705.91 |
| Barbara J. Figelski | \$446.04 |
| Lois Mullet..... | \$971.30 |
| Robert H. Sanders | \$1,029.67 |
| Smugglers Cove Cable TV Assoc. | \$438.28 |

Policy 1 Functions of the Board of Directors

Changes to the policy were reviewed at the July meeting and include a newly added Section 14 *Board Subcommittees* and the addition of Appendix 1.

Motion: Adams moved to approve Policy 1 as revised; the motion was seconded and carried by voice vote.

Member/Guest Gray Cope arrived

FCC License Spectrum Purchase

The Board was briefed about the status of negotiations regarding purchase of the wireless spectrum. The Board directed staff to continue negotiations to secure the wireless spectrum consistent with the term sheet and increased interference thresholds as discussed during the meeting.

Motion: Hall moved that staff purchase the FCC licensed spectrum as a backbone infrastructure component based on the terms and conditions outlined in the initial term sheet, with language modified regarding maximum interference thresholds. The motion was seconded and carried by voice vote with Bogert the one dissenting vote.

*The Board adjourned to Executive Session
Meeting resumed*

2012 Forms 990 and 990-T

Motion: Hall moved to accept the 2012 IRS Forms 990 and 990-T as presented. The motion was seconded and carried by voice vote.

Standing Board Committees

Current committees are:

Capital Projects Committee Winnie Adams, John Bogert
Insurance Committee Jim Lett
Energy Efficiency Winnie Adams, John Bogert, Bob Myhr

After discussion, committees were revised/added as follows:

Capital Projects Committee Winnie Adams and Chris Thomerson
Policy Review (Board Related) Glenna Hall
The EE Committee was disbanded

Other committees remained the same. It was decided that the Board should schedule a retreat in September to discuss Energy Efficiency.

Energy Efficiency & Conservation Memorandum of Understanding (MOU)

The Board reviewed the sample MOU presented; a generic sample will be prepared and sent to the Board. The consensus was that it would be a good working document to use.

Member Service Policy 1 *Nature of Services*

Member Service Policy 2 *Types of Services*

Member Service Policy 8 *Special Service*

Draft revisions were presented for discussion. The revisions are a result of periodical updates to ensure the policies continue to serve the members and the mission of the Cooperative. The Board will vote on the revisions at the September meeting.

Energy Efficiency Committee

Bogert noted that the committee had previewed Policy 28 *Energy Efficiency & Conversation and Collaboration with Nonprofits* and the draft Memorandum of Understanding.

Funding for Island Stewards was discussed. The Board consensus was to advise Cornelius to follow OPALCO's policies, rules and the Memorandum of Understanding when working with any nonprofit. Some funding remains in the \$50,000 EE discretionary fund allotted in 2010 for outreach and education.

Second Quarter Financial Report

Hildreth reviewed the 2nd quarter financials. Revenue and our cost of power was less than expected. The cost of power was less due to lower demand and greater off-peak usage.

Safety

The Safety Report was reviewed. Hildreth mentioned that peer safety audits may be performed in the near future.

Manager's Report

Cornelius reported that he received an email from BPA prior to the meeting stating that FY2014-15 rates will increase by 8.34%.

Cornelius also noted that the 3rd quarter BPA Energy Efficiency Incentive Fund reports 1.5 million kWh saved.

Adjournment

The meeting adjourned at 12:00 p.m.

Chris Thomerson, President

Jim Lett, Secretary-Treasurer

New Members August 2013

Blakely

1. Dutton, C Peter & Shelley H
2. Flynn, James D
3. Ledefors Family Trust

Center

4. Strahm, Stephen & Karen

Lopez

5. Bent, John
6. Brumfield, Colin
7. Crawford, Crystal
8. DiGiorgio, Thomas Jr & Lisa
9. Goff, Brian/Carroll, Colleen
10. Kerlin, Christine
11. Lehtinen, Dennis
12. Messerli, Anthony Brian/ Mackie, Debbie
13. Miniken, Michael J
14. Morris, Charles & Leanne
15. Patrick, Samatha
16. Plattner, John
17. Powell, Jean
18. Skyriver, Raven
19. Wessner, Ryan

Orcas

20. Agapoff, Jean Marie/ Everett, Hugh
21. Alvarez, Josue
22. Aviation Holdings LLC
23. Barjoud, Staci
24. Brock, Jeffery/ Artmann, Roberta
25. Cook, Melody
26. Cunningham, Lynn
27. Davis, Ryan & Briana
28. Erikson, Gordon
29. Eversole, Tom/ Terndrup, Anthony
30. Ford, Kathryn/ Finkelstein, Peter
31. Genkinger-Dacek, Thomas
32. Hughes, Sorrel
33. Jung, Laura
34. Kay, Tiffany & Michael
35. Koenig, Nancy
36. Ladd, Karen Fox
37. Manu Forti, LLC
38. Moran, Martin
39. Olson, JoAnne
40. Raya, Adel
41. Sanford, Monte
42. Schultz, Peter & Joyce
43. Simple Shelters LLC
44. Spears, Clayton
45. Stabbert, Dan & Cheryl
46. Starr, Jessie
47. Chapman, Mark

48. Gustafson, Kirsten

San Juan

49. Barstow, Cynthia K & Kenneth A
50. BGSR Management, LLC
51. Buckels, Louise L & Frederick F
52. Cascorbi, Hella
53. Christensen, Laura E
54. Cochran, Zac
55. Colasuonno, Luis/ Hatch, Harriett
56. Cuffman, Ruth
57. Deere, R David & Cindy
58. Dolph, Greg
59. English, Katherine/ Gosselin, Ashely
60. Forgie, Dee L
61. Forlenza, Peter M
62. Franck, James
63. French, Barbara
64. Hackerott, Douglas & Meredyth
65. Harley, Thomas & Caroline
66. Kindelberger, Danielle & Kevin
67. Kline, Kristan
68. Losee, Sherm & Chris
69. Mathena, Nancy
70. Moore, Cory Vincent & Colleen Erin
71. Morck, Richard H
72. Nash, Kay A
73. Padilla, Felimon/Sandwith, Colin J
74. Scott, Lorne/Scripps, Edward W
75. Sheehan, John J
76. Smith, Mikah
77. Stauffer, James Michael
78. Stratton, Sierra Cain
79. Tadeo Zamudio, Cecilio
80. Taylor, Rebecca
81. Tonkov, Dimitar T
82. Turancioli, Cheryl
83. Uth, Friday
84. Whitfeldt, Coral
85. Wolfe, Kirke
86. Woodman, Peter & Martha
87. Zizz, Joy

Shaw

88. Bahrych, Lynn
89. Jones, Nicholas
90. Laursen, Heidi

Capital Credits September 2013

Application was made for payment of capital credits to the estates of the following deceased members:

| | |
|--------------------------|-------------------|
| Charles N. Huggins | \$1,717.88 |
| Judith A. Nash | \$1,739.77 |
| Christina Princess | \$195.80 |
| Mildred L. Sandwith..... | \$1,070.19 |
| Charles Settles | \$1,243.74 |
| Arthur H. Whiteley | \$707.75 |
| William A. Wolfe | \$452.46 |
| | |
| Total..... | \$7,127.59 |

MEMORANDUM

August 19, 2013

TO: Board of Directors
FROM: Randy Cornelius, General Manager
RE: RUS Form 219s *Inventory of Work Orders*

Projects were completed from the Construction Work Plan:

| | |
|------------------------------------|--------------|
| Inventory #201306 June, 2013 | \$66,419.51 |
| Inventory #201307 July 2013 | \$383,821.28 |

Staff requests a motion from the Board to approve submittal of RUS Form 219s totaling \$450,240.79.

MEMORANDUM

September 9, 2013

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

Staff requests that the Board designate in the form of a motion, an official voting delegate and an alternate for both:

- the CFC District 9 Meeting to be held October 16 during the NRECA Region meeting in Portland, Oregon; and
- the NRECA Director Election to be held during the WRECA Board meeting October 8 in Spokane, WA



MEMORANDUM

DATE: August 23, 2013
TO: CFC District 9 Member Managers
FROM: Rich Larochelle, Senior Vice President, Corporate Relations
SUBJECT: CFC District 9 Meeting

We are looking forward to seeing you and your board at our upcoming combined Districts 7 and 9 member meeting on Wednesday, October 16, immediately following NRECA's First General Session, at the Portland Hilton. In addition to hearing a financial update on CFC, registered delegates in District 9 will elect a Nominating Committee that will be responsible for selecting nominees for the CFC District 9 board seat (Position D) that will open in 2015.

Meeting Materials

Enclosed you will find various items relating to the district meeting, including:

- Official Notice of Meeting
- Minutes from the 2012 district meeting
- Proposed 2014 Nominating Committee
- Delegate Registration Card
- Mail ballot and return envelope

Onsite Registration

All delegates attending the meeting, *including those who vote by mail*, should fill out the enclosed Delegate Registration Card and present it to staff at the CFC registration area on site.

Voting

CFC bylaws allow members to vote by mail or to vote on site at the meeting where the election is held.

To Vote on Site:

- Complete and sign in full (including the signature of an officer of your system) the enclosed Delegate Registration Card and present it to CFC staff in the registration area. Onsite voting will occur during the CFC business meeting.

To Vote by Mail:

- Complete and sign in full the enclosed Mail Ballot. Place the ballot in the return envelope and mail to CFC. *The CFC bylaws specify that mail ballots must be received at CFC headquarters via U.S. Postal Service at least five business days (Tuesday, October 8) before the meeting.*

(Over)

- If a delegate representing your cooperative attends the meeting, he or she should provide the completed Delegate Registration Card to CFC staff on site when registering. Please *do not* include this card with your mail ballot.
- If you vote by mail and later decide that you prefer to vote on site, CFC staff can help you revoke your mail ballot and register you to vote at the business meeting.

Business Meeting and Lunch

CFC will hold a brief business meeting chaired by Roman E. Gillen, Consumers Power, Oregon, with Walter K. Crook, Bulter Public Power District, Nebraska, serving as the secretary, followed by a luncheon for all NRECA Regional Meeting registrants. At the luncheon, CFC CEO Sheldon C. Petersen will address attendees and offer his views about the current state of the finance and utility industries.

Questions

If you have any questions, please contact me or CFC Vice President of Corporate Communications Brad Captain. We can be reached at 800-424-2954.

