



**BOARD OF DIRECTORS
REGULAR MEETING
Thursday, April 21, 2016 8:15 a.m.
Lopez Fire Hall**

TRAVEL



Via Island Air

378-2376 / 378-8129 (cell)

From:

Leave Friday Harbor 7:30 a.m.
Eastsound 7:45 a.m.

Arrive Lopez 8:00 a.m.

Return:

Leave Lopez 3:00 p.m.

Arrive Eastsound 3:15 p.m.
Friday Harbor 3:30 p.m.



Via Ferry:

From:

Leave Friday Harbor 6:10 a.m.
Orcas 6:45 a.m.
Shaw 7:00 a.m.

Arrive Lopez 6:50 a.m.

Arrive Lopez 7:30 a.m.

Return:

Leave Lopez 3:50 p.m.

Arrive Shaw 4:10 p.m.
Orcas 4:30 p.m.
Friday Harbor 5:10 p.m.

**Orcas Power & Light Cooperative
Board of Directors
Regular Board Meeting
Lopez Island Fire Station
317-5156
April 21, 2016 8:15 a.m.**

PAGES

WELCOME GUESTS/MEMBERS

- Member Comment Period

ACTION ITEMS

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| 6 | ○ New Members |
| 7 | ○ Capital Credits |
| 8-14 | ○ RUS 219s |
| 15-21 | ○ Member Information Request – Appeal James Owens |
| 22-23 | ○ Draft Bylaw Revision – Bona fide Resident |
| 24-25 | ○ CFC Line of Credit |

DISCUSSION ITEMS

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| <i>oral</i> | ○ Election Neutrality |
| 26 | ○ Submarine Cable Update |

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ADJOURNMENT

Executive Session: Personnel, legal

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

Thursday, March 17, 2016

Vice-President Vince Dauciunas called the meeting to order at 8:35 a.m. at the Eastsound OPALCO office. Board Members present were Winnie Adams, Randy Cornelius, and Jerry Whitfield. Mark Madsen attended via telephone conferencing. Jim Lett was absent. Staff present included General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis, Head Accountant Travis Neal and Executive Assistant Bev Madan (serving as recording secretary). Rock Island Communications staff present were Gerry Lawlor and Chad Bailey. Also present was consultant Jay Kimball.

Member/Guests

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

Present were Alex MacLeod, Gabriel Jacobs, L. Dwight Lewis Jr., Michael Riordan, Steve Pearson and Chantelle Hildreth.

MacLeod wondered if there would be public comment re the proposed Policy 16 *Information Request* (this topic was pulled from the agenda), queried Cornelius on his recent “nay” votes, asked about the definition OPALCO uses re “bona fide resident” referring to the bylaws and his recent appeal to the Information Request denied by Hildreth.

February 19, 2016 Meeting Minutes

- **Motion** made by Madsen to accept the February 19, 2016 minutes as presented. Motion was seconded Whitfield) and carried by voice vote.

New Members

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

DISTRICT 1

San Juan

Aylward, Melissa & Sean
Boreen, Kelsey
Blanford, Joanna
Cap, Bonnie L.
Dalyrymple, Dianne M.
Daly, Aoife & Portilla, Eddy
Fredy, Elexis & Russel
Hampton, Mark & Elizabeth
Harshbarger, Amber
Howell, Marilyn
Jackson, Thomas S
Jones, Bruce & Agneiszka

Laws, Rick & Mary
Martin, Courtney E
Oettinger, Jennifer & Alex
Pope, Sarah & Greene, Adam
Sadler, Lisa
Simmons, Jill & Preston
The Captain Robert Whidbey Trust
Volkmann, Emily
Webster, Steven & Cassandra
Wood, Andrea & Quigley, Jonathan
Ylioja, Jacob
Zervas, Nicholas

Henry Island

Boudreaux, Allen

DISTRICT 2

Orcas

Curcio, Melinda
DeYoung, Joel & Chris
Foulger, Robyn & Allen
Hamilton, Ken & Elaine
Horton, Kenneth
Kolakowski, Christopher & Misty
Linder, Alan & Adrienne
Reo Northwest
Ryals, Bethany & O'Keefe, Vicki
Sanford, Yvonne

Shaw, Tyler & Anika

DISTRICT 3

Lopez

Eisenlord, Morgan
Hughes, Robert & Flemming, Donnie
Johnson, Douglas & Fortin, Brigitte
Twig, Kristen

DISTRICT 4

Shaw

None

Capital Credits

- **Motion** made by Whitfield to approve payment of \$3,261.68 in capital credits to the estates of deceased members and the organization no longer in business listed below. Motion was seconded (Adams) and carried by voice vote.

