



**BOARD OF DIRECTORS
REGULAR BOARD MEETING
Wednesday, September 23, 2015 8:45 a.m.
OPALCO Conference Room
183 Mt Baker Road, Eastsound, WA**

TRAVEL



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

Depart:

FH 8:00 a.m.
Lopez 8:15 a.m.

Arrive:

Eastsound 8:30 a.m.

Return:

Eastsound 2:30 p.m.

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



Via Ferry:

Depart:

FH 6:10 a.m.
Lopez 6:55 a.m.
Shaw 7:15 a.m.

Arrive:

Orcas 7:35 a.m.

Return:

Orcas 3:10 p.m.

Orcas 4:30 p.m.

Shaw 3:25 p.m.
Lopez 3:45 p.m.
FH 5:10 p.m.

**Orcas Power & Light Cooperative
Board of Directors
Regular Board Meeting
OPALCO Office 183 Mt Baker Road Eastsound
376-3549
September 23, 2015 8:45 a.m.**

PAGES

WELCOME GUESTS/MEMBERS

- New Staff Introductions
- Member Comment Period
- WRECA: Kent Lopez and Grant Nelson
- EES Consultants Anne Falcon and Steve Anderson
- Board candidates: Mark Madsen, Jim Hooper

ACTION ITEMS

- 3-7** ○ Approval of Minutes
- 8** ○ New Members
- 9** ○ Capital Credits
- 10-16** ○ RUS 219s
- 17** ○ CFC Voting Delegate
- 18-20** ○ Employee Handbook: Incorporate associated employee related policies into handbook and eliminate from OPALCO Policies (4, 7, 9A, 9B, 12, 14, 15, 17, 18, 19, 20, 25, 26)
- 21-22** ○ Town of Friday Harbor Quit Claim Deed / Resolution 8-2015

DISCUSSION ITEMS

- 23** ○ Integrated Resource Plan
- 24** ○ Web Analytics

REPORTS

- 25** ○ Safety
- 26-27** ○ General Manager
- 28-30** ○ Rock Island Communications

INFORMATION ITEMS

- 31-33** ○ WRECA Update
- 34-41** ○ Dashboard Charts
- 42-62** ○ Web Analytics
- 63-67** ○ Member Correspondence

ADJOURNMENT

Executive Session: Personnel, Legal, Confidential

MINUTES OF THE BOARD OF DIRECTORS MEETING

ORCAS POWER & LIGHT COOPERATIVE

Thursday, August 20, 2015

President Jim Lett called the meeting to order at 8:45 a.m. at the Friday Harbor OPALCO office. Board Members present were Winnie Adams, Randy Cornelius, Vince Dauciunas, Jim Lett, Bob Myhr, Jerry Whitfield. Staff present included General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Administration Nancy Loomis, Manager of Member Services & Energy Savings Amy Saxe and Executive Assistant Bev Madan (serving as recording secretary). Rock Island Communications staff present were Executive Vice-President Gerry Lawlor and Vice President of Marketing & Sales Dan Burke. Also present was OPALCO Consultant Jay Kimball

Member/Guests

Each member/guest was offered an opportunity to address the board.

Lopez: Steve Ludwig, Dwight Lewis, Brian Silverstein

San Juan: Gray Cope

Comments ranged from encouraging workshops to informing members about rate design, the increase in the facility charge to the current survey.

June Meeting Minutes

- **Motion** made by Myhr to accept the June 18 minutes as presented. Motion was seconded (Dauciunas) and carried by voice vote.

New Members

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

Lopez

Auckland, Brian & Anne
Genther, Cindy
Greenwood, Roger & Mary
Gschwend, Christian & Juliene
Lazy L Recreation LLC
Leigh, Erin
Matisse, Robert
McCallister, Scot & Sandra
Mira, Julia
Price, Kelley & Nancy
Schreiber, Mary Skelton, Kathleen & Doug
Williams Lane Property Owners
Willis, Matthew

Orcas

Allred, Austin & Kya Salt
Barham, Chris
Baumann, Kurt
Brault, Andrew & Laura
Corkery, Tami & Dennis
CTO Properties LLC dba North Beach Storage
Culbert, Andy & Gina
David, Dan & Krisch, Laurene
Davidson, Ruth & Kovacevich, Bernhard
Dickens, Fisher
Frey, Adam & McIntire, David
Graham, Christopher & Fausti Eduard
Hanson, Jeff
Hoffman, Jolene & Mitchell, Michael
HRP Co LLC
Lassen, David & Robin
Ledgerwood, Alyssa
Lighthill, Selby
Malo, Kimberly & Kirisimasi
McNamara, Mai
Morelli, Michele & Heather

Neal, Travis & Megan
Niquette, Austin & Robbins, Sarah
Page, Ryan & Whitney
Pedron, Joseph & Robin
Rawson, Tom
Reyes, Linnea & Jordan, Ryan
Rose, Barry & Jannice
Selin, Dan & Vicki

San Juan

Bartholomew, Robert
Boucher, Wendy J
Boyden, Ian & Jennifer
Chevalier, Ashley
Cochran, Suzanne
Connor, Kyle R & Thomas, Jayne L
Coronado-Escobar, Marysol & Gonzales,
Carolos Barrios
Craig, Katrina S
Diaz, Danna
Ehle, Lisa & Angevine, Derek
Ellis, Emily
Ellis, Melanie
Estate of William R Crouss
Ferry, Stephane G
FHHH Investment LLC
Flora, Bart
Fox, Cathy
Foy, Teresa
Francois, Dale & Sharon
Harrison, Leslie
Hayden, Kenneth
Jablonski, Carl & Alison M
Kiselyk, Alexis Ruth
Kurtz, Alexander L
McIntyre, Kenyon & Barbara B
Miller, Teresa & Beaver, Charles
Neff, Deborah

Norton, Gala M
O'Brien, James
Prince, John
Rea, Lisa & Ken
Ryan, Tyler & Bobby
Sanabria, Martin
Sands, Lauren
Sargent, Dana
Schaltenbrand, Elizabeth
Scott, Michael Lee
Shalen, Inc.
Shepler, Jay
Smith, Bryan
Spears, Anna

Strain, Samuel Henry
Tokunaga, Amanda & Bill
Tunison, Marcus
Vician, Daniel J & Carolyn T
Wagner Law Offices PC
Wisen, Craig
Young, Jason
Young, Noah

Shaw
Bethke, John & Havens, Tom
Brodahl, Sandra
McEwen, Jordie & Kim

Capital Credits

- **Motion** made by Myhr and seconded (Dauciunas to approve payment of \$18,225.00 in capital credits to the estates of deceased members and businesses listed below. Motion carried by voice vote.

Joan F. Amidon	\$502.17
Charles R. Chevalier	\$2,602.93
William R. Crouss	\$1,313.18
Eugene H. Crowe	\$704.84
George A. Higgins	\$1,795.16
Ruth B. Hill	\$1,131.28
Wade Hill	\$2,197.66
Stacy McCray	\$4.52
Marion Percich	\$1,406.35
WG Price	\$1,295.72
Leonard D. Sullivan	\$626.87
Dorothy E. Wachter	\$616.98
Northwest Aquaculture	\$3,558.65
R.W. Little Trustee.....	\$468.69

RUS 219s

The Inventory of Work Orders includes transformer relocates, sectionalizing, pole replacements, overhead conversion to underground at Wilks Way and White Beach, underground replacement at Kielhaven Lane and Peninsula Road, conduit installation, and the removal of two spans of overhead primary.

- **Motion** made by Myhr and seconded (Adams) to approve submission of the RUS Form 219s that total \$413,759.27. Motion carried by voice vote.

Bylaw Amendment Article IV Section 1

OPALCO’s attorney drafted clarification language to Article IV Section 1 of the bylaws to allow the Board President to have scheduling flexibility. The Bylaw amendment reads: “Article IV – Meetings of Directors Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held without notice other than this bylaw, immediately after, and at the same place as the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place in San Juan County, Washington, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof. The President may cancel or change the date, time or place of a regular monthly meeting for good cause and upon not less than five (5) days’ notice thereof to all Directors.”

- **Motion** made by Cornelius and seconded (Whitfield) to approve the amendment to Bylaw Article IV Section 1 as presented. Motion carried by voice vote.

September Meeting Date Change

Due to scheduling conflicts, the date of the September Board of Directors meeting is changed to Wednesday, September 23. The meeting will be held in Eastsound.

Submarine Cable Replacement / Resolutions 6-2015 and 7-2015

In January 2015, an application for a transmission loan was submitted to RUS. On August 10 we received notification from RUS that the loan was approved; loan funds

are expected to be available to OPALCO by year-end. OPALCO can now formally contract for services.

At the June Board of Directors meeting, the Board approved staff to formalize contracts for the installation of the Lopez to San Juan submarine cable. In order to obtain RUS advanced funding for the submarine cable project, staff will be formally submitting the contracts to RUS for loan disbursement approval.

Also discussed was the CenturyLink fiber optic cable that is laying over the OPALCO cable. To date, calls to CenturyLink have gone unanswered. If OPALCO does not get a response from CenturyLink, the work will be done and CenturyLink will be invoiced. If OPALCO opted to leave our electric submarine cable in-place as is, the lengthy permitting process would have to begin again so it is not a viable option. Cornelius cautioned the Board to be prepared for the unexpected and reminded it is a risky process. Members should also be informed of the risks.

- **Motion** made by Cornelius and seconded (Adams) to approve Resolutions 6-2015 *Accepting the Proposal of Sumitomo Electric USA* and 7-2015 *Accepting the Proposal of Trenchless Construction Services LLC*. Motion carried by voice vote.

Employee Policies

During the annual legal review of OPALCO policies, it was recommended that OPALCO eliminate all policies related to employees/employment and develop an employee handbook that will incorporate these policies. Staff will request that Policies 4 *Employment of Relatives*; 7 *Employee Expense Reimbursement*; 9A *Personal Use of Company Vehicles*; 9B *General Manager's Use of Company Vehicles*; 12 *Substance Abuse*; 13 *Drug and Alcohol Testing*; 14 *Sexual Harassment*; 15 *Smoke Free Workplace*; 17 *Employee Use of Correspondence Courses & Local Educational Opportunities*; 18 *Equal Employment Opportunity*; 19 *Family Medical Leave Act*; 20 *Acceptable Use of Electronic Resources*; 23 *Conflict of Interest*; 25 *Whistle Blower*; and 26 *Use of Social Media* be eliminated at the September meeting. The second reading to remove the above employee related policies will occur at the September Board meeting.

Grid Control Update

Hildreth presented *OPALCO's Grid in the 21st Century* showing the deployment status of the grid control backbone as laid out in the board approved budgets and directives. OPALCO's infrastructure (submarine cables, transmission system, and distribution system) will continue to be essential to this community for the next thirty plus years. Optimization through monitoring, controlling, and communicating is essential. This presentation highlighted OPALCO's proactive long term solution for the future of this utility and community through efficient grid use, first responder communications, community services, and member connectivity. Highlights included the "evolution of the broadband grid" showing how the backbone has grown to include interconnection of "smart" appliances, demand response units (DRU's) "smart" inverters and pumped hydro and grid storage—trends in San Juan County from 2015-2035.

Integrated Resource Plan (IRP)

Hildreth presented *Integrated Resource Plan* slideshow, outlining OPALCO's objectives and strategy for the next twenty years. Objectives include:

- maintaining BPA as the long-term power provider, with the estimation that by 2023 BPA prices will be similar to solar prices;
- ensure continuing safe, reliable and stable grid operation as intermittent local renewable energy sources are added
- minimize environmental impact (reduce carbon footprint) and increase sustainability for critical services.

Zero load growth was a presented objective based on prior board discussions. It was stated that zero load growth as an objective is inconsistent with efficient use of all energy sources. The board showed support of encouraging fuel switching, including fossil fuels heating and transportation to electric sources. In San Juan County there is a

steady warming trend, a shift from propane and heating oil furnaces to heat pumps (this helps increase electric use and keeps rates low), increased use of air conditioning, and electric vehicle technology that allows two-way energy flow. New resources to consider should be reliable, safe, affordable, diverse, efficient, and manageable and have a potential for community participation. These resources include conservation, wholesale market, natural gas-fired resources, regional wind, out-of-region wind, wastewater biomass, geothermal, landfill gas, solar, micro hydro, tidal, wave, woody debris biomass, manure (farm) biomass, pumped hydro and batteries. The board discussed joining an energy resource cooperative (such as PNGC). It was noted that a majority of cooperatives' IRPs look beyond BPA for power. The merits of individual co-ops joining with other co-ops to purchase power should be fundamental conclusion of this IRP.

Direction for Rate Structure Discussion

Prior to spending member resources, Hildreth requested that the Board provide further direction as to whether the Board wishes to have staff provide an in depth analysis of the "decoupled minimum bill" rate structuring approach or to make modifications to the existing rate structure (Policy 29) during the 2016 Budgetary process.

It was noted that rates have been discussed in-depth since April 2014, including presentations by EES Consulting and BPA. Tariffs were approved early in 2015 and the "add-on" approved for the July 2015 billing through the end of 2015. The Board approved the current structure (Policy 29), which allows for rate modifications.

