

2016 VOTING GUIDE

ORCAS POWER & LIGHT COOPERATIVE

79TH ANNUAL MEETING

ON THE WASHINGTON STATE FERRY

SATURDAY APRIL 30, 2016

Dear OPALCO Member-Owner:

This is your 2016 ballot package. In this Voting Guide, you will find:

- information on the candidates for election to the Board of Directors
- a member-initiated bylaw amendment
- your official ballot (see voting options below with voter designation forms for partnerships/corporations*)
- ballot secrecy envelope
- reply envelope

* If your OPALCO membership is through a business partnership or corporation, please complete the relevant form as printed on your ballot. If your membership is *not* a partnership/corporation, you can ignore those forms.

Election results are announced at the Annual Meeting and online at opalco.com.

**All absentee ballots must be *received* by mail or online
no later than 10:00 AM PDT Friday, April 29, 2016.**

VOTE ONE OF THREE WAYS

- 1. VOTE ONLINE.** OPALCO offers secure electronic voting in partnership with Survey and Ballot Systems (SBS). This is the preferred method of voting.
- 2. VOTE BY US MAIL.** See the enclosed ballot for instructions. Be sure to SIGN THE FRONT OF YOUR REPLY ENVELOPE. Without your signature, your vote will not count.
- 3. VOTE ON THE BOAT.** Members can choose to cast their ballots in person at the Annual Meeting on Saturday, April 30, 2016. **Please do not bring your ballot to the annual meeting.** A separate ballot is issued at the meeting.

WE CANNOT ACCEPT BALLOTS AT THE OPALCO OFFICES.

IF YOU CHOOSE TO VOTE BY ABSENTEE BALLOT ON PAPER, PLEASE MAIL YOUR BALLOT.

VOTING Q&A

WHO GETS TO VOTE?

Each *membership* gets one vote, no matter how many meters are attached to the membership, regardless of how many people are named on the membership. Each membership gets to vote in every election, regardless of their home district.

HOW MANY CANDIDATES CAN WE VOTE FOR?

Each member may select TWO Board candidates in District 3 and ONE Board candidate in District 4 on their ballot, and also vote YES or NO on the bylaw amendment.

WHY VOTE?

OPALCO members are owners of their electric cooperative. You have the power to elect your Co-op Board of Directors who set the rates and make the policies that affect all Co-op members.

HOW DO YOU PREFER TO RECEIVE YOUR BALLOT?

Members are asked on the ballot to state their preference for an **electronic or paper ballot**. With this information in hand, we will no longer mail paper ballots to those who select electronic. This is a big cost savings for the Co-op, is less confusing for you, and helps us to limit our carbon impact.



WHERE'S MY ANNUAL REPORT?

The annual report is available online at www.opalco.com/annualreport/.

Printed copies of the abbreviated Annual Report will be distributed at the Annual Meeting. A limited supply will also be available in OPALCO offices on Monday following the Annual Meeting.

ON THE 2016 BALLOT

2016 BOARD ELECTION: DISTRICT 3 AND DISTRICT 4

The OPALCO governing board consists of seven directors from four districts who are elected for three-year terms, with the elections staggered. Each director is elected by a vote of OPALCO members, or appointed by the Board to fill out vacancies. All members may vote in every election, regardless of their home district.

Present directors are:

- **District 1** (San Juan, Brown, Henry, Pearl and Spieden islands):
Vince Dauciunas and Mark Madsen
- **District 2** (Orcas, Armitage, Big Double, Blakely, Fawn, Little Double and Obstruction islands): Winnie Adams and Randy J. Cornelius
- **District 3** (Lopez, Decatur, Center and Charles islands):
Jim Lett and (open)
- **District 4** (Shaw, Bell, Canoe and Crane islands): Dr. Jerry Whitfield

Two board positions in District 3 and one position in District 4 are up for election in 2016. Please vote for any two candidates from District 3 and any one candidate from District 4. Each membership gets one ballot regardless of how many meters or accounts a member may have. Candidates for the Board are nominated by committee or by petition.