Wilma Hubbard	\$243.20
Ann Millar	\$722.29
Floyd Sage	\$276.95
L. Howard Sanburg	\$896.63
MacKaye Harbor Water Co.	\$1,122.61

RUS 219s

- **Motion** made by Adams to approve submission of RUS 219s representing projects completed in January 2016 from the Construction Work Plan in the amount of \$289,955.14. Motion was seconded (Cornelius) and carried by voice vote.

MORE Program Committee Policy Revisions

The MORE Committee made revisions to the Committee Policy that included a moratorium on incentive payments and language clarifying member participants who are 'grandfathered'.

- **Motion** made by Adams and seconded (Cornelius) to approve revisions to the policy as presented. Motion carried by voice vote.

WRECA

Cornelius resigned from the Washington Rural Electric Cooperative Association (WRECA) Board. Whitfield volunteered to replace Cornelius on the WRECA Board.

- **Motion** made by Cornelius to appoint Whitfield to be OPALCO's representative on the WRECA Board. Motion was seconded (Adams) and carried by voice vote.

NWPPA Voting Delegate

Adams and Hildreth will attend the NWPPA Annual Conference and Membership Meeting May 15-18, 2016 at the Tulalip Resort in Tulalip (Marysville), WA.

- **Motion** made by Whitfield to appoint Adams the voting delegate for the NWPPA Annual Conference and Membership Meeting with Hildreth the alternate. Motion was seconded (Cornelius) and carried by voice vote.

Member Information Request Appeal

An email vote was held March 10 to approve or deny an appeal of a Member Information Request submitted by Alex MacLeod; all Board members approved the email vote as the method for voting and all voted in favor of denying the appeal. MacLeod requested that the entire documentation of the request and subsequent appeal be included in the April Board materials; the documentation will be included in the April meeting materials.

Bona Fide Resident

The meaning of “bona fide resident” as listed in the bylaws was thoroughly discussed. Suggestions were made to revise the bylaws to either better define the term or remove it from the bylaws altogether. Legal counsel Joel Paisner was telephoned to offer a legal definition. The Member Communication from Lopez resident Peter Garlock that was included in the board materials pertained to this topic. Garlock was not nominated by the Committee on Nominations from District 3 for the 2016 ballot because he is not considered a “bona fide resident” of District 3. After much discussion, the board felt compelled to respect the nominating committee’s list of candidates. Hildreth is to create language to revise the bylaws and submit to the Board at a later date.

OPALCO 2015 Year-End Unaudited Financial Report

A summary of the year-end unaudited financial report showed TIER at 2.51; equity as a percent of total capitalization of 53.3%; revenue was on budget (including cost recovery add-on) and expenses were reduced compared to budget.

Auditors from Moss Adams will be onsite the week of March 28 and staff will provide an update at the April 21 meeting on Lopez.

Rock Island 2015 Year-End Unaudited Financial Report

Island Network LLC, dba Rock Island Communications, ended its first year of operation after a fast-paced and steep learning curve. Permitting held up some projects; the LTE rollout was retooled following a strategic partnership with T-Mobile which resulted in a delay of LTE installations and lower sales than budgeted. Fiber installation is budgeted to be about 42 new connections per month. LTE wireless is growing to about 125 new connections per month. The Board requested more detailed reporting that would include the three revenue options broken out and detailed.

Adjournment

Regular meeting adjourned to Executive Session at 12:10 p.m. Executive session ended and meeting was adjourned at 2:25.