Dauciunas proposed a billing statement adjustment that would solve the revenue shortfall, with line items to be outlined similar to:

- Line 1: Facility Charge
- Line 2: kWh Charge (tiered)
- Line 3: Demand Charge
- Line 4: Member Program Fees
 - Energy Efficiency/Conservation Fee \$0.0XX (would pay for incentives)
 - Renewable Energy Infrastructure Development Fee \$0.0XX (support community solar)
 - Low Income Fee \$0.0XX (reduction in facility charge for low income members)
- Line 5: Revenue Recovery Add-on Charge (budget to actual difference)

These rates must be clearly stated on the bill, fair to all members and meet OPALCO's revenue requirements. Hildreth noted that the rate structure modifications summarized by Vince and discussed by the Board could be made by adjusting the current rate structure(s), during the 2016 budgetary process.

Board Position on Rates and Finance

The board was presented with a communication piece directed at clarifying the board's position on rates and finances. The Board acknowledged and noted appreciation for the work Jerry Whitfield put into his technical piece "Board Perspective on Rates and Finance"; it was well done and will be helpful going forward. Whitfield explained that he wrote the piece to help members understand the revenue shortfall. It will be included on the OPALCO website as another source of quality information.

Financial Presentation

Hildreth presented a slideshow "Q2 Financials Introduction" prior to discussion of the Q2 financials. This slideshow included information on climate change (heating degree days –HDD—were down 37% from normal 2000 through 2013); the revenue is back on track with the revenue add-on included on members' bills.

Q2 Financials / OPALCO (under separate cover)

The second quarter financial report and presentation shows that revenue is down \$738k and is more than offset by reduced expense as compared to budget (\$744k). Lower power purchases represent \$270k in budgeted expense reductions and the balance (\$474k) comes from significant cuts and shifted expenditures. Some of the shifted

expenditures will have to be spent before the end of the year; i.e. hiring and equipment purchases. The revenue recovery add-on is expected to keep OPALCO on track through 2015.

Q2 Financials / Rock Island Communications (under separate cover)

Revenues were just above the amount budgeted for the first half of 2015 at \$811,766 (\$23,158 above budget). Operating expenses were lower than budgeted at \$978,088 (\$186,999 under budget). Due to siting issues, RIC is behind schedule in construction and deploying LTE. Once the 38 wireless poles are in-place, RIC expects to reach deployment targets relatively quickly. Through Q2, borrowings from OPALCO total \$2.8M for startup costs, connection incentives and operational costs.

Safety Report

Staff reviewed and the board discussed the report; it was noted there were no accidents, incidents or near-misses for June or July.

General Manager's Report

Hildreth reviewed the report, noting that a Low Income Needs Assessment group has convened. It includes representatives from a wide variety of agencies throughout the county. A presentation to the Board of its findings is planned for October.

Dashboard Charts

Staff is working to develop a series of "dashboard" charts that include real-time metrics directly from the OPALCO database. This process will evolve to ensure staff and the board have relevant metrics to manage OPALCO.

Member Comments

Member Alex Conrad proposed a Member Advisory Board to work with OPALCO Board of Directors and management. The board did not support the formation of a Member Advisory Group. Hildreth reported that he plans to meet with members on an informal basis moving forward.

The Board convened to Executive Session at 2:15, reconvening at 3:00 p.m.

Adjournment

The meeting adjourned at 3:00 p.m.

Jim Lett, President

Jerry Whitfield, Secretary-Treasurer

New Members August 2015

DISTRICT 1

Henry

1. Schroeder, Jennifer & Dan

San Juan

2. Bakehorn, Teresa A.
3. Clarke, Bruce & Ignatowicz, Paula
4. Davis-Robeson, Laura
5. Deer Hazel LLC
6. Evans, Retha C
7. Fisher, Conrad & Janice
8. Fuqua, Kenneth
9. Giese, Eric & Mary
10. Harnden, Paul
11. Hinkle, Joanne
12. Howe, Jon
13. McLean, Theresa & Carlson, Brian
14. Neiwert, David
15. Nelsen, G. Cart
16. Nelson, Cynthia & Mark
17. O'Neil, Jennifer
18. Paschal, Cindy & Thomas
19. Percich Pond LLC
20. Rice, Jennifer
21. Rowland, Shalyn
22. Schultz Miller, Inc
23. Sheppard, Jamie
24. Simmons, James & Lisa
25. Swezey, Mindy
26. The Big Store
27. Thomas, Gary & Petsena, La-ong
28. Thorne, Heather & Edwin
29. Thornton, Jennifer
30. Tyszka, Jacqueline
31. Vician, Daniel & Carolyn

DISTRICT 2

Orcas

32. Allan, Nancy & Christopher
33. Annino, Salvatore
34. Arora, Judge & Nesbet, Barbara
35. Blackman, Samuel & McNeil, Julie
36. Davis, Carl & Montgomery, Rosalyn

37. Herring, Justin
38. Henning, Linda
39. Key, Thomas
40. Kranick, Polly
41. Lenn, Ronald & Kathleen
42. Maitreya, Kimaya
43. McKelvey, Greg & Lacey
44. Meredith, Mary
45. O'Leary, Fannie
46. Orcas Family Connections
47. The Bloxom Company LLC
48. Thompson, Louise
49. Wachter, John
50. Woods, Guy

DISTRICT 3

Center

51. Baarstad, Brandon

Decatur

52. Schwab, Karlheinz

Lopez

53. Alek Taylor Art
54. Blackburn, Joanne & John
55. Blooms & Brushes
56. Brenner, Fay
57. Burnell, Christine
58. Hockstedler, Reed & Jessica
59. Kessler, Ron & Furry, Carol
60. Taylor-Hope, J Aleksander
61. Yunker, John

DISTRICT 4

None

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:

Frederick E. Hardtke \$1,476.29

Andrew McLaglen \$2,610.94

R.W. Little Trustee \$71.60

Total \$4,158.83

MEMORANDUM

August 31, 2015

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

Projects completed from the Construction Work Plan:

- Inventory # AN1507 \$134,201.66
Wireless pilot project
- Inventory #201507 \$105,512.67
Urd cable replacements
- Inventory #1507M \$1,335.29
Minor System Improvements

Staff requests a motion from the Board to approve submittal of RUS Form 219s totaling \$241,049.62.

08/28/2015 3:37:41 pm

RUS Form 219 Inventory Of Work Orders

Page: 8

Period: JUL 2015

System Designation: WA AH O9

Inventory : AN1507

Budget Loan	Project	Amount
1	706 - 3	134,201.66
Total:		134,201.66


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.

INSPECTION PERFORMED BY

42902

LICENSE NUMBER

3/16/17

DATE

OPALCO

FIRM

SIGNATURE OF LICENSED ENGINEER

08/28/2015 3:37:41 pm

RUS Form 219 Inventory Of Work Orders Period: JUL 2015

Page: 4

System Designation: WA AH O9

Inventory: AN1507

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)		
706 - 3	2014	1755	1	137,838.71	0.00	0.00	0.00	0.00	134,201.66
				137,838.71	0.00	0.00	AFUDC: 3,637.05	0.00	134,201.66
Grand Totals:				\$ 137,838.71	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 134,201.66

08/28/2015 3:37:41 pm

RUS Form 219 Inventory Of Work Orders

Page: 7

Period: JUL 2015

System Designation: WA AH O9

Inventory : 201507

Budget	Loan	Project	Amount
	1	601	1,874.64
	1	608	102,948.32
	1	706	689.71
Total:			105,512.67



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.

INSPECTION PERFORMED BY

FIRM

LICENSE NUMBER

DATE

SIGNATURE OF LICENSED ENGINEER

08/28/2015 3:37:41 pm

RUS Form 219 Inventory Of Work Orders Period: JUL 2015

Page: 3

System Designation: WA AH O9

Inventory: 201507

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)							
601	2015	1981							
			1	1,889.01	0.00	0.00	0.00	0.00	1,874.64
							AFUDC: 14.37		
				1,889.01	0.00	0.00	0.00	0.00	1,874.64
608	2013	1508							
		1508	1	8,334.03	0.00	0.00	0.00	0.00	8,334.03
608	2014	1562							
		1562	1	91,500.52	4,893.66	0.00	0.00	0.00	94,614.29
							AFUDC: 1,779.89		
				99,834.55	4,893.66	0.00	0.00	0.00	102,948.32
706	2014	1968							
			1	695.39	0.00	0.00	0.00	0.00	689.71
							AFUDC: 5.68		
				695.39	0.00	0.00	0.00	0.00	689.71
Grand Totals:				\$ 102,418.95	\$ 4,893.66	\$ 0.00	\$ 0.00	\$ 0.00	\$ 105,512.67

08/28/2015 3:37:41 pm

RUS Form 219 Inventory Of Work Orders

Page: 6

Period: JUL 2015

System Designation: WA AH O9

Inventory : 1507M

Budget Loan	Project	Amount
1	1600	1,335.29
Total:		1,335.29



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

42902

LICENSE NUMBER

3/16/17

DATE

FIRM

SIGNATURE OF LICENSED ENGINEER

08/28/2015 3:37:41 pm

RUS Form 219 Inventory Of Work Orders

Page: 2

Period: JUL 2015

System Designation: WA AH O9

Inventory: 1507M

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)
				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)		
Project	Year	Retirement (2)							
1600	2014	1950	1	1,346.30	0.00	0.00	0.00	0.00	1,335.29
							AFUDC: 11.01		
				1,346.30	0.00	0.00	0.00	0.00	1,335.29
Grand Totals:				\$ 1,346.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,335.29

Minor Construction Work Orders

Work Order: 1950 - Replace an existing elbow with a fused elbow to prevent old URD from causing larger outage

MEMORANDUM

September 4, 2015

TO: Board of Directors

FROM: Foster Hildreth

RE: CFC District 9 Voting Delegate

The CFC (Cooperative Finance Corporation) Districts 7 and 9 combined member meeting will be held Wednesday, September 30 immediately following the NRECA Regions 7 and 9 First General Session in Salt Lake City.

Jim Lett and I are registered to attend. At the June meeting, the Board delegated me as the voting delegate for NRECA at this meeting with Jim as the alternate.

Staff requests a motion to elect a voting delegate and alternate for the CFC District 9 meeting September 30, 2015.

MEMORANDUM

September 17, 2015

TO: Board of Directors

FROM: Foster Hildreth

RE: Employee Policies

At the August meeting, staff introduced the first reading to eliminate the employee related OPALCO Policies. A draft Employee Handbook was reviewed with the board in executive session at the August meeting, which incorporates these policies. The board requested OPALCO counsel to provide certification of policies incorporated in the Employee Handbook. Attached please find legal counsel's report.

Staff requests a motion to approve the elimination of the policies as recommended by counsel.

September 17, 2015

TO: OPALCO

FROM: Legal Counsel

RE: Certification of OPALCO Policies Adopted in Employee Handbook

Legal counsel has reviewed OPALCO's policies as published on its web site¹ and confirmed that the following policies are addressed in OPALCO's revised draft employee handbook, dated August 28, 2015. Where appropriate, counsel has updated and revised the below-identified policies, and accordingly, in some circumstances the policies have not been transcribed verbatim into the handbook.

- Policy 4: Employment of Relatives. This policy can be found in the handbook section "Employment of Relatives and Friends."
- Policy 7: Employee Expense Reimbursement. This policy can be found in the handbook section "Employee Expense Reimbursements."
- Policy 9A: Personal Use of Company Vehicle. This policy can be found in the handbook section "Use of OPALCO Vehicles."
- Policy 9B: GM's Personal Use of Company Vehicle. This policy can be found in the handbook section "Use of OPALCO Vehicles."
- Policy 12: Substance Abuse. This policy can be found in the handbook section "Alcohol and Drugs." Note that Policy 12 is incorporated verbatim into the handbook. Policy 12 is distinct from Policy 13, Drug and Alcohol Testing, which relates to Department of Transportation regulations for commercial motor vehicle drivers. Policy 13 has not been incorporated into the handbook. Counsel therefore recommends keeping Policy 13.
- Policy 14: Sexual Harassment. This policy can be found in the handbook section "Policy Against Discrimination, Harassment and Retaliation."
- Policy 15: Smoke Free Workplace. This policy can be found in the handbook section "Smoke Free Environment."
- Policy 17: Employee Use of Correspondence Courses. This policy can be found in the handbook section "Employee Use of Correspondence Courses and Local Educational Opportunities."

¹ To date, these policies are available at: <http://www.opalco.com/find-documents/>

- Policy 18: Equal Employment Opportunity. This policy can be found in the handbook section “Equal Employment Opportunity.”
- Policy 19: Family Medical Leave Act. This policy can be found in the handbook sections “Federal Family Medical Leave” and “Breaks to Express Breast Milk.”
- Policy 20: Acceptable Use of Electronic Resources. This policy can be found in the handbook section “Computer Hardware/Software Security, Electronic Mail and Internet Usage.”
- Policy 25: Whistle Blower. This policy can be found in the handbook section “Whistleblower Procedure.”
- Policy 26: Use of Social Media. This policy can be found in the handbook section “Social Media Guiding Principle.”

Finally, Policy 23, Conflict of Interest, is broader than that found in the handbook, *see* “Conflicts of Interest” and “Business Ethics.” Policy 23 applies to board members and directors, not just employees. Counsel recommends keeping this policy on the web site.

MEMORANDUM

September 21, 2015

TO: Board of Directors

FROM: Foster Hildreth

RE: Quit Claim Deed to Town of Friday Harbor / 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. It is such a small piece of property that OPALCO would never be able to use it for any purpose. Duncan Wilson, Administrator for the Town of Friday Harbor, has requested that OPALCO quit claim deed TPN #351151032000 to the Town of Friday Harbor. The Town of Friday Harbor will provide OPALCO with a utility easement across this same parcel.