The 2016 candidates are

District 3

- Jim Lett (incumbent/by committee)
- L. Dwight Lewis, Jr. (by petition)
- Brian Silverstein (by committee)
- Lauren Stephens (by committee)

District 4

- Gabriel Jacobs (by petition)
- Dr. Jerry Whitfield (incumbent/by committee)

MEMBER PROPOSED BYLAW AMENDMENT

“At the end of the existing Article III – Directors, Section 1, General Powers, the following paragraph shall be inserted:

As soon as practicable and at least once every ten years thereafter, the Board of Directors shall reapportion the number of directors seats attributable to each of the Districts listed in Article III – Directors, Section 2, Qualifications and Tenure, so as to align the representation of Cooperative members as closely as possible with the actual number of energy members within each District. Furthermore, from time to time the Board of Directors shall update the boundaries of the above-referenced Districts so as to facilitate the goal of proportionate representation of the members in each of the Districts on the Board of Directors.”

CANDIDATE FORUMS

Attend the Candidate Forums and meet the candidates running for seats on the OPALCO Board of Directors.

All forums start at 5 PM and end by 7 PM

- **April 19 – Shaw Community Building**
- **April 20 – Friday Harbor Grange**
- **April 21 – Lopez Woodmen Hall**
- **April 22 – Eastsound Fire Hall**

Forums moderated by Steve Bowman

5:00 – Introductions and ground rules

**5:05 – Candidate statements
(3 minutes each)**

5:25 – Q&A with audience

6:00 – Candidate forum ends

**6:10 – Informal Q&A with OPALCO staff
and Board**

7:00 – Event ends

Candidate forums sponsored by OPALCO

Forums are a great chance for you to meet the candidates and ask questions about their experience and vision for OPALCO.

Following the forum, OPALCO staff will be available for an informal question and answer session.



PROPOSED BYLAW CHANGE ON THE BALLOT

PETITION INITIATED BY MEMBER ROB THESMAN

There is one member-initiated proposal to amend OPALCO Bylaws on the 2016 ballot.

The proposed change is included below exactly as presented by the member petition. Members are invited to vote “Yes” or “No.”

You can view the OPALCO Bylaws in their entirety at www.opalco.com.

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Statement in support of the amendment by Rob Thesman:

The current bylaws give some members more and others less representation due merely to where they live. The proposed bylaw change simply requires that the Board fairly apportion the number of directors in each District, and to update the boundaries of each District, as necessary to make Board representation better aligned with the physical location of the co-op members. This does not change the total number of directors (seven).

Members of the co-op exercise our governance in two ways – directly through voting at the annual meeting and indirectly through the actions taken by the directors chosen from each District. The latter is far more important in the day-to-day and even long-term policy decisions of our Co-op. It is a simple matter of fairness that no District should have a disproportionate weight in board representation.

(continue to read the Statement opposing the amendment)

Statement opposing the amendment by Larry Hendel:

Since every board member from each district is voted on by every OPALCO member-owner, there is no need to re-apportion the districts periodically. Furthermore the wording, “from time to time,” as stated in the proposed amendment: “Furthermore, from time to time the Board of Directors shall update the boundaries of the above-referenced Districts so as to facilitate the goal of proportionate representation of the members in each of the Districts on the Board of Directors” is vague, costly and therefore irresponsible. Is “timing” every six months, every year or what? Even in its initial implementation, this could easily cost between \$3,000 and \$5,000 in OPALCO staff time plus costs incurred by an independent auditor. I cannot support expenditures of this kind which have little or no practical benefit in return.



OPALCO
79th Annual Meeting
on the ferry

Saturday, April 30, 2016

CANDIDATE FORUMS @ 5:00 PM

APRIL 19th - Shaw Community Center

APRIL 20th - San Juan Island Grange

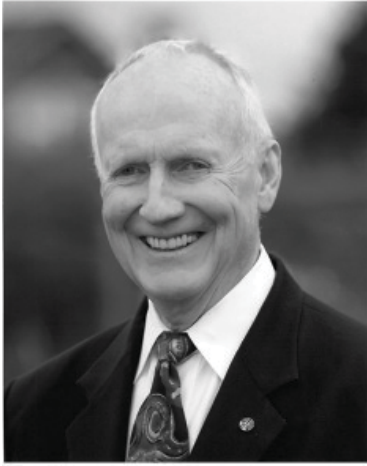
APRIL 21st - Woodmen Hall, Lopez

APRIL 22nd - Eastsound Fire Hall

visit www.opalco.com for more info

DISTRICT 3 CANDIDATES

JIM LETT (INCUMBENT)



Jim has served as an OPALCO Director since 2009 and is currently President of the Board. He is a Credentialed Director, as certified by the National Rural Electric Cooperative Association.