We hope you will join us in Portland!



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District 9 Notice of Meeting

To Our District 9 Owners:

We invite you to attend CFC's District 9 Meeting of Members that will be held on:

**Wednesday, October 16, 2013
11:30 a.m.**

**Portland Hilton
Portland, Oregon**

The purpose of the meeting will be to:

- Hear a report on the financial status of your finance cooperative.
- Elect a Nominating Committee that will be responsible for selecting nominees for the District 9 board seat (Position D) that will open in 2015.

Please also join us for the CFC-sponsored luncheon immediately following the business meeting. As the luncheon speaker, CFC CEO Sheldon C. Petersen will offer his views about the state of the finance and utility industries.


Assistant Secretary-Treasurer



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District 9

2014 Proposed Nominating Committee

Jay G. Eimers (Chair)
General Manager
Idaho County Light & Power
Cooperative Association
Grangeville, Idaho

David Bissell
President & CEO
Kauai Island Utility Cooperative
Lihu'e, Hawaii

Ted Case
Executive Director
Oregon Rural Electric Cooperative
Association
Salem, Oregon

Clay Fitch
CEO
Wells Rural Electric Company
Wells, Nevada

Meera Kohler
President & CEO
Alaska Village Electric Cooperative
Anchorage, Alaska

LaDel Laub
President & CEO
Dixie Escalante Rural Electric
Association
Beryl, Utah


Jessica Nelson
General Manager
Golden State Power Cooperative
Portola, California

David Wheelihan
CEO
Montana Electric Cooperatives'
Association
Great Falls, Montana

Gale Rettkowski
Director
Inland Power & Light Company
Wilbur, Washington



National Rural Electric
Cooperative Association

A Touchstone Energy® Cooperative 

Notice of NRECA Director Election

To: NRECA Voting Members Located in the State of Washington

From: Jo Ann Emerson, NRECA Chief Executive Officer

Date: August 23, 2013



NRECA notifies you that the NRECA Director representing the state of **Washington** will be elected at the following date, time, and place, and under the following procedure:

Date: October 8, 2013

Time: 11:00 a.m.

Place: Inland Power & Light Company, 10110 W Hallett Road, Spokane, WA 99224

Procedure: In nominating and electing the NRECA Director:

- Each NRECA voting member located in the state may select a voting delegate and alternate voting delegate, each voting delegate has one vote only, no voting delegate may vote for more than one NRECA voting member, and **each voting delegate must complete the enclosed Certification of Voting Delegate for NRECA Director Election and submit it October 8, 2013**;
- Voting by proxy is prohibited, voting by mail is prohibited, and the presence of voting delegates representing at least twenty percent of the NRECA voting members located in the state is a quorum;
- The incumbent NRECA Director presides over the election, but, if the incumbent is a candidate and comments regarding the election, then an individual designated by the incumbent, and approved by the NRECA voting members present, presides over the election;
- An NRECA Director candidate may be nominated from the floor only;
- No second is required for a nomination and voting is by secret ballot, unless only one candidate is nominated, in which case the candidate may be declared elected by acclamation; and
- The NRECA Director must be elected by a plurality of votes cast (largest number of votes cast), and, if there is a tie vote, then voting is repeated and the nominee receiving the lowest number of votes is not removed from the next ballot.

As an NRECA voting member located in the state, **and regardless of whether you are a member of an NRECA statewide member**, you may vote for the NRECA Director. You may vote, however, only for the NRECA Director representing this state. The term of the NRECA Director elected will begin with the adjournment of the 2014 annual meeting of the NRECA Board of Directors, and end with the adjournment of the 2016 annual meeting of the NRECA Board.

An NRECA Director candidate must be located in the state, and must be a member, director, officer, or employee of an NRECA voting member in good standing located in the state. To become and remain an NRECA Director, an individual must comply with the NRECA Board of Directors Conflict of Interest Policy and annually complete and sign a Conflict of Interest Certification and Disclosure Form. For a copy of the policy and form, please contact Bernita Faulkner at the telephone number or e-mail address noted below.

If you have **legal** or **parliamentary** questions, then please contact Ty Thompson, NRECA Chief Member Counsel, at 703-907-5855 or tyrus.thompson@nreca.coop. If you have **administrative** or **operational** questions, then please contact Bernita Faulkner, Executive Assistant to the NRECA Board of Directors, at 703-907-5541 or bernita.faulkner@nreca.coop.

MEMORANDUM

September 11, 2013

TO: Board of Directors
FROM: Foster Hildreth
RE: Policy 27 Revisions

The purpose of this memo is to follow up the August 30 email request to revise OPALCO Policy 27 *USDA Rural Economic Development Loan Program*. In order to execute the documents for the loan to the Lopez Fire District #4, modifications needed to be made to OPALCO Policy 27 as per attached.

At this time, funding is only available for project-specific loans through the RED-LG program; funds for the revolving loan program (the "grant" program through RED-LG) are depleted for this fiscal year (October 2012 – September 2013).

Staff received unanimous approval to the revisions via email, allowing execution of the loan documents for Lopez Fire District #4.

**ORCAS POWER & LIGHT COOPERATIVE
POLICY 27
USDA RURAL ECONOMIC DEVELOPMENT LOAN/**GRANT**
(RED-LG) PROGRAM
DRAFT REVISIONS**

27.1 PURPOSE

The purpose of the program is to foster economic development and to improve public and emergency services by providing zero interest loans to public taxing districts within San Juan County. Funding is provided through the USDA Rural Economic Development Loan/**Grant** Program. Loans are to fund facilities and equipment for emergency services, education, training, advanced telecommunications services, and computer networks that facilitate economic development, job creation, and the enhancement of public and emergency services within San Juan County.

27.2 POLICY

This policy establishes the lending parameters for a **project-specific or** revolving loan program financed through the USDA Rural Economic Development Program. Orcas Power & Light Cooperative (OPALCO) will act as intermediary of a **revolving** loan fund up to \$250,000.

27.3 ELIGIBILITY

Public taxing districts within San Juan County are eligible to apply for loans under this ~~revolving~~ loan fund program.

27.4 PROCEDURE

The OPALCO Board will have sole authority to approve loans under this program.

OPALCO staff shall be responsible for providing completed applications and analysis of qualifying applications based on the following criteria:

- 27.4.1 Evaluate compatibility with ~~revolving~~ loan fund program's objectives, and is in accordance with all state and federal regulations and laws that apply to loans under the USDA Rural Economic Development Loan Program;
- 27.4.2 Project's impact on the community;
- 27.4.3 Evaluation of borrower's ability to repay debt, including credit worthiness of applicant and adequate collateral coverage;
- 27.4.4 Leveraging of other funding sources;
- 27.4.5 Job creation and/or retention;
- 27.4.6 Viability of marketing and/or operating plan;
- 27.4.7 Evaluation of project's probability of success;
- 27.3.8 Project's readiness.

27.5 REPAYMENT

~~OPALCO will not lend more than 80% of the total amount needed.~~ **The source of funding for the total loan will be 80% USDA RED-LG and 20% OPALCO.** The maximum amount of a single loan may not exceed \$250,000;

[Type text]

No interest will be charged on loans;

A servicing fee will be charged for all loans. The amount of the servicing fee will be no more than one percent (1%) per year of the outstanding principal loan balance on the first day of each year of the loan and will be used to cover OPALCO's administrative costs in connection with operation of the revolving loan fund program;

Repayment terms will not exceed ten (10) years in accordance with the USDA RED-LG program guidelines;

The term options and loan repayment schedule will be determined on a project-by-project basis and follow the guidelines listed below;

The general guidelines for maturities will be:

- Building projects: ten years;
- Real estate: ten years;
- Equipment: five-to-seven years or the depreciable life; and
- Working capital: one-to-three years.

27.6 RESPONSIBILITY

OPALCO staff shall administer the revolving loan fund program in accordance with all state and federal regulations and laws that apply to loans under the USDA RED-LG program.

The General Manager shall ensure implementation of this policy. It is the responsibility of all employees and the Board of Directors to comply with this policy and report concerns in accordance with this policy. The General Manager shall periodically review this policy.

| |
|-------------------------------------|
| _____ Effective Date _____ |
| Randy J. Cornelius, General Manager |

MEMORANDUM

July 22, 2013

To: Board of Directors
From: Randy J. Cornelius, General Manager
Re: Member Services Policies 1, 2 and 8 Draft Revisions

Draft revisions were made to Member Service (MS) Policy 1 *Nature of Services Offered*, MS Policy 2 *Types of Service* and MS Policy 8 *Special Service*. These revisions are a result of the periodical update of policies to ensure the policies continue to serve the members and the mission of the Cooperative.

This is the first reading of the draft changes; the final draft will be presented at the September Board meeting for approval. No action is necessary at this time.

ORCAS POWER AND LIGHT COOPERATIVE

MEMBER SERVICE POLICY 1

NATURE OF SERVICES OFFERED

1.1 ELECTRIC SERVICES

1.1.1 OPALCO provides 60 cycle (Hertz) alternating current service at the following voltages:

| | |
|----------------------|---------------|
| Single Phase, 2 Wire | 120 Volts |
| Single Phase, 3 Wire | 120/240 Volts |
| Three Phase, 4 Wire | 120/208 Volts |
| Three Phase, 4 Wire | 277/480 Volts |

Service voltage ranges are maintained at +/- 5% of these voltage levels. It will not be considered a violation of this voltage standard when voltages outside of the prescribed limits are caused by any of the following:

- Action of the elements
- Service Interruptions
- Temporary separation of parts of the system from the main system
- Infrequent fluctuation of a short duration
- Voltage control for load management purposes
- Addition of member equipment without proper notification to the Cooperative
- Emergency operation
- Operation of member's equipment
- Other causes beyond the control of the Cooperative

The Cooperative will not be responsible for the installation and maintenance of any equipment needed to accommodate nonstandard voltage, voltage regulation of less than +/- 5% of the standard voltages, or protection for motors and electronic equipment. This equipment will be operated and maintained at the member's expense.

1.1.2 OPALCO shall, unless otherwise provided in this policy, construct, operate and maintain the facilities necessary to deliver electrical energy to the point of service connection to the service equipment owned by the member or prospective member (hereinafter "member"). Responsibility for design, construction, operation, maintenance and removal of OPALCO's lines and other facilities shall rest with OPALCO. See Member Service Policy 5 *Line Extension* for a detailed description of OPALCO's responsibility for construction of new facilities.