Our records indicate that OPALCO filed a Quit Claim Deed to San Juan County in 1985; however, a title search completed by the Town of Friday Harbor (through their title company) showed that this particular parcel was not included in that Quit Claim Deed but was for road right of way adjacent to it. This Quit Claim Deed will solve the issue once and for all and will transfer any OPALCO legal ownership interest to the Town of Friday Harbor.

Staff requests a motion to approve Resolution 8-2015 which will allow the General Manager to execute the necessary documents to quit claim Parcel No. 351151032000, Gould's 2nd acre addition to Friday Harbor (legal description: S75 of Lt 52 aka tl 1 of Lt 52.03 sec 11, T 35N, R 3W) to the Town of Friday Harbor.

RESOLUTION 8-2015

RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING THE GENERAL MANAGER TO EXECUTE DOCUMENTS RELATED TO QUIT CLAIM DEED

WHEREAS, Orcas Power & Light Cooperative owns Parcel No. 351151032000, Gould's 2nd acre addition to Friday Harbor (S75 of lt 52 aka tl 1 of lt 5203 sec 11, T 35N, R 3W); and

WHEREAS, Orcas Power and Light Cooperative has determined that this parcel of land has no current or future value to OPALCO; and

WHEREAS, the Town of Friday Harbor has agreed to provide electrical and communication easement(s) on the subject property; and

WHEREAS, the Town of Friday Harbor has requested that OPALCO quit claim the deed to this property to the Town of Friday Harbor.

NOW THEREFORE BE IT RESOLVED that the Board of Directors authorizes the General Manager to execute the necessary documents to quit claim this deed on behalf of the Cooperative.

CERTIFICATE OF SECRETARY

I, Jerry Whitfield, Secretary of the Orcas Power and Light Cooperative, do hereby certify that the above is a true copy of the resolution passed and approved by the Board of Directors of Orcas Power & Light Cooperative on the 23rd day of September, 2015.

Date

Jerry Whitfield, Secretary

MEMORANDUM

September 15, 2015

To: Board of Directors

From: Foster Hildreth, General Manager

Re: Integrated Resource Plan Update

Progress on the Integrated Resource Plan continues. At the June Board meeting, EES reviewed source and load trends, load forecasting (peak demand, conservation, renewables, fuel mix and market trends), resource objectives, strategic drivers and potential portfolios. The focus now is to solidify resource options that are aligned with OPALCO's specific objectives related to:

Objectives:

- Maintain BPA as our long-term power provider
- Ensure continuing safe, reliable and stable grid operation as intermittent local renewable energy sources are added
- Minimize environmental impact (reduce carbon footprint)
- Increase sustainability for critical services

EES Consulting has prepared a presentation that reviews the resource planning objectives, provides a conservation/EE update, reviews the Conservation Potential Assessment (CPA) and gives a draft resource plan strategy.

Summary Timeline

- A. ✓ Complete Staff kick-off meeting: November
- B. ✓ Development of Load forecast scenarios: Q1
- C. ✓ Development of BPA Power Supply modeling: Q1
- D. ✓ Present Load-Resource Balance and scenarios to Board: Q2
- E. ✓ Research resource and efficiency options applicable to OPALCO: Q2
- F. ✓ Evaluate strategic alliances with other utilities: Q2
- G. ✓ Present Recommended Strategies: Q3 (August Meeting)
- H. Develop benefit/cost analysis of identified resource and efficiency options: Q3
- I. Develop risk analysis: Q3
- J. Solidify direction: Q3
- K. Draft Report: Q3
- L. Present Evaluation results and strategic options for the future: Q3
- M. Present Analysis of strategic alliances: Q4
- N. Finalize Report: Q4

MEMORANDUM

September 15, 2015

TO: Board of Directors

FROM: Foster Hildreth

RE: Web Analytics

PixelSpoke's report on how our website is performing – measuring results for Q1-Q3 2015 along with a comparison to the same period in 2014.

In summary:

- **Website showed strong growth in traffic levels:** 23% increase in overall users over 2014 and page views are up by 2.59%
 - All website health measures continue to surpass industry standards (i.e. new users, bounce rate, pages per session)
 - Average pages per session (-7.16%) and page session duration is down (-7.5%), which is an indicator that members are finding what they need
- Our new **Find Documents section is already in the top 10 most viewed pages** and is the #1 top content for OPALCO employee traffic on the site
- **Top content viewed** includes employment, member bill information, contact page, Find Documents and rebate pages (outage views are down, likely because we've had fewer outages in this period)
- **Top PDF downloads** are employment application, residential tariff, job descriptions, residential member application and annual meeting travel schedule
- **Traffic to Energy Savings pages more than quadrupled between 2014 and 2015**
 - Most viewed content in Energy Savings includes rebates, renewable generation and heat pump rebates
- Mobile usage and referrals from social media leveled out
- **Email newsletter has strong open and click rates**, but the subscriber list has hit a plateau at about 1500
 - Refreshed Email newsletter design in August
 - Launched new Letter from the GM this month

Website Work in Progress (2015)

- Overall redesign of website wraps up in October with public launch by year end

MEMORANDUM

Date: September 11, 2015

To: Board of Directors

From: Foster Hildreth, General Manager

Subject: Safety Program – August 2015

Safety Training

Jeff Myers conducted training on hearing conservation and hazardous materials. The hearing training is to ensure employees remember to use hearing protection and recognize early signs of hearing damage. In order to allow employees to track progress of any hearing loss, DISA conducted our annual hearing tests on all employees. The hazardous material training reviewed the hazardous materials employees may encounter and the safety precautions they may need to take.

RESAP

The Rural Electric Safety Achievement Program (RESAP) inspection was conducted September 2, 2015 by KC Dors and Jeff Myers from Columbia REA and William Cullinane from Federated Insurance. The inspection included the Eastsound and Friday Harbor facilities and field inspections of the Eastsound and San Juan crews. Using the findings of the inspections, the Safety Committee will complete the Safety Improvement Plan prior to the end of the year.

Accidents/Incidents/Near Miss

Date: August 8, 2015

Type: Incident

Description: While parking a service truck by another service truck, the truck bin received damage when it hit the other truck. The bin door is operational and the truck bumper has no visible damage.

Corrective Action: Discussed with safety group.

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

Total Hours Worked without Loss Time Accident: 98,346

GENERAL MANAGER'S REPORT

ENGINEERING AND OPERATIONS

Work In Progress (WIP)

As of September 11, there are 372 OPALCO and 247 RIC work orders open totaling \$5,711,398 and \$848,753 respectively. Of those, Operations has completed construction on 103 OPALCO work orders, totaling \$1,522,938. Cattle Point Road Re-conductor conduit system installation is expected to be complete by October, pending contractor constraints. Continuation of our multi-year construction through Moran State Park is scheduled to start in early 4th quarter. Cattle Point Relocation, a National Park Service project, started in May; the Utility portion is complete and awaits closing.

Submarine Cable (Lopez to San Juan)

At the August meeting, the board inquired as to the necessity to remove the existing Sumitomo submarine cable per environmental permit requirements or abandon in place. Staff will be available at the board meeting to answer questions and provide further rational.

The bore at Otis Perkins Park, Lopez Island, will commence the end of September.

FINANCE

Accounting and Entity Transition (RIC/Island Network, LLC)

Staff continues working with the RIC team to transition the Island Network Department to a separate legal entity ledger, which will be completed prior to year-end.

Cash Position

Staff requested and received a \$2M RUS loan draw on August 27th, at an interest rate of 2.649%, in order to fund the continued OPALCO board approved budgeted capital project requirements.

2016 Budget Process

Staff has begun the development process for the 2016 budget, which will be presented at the November board meeting.

MEMBER SERVICES

PCI Compliance

Staff is implementing further PCI (Payment Card Industry) compliance measures, which requires further technical and administrative enhancements be implemented by the end of September.

Outage Management

In preparation for storm season, staff has been working closely with Operations and Sheriffs Dispatch to assure that the phones, website and communication efforts are coordinated during times of electric and communication outages.

ENERGY SAVINGS

Rebates/EEI Funding Balance

Staff has used up all of the EEI funding for the current BPA rate period (FY14 – FY15). Staff and BPA estimate EEI funding for the FY16 – FY17 rate period to be \$524,000. At this point, staff is issuing rebates currently which will be submitted in October to BPA for FY16 – FY17

rate period. Staff anticipates the approximate balance of EEI funding after this submittal to be \$333,000. We expect self-funding to be required by the beginning of 2016.

Low Income Programs

In partnership with the Opportunity Council, local low income weatherization projects were completed and invoiced in August in the amount of \$7,971.

Staff reconvened a Needs Assessment Working Group on August 28th to incorporate additional local data and to fine-tune the report. A presentation to the OPALCO Board is planned for October to inform the 2016 budget process.

OPALCO/Nonprofit Partnership

The following activities are highlighted:

- The Solar Education project is fully funded and is expected to be completed by the end of September. There will be events planned at each school when all projects are fully completed. Ten teachers within the county have been selected to lead the curriculum training for their respective schools.
- The Conservation District is working with the local schools regarding the Cool School Challenge and attended a recent planning meeting.

PERSONNEL

Jon Blomgren, Assistant Manager of Member Services, joined the staff September 14. Jon hails from Colorado Springs where he worked for Colorado Springs Utilities in the business account management team, customer service, energy savings, payment operation, billing and accounting departments.

Lisa Coulumbe, newly hired Member Services Representative based in Eastsound, will join the staff September 28. Lisa is currently living in Longview, WA working for Peace Health as a payroll specialist.

A search continues for a Member Services Supervisor, which will complete the Member Services/Energy Savings team.

Rock Island Communications Report

September 2015

Current Construction

Fiber-hoods

CAPE San Juan: 60% Complete (0/96 Lit)

- Backhaul radio link to airport is up and being tested; currently resolving issues related to stability and tidal activity.
- LTE site is done/built and ready to be “commissioned” once backhaul is stable.
- Final FTTH installs being done this week
- LTE rollout plan in place for when the LTE radios come online

SPRING POINT: 65% Complete (0/75 Lit)

- First 6 Last Miles (LMs) dug this week
- Active cabinet set with power this week by the Deer Harbor Fire Station
- Splicing of the active cabinet this week
- LTE Mini Active cabinet setup is next

MINERAL POINT: 60% Complete (0/44 Lit)

- Contractor working on last miles (LMs) now, with 4 complete
- 13 homes are construction-ready for LM digs
- Service to be delivered within Sept

ALDER FOREST: 80% Complete (0/6 Lit)

- Contractor to complete middle mile (MM) this week
- Services to be delivered within Sept
- Last Mile final hookups happening next week

WHISKEY HILL: 0% Complete (0/54 Lit)

- MM construction is underway

SUNCREST: 0% Complete (0/6 Lit)

- Contractor to begin MM construction this week

LTE

- Deploying the first LTE customers in proximity to the Eastsound Office location. Very pleased with the results thus far. Goal is to serve 70-80 customers from this site. Testing is ongoing but expect to see fast deployment as soon as testing is complete.

Individuals

- Two sites on Orcas and one on Lopez

Businesses

- Orcas: Islanders Bank; Washington Federal Bank; Island Excavation Cluster (Island Excavation, Transfer Station, The Grange, San Juan Sanitation); Four Winds Camp
- Lopez: Scott Rosenbaum

Fiber Sales Pipeline

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

LTE Rollout Project

- Poles: 48 poles delivered.
- 24 were distributed to islands by helicopter Sept. 17-18
- Engagement of all emergency services is underway to co-develop a data network for county-wide use.

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 arrived Aug. 31
- 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
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Budget Total
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
Fiber	108	108	138	151	165	178	228	278	328	385	443	500	500
LTE	-	-	100	150	200	250	300	350	400	469	539	608	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	2,752

ACTUAL Subscribers	2015 Actual Subscribers												2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Actual Year-to-Date
DSL/Canopy		1,561	1,564	1,569	1,578	1,582	1,587	1,590	-	-	-	-	1,590
Fiber	115	123	128	137	167	221	227	235	-	-	-	-	235
LTE	-	-	-	-	-	-	-	3	-	-	-	-	3
Total	115	1,684	1,692	1,706	1,745	1,803	1,814	1,828	-	-	-	-	1,828

VARIANCE Subscribers	2015 Variance Subscribers												2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Total Variance
DSL/Canopy	-	(57)	(54)	(75)	(66)	(62)	(57)	(54)	-	-	-	-	(54)
Fiber	7	15	(10)	(14)	2	43	(1)	(43)	-	-	-	-	(43)
LTE	-	-	(100)	(150)	(200)	(250)	(300)	(347)	-	-	-	-	(347)
Total Variance (Actual - Budget)	7	(42)	(164)	(239)	(264)	(269)	(358)	(444)	-	-	-	-	(444)

REVENUE

BUDGET Revenue	2015 Budget Revenue												2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Total Budget
Subscribers													
DSL/Canopy	-	94,565	94,565	94,565	94,565	94,565	94,565	94,565	94,565	94,565	94,565	94,565	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	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	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	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	\$2,131,937

ACTUAL Revenue	2015 Actual Revenue												2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Total Year-to-Date
DSL/Canopy	-	74,701	74,900	66,965	76,629	76,875	77,484	-	-	-	-	-	77,484
Fiber ²	43,833	50,469	50,960	50,733	50,398	53,946	60,980	-	-	-	-	-	60,980
LTE	-	-	-	-	-	-	-	-	-	-	-	-	-
IT Services	-	47,226	46,354	45,954	44,470	45,815	49,139	-	-	-	-	-	49,139
Total	\$43,833	\$172,396	\$172,214	\$163,652	\$171,497	\$176,636	\$187,603	\$0	\$0	\$0	\$0	\$0	\$187,603

VARIANCE Revenue	2015 Variance Revenue												2015
	January	February ¹	March	April	May	June	July	August	September	October	November	December	Total Year-to-Date
DSL/Canopy	-	(19,864)	(19,665)	(27,600)	(17,936)	(17,690)	(17,081)						\$ (119,835)
Fiber ²	16,851	23,487	23,978	14,757	14,422	17,970	2,519						\$ 113,984
LTE	(12,938)	(12,938)	(12,938)	(17,250)	(17,250)	(17,250)	(28,031)						\$ (118,594)
IT Services	-	20,559	19,687	19,287	17,803	19,148	22,472						\$ 118,958
Total Variance (Actual - Budget)	3,914	11,245	11,063	(10,806)	(2,961)	2,179	(20,121)	-	-	-	-	-	(5,487)
Variance %	8.9%	6.5%	6.4%	-6.6%	-1.7%	1.2%	-10.7%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.9%

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

September 17, 2015

TO: Board of Directors

FROM: Foster Hildreth, General Manager

RE: WRECA Update

The following updates were received and extracted from WRECA reports in August and September 2015. Kent Lopez and Grant Nelson will be at the September Board meeting to discuss particulars and answer questions.