Jim and his wife Shanley are Washington natives who have lived on Lopez for over 20 years. Jim is an active member of the community, participating in the Mentor Program of the Family Resource Center and as Past President of the Lopez Library Board. He is also twice Past Commodore of the Lopez Island Yacht Club and

served as the business representative on the San Juan County Salary Commission. Currently he serves on the Board of Commissioners of San Juan Fire District #4.

A graduate of Oklahoma State University, he has an honorable discharge from the U.S. Marine Corps Reserve. His career spanned 35 years with a national insurance carrier as Director of Loss Control, Vice President for Commercial Lines Underwriting, Marketing, and Reinsurance. He served on the Business School Advisory Board for Washington State University.

He is proud that OPALCO leads in supporting new technology, energy efficiency and conservation such as solar and wind power for home use, and power management systems. Jim is committed to further strengthening these programs and the Co-op's reputation as a model Northwest utility. His extensive business background has been helpful in managing complex insurance programs at OPALCO.

Jim's commitment to OPALCO and its membership remains steadfast. He has ensured all audits by federal and state authorities give OPALCO the highest possible marks for fiscal responsibility.

"Our strategic directives provide a path for continuing improvement," states Jim. "Our charge remains to provide reliable power and energy services to improve the quality of life for our members. I am proud to be part of this team and, with your support, I hope to continue with another term."

L. DWIGHT LEWIS, JR



Dwight attended school in the Seattle area and after graduating from Shoreline High School in 1960 he attended Everett Community College. In 1969 he purchased 23 acres on Lopez Island and in 1971 he constructed his private airstrip that now serves as one of the medivac sites on Lopez Island.

Dwight moved to Lopez Island in 1974 and worked on the Alaskan pipeline during 1975 and 1976. Also, in 1976 he established Windsock Farms/Excavation, a very successful business. Dwight continues to raise cattle on his 125 acre farm and does construction work throughout the county including the installation of more than 50 miles of OPALCO power cable and involvement with several underwater cable installations.

Dwight spends his free time working intensely with the Lopez High school District's athletics programs. He and his wife Shirley have hosted three exchange students, one from France, Ukraine and Denmark.

Dwight has been an OPALCO member for more than forty years and has attended numerous Board meetings. He has watched as the OPALCO Board has continued to raise power rates and increased the cooperative's indebtedness. He has spoken out against such actions and is now running as a candidate for the Board of Directors, District 3. His vision is to bring about greater transparency regarding OPALCO's operations and decision making and provide affordable power to the members.

To read more, Google - "affordable OPALCO power."

Cast your vote for OPALCO Board of Directors



Vote online or return your absentee ballot by mail.

Deadline for ballot receipt is 10 AM on Friday, April 29, 2016 or vote at the annual meeting.

If you vote online, be sure to add the OPALCO Election Coordinator noreply@directvote.net to your approved senders list.



I worked for Bonneville Power Administration, our power provider, for three decades. Now retired, I would like the opportunity to serve our community on the OPALCO Board. My wife and I purchased our home on Lopez in 2008 and we moved here in 2013. I believe in transparent decision making.

Key issues

Keep electricity costs reasonable by managing costs before raising rates. I support using a small portion of our revenue to assist members who need help to pay their bill. Consider innovative rate designs to stabilize revenue as electric use declines so OPALCO stays sound.

Maintain reliability by maintaining and replacing our facilities and supporting crews and staff.

Pursue all cost-effective conservation. Explore demand response and rate designs to reduce OPALCO's peak power purchases from Bonneville Power Administration.

Use our fiberoptic backbone investment to enhance crew safety, keep the lights on, improve metering and enable demand response. Develop cost-effective broadband to support education, community development and enhance quality of life. Complete the buildout on schedule and ibudget. Carefully manage investments in Rock Island to protect OPALCO members.

Background and skills

After 33 years at BPA, I retired as Senior VP for Transmission. My work focused on planning, rates, operations, construction and maintenance. I regularly collaborated with utilities, government, tribes, environmental organizations and citizens. I'm proud of connecting over 5 million kilowatts of wind power to the grid.

I'm currently Board Chair of Peak Reliability, a non-profit that provides real-time grid monitoring in 14 western states and British Columbia. And I volunteer at the Lopez Dump.

I received a B. Eng. at The Cooper Union and M. Eng. at Rensselaer Polytechnic Institute.