1.1.3 OPALCO shall only provide service to its members.

1.2 BUSINESS OFFICE

- 1.2.1 OPALCO shall maintain business offices in Eastsound and Friday Harbor. These offices shall be open from 8 a.m. until 4:30 p.m., Monday through Friday except holidays.

- 1.2.2 OPALCO will accept collect telephone calls from members concerning billing or other service related issues.

| | |
|-------------------------------------|----------------------------------|
| _____ | Effective Date: <u>9/19/2013</u> |
| Randy J. Cornelius, General Manager | |

ORCAS POWER & LIGHT COOPERATIVE
MEMBER SERVICE POLICY 2
TYPES OF SERVICE

2.1 PERMANENT

Subject to the receipt of a contribution-in-aid of construction (CIAC), OPALCO will provide the facilities necessary to serve the member. See Member Service Policies 5 *Line Extension* and 6 *Service Requirements*.

2.2 TEMPORARY

Where service is for temporary purposes, the member will be required to pay the cost of the connection and removal of equipment necessary to serve them as defined in Member Service Policy 8 *Special Service*. In such cases, an advance payment sufficient to cover all such costs and energy to be used may be required. Installation of meter base must comply with Member Service Policy 6 *Service Requirements*.

Randy J. Cornelius, General Manager

Effective Date: September 19, 2013

ORCAS POWER & LIGHT COOPERATIVE
MEMBER SERVICE POLICY 8
SPECIAL SERVICE

8.1 NATURE OF SERVICE

All work done by OPALCO for members, not associated with normal maintenance and repair yet associated with supplying electric service, will be charged for as defined herein. The following special services handled in this manner will include but are not limited to the following:

- 8.1.1 Installation of temporary meter for a special event.
- 8.1.2 Connecting or disconnecting service outside regular business hours at the request of the member.
- 8.1.3 Relocation or removal of OPALCO -owned or jointly owned poles, wire or other facilities.
- 8.1.4 Making temporary changes to accommodate member.
- 8.1.5 Making repairs to OPALCO equipment or damaged by member or member's contractor or agent.
- 8.1.6 The cost of providing multiple designs for new services or subdivisions.
- 8.1.7 Collecting bills from delinquent members.
- 8.1.8 Testing accuracy of OPALCO's meters at member's request (see Member Service Policy 3 *Technical Provisions* Section 3.1.3 *Determination of Use and Metering*).
- 8.1.9 Upgrading OPALCO's facilities to accommodate additions or changes in member's load (see Member Service Policies 3 *Technical Provisions* and 5 *Line Extension*).
- 8.1.10 Rental of special equipment required to install and maintain OPALCO owned facilities on member owned property due to landscaping or inadequate access given by owner to OPALCO.
- 8.1.11 Member initiated calls resulting in OPALCO dispatching a crew to a location for a non-OPALCO issue (i.e. on member side of metering).
- 8.1.12 Assistance in relocation of a building where OPALCO is needed to protect equipment and conductors during the move.

8.2 CHARGES

- 8.2.1 For services of this nature, the member will be charged OPALCO's actual cost including labor, transportation, materials, indirect costs and overhead .

8.2.2 For special services, OPALCO may establish fixed charges representative of the average costs of such services (see *Schedule of Deposits and Charges* in OPALCO's Tariffs).

Randy J. Cornelius, General Manager

Effective Date: September 19, 2013

MEMORANDUM

September 11, 2013

TO: Board of Directors
FROM: Chris Thomerson
RE: Strategic Directives Annual Review

The Strategic Directives are our standing instructions to our executive staff. We review them annually or whenever desired. They are included for review, a reminder before our upcoming retreat, and for comment on desirable changes or updates.

Thanks.

BOARD STRATEGIC DIRECTIVES

Board Strategic Directives provide guidance in achieving the goals and objectives of OPALCO by addressing matters that may be impermanent in nature, cover specific circumstances, or terminate when complete or rendered obsolete by changing circumstance.

1. Cash Position and Reserves

Ensure that cash and liquid assets are available in a timely manner to adequately provide reasonable preparedness for foreseeable cash demands and to mitigate potential significant damaging events including but not limited to storm damage, loss of electric supply, equipment or cable failure.

Build financial reserves with a goal of \$1 million in the cash reserve fund (working cash) and \$2 million in a restricted fund that is under the Board's control.

2. Equity as a Percent of Capitalization

With consideration for our risk management liabilities and all other relevant factors, a prudent equity-to-capital ratio shall be maintained which shall not fall below 60% on an annualized basis.

3. Times Interest Earned Ratio

The Times Interest Earned Ratio must be maintained at a level that facilitates future debt structuring and satisfies major lending agencies with whom we do or might reasonably want to do business.

4. Reliability of Electric Service

Reliability of electric service is desired to generate justified satisfaction within our membership.

5. Tariffs Aligned with Cost of Service

Tariffs are to be based generally on cost of service. The Board seeks a long-term creative solution to reconcile the mutually exclusive objectives of decoupling power sales from infrastructure costs while providing motivation for energy efficiency and satisfying our members.

6. Communications with Members

Strengthen the cooperative's member communications by ensuring that the concepts of competent, caring, aware and good stewards are conveyed. Communications should both proactively and reactively address our policies, our programs and how members benefit from them, and how we operate.

7. Energy Efficiency

1) Aggressively pursue programs and price signals to maximize member's ability to reduce their electric bill through Energy Efficiency.

2) Influence BPA to add more innovative programs to the list of acceptable measures it will fund.

3) Be a catalyst and conduit of support for local member owned renewable generation and local energy efficiency programs.

4) Provide information, including demonstrations of new energy related applications, such as plug-in vehicles and smart metering, and minimize barriers to member utilization.

5) Ensure OPALCO continues as a trusted and knowledgeable resource for electrical energy solutions.

6) OPALCO facilities are to be upgraded and maintained to a cost effective high standard of energy efficiency.

OPALCO is to aggressively participate in BPA programs to the extent possible. The Board acknowledges that Energy Efficiency is the long-term business of the community. OPALCO can best contribute at this time by fostering individual local enterprises to lead community based energy efficiency initiatives as opportunities arise.

8. Fiber Optic Backbone Non Operational Use

OPALCO shall complete the operational fiber optic backbone in accordance with our long-term plan. When opportunities arise that have a cost benefit, OPALCO is to extend the local fiber. OPALCO may be a conduit for state and local fiber optics programs in which members can participate and benefit.

The Board supports the General Manager attending relevant local broadband meetings, provide information, investigate possible scenarios and report his suggestions. OPALCO is undecided at this time on its role in the deployment of this rapidly evolving service, but will eagerly consider options to participate as they become viable.

9. Individual Charitable Donations

Cash donations to organizations are not allowed. Contributions in kind or physical items may be donated to further OPALCO Strategic Directives at GM's discretion.

10. Personnel Transition Plan – Apprentice and Training Programs for Key Positions

Succession planning needed for all appropriate staff positions. The following are considered some key positions: General Manager, System Engineer, Head Accountant, Linemen, Communications Technician, and Meter Technician.

11. Power Supply and Transmission

BPA contract to provide stability and protect us from adverse legislative Portfolio requirements while being alert to future generation collaboration and purchase possibilities with timely resource assessment. Other power resources will be examined; however, the Board favors staying with BPA. Work with BPA to keep transmission capacity at adequate levels, and work to keep our general transfer agreement (GTA) strong for the long-term.

12. Deployment of Technology to Support Operations

Identify, assess, implement, and fully utilize cost effective, financially feasible, proven technologies which support energy management, distribution delivery and member service programs on a cooperative-wide basis. Additionally, assess other technologies on a pilot basis to determine future applicability, opportunity, and potential benefit.

13. Power Supply and Related Opportunities

A complete Resource Assessment will be completed by the end of 2015. The Board wants the General Manager to bring knowledge based presentations of a complete spectrum of opportunities to educate the Board in a timely fashion given the possibility that TIER 2 power may eventually come from a source other than BPA.

14. Potential Threats to our Supply/Demand Balance

Maintain information gathering and a knowledge base relating to significant potential threats to our supply/demand balance, such as:

- Potential member uses that would significantly increase our demand or;
- Circumstances or actions that could significantly reduce our supply.

15. New Activities

New OPALCO activities may reasonably be considered if they meet the following criteria:

- Match existing or probably achievable core competencies
- Are economically viable and make financial sense
- Our community demonstrates a will or need to a satisfactory level

16. Community Generation

Small-scale cost-effective OPALCO sponsored community generation projects are encouraged where they make environmental and economic sense.



Chris Thomerson, President

MARCH 28, 2013

Date

**Orcas Power and Light Cooperative
Cash Recap
August 31, 2013**

| | <u>Rate</u> | <u>Term</u> | <u>Due Date</u> | <u>Amount</u> | <u>Total Balance</u> |
|---|-------------|-------------|-----------------|---------------|--------------------------|
| GENERAL FUNDS: | | | | | |
| Cash on Hand | | | | 600 | |
| Cash in Checking - Key Bank | | | | (18,716) | |
| Cash in Checking/MMDA/Construction - Islanders Bank | | | | 1,596,860 | |
| Cash in Checking/Savings/Payroll - Wells Fargo | | | | 364,317 | |
| SUBTOTAL GENERAL FUNDS | | | | | 1,943,061 |
| CASH RESERVE FUND: | | | | | |
| CFC Commercial Paper | 0.18% | 92 | 9/13/13 | 200,000 | |
| CFC Commercial Paper | 0.13% | 42 | 9/27/13 | 200,000 | |
| CFC Commercial Paper | 0.16% | 70 | 10/25/13 | 200,000 | |
| SUBTOTAL CASH RESERVE FUND | | | | | 600,000 |
| RESTRICTED FUND: | | | | | |
| CFC Select Notes | 0.4000% | 160 | 10/15/13 | 350,767 | |
| CFC Select Notes | 0.3800% | 160 | 11/12/13 | 352,060 | |
| CFC Select Notes | 0.3900% | 160 | 12/16/13 | 278,607 | |
| CFC Select Notes | 0.3700% | 160 | 2/4/14 | 350,000 | |
| CFC Select Notes | 0.3700% | 160 | 2/5/14 | 200,000 | |
| CoBank - AIM | | | | 151,613 | |
| Home Street Bank | 0.2500% | 365 | 10/29/13 | 104,809 | |
| Washington Federal Savings | 0.4000% | 365 | 11/29/13 | 107,567 | |
| Washington Federal Savings | 0.4000% | 365 | 5/19/14 | 108,646 | |
| SUBTOTAL RESTRICTED FUNDS | | | | | 2,004,069 |
| GRAND TOTAL FUND ENDING BALANCE 8/31/13 | | | | | <u>4,547,130</u> |