Changes to **I-937** to allow incremental hydro from federal project to count towards compliance obligations – this bill made it through the Senate with a 29 – 20 vote and then came out of the House policy committee with an 11 – 2 vote. It stalled in the House Rules committee, and no matter what we tried, we couldn't get it free from the last minute deal-making that was going on between the House and the Senate. Obviously, the deals involving this bill fell through. So we're looking at options for getting some of its supporters to "champion" the bill and try to get the bill voted out of the Legislature in 2016.

Changes to the **state solar incentive program** – also ended up as part of a deal that didn't quite make it. There were a number of versions of the legislation that WRECA worked and for the most part were able to secure the changes to the program that were favored. The idea is to extend the program with appropriate "phase out" provisions as opposed to the sudden cancelation of the program as it is now in statute. Other changes favored would give utilities more flexibility in developing solar projects designed for participation by the retail customers, as well as enhance the consumer protections for customers installing solar generation on their property. It is certain that the negotiations over this proposal will continue in 2016.

EPA's Clean Power Plan (111(d)) includes two compliance methodologies in the final rule: a "rate based" and "mass-based" methodology, with "mass-based" appearing to be the better choice for Washington. There are still concerns that some of Washington's past accomplishments in renewable energy and conservation/energy efficiency may not be fully recognized. The State Department of Ecology has hosted a "listening session" for interested stakeholders and there will be additional opportunities for input.

Carbon Emissions Cap Rules there was a proposal for a "cap and trade" program for reducing carbon emissions, and another one to put a tax on carbon emissions, and another one to allow utilities to get credit towards their I-937 requirements for reducing carbon emissions. None of the proposals were passed by the legislature. However, another proposal to impose a carbon tax was introduced as an initiative.

Gov. Inslee announced that he is implementing a cap on carbon emissions using authority that he claims he already has in current state law. Gov. Inslee directed the State Department of Ecology to step up enforcement of existing state pollution laws and develop a regulatory cap on carbon emissions. The regulatory cap will not charge emitters for carbon pollution and therefore would not raise revenue for state operations. The current proposal will not create a centralized market for trading of emissions credits, though emitters may be able to trade amongst themselves. This rule-making process doesn't preclude future legislative action to produce a more comprehensive program.

B&O Tax Exemption for Conservation Funds expired June 30, 2015. As of July 1, any funds OPALCO receives from BPA for funding conservation or energy efficiency programs are subject to the state's B&O tax.

Waters of the United States (WOTUS) rule by EPA and the U.S. Army Corps of Engineers – Under the rule, co-op rights of way may be classified as Waters of the United States even if they are simple ditches running along roads that receive run-off and infrequently hold water. In May, a bipartisan majority of the House of Representatives approved HR 1732, the Regulatory Integrity Protection Act of 2015. The bill requires EPA to withdraw the proposed WOTUS rule and re-propose it after consulting with stakeholders. The Senate is poised to consider a similar bill, S. 1140, later this summer.

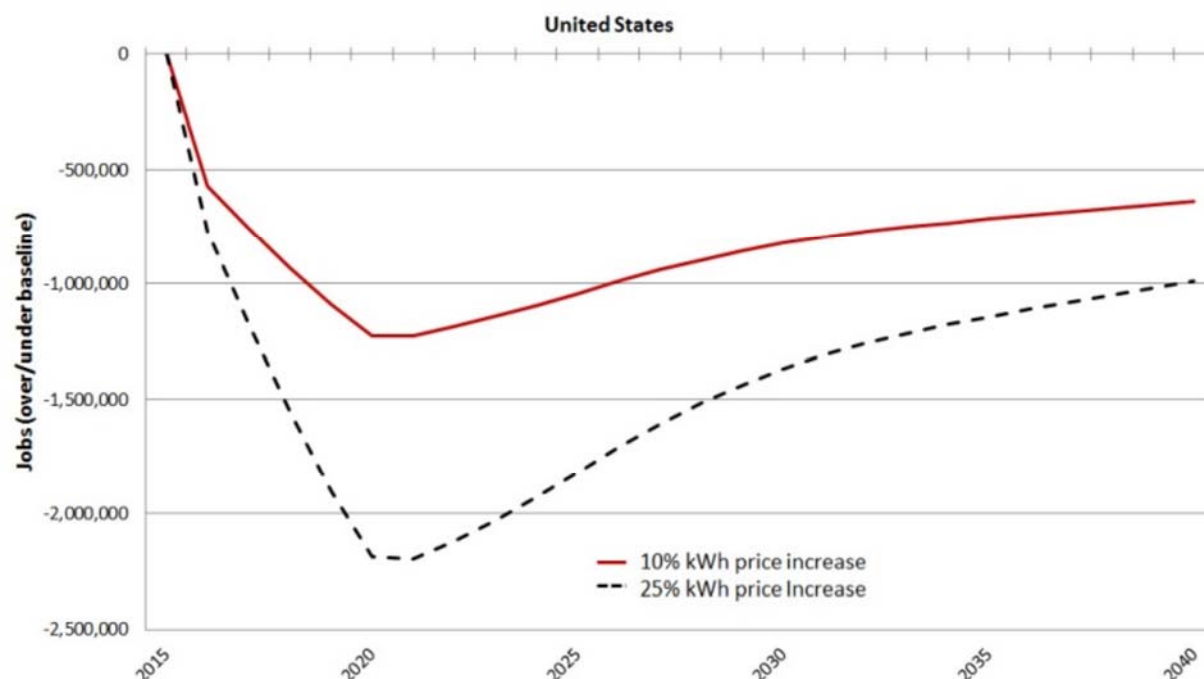
Renewables and energy efficiency: representatives from two dozen electric cooperatives and NRECA met with officials from the White House Rural Council and the USDA's Rural Utilities Service (RUS). Coops have been aggressively adding renewable energy capacity to the rural electric grid. The nation's more than 900 co-ops own or purchase about 16.5 GW of renewable capacity and plan to add 2 GW of capacity in the near future.

Co-op development of community solar has surged: co-ops have developed 43 community solar arrays and are planning another 35 projects in a total of 24 states. The participants discussed, among other topics, the Rural Utilities Service Energy Efficiency and Conservation Loan Program (EECLP), a program offering loans to finance energy efficiency and conservation projects for commercial, industrial, and residential consumers. Under this program, coops can re-lend the money to members to develop new and diverse energy service products within their service territories.

Many co-ops view maximizing co-op and end-user efficiency as a key component in a broader strategy to meeting the challenges of growing electricity demand and rising costs. According to NRECA research, 82 percent of cooperatives offer energy efficiency programs to their members.

NRECA released a new economic study detailing a devastating relationship between higher electricity prices and job losses – specifically on rural America. The study, *Affordable Electricity: Rural America's Economic Lifeline*, measures the impact of a 10 and 25 percent electricity price increase on jobs and gross domestic product (GDP) from 2020 to 2040. According to the study, a 10 percent increase in electricity prices results in 1.2 million jobs lost in 2021. Nearly 500,000 of those lost jobs are in rural areas

of the country, and even 20 years later, the economy fails to fully recover. The impact of a 25 percent increase would be more damaging with 2.2 million jobs lost in 2021, with more than 890,000 of those occurring in rural areas.



In terms of national GDP from 2020 to 2040, a 10 percent increase results in a cumulative loss of \$2.8 trillion and a 25 percent increase results in a cumulative \$5.4 trillion loss.

The impact of higher costs on the electric bills of those who can least afford it will be devastating. On average, 23 percent of co-op households nationwide earn an annual income of less than \$25,000. The average income for households served by electric cooperatives is 11.5 percent less than the national average.

The study <http://www.nreca.coop/nreca-on-the-issues/environment/climate-change/> was commissioned by NRECA and produced by Regional Economic Models, Inc. (REMI). Previous NRECA research projected that electricity bills would increase by an average of 10 percent as a result of the EPA's Clean Power Plan (111(d)).

MEMORANDUM

September 17, 2015

TO: Board of Directors

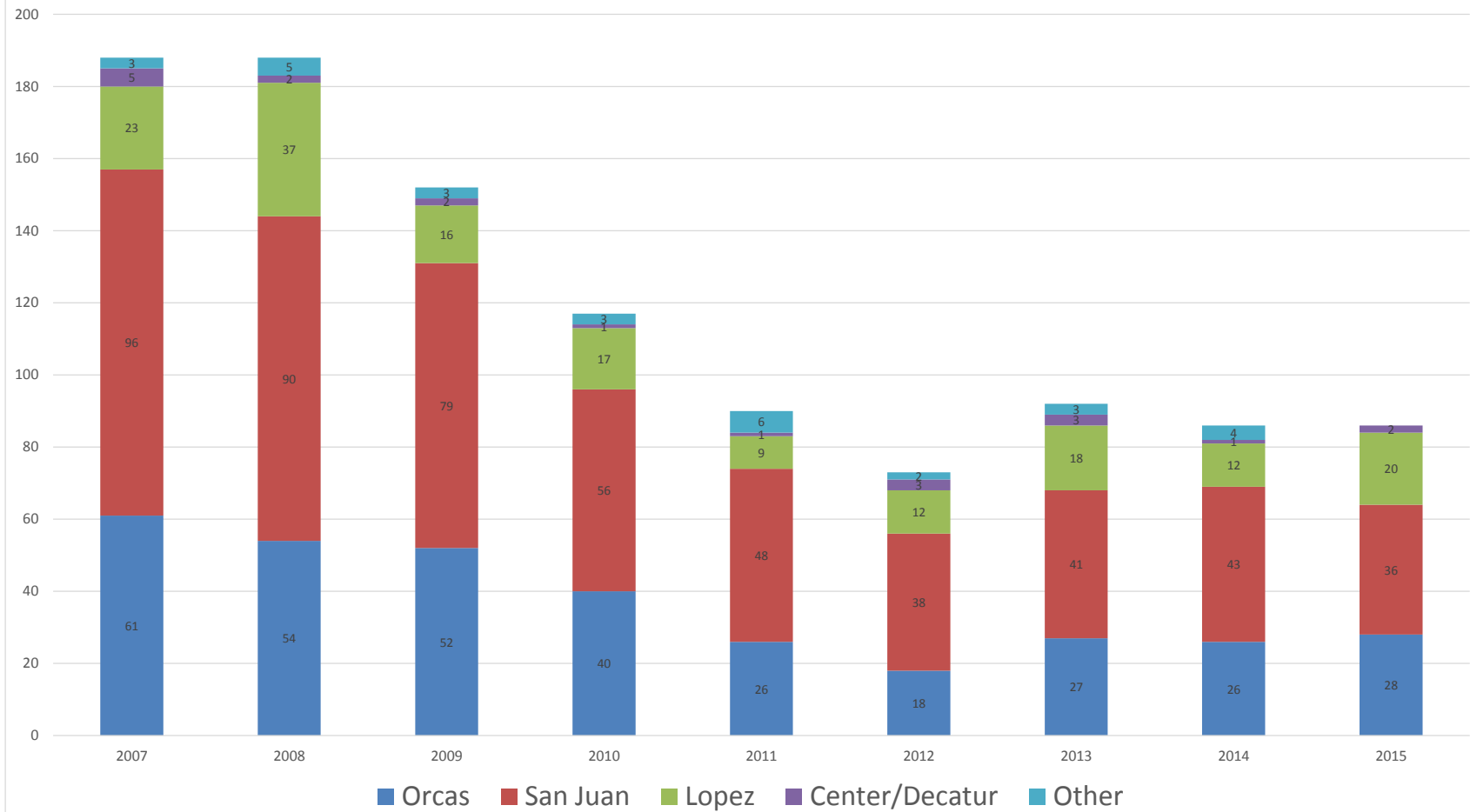
FROM: Foster Hildreth, General Manager

RE: Dashboard Charts

Staff is working to develop a series of dashboard charts that include real-time metrics directly from the OPALCO database. This process is evolving to ensure staff and the Board have relevant metrics to manage OPALCO.

Attached are the current dashboard charts that now include new services and MORE data.