I listen to people.

LAUREN STEPHENS



I hope to join the Opalco leadership team as an advocate for individual rate payers and small business owners. I believe there should be an individual on the board who is an active business user of all Opalco services and is aware of the huge impact policies and rate increases have on small businesses. Our commercial property business on Lopez Island puts me in touch with small business owners who depend upon Opalco and Rock Island.

In 2015 I worked extensively with Opalco/Rock Island, doing a major commercial building upgrade. This involved all new power, including a new transformer, installation of solar panels, all new fiber optic wiring to 14 rental spaces, and new meters. It has given me a unique perspective on what is working well and what is not.

I graduated from the University of Utah with a degree in American History. In Utah I worked for Eastern Airlines and as a volunteer until we started a family. My husband and I moved to Lopez Island in 1996. We raised two children on Lopez and have been small business owners here for 20 years.

I have 13 years of elective board service on both the Lopez Island School Board and the Fisherman Bay Sewer Board. I have experience on budgeting, levy and bonding campaigns for operations and capital projects. I have worked extensively on rate setting, union contract negotiation, policy development, risk management and personnel issues. As a sewer commissioner, I have experience running a small utility. My focus as a board member is responsible fiscal management and customer service. I advocate active board participation with staff to make decisions that serve both the agency and the people.

I would be honored to help implement a responsible path for future power and broadband service in San Juan County.

DISTRICT 4 CANDIDATES

GABRIEL JACOBS



OPALCO is in a deplorable financial situation with overextended financial commitments and a poor credit rating. This has resulted in the recent rate increases and there will be additional ones in the near future. OPALCO's original chartered purpose is to furnish electricity. It has gone into three different businesses without consulting the membership which makes it no longer a coop. Change is needed. It cannot be improved overnight. I have attended many OPALCO board meetings. At the candidates' meetings I will describe possible

solutions.

My background includes 29 years of school administration and teaching. I served as director of a private school and for the first time it ran in the black. Most of my career was as a principal in a large public school system in Maryland, which honored me with an award for my innovations.

I am a volunteer teacher in Goddard College's South Seattle program, have served as a trustee of Goddard College and the Silver Spring, Maryland YMCA. I volunteer in the Shaw library and teach French. Photography, amateur radio, water color painting, rowing a shell, and sailing are my interests. My wife, Deborah, and I have lived on Shaw for 29 years

B.A. Goddard College, Ed.M. Harvard University. graduate work in physics, astronomy, and geology.

Publications:

When Children Think, Teacher's College Press, Columbia University, 1970

Nina's Vermeer – Novel, self-published, 2015

"An American Foreign Language Immersion Program: How To," Foreign Language Annals, September 1978. Article commissioned by ERIC Clearinghouse on Foreign Languages.

"Here's How We Do It," Today's Education", Feb./Mar 1979

A Guide to Planning and Conducting Environmental Study Area Workshops, National Park Service and NEA, 1972 - contributing author

JERRY WHITFIELD (INCUMBENT)



Dr Jerry Whitfield and his wife Carol have lived on Shaw Island since 1999 and Jerry has served on the OPALCO Board since 2014. He has pursued an engineering career in Aerospace as a jet engine specialist at Rolls Royce Aero Engines, at General Electric, and the Boeing Company. He earned a PhD in Aero Acoustics from Cambridge University.

In the early '80's he invented the wood pellet stove and successfully built a manufacturing company around this product, eventually selling it to a Fortune 500 company. He has subsequently pursued his interests in commercial bioenergy developing ideas that generate power with a negative carbon footprint.

A distinguished engineering career and a proven entrepreneurial ability provides Jerry with the skills to serve the OPALCO membership well, and help lead OPALCO through some challenging times ahead.

OPALCO has built a safe, reliable, and economic Rural Electric Cooperative. The challenge is to continue to improve by modernizing the grid for increased reliability, safety, and energy efficiency, to seamlessly incorporate more member generated rooftop solar, and still provide members competitively priced electricity. Jerry has supported continued expansion of the fiber optic grid control backbone and has explained to the membership that the incremental cost on member's electricity bills is minimal.

The greatest challenge is to bring high speed broadband internet to as many homes and businesses who need it at minimal cost to electric ratepayers. Jerry supported the business plan for Island Network and the subsequent purchase of Rock Island on the basis that the technology was good, the demand was high, and the leadership were capable of executing the plan.