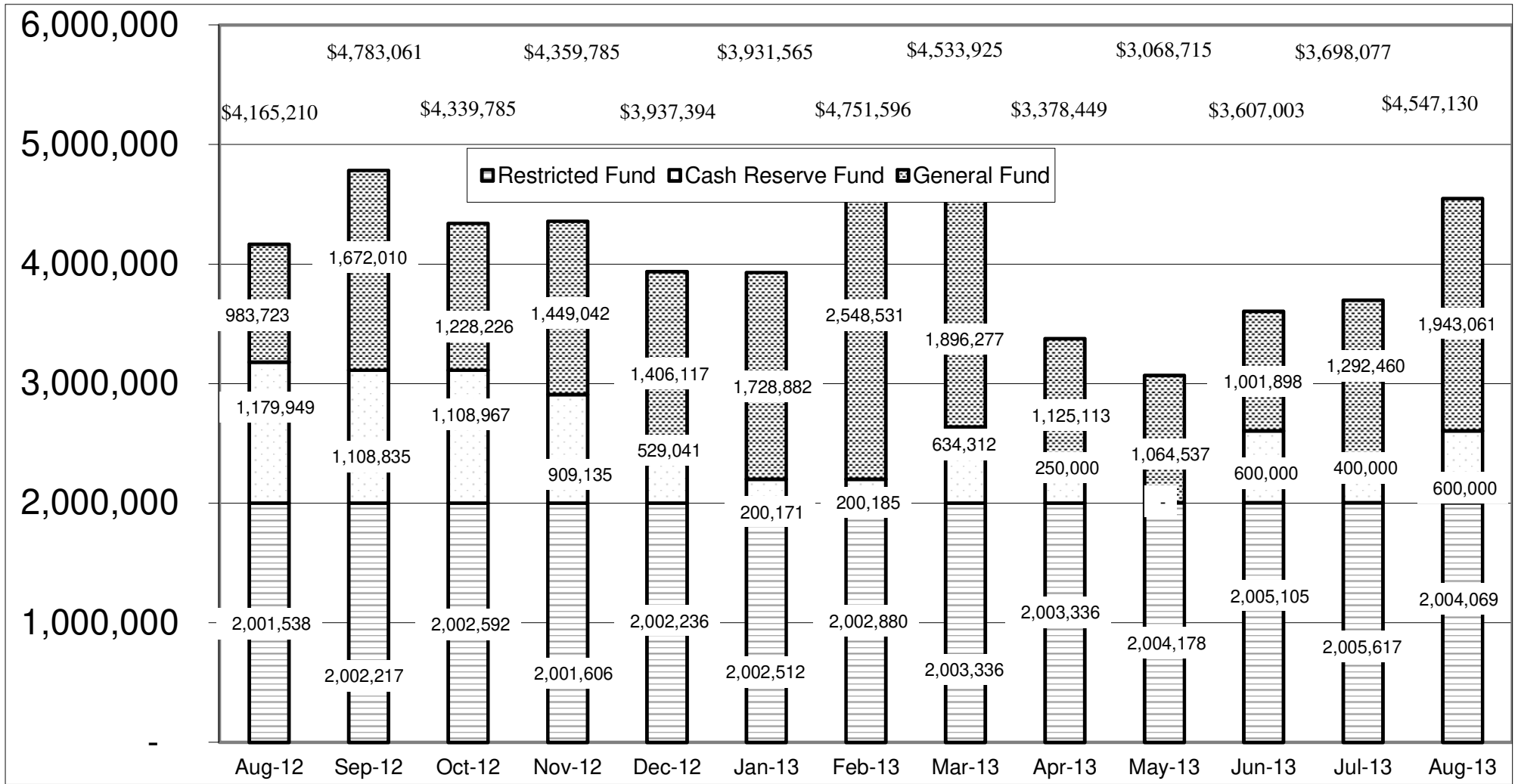
| | | | | | |
|------------------------------|--------|--|--|------------------|--|
| Project PAL: Islanders Bank | | | | <u>26,807</u> | |
| MORE Program: Islanders Bank | | | | <u>124,587</u> | |
| RUS Cushion of Credit * | 5.000% | | | <u>1,255,884</u> | |

**CASH PROJECTION:
September 30, 2013**

| | | | | | |
|--|--|--|--|-----------|-------------------------|
| GENERAL FUNDS: | | | | | |
| Beginning Cash 8/31/13 | | | | 1,943,061 | |
| Estimated Revenue (based on 95% of billing) | | | | 1,375,614 | |
| Estimated Other Revenue | | | | 20,000 | |
| Transfer From Reserve Fund | | | | 67,000 | |
| Transfer From RUS Cushion of Credit | | | | 220,000 | |
| Subtotal Cash/Revenue | | | | | 3,625,675 |
| Estimated Accounts Payable | | | | (950,000) | |
| Estimated Payroll and Benefits | | | | (515,000) | |
| Estimated RUS and CFC Principal and Interest Payment | | | | (287,000) | |
| Transfer To Reserve Fund | | | | (200,000) | |
| Transfer To RUS Cushion of Credit | | | | (300,000) | |
| Power and Transmission Bill (August bill) | | | | (333,762) | |
| Subtotal Expenses | | | | | (2,585,762) |
| Projected Ending Balance 9/30/13 | | | | | 1,039,913 |
| CASH RESERVE FUND: | | | | | |
| Beginning Cash 8/31/13 | | | | 600,000 | |
| Transfer To General Fund | | | | (67,000) | |
| Transfer From General Fund | | | | 200,000 | |
| Projected Ending Balance 9/30/13 | | | | | 733,000 |
| RESTRICTED FUND: | | | | | |
| Beginning Cash 8/31/13 | | | | 2,004,069 | |
| Transfer To General Fund | | | | 0 | |
| Projected Ending Balance 9/30/13 | | | | | 2,004,069 |
| PROJECTED GRAND TOTAL FUND ENDING BALANCE 9/30/13 | | | | | <u>3,776,982</u> |
| PROJECTED CHANGE IN TOTAL FUND BALANCE ENDING 9/30/13 | | | | | <u>(770,148)</u> |
| RUS CUSHION OF CREDIT*: | | | | | |
| Beginning Balance 8/31/13 | | | | 1,255,884 | |
| Transfer from General Fund | | | | 300,000 | |
| Transfer To General Fund | | | | (220,000) | |
| Projected Ending Balance 9/30/13 | | | | | <u>1,335,884</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. RUS Cushion of Credit reclassified as prepmnt in 4/2009
3. 2013 - RUS loan draw \$1.5M @ 2.945% (June 2013)
4. 2013 - RUS loan draw \$1M @ 3.288% (August 2013)

ORCAS POWER & LIGHT COOPERATIVE

UNSCHEDULED OUTAGE REPORT: AUGUST 2013

| OUTAGE CODE | CAUSE OF OUTAGE | DISTRICT | | | 2013 TOTALS | | |
|-------------------------------------|--------------------------------------|----------|----------|----------|-------------|------------|------------|
| | | ORCAS | SJ | LOPEZ | AUG PTD | JUL 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 | 1 | 1 |
| 300-303 | Faulty Equipment/Installation | - | - | 1 | 1 | 6 | 7 |
| 350 | Sectionalizing | - | - | - | 0 | 0 | 0 |
| 351 | Fuses/Fusing | - | 2 | - | 2 | 1 | 3 |
| 352/353 | Electrical/CAL/Transformer Overload | - | - | - | 0 | 5 | 5 |
| 400 | Underground Cable Failure | 3 | 1 | 3 | 7 | 19 | 26 |
| 401 | Contamination/Leakage (Equip. Fail.) | - | - | - | 0 | 1 | 1 |
| 402/403 | Aging Material/Equipment | - | - | - | 0 | 1 | 1 |
| 450 | Trees/Right of Way | - | - | - | 0 | 1 | 1 |
| 500/509 | Weather (Other than Severe Storm) | - | - | - | 0 | 3 | 3 |
| 600 | Small Animals/Rodents | - | - | - | 0 | 2 | 2 |
| 601 | Birds | - | - | - | 0 | 1 | 1 |
| 602 | Birds-Endangered (Swans; Eagles) | - | - | - | 0 | 1 | 1 |
| 603 | Large Animals | - | - | - | 0 | 0 | 0 |
| 700/701 | Cable Dig-In | 2 | - | - | 2 | 1 | 3 |
| 702 | Traffic Accident | - | - | - | 0 | 2 | 2 |
| 703 | Fire | - | 1 | - | 1 | 3 | 4 |
| 704 | Substation Vandalism | - | - | - | 0 | 1 | 1 |
| 705 | Construction | - | - | - | 0 | 0 | 0 |
| 709 | Public Caused Outage | - | - | - | 0 | 2 | 2 |
| 800 | Member Secondary Outage | - | - | - | 0 | 2 | 2 |
| 900 | Cause Unknown | - | - | - | 0 | 0 | 0 |
| <i>PTD/YTD OUTAGES: AUGUST 2013</i> | | 5 | 4 | 4 | 13 | 53 | 66 |
| <i>PTD OUTAGES: AUGUST 2012</i> | | 7 | 4 | 5 | 16 | 105 | 121 |

Date: September 9, 2013
To: Randy Cornelius, General Manager
From: Russell Guerry, Manager of Engineering & Operations
Subject: Operations Safety Program – August 2013

Jeff Myers conducted a safety review for chainsaw operators.

Accidents/Incidents/Near Miss

Date: 7/29/2013

Type: Accident (not reported in prior month)

Description: Lineman pulled muscle in lower back while moving insulators out of truck.

Action Taken: Crews to discuss lifting/back safety at next meeting. No other action was required.

Date: 8/21/2013

Type: Incident

Description: OPALCO boat struck another boat at the Shaw Island Marina with owner present. No damage was done.