New Service History - August 2015 YTD



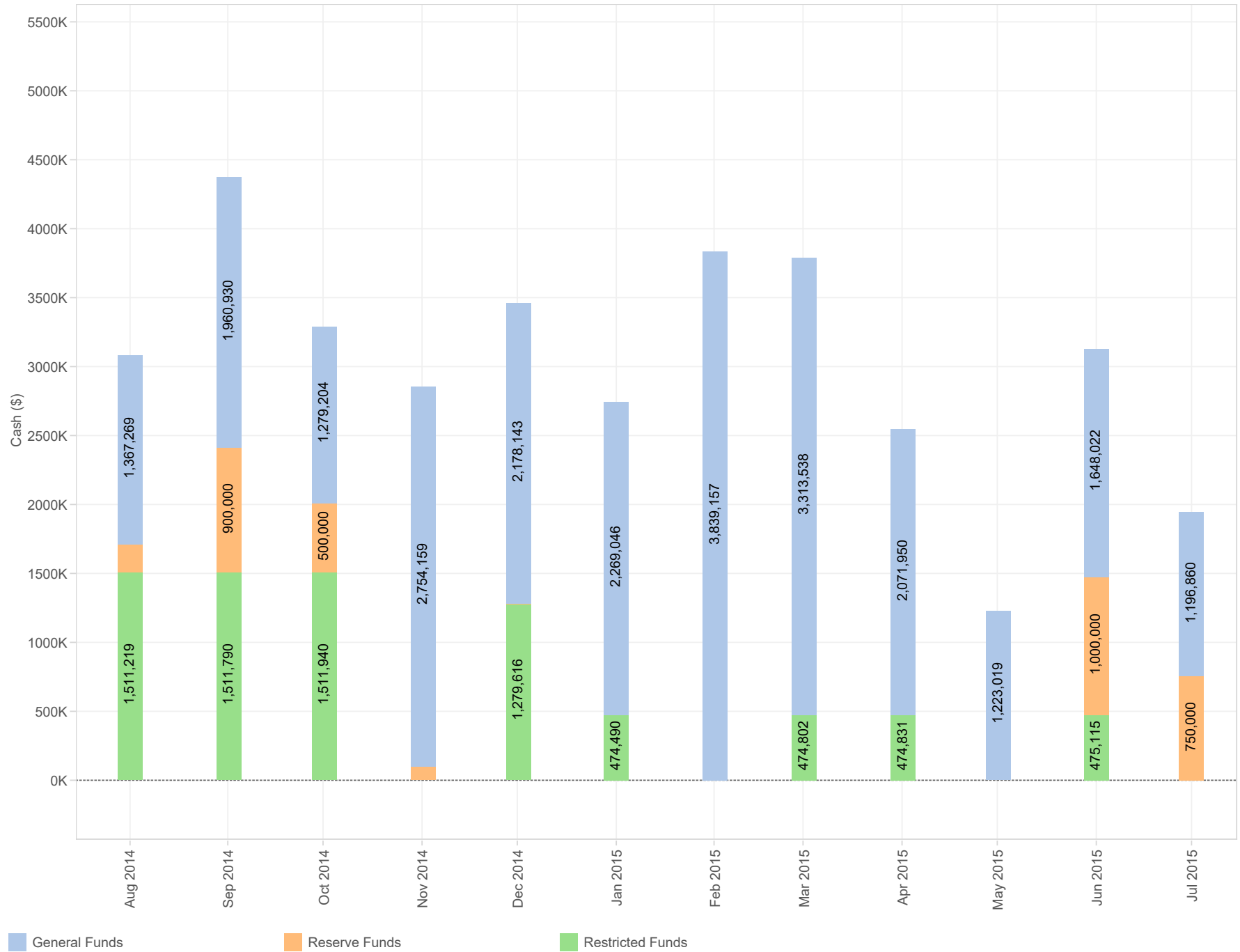
OPALCO
Historical MORE Revenue
(All Green kWh and MORE Blocks)
For Years 2013 - 2015 YTD

Month	2013 YTD							2014 YTD							2015 YTD						
	All Green			MORE Blocks			Total Revenue	All Green			MORE Blocks			Total Revenue	All Green			MORE Blocks			Total Revenue
	#	kWh	Revenue	#	#	Block Revenue		#	kWh	Revenue	#	#	Block Revenue		#	kWh	Revenue	#	#	Block Revenue	
	Members	kWh	Revenue	Members	Blocks	Revenue		Members	kWh	Revenue	Members	Blocks	Revenue		Members	kWh	Revenue	Members	Blocks	Revenue	
			\$ 0.04			\$ 4				\$ 0.04			\$ 4				\$ 0.04			\$ 4	
Jan	43	54,479	2,179	433	921	3,684	5,863	44	41,878	1,675	411	871	3,484	5,159	42	38,625	1,545	408	853	3,412	4,957
Feb	43	50,927	2,037	432	918	3,672	5,709	44	47,227	1,889	410	870	3,480	5,369	42	29,125	1,165	406	842	3,368	4,533
Mar	42	42,787	1,711	429	915	3,660	5,371	44	35,590	1,424	408	866	3,464	4,888	42	28,200	1,128	406	842	3,368	4,496
Apr	42	31,063	1,243	427	904	3,616	4,859	44	30,702	1,228	408	865	3,460	4,688	43	25,769	1,031	402	840	3,360	4,391
May	41	21,699	868	426	897	3,588	4,456	44	26,412	1,056	408	858	3,432	4,488	42	18,992	760	400	833	3,332	4,092
Jun	41	20,336	813	426	897	3,588	4,401	45	17,020	681	418	870	3,480	4,161	37	13,775	551	401	824	3,296	3,847
Jul	43	17,756	710	425	895	3,580	4,290	44	19,421	777	416	865	3,460	4,237	38	12,284	491	400	826	3,304	3,795
Aug	42	18,716	749	421	893	3,572	4,321	44	16,540	662	415	864	3,456	4,118	39	12,462	498	394	822	3,288	3,786
Sep	42	18,786	751	418	890	3,560	4,311	44	16,477	659	414	860	3,440	4,099	-	-	-	-	-	-	-
Oct	43	23,882	955	415	887	3,548	4,503	45	17,566	703	413	860	3,440	4,143	-	-	-	-	-	-	-
Nov	44	31,535	1,261	414	881	3,524	4,785	44	27,414	1,097	410	860	3,440	4,537	-	-	-	-	-	-	-
Dec	44	47,347	1,894	412	879	3,516	5,410	42	36,929	1,477	409	855	3,420	4,897	-	-	-	-	-	-	-
Total	43	379,313	\$ 15,173	423	10,777	\$ 43,108	\$ 58,281	44	333,176	\$ 13,327	412	10,364	\$ 41,456	\$ 54,783	41	179,232	\$ 7,169	402	6,682	\$ 26,728	\$ 33,897

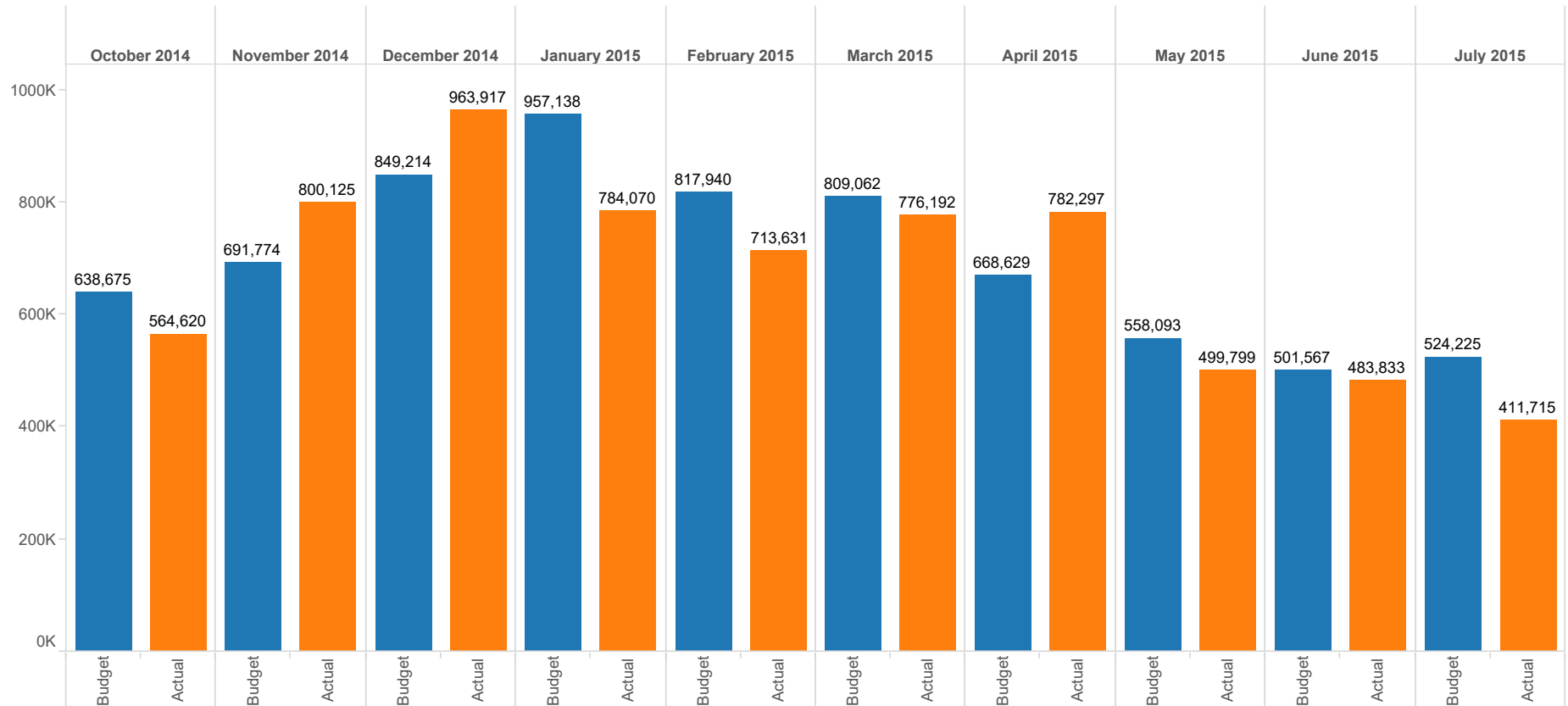
Notes:

2 members participate in both All Green and Green Blocks. Average blocks per member is 2.0.
Average kWh per month usage for All Green members is 551 kWh (below average for residenti

Cash



Power Cost



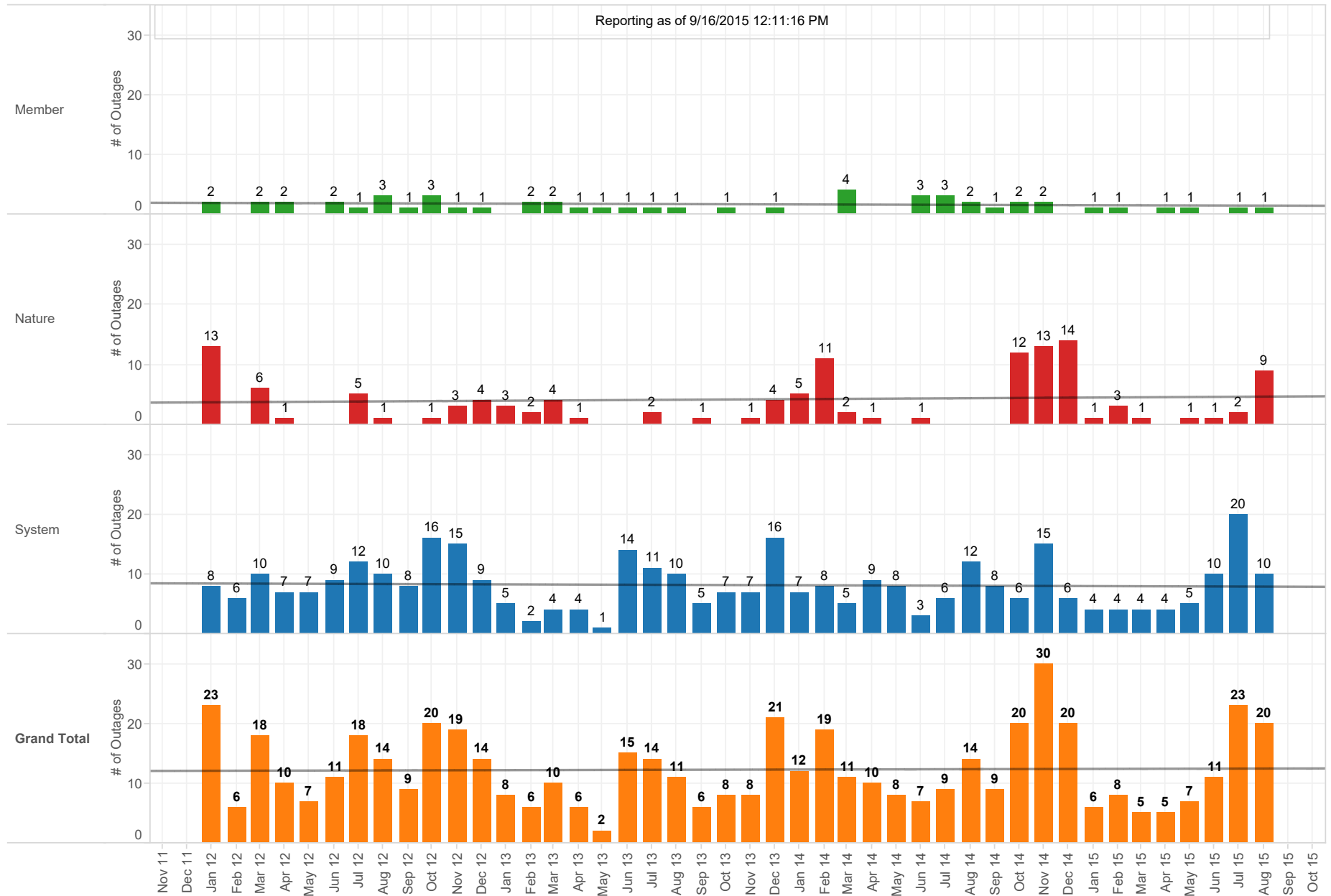
Prior Rolling 12 Months

	Budget	Actual	Variance
August 2013	413,961	427,961	14,000
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
Grand Total	7,624,967	8,128,098	503,131