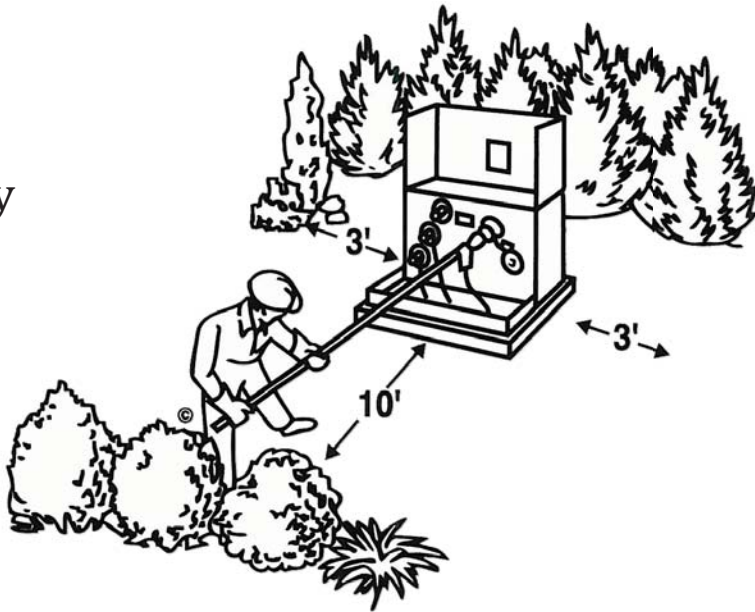
Jerry has supported the recommendation for OPALCO to join PNGC as an insurance against higher future power costs beyond OPALCO's current contract in 2028.



SAFETY is always our TOP PRIORITY

Your OPALCO crews need room to work safely on devices in the field and those located on members' property.

Please keep shrubs and structures at least 10 feet away from the front side and at least 3 feet away from all other sides of equipment, monuments, and cable facilities.



OPALCO members are owners of their electric cooperative.

You have the power to elect your Co-op Board of Directors who set the policies that affect all Co-op members.



Why so early!?

The Annual Meeting schedule is driven by the Washington State Ferry schedule

Check out the travel schedule on the back page of this booklet.

Please arrive at your ferry landing with plenty of time to park and register for the meeting. Lunch is served on the ferry.



The most efficient and cost-effective way to monitor your daily energy usage and pay your OPALCO bill is through SmartHub, our electronic billing tool. This saves postage, paper and staff time. You'll also get timely alerts and announcements from OPALCO to stay up-to-date on what's happening at your electric cooperative.



Are you paying for wasted energy? How much is that costing you?

Schedule a Home Snapshot Energy Assessment and find out.

Get a **Home Snapshot Energy Assessment** for \$25 and *get on the path to savings*. If you need help funding improvements, Islanders Bank offers the **Get Connected** home improvement loan to make energy efficiency upgrades that will reduce your energy bills and make your home more comfortable.