Action Taken: Operators were reminded to wait until ferry or other activity that causes wakes are complete prior to leaving the mooring.

| | August 2013 | YTD (2013) |
|--------------------|--------------------|-------------------|
| Near Misses | 0 | 0 |
| Incidents | 1 | 1 |
| Accidents | 1 | 4 |
| Loss Time | 0 | 0 |

Total Hours Worked without Loss Time Accident: 342,866

General Manager's Report September 2013

Finance

REDL Application for Lopez Fire

Staff participated in a civil rights and locational verification review on Thursday, August 29 with a representative from the USDA. The results of the review should be available within the week, along with the guidance as to the next steps in the process. Staff is currently working with Anderson Hunter on the development of the loan agreements that will be executed once the federal funds are received from the USDA.

2014 Budget

The 2014 budget process will begin with the closing of the September accrual books by mid-October. At the November board meeting, staff will present the recommended 2014 budget, including a 2014 capital projects recommendation.

Member Services

eBill Members

As of September 3, 32% of our members (3,492) are enrolled in Electronic Billing. This represents an increase of 348 members since May. Staff will continue to explore other methods for expanding our eBill enrollment (e.g. bill credit incentives, contests, showcasing member experiences, etc.).

Online Banking Interface Update

Member Services has processed over 2,200 bank payment transactions since inception (July 2, 2013) at a total cost of \$220 and a reduction of 6-9 days from member payment to receipt of funds. Total processing savings to date is approximately \$3,000.

Engineering & Operations

As of September 6, there are 252 work orders open totaling \$2,730,833. Operations has completed construction on 69 of those work orders, totaling \$809,439.

Energy Services

Energy Services has finished processing the majority of the annual renewable energy production incentives for the Washington State and MORE programs. The report shows the following totals:

| System Types | System Capacity | Production (kWh) | MORE Total Paid | WA State Paid |
|---------------------|------------------------|-------------------------|------------------------|----------------------|
| Solar 81 / Wind 2 | 412.11 | 317,492.00 | \$45,719.24 | \$54,320.64 |

The detailed report of the Member Generator Production Incentives processed to date is attached.

Energy Services and other OPALCO staff were at the San Juan County Fair where young and old were challenged to generate electricity using the bicycle generator. The hearty participants who tried to light the incandescent bulb gained firsthand knowledge about energy efficient light bulbs! Linemen gave demonstrations of electrical safety using the Safety Board and members were encouraged to sign up for eBill.

2013 Member Generator Production Incentive Report
Period: July 1, 2012 - June 30, 2013

| System Type | System Capacity(kW) | Meter Number | Production (Kwh) | MORE Incentive Paid to Date | WA State Incentive Paid to Date |
|------------------|---------------------|--------------|-------------------|-----------------------------|---------------------------------|
| Decatur: | | | | | |
| Solar | 1.26 | 108081305 | 1197 | 359.1 | \$179.55 |
| | 1.26 | | 1,197.00 | \$359.10 | \$179.55 |
| Lopez: | | | | | |
| Wind | 10.00 | 110317749 | 5422.00 | \$1,200.00 | \$650.64 |
| Solar | 2.52 | 110316613 | 3000.00 | | \$450.00 |
| Solar | 3.00 | 108081618 | 1862.00 | \$502.74 | \$279.30 |
| Solar | 5.28 | 110316569 | 6373.00 | | \$955.95 |
| Solar | 6.25 | 111859307 | 4362.00 | \$1,080.00 | \$654.30 |
| Solar | 3.84 | 110316586 | 4018.00 | \$1,200.00 | \$602.70 |
| Solar | 3.00 | 110317160 | 480.00 | \$129.60 | \$72.00 |
| Solar | 9.66 | 110316849 | 3707.00 | \$1000.89 | \$556.05 |
| Solar | 8.14 | 110316583 | 12937.00 | \$3,000.00 | \$1940.55 |
| Solar | 8.14 | 110316584 | 6148.00 | \$1,844.40 | \$922.20 |
| Solar | 2.67 | 110316648 | 1788.00 | | \$268.20 |
| Solar | 3.90 | 110317124 | 3106.00 | \$838.62 | \$465.90 |
| Solar | 2.00 | 110316611 | 1493.00 | | \$223.95 |
| Solar | 5.70 | 110316617 | 5495.00 | | \$824.25 |
| Solar | 9.18 | 98643784 | 8945.00 | \$2,415.15 | \$1341.75 |
| Solar | 6.30 | 110316650 | 7437.00 | | \$1115.55 |
| Solar | 5.04 | 110316637 | 5809.00 | | \$871.35 |
| Solar | 7.14 | 95781749 | 7990.00 | \$1,200.00 | \$1198.50 |
| Solar | 21.12 | 110317748 | 24873.00 | \$1,200.00 | \$3730.95 |
| Solar | 3.15 | 110316567 | 2623.00 | | \$393.45 |
| Solar | 3.52 | 110316612 | 3064.00 | | \$459.60 |
| Solar | 3.00 | 110316631 | 3613.00 | \$1,083.90 | \$541.95 |
| Solar | 4.56 | 108081610 | 5183.00 | \$1,200.00 | \$2798.82 |
| Solar | 2.73 | 110316614 | 3054.00 | \$916.20 | \$1649.16 |
| Solar | 3.18 | 98644613 | 2091.00 | | \$376.38 |
| Solar | 3.06 | 110316647 | 1902.00 | | \$342.36 |
| Solar | 3.78 | 110317296 | 2395.00 | \$646.65 | |
| Solar | 3.78 | 103850165 | 2493.00 | \$673.11 | |
| Solar | 3.78 | 98643736 | 2517.00 | \$679.59 | |
| Solar | 3.78 | 97353032 | 2240.00 | \$604.80 | |
| | 149.86 | | 139,170.00 | \$21,415.65 | \$23,685.81 |
| Orcas: | | | | | |
| Solar | 2.76 | 110316616 | 2093.00 | | \$313.95 |
| Solar | 1.88 | 97353144 | 2170.00 | \$651.00 | \$325.50 |
| Solar | 4.9 | 110317072 | 4684.00 | | \$702.60 |
| Solar | 3.9 | 110316407 | 3641.00 | \$1,092.30 | \$546.15 |
| Solar | 3 | 110316457 | 2749.00 | | \$412.35 |
| Solar | 3 | 110316651 | 3591.00 | \$1,077.30 | \$538.65 |
| Solar | 2.4 | 110316600 | 2273.00 | \$681.90 | \$340.95 |
| Solar | 3 | 110316601 | 3317.00 | | \$497.55 |
| Solar | 8.67 | 97353122 | 658.00 | | \$98.70 |
| Solar | 29.7 | 75107522 | 28832.00 | | \$4,324.80 |
| Solar | 5 | 110317085 | 863.00 | \$233.01 | \$129.45 |
| Solar | 5.8 | 110316456 | 6237.00 | \$1,200.00 | \$935.55 |
| Solar | 9.36 | 110317551 | 1241.00 | \$335.07 | \$186.15 |
| Solar | 3.15 | 110317074 | 2661.00 | \$798.30 | \$399.15 |
| Solar | 5.17 | 110317158 | 4855.00 | \$1,200.00 | \$728.25 |
| Solar | 2.86 | 111859256 | 123.00 | \$33.21 | \$18.45 |
| Solar | 1.485 | 110316652 | 1386.00 | \$276.60 | \$207.90 |
| Solar | 3.25 | 110317156 | 922.00 | | \$138.30 |
| Solar | 4.6 | 110316633 | 4814.00 | \$1,200.00 | \$722.10 |
| Solar | 2 | 110316458 | 1850.00 | | \$277.50 |
| Solar | 4.56 | 103850261 | 4764.00 | \$1,200.00 | \$2,572.56 |
| Solar | 3.36 | 110316585 | 2714.00 | \$814.20 | \$1,465.56 |
| Solar | 4.08 | 110316455 | 2536.00 | \$1,200.00 | \$1,369.44 |
| Solar | 3.15 | 108081289 | 2312.00 | | \$1,248.48 |
| Solar | 1.1 | 111859950 | 550.00 | | \$99.00 |
| Solar | 4.5 | 108081615 | 106.00 | \$28.62 | |
| Solar | 16.32 | 108081617 | 8241.00 | \$1,080.00 | |
| Wind | 5 | 110317695 | 17.00 | \$5.10 | |
| | 147.96 | | 100,200.00 | \$13,106.61 | \$18,599.04 |
| San Juan: | | | | | |
| Solar | 6 | 110316802 | 2212 | \$597.25 | \$331.80 |
| Solar | 8.82 | 110316580 | 10108 | \$1,200.00 | \$1,516.20 |
| Solar | 3.9 | 97352980 | 2172 | \$586.44 | \$325.80 |
| Solar | 9.9 | 108080531 | 4747 | \$1,080.00 | \$712.05 |
| Solar | 8.64 | 98645798 | 1874 | \$505.98 | \$281.10 |
| Solar | 3.9 | 97411307 | 2415 | \$652.05 | \$362.25 |
| Solar | 1.14 | 110316582 | 1209 | | \$181.35 |
| Solar | 2.64 | 110316566 | 2442 | | \$366.30 |
| Solar | 3.92 | 107841564 | 2359 | \$636.93 | \$353.85 |
| Solar | 4 | 97353097 | 2247 | \$606.69 | \$337.05 |
| Solar | 0.6 | 108081290 | 537 | | \$80.55 |
| Solar | 3.6 | 110316570 | 3413 | \$1,023.90 | \$511.95 |
| Solar | 4.84 | 110316579 | 6024 | | \$903.60 |
| Solar | 6 | 97353102 | 3303 | \$891.91 | \$495.45 |
| Solar | 2.8 | 97352882 | 1587 | | \$238.05 |
| Solar | 1.75 | 110316565 | 1747 | | \$262.05 |
| Solar | 2.97 | 110316564 | 3404 | | \$510.60 |
| Solar | 5.1 | 110316632 | 6278 | \$1,200.00 | \$941.70 |
| Solar | 4 | 108081616 | 2312 | \$624.24 | \$346.80 |
| Solar | 15.64 | 108080582 | 9972 | \$1,080.00 | \$1,495.80 |
| Solar | 0.48 | 108081288 | 434 | | \$234.36 |
| Solar | 3.12 | 110317970 | 107 | \$28.89 | \$57.78 |
| Solar | 8 | 25502675 | 5610 | | \$1,009.80 |
| Solar | 1.27 | 110316581 | 412 | \$123.60 | |
| | 113.03 | | 76,925.00 | \$10,837.88 | \$11,856.24 |