Current Rolling 12 Months

	Budget	Actual	Variance
August 2014	496,352	481,176	-15,177
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
Grand Total	8,080,676	7,756,231	-324,445

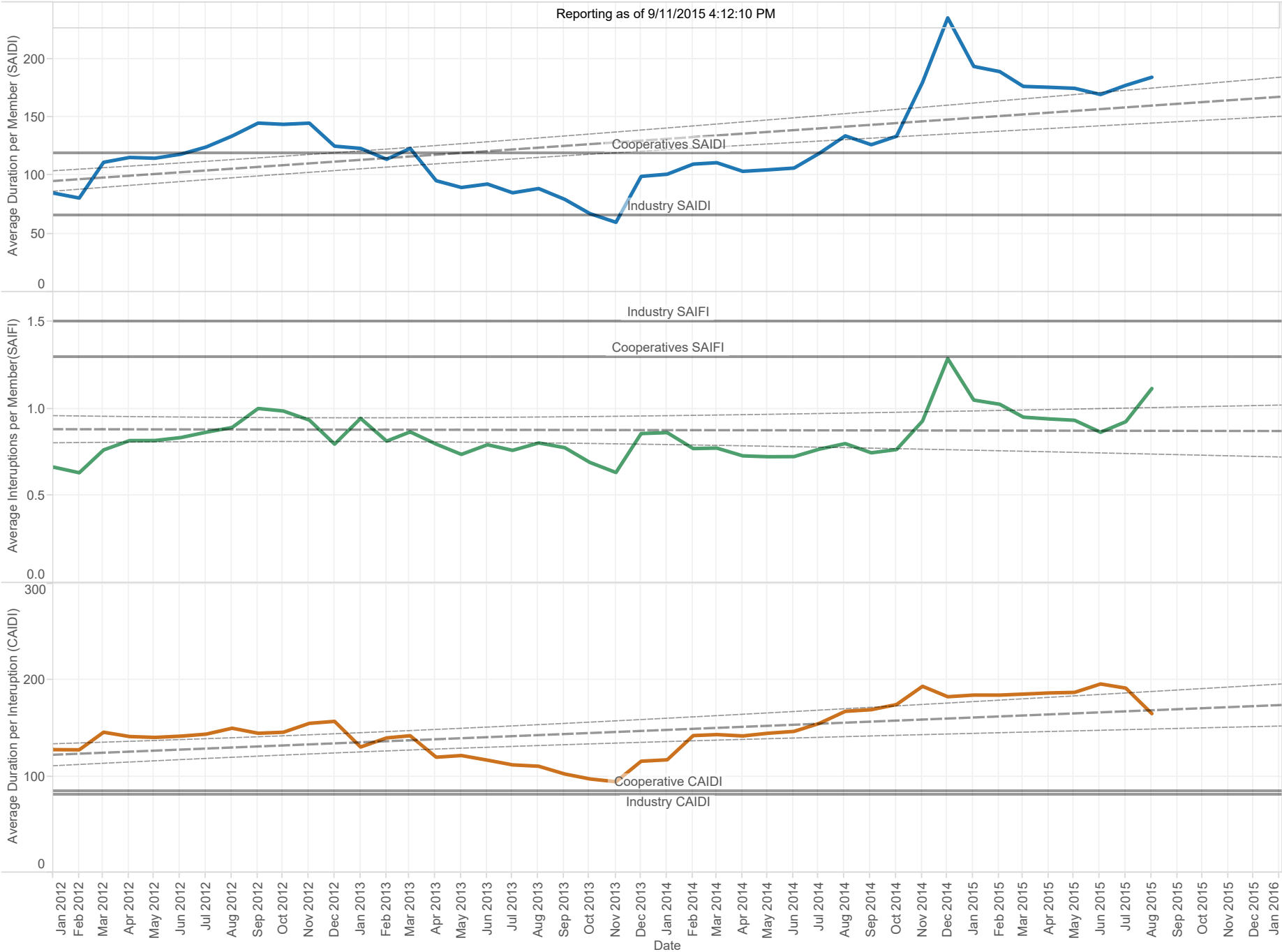
Outage Summary



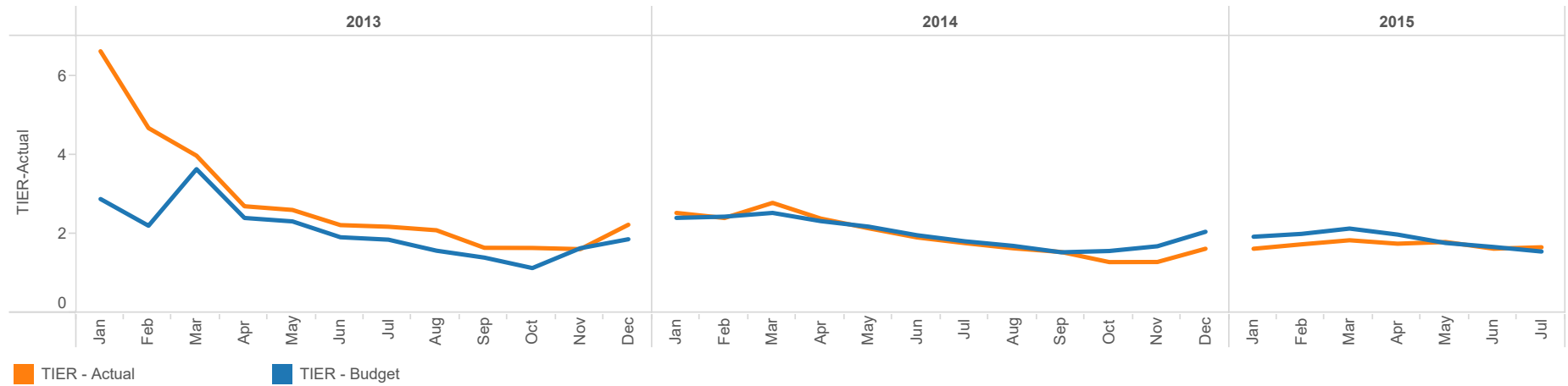
Category Description

■ Member
 ■ Nature
 ■ System
 ■ Grand Total

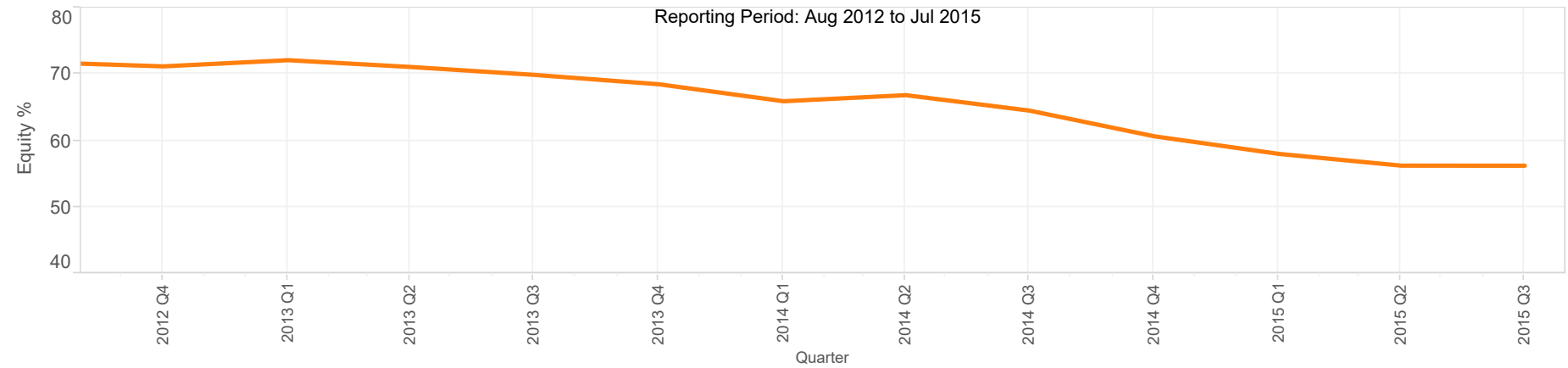
Outage Statistics



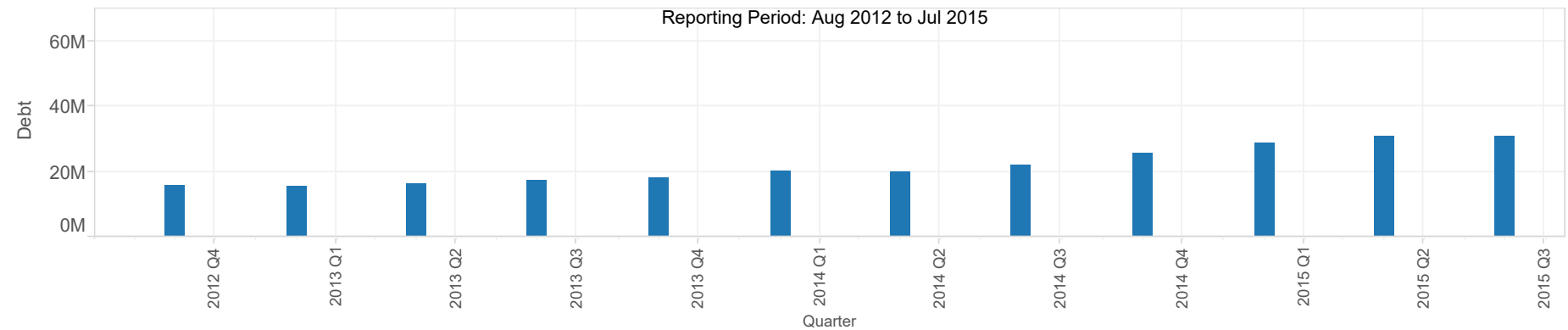
TIER



Equity



Debt



MEMORANDUM

September 15, 2015

TO: Board of Directors

FROM: Foster Hildreth

RE: Web Analytics

Please find attached a report on how our website is performing – measuring results for Q1-Q3 2015 along with a comparison to the same period in 2014.

In summary:

- **Website showed strong growth in traffic levels:** 23% increase in overall users over 2014 and page views are up by 2.59%
 - All website health measures continue to surpass industry standards (i.e. new users, bounce rate, pages per session)
 - Average pages per session (-7.16%) and page session duration is down (-7.5%), which is an indicator that members are finding what they need
- Our new **Find Documents section is already in the top 10 most viewed pages** and is the #1 top content for OPALCO employee traffic on the site
- **Top content viewed** includes employment, member bill information, contact page, Find Documents and rebate pages (outage views are down, likely because we've had fewer outages in this period)
- **Top PDF downloads** are employment application, residential tariff, job descriptions, residential member application and annual meeting travel schedule
- **Traffic to Energy Savings pages more than quadrupled between 2014 and 2015**
 - Most viewed content in Energy Savings includes rebates, renewable generation and heat pump rebates
- Mobile usage and referrals from social media leveled out
- **Email newsletter has strong open and click rates**, but the subscriber list has hit a plateau at about 1500
 - Refreshed Email newsletter design in August
 - Launched new Letter from the GM this month

Website Work in Progress (2015)

- Overall redesign of website wraps up in October with public launch by year end

OPALCO

Analytics Report

Q1 - Q3 2015

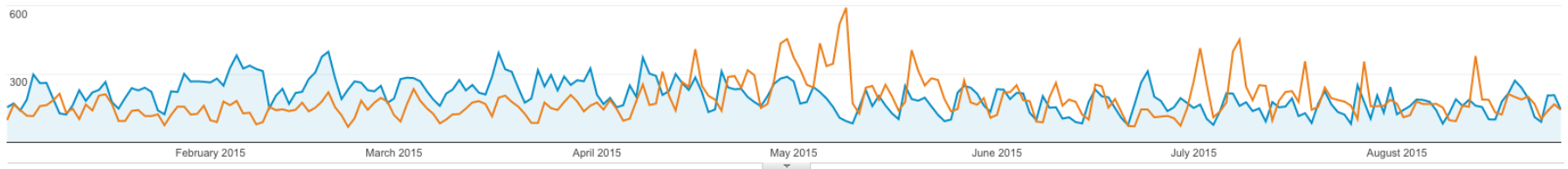
PixelSpoke 

Historical view of 2015 vs 2014 data

Traffic Overview

Jan 1, 2015 - Aug 26, 2015: ● Sessions

Jan 1, 2014 - Aug 26, 2014: ● Sessions



Sessions

10.50%

48,259 vs 43,674



Users

23.04%

32,698 vs 26,575



Pageviews

2.59%

98,288 vs 95,806



Pages / Session

-7.16%

2.04 vs 2.19



Avg. Session Duration

-7.50%

00:01:35 vs 00:01:43



Bounce Rate

9.66%

66.91% vs 61.02%



- Overall website health is good
- 23% increase in overall users compared to 2014
- Page views have increased since last year
- Pages/session and avg. session duration, while down, are still very close to what they were last year; (a decrease in these numbers may indicate users are finding the information they're looking for more quickly)
- Bounce rate is up but within normal range