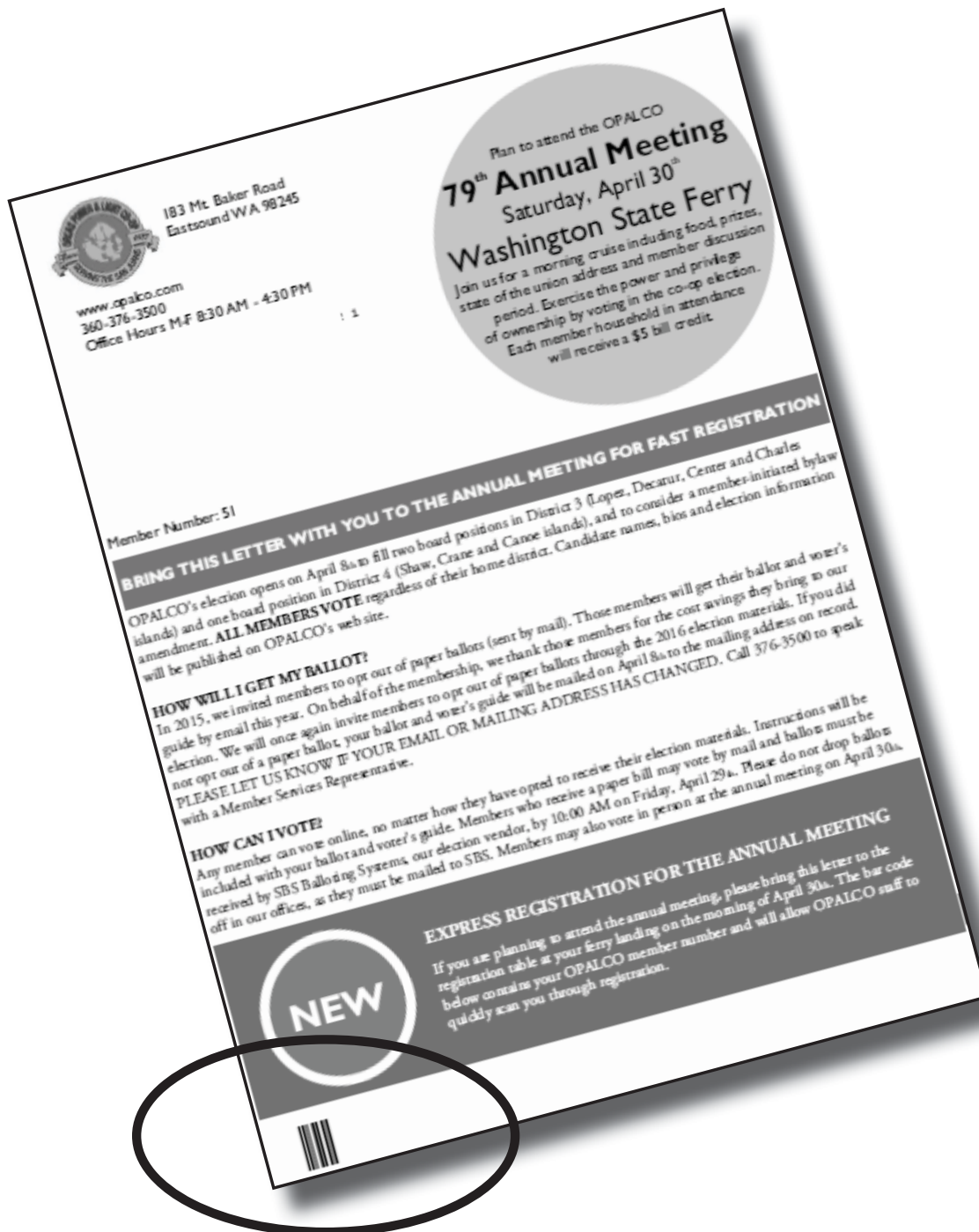
Call 360-376-3500 (or go online) to schedule your **Home Snapshot Energy Assessment** today! Then step into your local Islanders Bank and pick up a **Get Connected** loan application.

Express Registration

In early April, you'll receive a mailer that includes your unique Member registration information for the Annual Meeting and Election.

BRING THIS MAILER TO THE MEETING.

The barcode lets OPALCO staff register you quickly to get you through the lines speedily and onto the boat.



79TH ANNUAL MEETING
ON THE WASHINGTON STATE FERRY
SATURDAY, APRIL 30, 2016



TRAVEL SCHEDULE

ORCAS

Register at landing 7:00 AM
Ferry departs 8:45 AM
Return to Orcas 11:50 AM

SHAW

Register on board
Ferry departs 9:00 AM
Return to Shaw 12:40 PM

LOPEZ

Register at landing 8:00 AM
Ferry departs 9:30 AM
Return to Lopez 11:25 AM

SAN JUAN

Members coming from San Juan Island will sail to Orcas by chartered boat to get on the ferry at Orcas.*

Reservations Required

Call 376-3549 to reserve the limited space available on the chartered boat.

Registration begins at

Spring St. landing 6:45 AM
Board chartered boat 7:20 AM
Disembark at Orcas dock 8:30 AM

Orcas Ferry leaves 8:45 AM
Return to Orcas landing 11:50 AM

Chartered boat leaves Orcas NOON
Arrives Friday Harbor by 1:00 PM

* *The ferry that leaves Friday Harbor at 6:10 AM is also an option.*

If you are disabled or need special accommodations to participate in the Annual Meeting on the ferry, please call Bev Madan at 376-3549.



***Note:** The chartered boat *is not wheelchair accessible* and requires a steep walk up and back down the ramp at the Orcas county dock to board the ferry. If this presents a challenge for you, please take the 6:10 AM ferry from Friday Harbor to Orcas that arrives Orcas at 7:35 AM.