NEW SERVICES

August 2013

| | Orcas | San Juan | Lopez | Center/ Decatur | Blakely/Obstruction /Crane/Shaw | Total |
|----------------|-------|----------|-------|--------------------|------------------------------------|-------|
| Residential | 7 | 8 | 5 | 3 | 2 | 25 |
| Commercial | | 1 | | | | 1 |
| Line Retention | | | | | | 0 |
| Other - OPALCO | | | | | | 0 |
| | | | | | | |
| Total* | 7 | 9 | 5 | 3 | 2 | 26 |
| | | | | | | |
| 2013 YTD | 27 | 41 | 18 | 3 | 3 | 92 |
| 2012 YTD | 18 | 38 | 12 | 3 | 2 | 73 |
| 2011 YTD | 26 | 48 | 9 | 1 | 6 | 90 |
| 2010 YTD | 40 | 56 | 17 | 1 | 3 | 117 |
| 2009 YTD | 52 | 79 | 16 | 2 | 3 | 152 |

*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 2011 - 2013 YTD

| Month | 2011 YTD | | | | | | | 2012 YTD | | | | | | | 2013 YTD | | | | | | | | | |
|--------------|-----------|----------------|------------------|--------------------|---------------|------------------|------------------|---------------|----------------|------------------|------------|--------------------|-----------------|------------------|-----------|----------------|-----------------|------------|--------------|--------------------|------------------|--|--|---------------|
| | All Green | | | Green Power Blocks | | | | Total Revenue | All Green | | | Green Power Blocks | | | | Total Revenue | All Green | | | Green Power Blocks | | | | Total Revenue |
| | # Members | kWh | Revenue | # Members | # Blocks | Block Revenue | # Members | | kWh | Revenue | # Members | # Blocks | Block Revenue | # Members | kWh | | Revenue | # Members | # Blocks | Block Revenue | | | | |
| | | | \$ 0.04 | | | \$ 4 | | | \$ 0.04 | | | \$ 4 | | | \$ 0.04 | | | \$ 4 | | | | | | |
| Jan | 46 | 50,160 | 2,006 | 478 | 948 | 3,792 | 5,798 | 44 | 47,428 | 1,897 | 454 | 970 | 3,880 | 5,777 | 43 | 54,479 | 2,179 | 433 | 921 | 3,684 | 5,863 | | | |
| Feb | 44 | 41,550 | 1,662 | 448 | 947 | 3,788 | 5,450 | 43 | 37,664 | 1,507 | 452 | 962 | 3,848 | 5,355 | 43 | 50,927 | 2,037 | 432 | 918 | 3,672 | 5,709 | | | |
| Mar | 41 | 41,906 | 1,676 | 446 | 949 | 3,796 | 5,473 | 42 | 37,682 | 1,507 | 449 | 953 | 3,812 | 5,319 | 42 | 42,787 | 1,711 | 429 | 915 | 3,660 | 5,371 | | | |
| Apr | 41 | 33,629 | 1,345 | 446 | 950 | 3,800 | 5,146 | 42 | 27,636 | 1,105 | 449 | 953 | 3,812 | 4,917 | 42 | 31,063 | 1,243 | 427 | 904 | 3,616 | 4,859 | | | |
| May | 42 | 31,336 | 1,253 | 450 | 956 | 3,824 | 5,077 | 42 | 21,993 | 880 | 448 | 952 | 3,808 | 4,688 | 41 | 21,699 | 868 | 426 | 897 | 3,588 | 4,456 | | | |
| Jun | 42 | 21,813 | 873 | 455 | 971 | 3,885 | 4,758 | 43 | 20,335 | 813 | 448 | 952 | 3,808 | 4,621 | 41 | 20,336 | 813 | 426 | 897 | 3,588 | 4,401 | | | |
| Jul | 43 | 21,335 | 853 | 464 | 987 | 3,948 | 4,801 | 43 | 19,649 | 786 | 449 | 953 | 3,812 | 4,598 | 43 | 17,756 | 710 | 425 | 895 | 3,580 | 4,290 | | | |
| Aug | 43 | 20,004 | 800 | 466 | 990 | 3,960 | 4,760 | 43 | 22,457 | 898 | 446 | 948 | 3,792 | 4,690 | 42 | 18,716 | 749 | 421 | 893 | 3,572 | 4,321 | | | |
| Sep | 45 | 25,959 | 1,038 | 465 | 985 | 3,940 | 4,978 | 42 | 13,136 | 525 | 443 | 947 | 2,530 | 3,055 | - | - | - | - | - | - | - | | | |
| Oct | 44 | 25,321 | 1,013 | 464 | 984 | 3,936 | 4,949 | 42 | 21,162 | 846 | 443 | 947 | 3,788 | 4,634 | - | - | - | - | - | - | - | | | |
| Nov | 46 | 40,308 | 1,612 | 458 | 972 | 3,888 | 5,500 | 44 | 30,335 | 1,213 | 438 | 943 | 3,772 | 4,985 | - | - | - | - | - | - | - | | | |
| Dec | 45 | 49,303 | 1,972 | 458 | 972 | 3,888 | 5,860 | 43 | 43,849 | 1,754 | 437 | 929 | 3,716 | 5,470 | - | - | - | - | - | - | - | | | |
| Total | 44 | 402,624 | \$ 16,105 | 458 | 11,611 | \$ 46,446 | \$ 62,551 | 43 | 343,326 | \$ 13,733 | 446 | 11,409 | \$44,378 | \$ 58,111 | 42 | 257,763 | \$10,311 | 427 | 7,240 | \$28,960 | \$ 39,271 | | | |

Notes: 2 members participate in both All Green and Green Blocks. Average blocks per member is 2.1.
Beginning June 2011, this report reflects combined data for the former Green Power program and MOR
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

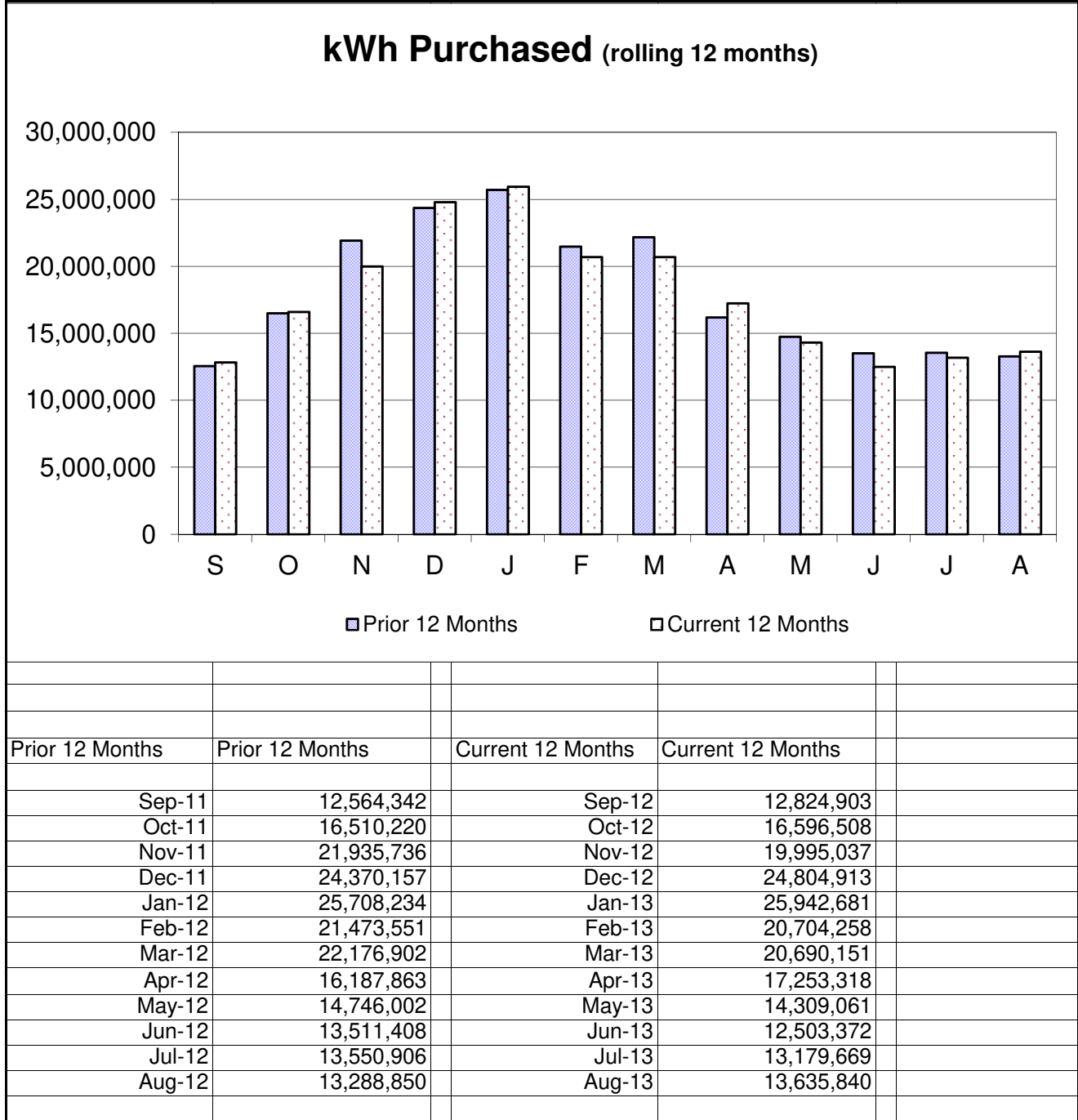
| Month | 2009 | 2010 | 2011 | 2012 | 2013 | Average |
|------------|---------------|---------------|---------------|---------------|---------------|---------------|
| January | \$ 2,542,345 | \$ 2,091,129 | \$ 2,266,724 | \$ 2,203,319 | \$ 2,354,732 | \$ 2,291,650 |
| February | 2,109,273 | 1,684,100 | 2,018,866 | 1,980,380 | 2,190,659 | 1,996,656 |
| March | 1,868,966 | 1,693,238 | 2,100,947 | 2,080,586 | 2,031,007 | 1,954,949 |
| April | 1,825,774 | 1,659,771 | 1,803,095 | 1,733,543 | 1,803,826 | 1,765,202 |
| May | 1,582,738 | 1,453,989 | 1,634,542 | 1,536,601 | 1,580,671 | 1,557,708 |
| June | 1,243,754 | 1,409,557 | 1,383,932 | 1,419,883 | 1,450,461 | 1,381,517 |
| July | 1,217,676 | 1,300,950 | 1,302,528 | 1,380,472 | 1,423,753 | 1,325,076 |
| August | 1,300,901 | 1,342,739 | 1,360,611 | 1,450,397 | 1,448,015 | 1,380,533 |
| September* | 1,297,670 | 1,297,936 | 1,421,174 | 1,005,902 | | 1,255,671 |
| October | 1,335,166 | 1,389,529 | 1,483,658 | 1,499,863 | | 1,427,054 |
| November | 1,590,102 | 1,584,909 | 1,977,782 | 1,779,353 | | 1,733,036 |
| December | 1,975,064 | 2,123,602 | 2,375,284 | 2,085,584 | | 2,139,884 |
| Total | \$ 19,889,429 | \$ 19,031,449 | \$ 21,129,143 | \$ 20,155,885 | \$ 14,283,125 | \$ 20,208,935 |