Referral Channels

Default Channel Grouping	Sessions ? ↓	% New Sessions ?	New Users ?	Bounce Rate ?
	10.50% ↑ 48,259 vs 43,674	13.15% ↑ 64.86% vs 57.32%	25.03% ↑ 31,302 vs 25,036	9.66% ↓ 66.91% vs 61.02%
1. Direct				
Jan 1, 2015 - Aug 26, 2015	20,050 (41.55%)	78.42%	15,724 (50.23%)	80.79%
Jan 1, 2014 - Aug 26, 2014	16,717 (38.28%)	74.52%	12,457 (49.76%)	72.47%
% Change	19.94%	5.24%	26.23%	11.48%
2. Organic Search				
Jan 1, 2015 - Aug 26, 2015	18,780 (38.92%)	55.86%	10,491 (33.52%)	54.45%
Jan 1, 2014 - Aug 26, 2014	17,036 (39.01%)	51.71%	8,809 (35.19%)	52.04%
% Change	10.24%	8.03%	19.09%	4.64%
3. Referral				
Jan 1, 2015 - Aug 26, 2015	8,624 (17.87%)	56.98%	4,914 (15.70%)	62.21%
Jan 1, 2014 - Aug 26, 2014	8,397 (19.23%)	39.59%	3,324 (13.28%)	57.75%
% Change	2.70%	43.94%	47.83%	7.73%
5. Social				
Jan 1, 2015 - Aug 26, 2015	252 (0.52%)	53.97%	136 (0.43%)	70.24%
Jan 1, 2014 - Aug 26, 2014	280 (0.64%)	31.79%	89 (0.36%)	63.21%
% Change	-10.00%	69.79%	52.81%	11.11%

Referrals from social channels are decreasing.









Referral Sources

Source ?	Acquisition			Behavior
	Sessions ? ↓	% New Sessions ?	New Users ?	Bounce Rate ?
	2.29% ↑ 8,876 vs 8,677	44.65% ↑ 56.89% vs 39.33%	47.96% ↑ 5,050 vs 3,413	7.79% ↓ 62.44% vs 57.92%
1. sanjuanislander.com				
Jan 1, 2015 - Aug 26, 2015	1,988 (22.40%)	52.67%	1,047 (20.73%)	82.29%
Jan 1, 2014 - Aug 26, 2014	3,201 (36.89%)	49.27%	1,577 (46.21%)	82.76%
% Change	-37.89%	6.90%	-33.61%	-0.56%
4. ibew77.com				
Jan 1, 2015 - Aug 26, 2015	279 (3.14%)	48.75%	136 (2.69%)	70.97%
Jan 1, 2014 - Aug 26, 2014	293 (3.38%)	41.98%	123 (3.60%)	77.47%
% Change	-4.78%	16.12%	10.57%	-8.40%
5. islandssounder.com				
Jan 1, 2015 - Aug 26, 2015	266 (3.00%)	50.75%	135 (2.67%)	62.03%
Jan 1, 2014 - Aug 26, 2014	244 (2.81%)	57.79%	141 (4.13%)	45.49%
% Change	9.02%	-12.17%	-4.26%	36.35%

- Overall referral traffic levels are up by 48% compared to last year

- Sanjuanislander.com continues to bring in a significant amount of visits

Top Content

Page ?	Pageviews ?	Unique Pageviews ?	Avg. Time on Page ?
	2.59%  98,288 vs 95,806	3.32%  78,918 vs 76,381	6.29%  00:01:31 vs 00:01:26
1. /contact/employment/ 			
Jan 1, 2015 - Aug 26, 2015	4,330 (6.63%)	3,361 (6.66%)	00:02:48
Jan 1, 2014 - Aug 26, 2014	4,857 (7.29%)	4,155 (7.81%)	00:02:32
% Change	-10.85%	-19.11%	10.38%
2. /members/bill-information/ 			
Jan 1, 2015 - Aug 26, 2015	3,701 (5.67%)	3,128 (6.20%)	00:01:57
Jan 1, 2014 - Aug 26, 2014	2,866 (4.30%)	2,327 (4.37%)	00:01:39
% Change	29.13%	34.42%	17.92%
3. /mobile/index.php 			
Jan 1, 2015 - Aug 26, 2015	2,876 (4.40%)	2,263 (4.49%)	00:00:28
Jan 1, 2014 - Aug 26, 2014	2,493 (3.74%)	2,059 (3.87%)	00:00:23
% Change	15.36%	9.91%	24.61%
4. /contact/ 			
Jan 1, 2015 - Aug 26, 2015	2,816 (4.31%)	2,154 (4.27%)	00:01:29
Jan 1, 2014 - Aug 26, 2014	2,068 (3.10%)	1,620 (3.04%)	00:01:35
% Change	36.17%	32.96%	-7.02%
5. /find-documents/ 			
Jan 1, 2015 - Aug 26, 2015	2,462 (3.77%)	1,776 (3.52%)	00:03:05
Jan 1, 2014 - Aug 26, 2014	0 (0.00%)	0 (0.00%)	00:00:00
% Change	∞%	∞%	∞%

- The new Find Documents section is in the top 10 most used pages now.

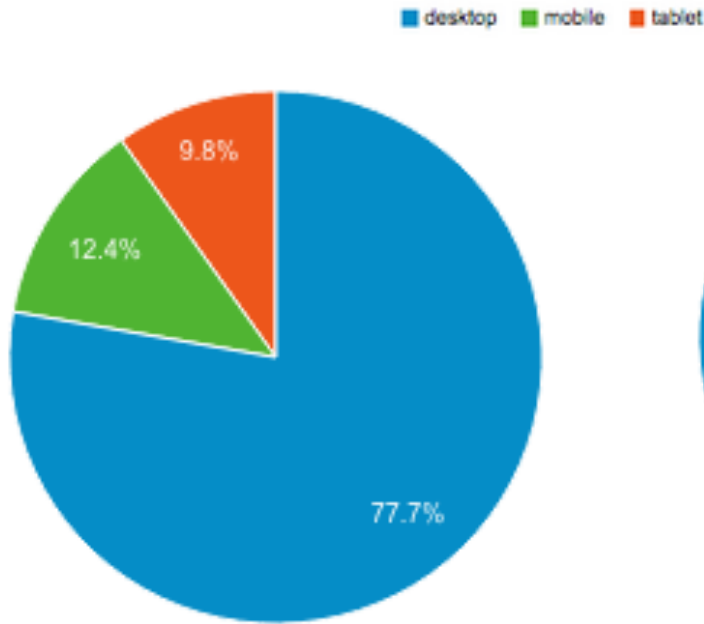
ISP Used

Service Provider ?	Sessions ? ↓	% New Sessions ?	New Users ?
	10.50% ↑ 48,259 vs 43,674	13.15% ↑ 64.86% vs 57.32%	25.03% ↑ 31,302 vs 25,036
1. centurytel internet holdings inc.			
Jan 1, 2015 - Aug 26, 2015	9,777 (20.26%)	44.72%	4,372 (13.97%)
Jan 1, 2014 - Aug 26, 2014	12,131 (27.78%)	41.86%	5,078 (20.28%)
% Change	-19.40%	6.83%	-13.90%
2. reprise hosting			
Jan 1, 2015 - Aug 26, 2015	6,340 (13.14%)	100.00%	6,340 (20.25%)
Jan 1, 2014 - Aug 26, 2014	1,923 (4.40%)	100.00%	1,923 (7.68%)
% Change	229.69%	0.00%	229.69%
4. rock island technology solutions inc.			
Jan 1, 2015 - Aug 26, 2015	3,247 (6.73%)	40.84%	1,326 (4.24%)
Jan 1, 2014 - Aug 26, 2014	3,339 (7.65%)	40.28%	1,345 (5.37%)
% Change	-2.76%	1.38%	-1.41%
5. northwest open access network			
Jan 1, 2015 - Aug 26, 2015	1,563 (3.24%)	33.21%	519 (1.66%)
Jan 1, 2014 - Aug 26, 2014	937 (2.15%)	39.38%	369 (1.47%)
% Change	66.81%	-15.68%	40.65%

230% increase in Reprise Hosting customers viewing the OPALCO website compared to last year.

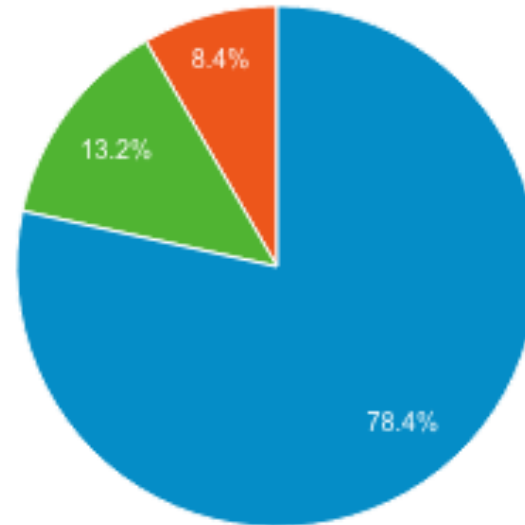
Mobile Device Usage Is Stable

Combined
mobile usage
in 2014
totaled 22.8%



2014

Combined
mobile usage
in 2015
totaled 21.6%



2015

Device Usage Breakdown

Device Category ?		Sessions ? ↓
		93.57% ↑ 154,699 vs 79,918
1. desktop		
Jan 1, 2005 - Aug 26, 2015		121,219 (78.36%)
Jan 1, 2005 - Aug 26, 2014		63,636 (79.63%)
% Change		90.49%
2. mobile		
Jan 1, 2005 - Aug 26, 2015		19,407 (12.55%)
Jan 1, 2005 - Aug 26, 2014		8,981 (11.24%)
% Change		116.09%
3. tablet		
Jan 1, 2005 - Aug 26, 2015		14,073 (9.10%)
Jan 1, 2005 - Aug 26, 2014		7,301 (9.14%)
% Change		92.75%

Desktop holds the majority at 78.36%.

The percentage of mobile device traffic is steady.

The percentage of tablet traffic is steady.

Year-to-Date Analytics Review

Top Content: General

[Jan 1, 2015 - August 26, 2015]











Page ?	Pageviews ?	Unique Pageviews ?	Avg. Time on Page ?
	65,323 % of Total: 66.46% (98,288)	50,428 % of Total: 63.90% (78,918)	00:01:35 Avg for View: 00:01:31 (4.47%)
1. /contact/employment/	4,330 (6.63%)	3,361 (6.66%)	00:02:48
2. /members/bill-information/	3,701 (5.67%)	3,128 (6.20%)	00:01:57
3. /mobile/index.php	2,876 (4.40%)	2,263 (4.49%)	00:00:28
4. /contact/	2,816 (4.31%)	2,154 (4.27%)	00:01:29
5. /find-documents/	2,462 (3.77%)	1,776 (3.52%)	00:03:05
6. /about/	2,222 (3.40%)	1,708 (3.39%)	00:00:51
7. /mobile/employment.php	1,883 (2.88%)	1,584 (3.14%)	00:02:21
8. /energy-savings/rebates/	1,412 (2.16%)	1,047 (2.08%)	00:01:09
9. /energy-savings/	1,357 (2.08%)	961 (1.91%)	00:01:05
10. /power-information/outages/	1,309 (2.00%)	1,064 (2.11%)	00:02:30

- The Find Documents section and Energy Savings sections are in the top 10.
- Outages continues to be an important area for members.
- Many pages continue to perform above Industry average for website visit duration (2:16).

Top Content: Energy Savings

[Jan 1, 2015 - August 26, 2015]











Energy Services Top Content

Page		Users	Avg. Time on Page
/energy-services/		3,746	00:00:22
/energy-services/rebates/		1,127	00:02:03
/energy-services/renewable-generation/		373	00:02:13
/energy-services/rebates/heat-pump-rebates/		359	00:04:21
/energy-services/rebates/appliance-rebates/		334	00:03:33
/energy-services/renewable-generation/m-o-r-e/		263	00:01:39
/energy-services/rebates/weatherization-rebates/		248	00:04:00
/energy-services/energy-services-blog/		223	00:01:19
/energy-services/energy-assessments/		219	00:01:12
/energy-services/commercial/		200	00:01:45

- **Use of this section of the site grew from 905 users in 2014 to 3,746 in 2015.**
- Rebates and renewables continue to be of most interest to members.