Notes:

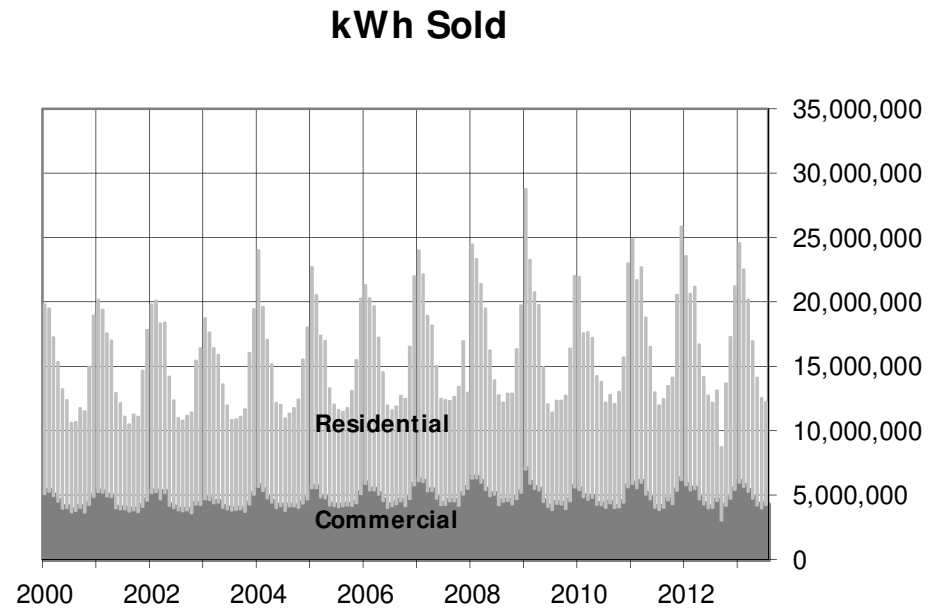
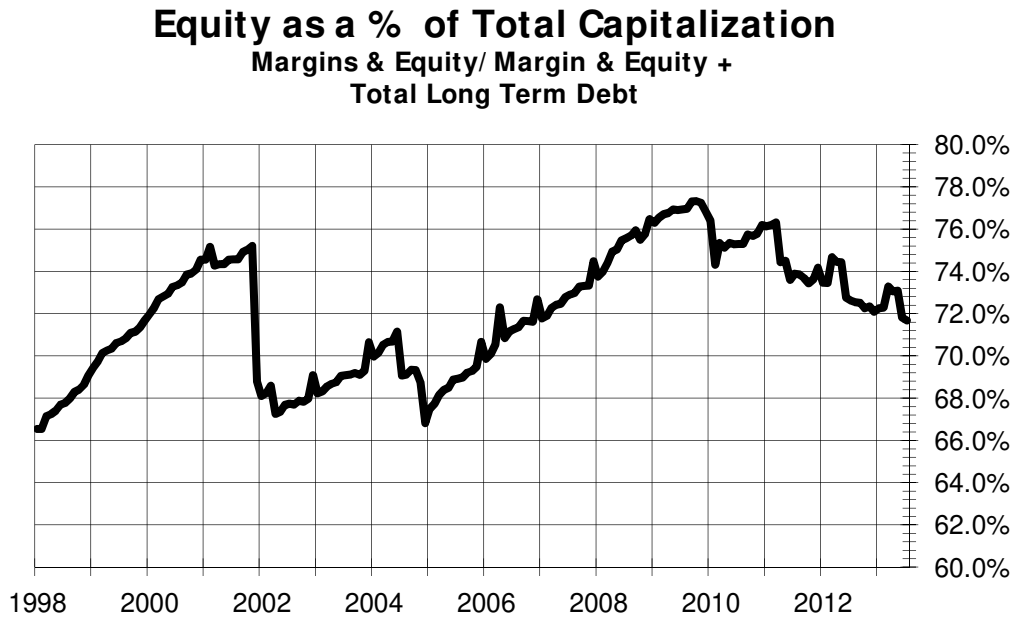
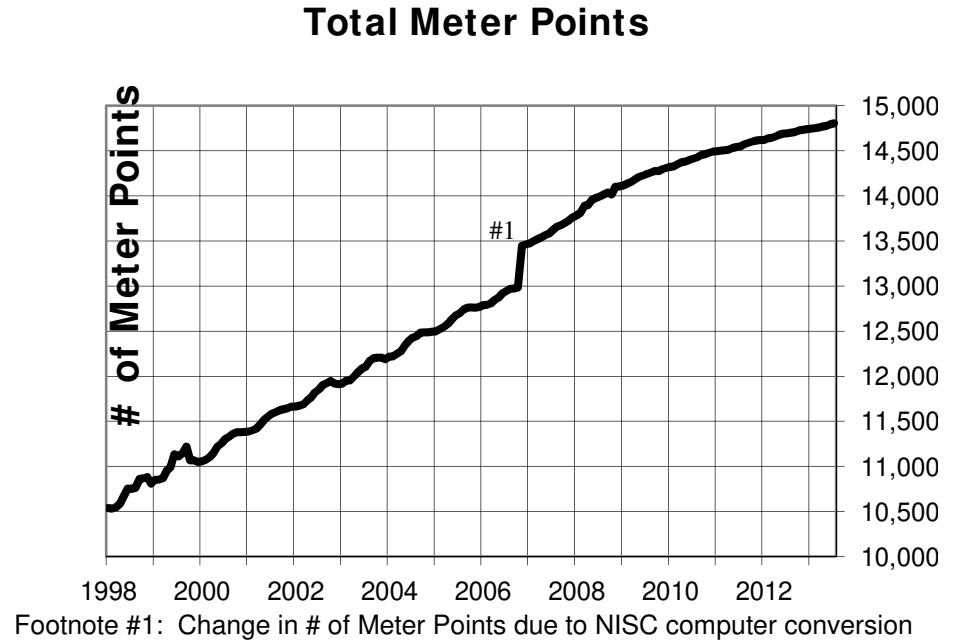
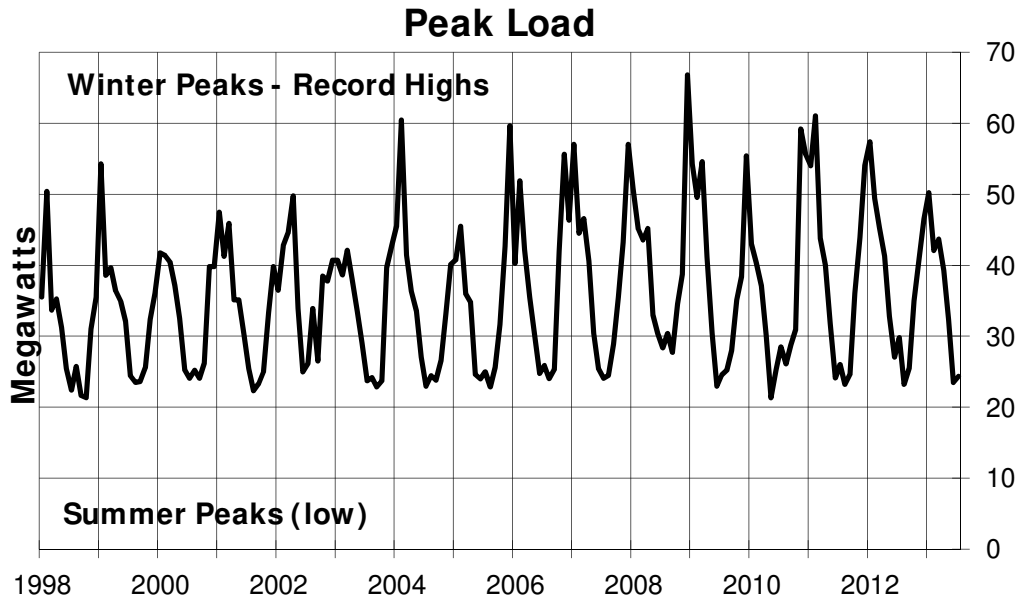
* Beginning in September 2012, half of the membership transitioned to a mid-month billing cycle. These members were billed for 15 days of consumption and a prorated basic charge on 9/14/12.

BPA Consumption Summary

Through
August 2013



RUS Form 7 Data
Through July 2013





August 5, 2013

To: CleanHydro Supporters
From: Terry Flores, Executive Director
Re: Post Ad Campaign Poll Results

The results are in and they are good! Public opinion polling conducted in February 2013, just prior to the roll out of the CleanHydro public education TV ad campaign, showed a continued downward dip in support for hydropower in the Northwest. Following the conclusion of the campaign in June, polling showed the downward trend had not only been halted, but support for hydropower demonstrably increased across the board. The ads also worked to reinforce and increase appreciation for our key messages. People take great pride in living in the Northwest and see hydropower as having an important role in providing jobs and a healthy economy and its environmental legacy.

Some of the key findings are enclosed. Bottom line: the campaign worked and was a success!