Top Content: Rebates Pages

[Jan 1, 2015 - August 26, 2015]

Page ?		Pageviews ? ↓	Unique Pageviews ?
		2,410 % of Total: 2.45% (98,288)	1,590 % of Total: 2.01% (78,918)
1. /energy-savings/rebates/appliance-rebates/		828 (34.36%)	514 (32.33%)
2. /energy-savings/rebates/weatherization-rebates/		704 (29.21%)	443 (27.86%)
3. /energy-savings/rebates/heat-pump-rebates/		651 (27.01%)	455 (28.62%)
4. /energy-savings/rebates/commercial/		190 (7.88%)	147 (9.25%)
5. /energy-savings/rebates/www.energystar.gov		18 (0.75%)	16 (1.01%)
6. /energy-savings/rebates/heat-pump-rebates/BPA-Approved PTCS Certified Technicians List		8 (0.33%)	7 (0.44%)
7. /energy-savings/rebates/appliance-rebates/?preview=true&preview_id=327&preview_nonce=ba94a7bc53		3 (0.12%)	1 (0.06%)
8. /energy-savings/rebates/weatherization-rebates/ptcs.bpa.gov		3 (0.12%)	2 (0.13%)
9. /energy-savings/rebates/?preview=true&preview_id=2826&preview_nonce=25a256a292		1 (0.04%)	1 (0.06%)
10. /energy-savings/rebates/heat-pump-rebates/=		1 (0.04%)	1 (0.06%)

- Appliance, Weatherization and Heat Pump Rebates have close to an equal share of interest, while Commercial Rebates are less frequently accessed (appropriate given it may not apply to most members).

Top Content: Rebates Applications

[Jan 1, 2015 - August 26, 2015]

Event Label ?	Total Events ? ↓
	73 % of Total: 1.67% (4,380)
1. http://www.opalco.com/wp-content/uploads/2011/05/HPWH-Rebate-Form_10_01_2014.pdf	40 (54.79%)
2. http://www.opalco.com/wp-content/uploads/2011/05/Heat-Pump-Rebate-Form_10_01_2014.pdf	20 (27.40%)
3. http://www.opalco.com/wp-content/uploads/2011/05/9-30-14-Ductless-Heat-Pump-Rebate-Form.pdf	6 (8.22%)
4. http://www.opalco.com/wp-content/uploads/2011/05/Duct-Sealing-Rebate-Form_10_01_2014.pdf	6 (8.22%)
5. http://www.opalco.com/wp-content/uploads/2011/05/Air-Sealing-Rebate-Form_10_01_2014.pdf	1 (1.37%)

- The rebates applications people are downloading are for HPWH, Heat Pump, Duct Sealing, and Air Sealing.

PDF Downloads

[Jan 1, 2015 - August 26, 2015]











Event Label ?	Total Events ? ↓
	3,962 % of Total: 90.46% (4,380)
1. http://www.opalco.com/wp-content/uploads/2009/02/10-employment-application.pdf	321 (8.10%)
2. http://www.opalco.com/wp-content/uploads/2015/01/TARIFF-R1.pdf	180 (4.54%)
4. http://www.opalco.com/wp-content/uploads/2009/02/2014-Residential-Membership-Application.pdf	127 (3.21%)
7. http://www.opalco.com/wp-content/uploads/2015/04/2015-Travel-Schedule-Annual-Meeting.pdf	92 (2.32%)
8. http://www.opalco.com/wp-content/uploads/2010/06/Window-Upgrade-Rebate-Checklist-2013.pdf	79 (1.99%)
9. http://www.opalco.com/wp-content/uploads/2015/03/Candidate-Winnie-Adams.pdf	76 (1.92%)
10. http://www.opalco.com/wp-content/uploads/2015/03/Candidate-Ed-Sutton.pdf	74 (1.87%)
11. http://www.opalco.com/wp-content/uploads/2015/01/Rate-Change-Materials-1-22-15.pdf	72 (1.82%)
13. http://www.opalco.com/wp-content/uploads/2015/03/Candidate-Randy-J-Cornelius.pdf	70 (1.77%)
15. http://www.opalco.com/wp-content/uploads/2015/03/Candidate-Chris-Thomerson.pdf	59 (1.49%)

- Membership application is among the top 10 downloads.
- Many of the job-application-related PDFs are among the top downloaded PDFs, but they have been filtered out of this view, apart from the employment application, because it is #1.

Top Content: Employee Traffic

Note that all other pages of this analysis reflects employee traffic filtered out in order to get a more accurate representation of member click-through, however we do track separately how employees are interacting with the website.

[Jan 1, 2015 - August 26, 2015]

Page ?	Pageviews ? ↓	Unique Pageviews ?	Avg. Time on Page ?
	10,667 % of Total: 48.43% (22,026)	7,137 % of Total: 58.25% (12,252)	00:02:14 Avg for View: 00:03:43 (-39.69%)
1. /find-documents/ 	1,157 (10.85%)	708 (9.92%)	00:03:59
2. /energy-savings/ 	862 (8.08%)	558 (7.82%)	00:01:11
3. /energy-savings/rebates/ 	439 (4.12%)	266 (3.73%)	00:01:37
4. /about/ 	336 (3.15%)	249 (3.49%)	00:00:36
5. /members/ 	309 (2.90%)	210 (2.94%)	00:02:52
6. /contact/ 	265 (2.48%)	196 (2.75%)	00:01:04
7. /power-information/outages/ 	253 (2.37%)	209 (2.93%)	00:03:56
8. /members/new-service/ 	217 (2.03%)	179 (2.51%)	00:00:33
9. /energy-savings/renewable-generation/ 	207 (1.94%)	128 (1.79%)	00:02:44
10. /members/rates-tariffs/ 	192 (1.80%)	96 (1.35%)	00:02:15

- The Find Documents section and Energy Savings sections have grown to heavy use by employees.
- Outages, about, member and contact are also frequently accessed.

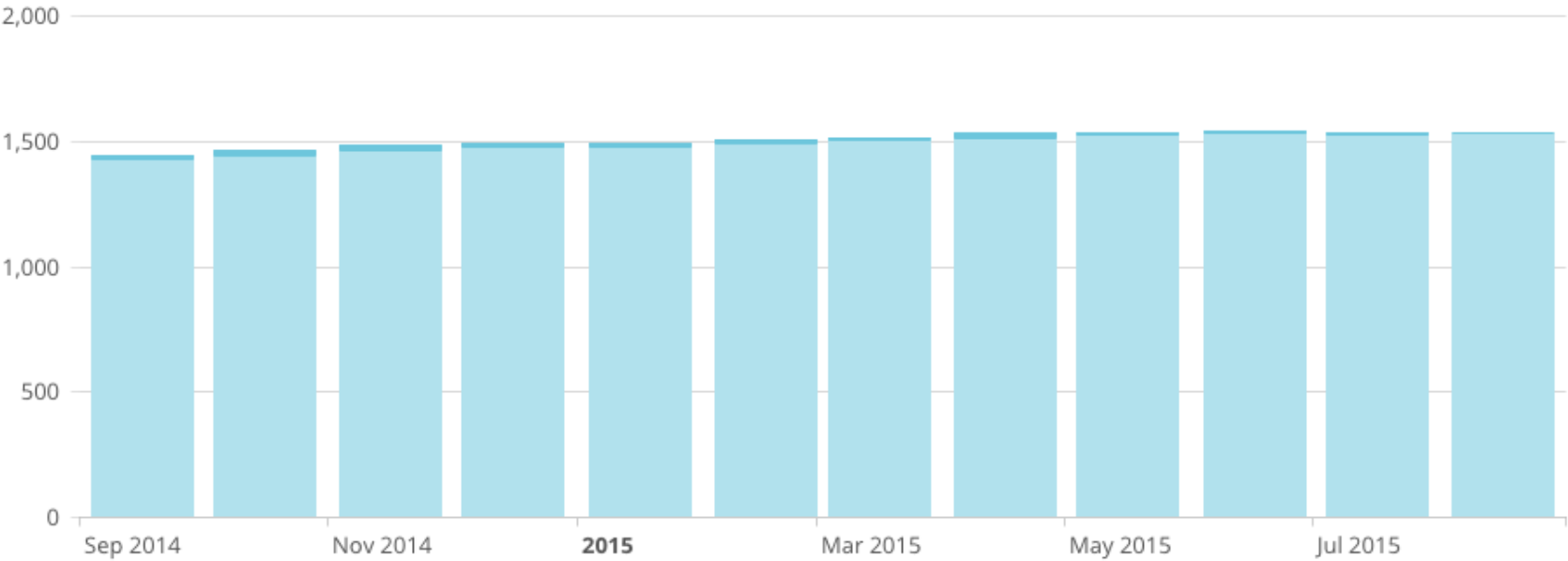
Overall Email List Status

[Sept 2014 - Aug 2015]

List growth

The OPALCO Co-Op Connector ▾

☒ Subscribes ☒ Imports ☒ Existing



Key Takeaways: Summary

- The OPALCO website is showing strong growth in traffic levels
- Engagement levels are down but relatively steady (i.e, pages/ session and avg. duration).
- The new Find Documents section is already in the top 10 most viewed pages.
- Use of the Energy Saving section more than quadrupled between 2014 and 2015.
- Significant increases have been made in number of referral sources.
- Referrals from social media have decreased.
- Mobile usage is about level with 2014.
- Email newsletter has strong open and click rates, but the subscriber list seems to have plateaued with minimal growth.

Key Takeaways: Action Items

- Create an initiative to drive more e-mail opt-ins (with 10K+ members, sign-ups should not plateau at 1.5K).
- Continue social media efforts and link back to the website when relevant to drive traffic from social channels.
- As OPALCO continues to drive members to use the site as a hub for resources and information, the website will need to continue to evolve to maintain and increase traffic growth as well as keep members engaged.
- Given the current environment, the OPALCO website will be under increased scrutiny. As such, it will be important to continue to enhance usability and accessibility of the site particularly in the Find Documents section as we move forward with the redesign.
- As part of our initiative to build a Culture of Listening, it will be important to do intermediary testing to see how the transition to the new site affects members' use of the site.

Thank You!

We appreciate the opportunity to work together

MEMORANDUM

September 10, 2015

TO: Board of Directors

FROM: Foster Hildreth

RE: Member Comments for Board Information

The following communications were received from our members.

<u>Topic</u>	<u>Member</u>
1. Rate/Revenue Issue	C. H. Hodgkin
2. Outage Thank You	Laura Tidwell
3. Member Advisory Committee Proposal	Fred Klein

1. C.H. HODGKIN

Sent: Thursday, September 10, 2015 11:52 AM

Subject: Rate/revenue issue

As I understand the situation, it costs basically as much to maintain the electric service (including maintenance, upgrading lines, undergrounding lines, etc.) to a house used one weekend a year as to one used all year long. If I read your message correctly, the facility fees now charged are not sufficient to fully fund the cost of maintaining the link from the power source to the home. Thus, full time residents who use electricity all year long are subsidizing the power service for non-resident owners who use it only occasionally.

I support a facility charge which fully funds the cost of establishing and maintaining electric service to a home meter before a single kwh is delivered to the home, and reducing the cost of energy delivered so that the kwh cost only covers the cost of the actual electricity flowing to the home and does not have infrastructure costs buried within the kwh charge. In this way, all properties carry their full share of the burden of maintaining the system, and users pay for the electricity they actually use.

Christopher Hodgkin
35+ year island homeowner and Opalco member

Dear Emergency Crew Members:

I would like to thank you for yesterday's efforts to restore our power in a timely manner. And thank you for all the times in the last 17 years & the years yet to come your willingness to brave the elements in order for all of us to continue with our businesses & our homes.

Laura Tidwell

3. Fred Klein

PROPOSED GOAL (Draft):

To reach a consensus on how its membership can support OPALCO so that it can meet the multiple challenges of looming capital expenditures and evolving technologies in a changing world, as well as meet its fiduciary responsibilities to steward member-owned assets; and to draft a statement of that consensus to be published and shared with the membership at large.

Proposed Definition of "consensus"

"a group decision by two or more people...

a decision which everyone in the group may not feel is the best decision...

but is a decision which everyone can live with...

and commit themselves not to undermine"

3. Fred Klein

Proposed Agreements for Participation

- commit to attend ALL FOUR (4) sessions...be punctual...please arrive 10 min. ahead of time...sessions will end PROMPTLY as scheduled.
- be fully present during the sessions (set aside other concerns, turn off cell phones, etc.).
- say your name before speaking; address the group as a whole rather than a specific individual
- become aware of when you are moved to speak and when you are not moved to speak...listen to your inner voice.
- when speaking...speak personally from your own experience; use "I" statements; avoid generalizations, and avoid trying to win others over to your point of view.
- be aware of the preciousness of time.
- if things are not going as you would like...express yourself... speak up and voice your dissatisfaction, rather than disengage.
- when listening...listen wholeheartedly; recognise that there is no need to rebut or refute someone's remarks.
- listen carefully and with respect to what another person is saying...try to avoid formulating a response while someone is speaking, but wait until the other has completely finished.
- be open to letting go of your pet solutions...regardless of the degree of research, study, or your conviction of how right they are.
- consider the possibility that each participant has part of the answer to the issues and problems which the group is addressing...all participants are equally responsible for a successful outcome.
- agree to NOT bring, or read from, prepared, written presentations, or handouts.

Note

If you have any considerations with regard to the above-listed "*Proposed Agreements for Participation*" please state them in an email to Fred Klein at: fklein@orcasonline.com.

ALL participants MUST pre-register. If this event is over-subscribed, participation will be guided by the desire for the group to be a representative cross section of the membership.

This proposal is an initiative independent of Orcas Power and Light Cooperative; if you would like to help organize this event, participate in it, or desire further information, please contact: Fred Klein at 376-5377 or email at: fklein@orcasonline.com; please use "OPALCO" for subject line of all email. *Rest assured*, IF consensus is reached and a statement of such is agreed upon BEFORE the end of this series of sessions...*after suitable celebration*...everyone can happily return home with a complete sense of satisfaction.