Our job is not done. For example, while support for hydropower as the Northwest's most practical electrical resource ticked up 3 percent – to 50 percent – this is still down from just a few years ago when hydropower garnered 58 percent support. We will need a sustained effort of two to three years minimum to re-establish hydro as the region's foremost clean, renewable energy resource and ensure its proper place in the public discourse on renewable energy choices.

Thanks for all the support that made the 2013 CleanHydro campaign a reality and a success. Please help to make 2014 as successful by sending your pledge or check today!

Polling Shows Education Campaign is a Success

The CleanHydro public education campaign launched last February with two 30-second TV ads running in major media markets in western Washington and Oregon, including the large urban areas of Seattle and Portland. Over 3 million households, 7 million people in total, consistently heard our positive messages about the environmental and economic benefits of the Columbia Basin's hydro and river system during the six month campaign. Our media presence also was reinforced by the CleanHydro website and print ads that campaign participants ran in local papers and newsletters.

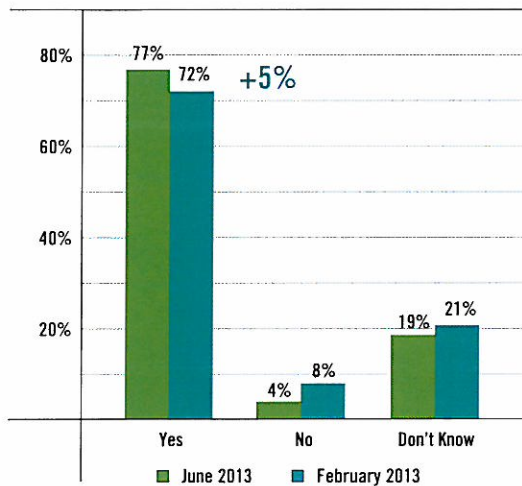
Our good work is not done, we need your continued leadership and support to keep up the momentum in 2014 and beyond to ensure a fully effective education effort and build on our CleanHydro brand.

The Results Are In: Public Support Grew.

Public opinion polling conducted by DHM Research in February, just prior to the media effort showed a continued downward trend in support for hydropower. That demonstrably changed following the ad campaign: Support for hydropower increased on nearly every measure. In testing, the ads also were well received by the target audiences. Here are some examples of the campaign's success:

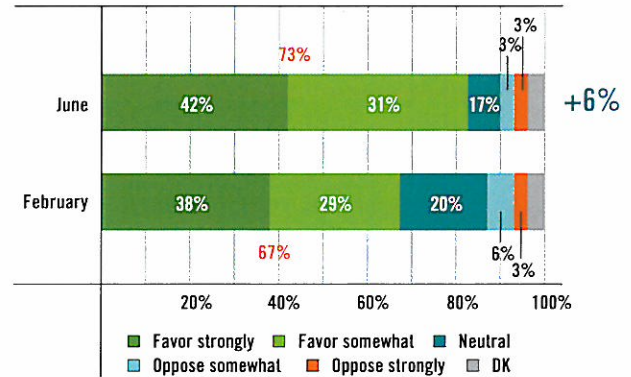
Hydro a Renewable Energy Source

Is electricity generated by hydropower from dams a renewable energy source?



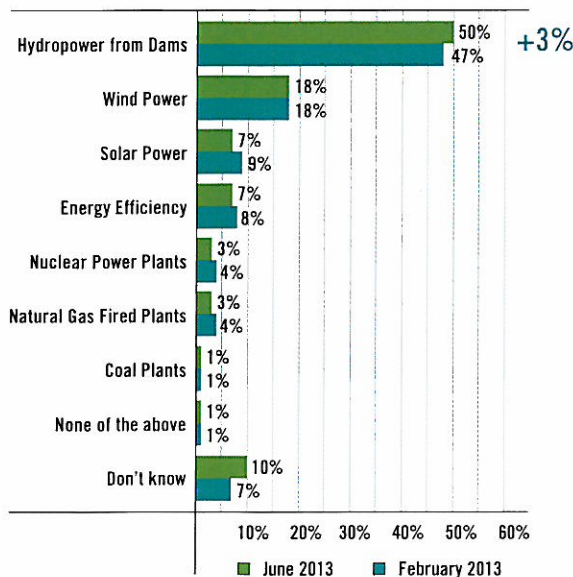
Congress and State Legislatures Include Hydropower as a Renewable Energy Source

The US Congress and some state legislatures have specifically declared that solar and wind generated electric power are renewable energy sources. Would you favor or oppose the US Congress and your state legislature including electricity generated by hydropower from dams as a renewable energy source?



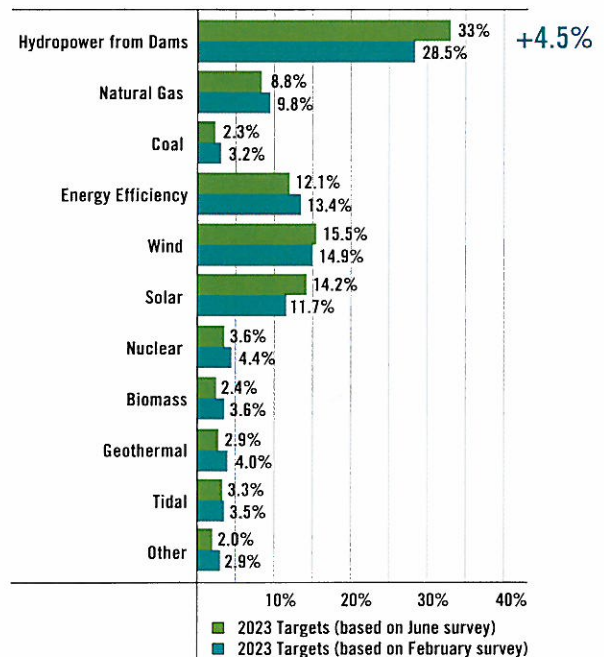
Most Practical Source of Energy

As you know, there are many different ways that electrical energy needs can be met. Which one of the following do you think is the most practical source for the Pacific Northwest to rely on for most of its energy needs at this time?



Energy: 10-year Target Preferred Allocation

Below is a list of energy sources. In the space below, allocate the percent of each you believe is currently used to meet electricity needs in the Pacific Northwest. You do not need to allocate a percentage to each source. You can allocate any percentage to a single item from 0% to 100%, but the total needs to add to 100%. Make sure you check your addition.

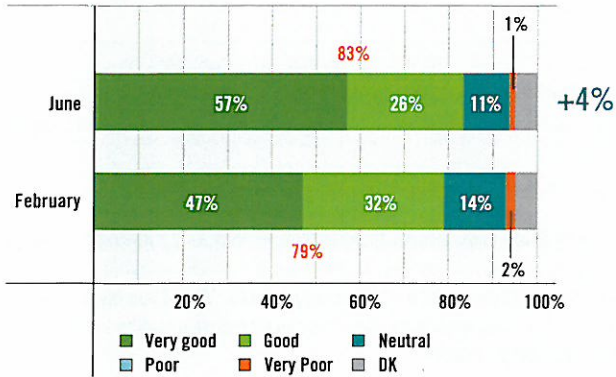


Appreciation for Key Messages Increased.

Polling also showed significant increases in understanding and appreciation for the campaign's key messages.

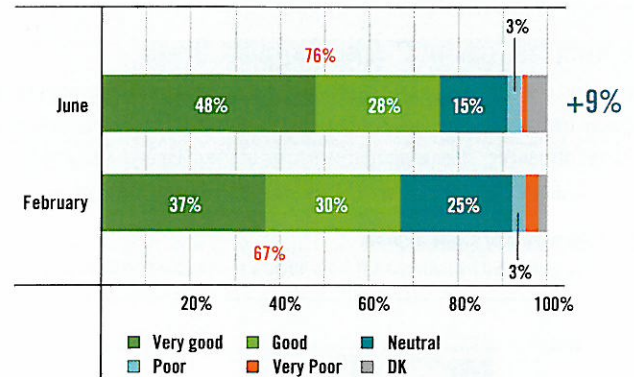
Hydropower's Energy Impact

The dams provide over 4,400 megawatts of firm electrical energy, enough to power four cities the size of Seattle.



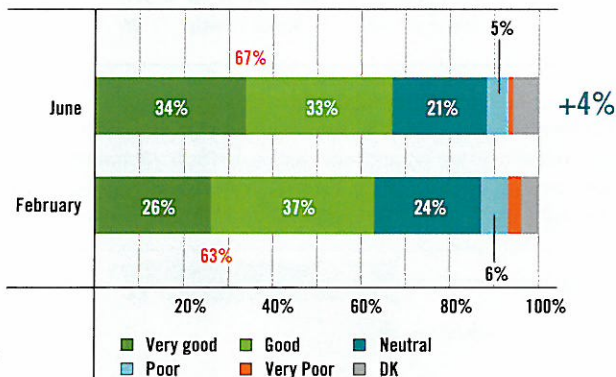
Hydropower Cornerstone of NW Environmentally Responsible Legacy

Hydropower is the cornerstone of the Northwest's environmentally responsible legacy-providing a renewable, clean, domestic, and affordable source of energy.



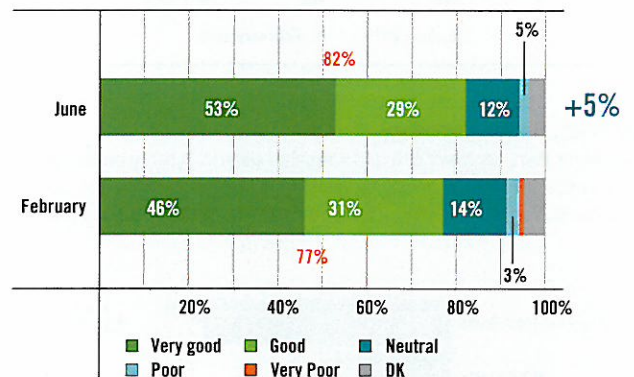
Hydropower And the Economy

Hydropower is the cornerstone of the Northwest's economy- providing jobs and commerce that allows families and businesses to thrive and grow.



Hydropower And Irrigation

The dams provide vital irrigation for farmers in Idaho and eastern Washington and Oregon to grow crops that feed Pacific Northwest residents and are exported to the world.



Please help make the 2014 CleanHydro effort a success by making your contribution today!