Vince Dauciunas, Vice-President

Jerry Whitfield, Secretary-Treasurer

New Members March 2016

DISTRICT 1

San Juan

1. Bogue, Tabettha
2. Brooks, Lynn
3. Bruder, Kim
4. Buehler, Chad & Robyn
5. Caldwell-Sanders, Edith
6. Cartagena, Steven
7. Draffkorn, Rick
8. Duquette, Charles R
9. Farnsworth, Enos
10. Finn, James
11. Frentz, Carla
12. Heflick, Benjamin
13. Lacerte, Philip
14. Palmateer, Ryan
15. Petit, Catherine
16. Ross, Jason E
17. Sherry, Christopher
18. Shlosser, C Mitchell & Tami T
19. Smith, Patricia
20. Villers, Christine
21. Watson, Craig
22. Westby, Ludie & Gary
23. Whybren, Stephen W
24. Wu, Thomas

DISTRICT 2

Orcas

25. Bradbury, Tim & Susan
26. Bruene, James & Schultz-Bruene, Kate
27. Cecil, Jocelyn
28. James, Deborah
29. Kasperski, Richard
30. Marshall, Karen
31. Martin, Andy & Jablow, Ian
32. Moos, Daniel C
33. Naffin, Brandon & Kezia
34. Sheffield, Harley
35. Sit Long Talk Much LLC
36. The Culver Family – Orcas Trust
37. Wallis, Maxine & Pipher, Michelle

DISTRICT 3

Lopez

38. Barr, Johnathon
39. Jacobs, Tim
40. Larmore, Carla & Connor, Michael
41. Mackaye Harbor Water District
42. Rabura, John & Biro-Rabura, Sara
43. Sorensen, Katherine & Lyn

Center

44. Maule, James & Judith

DISTRICT 4

Shaw

45. Arrowsmith, Jeff & Claire
46. Rook, Mary & Taylor, Debra

MEMORANDUM

April 15, 2016

TO: Board of Directors
FROM: Foster Hildreth, General Manager
RE: Capital Credits

Staff requests a motion to approve payment of capital credits to the estates of the following deceased members and/or to organizations no longer in business:

Jane McIlroy	\$687.62
Marion Slater	\$465.95
Delbert F. Webb	\$76.78
Total	\$1,230.35

MEMORANDUM

April 15, 2016

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 #201602\$ 24,319.43 Apply to AM8
System improvements
- Inventory # AM1602.....\$ 44,701.79 Apply to AM8
System improvements
- Inventory #AN1602..... \$54,811.50 Apply to AN8
Communications

Staff requests a motion from the Board to approve submittal of RUS Form 219s totaling \$123,832.72.

04/14/2016 9:11:16 am

RUS Form 219 Inventory Of Work Orders

Period: FEB 2016 System Designation: WA AH O9

Page: 6

Inventory : 201602

Budget		
Loan	Project	Amount
1	601	9,403.45
1	608	14,915.98
Total:		24,319.43

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

04/14/2016 9:11:16 am

RUS Form 219 Inventory Of Work Orders

Page: 2

Period: FEB 2016

System Designation: WA AH O9

Inventory: 201602

Inventory: 201602				Gross Funds Required		Deductions			
Loan		Work Order Construction (1)		Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)	Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year	Retirement (2)	Bdgt (3)						
601	2015	2272							
		2272	1	9,024.29	433.94	0.00	0.00	0.00	9,403.45
				9,024.29	433.94	0.00	AFUDC: 54.78	0.00	9,403.45
608	2015	1839							
		1839	1	15,267.72	87.05	0.00	0.00	0.00	14,915.98
				15,267.72	87.05	0.00	AFUDC: 438.79	0.00	14,915.98
Grand Totals:				\$ 24,292.01	\$ 520.99	\$ 0.00	\$ 0.00	\$ 0.00	\$ 24,319.43

04/14/2016 9:11:16 am

RUS Form 219 Inventory Of Work Orders

Period: FEB 2016 System Designation: WA AH O9

Page: 7

Inventory : AM1602

Budget		
Loan	Project	Amount
1	1600	44,701.79
Total:		44,701.79

ENVIRONMENTAL CERTIFICATION

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

SIGNATURE (MANAGER) _____

DATE _____

BORROWER CERTIFICATION

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

SIGNATURE (MANAGER) _____

DATE _____

SIGNATURE (BOARD APPROVAL) _____

DATE _____

ENGINEERING CERTIFICATION

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

INSPECTION PERFORMED BY _____

FIRM _____

LICENSE NUMBER _____

DATE _____

SIGNATURE OF LICENSED ENGINEER _____

04/14/2016 9:11:16 am

RUS Form 219 Inventory Of Work Orders

Page: 3

Period: FEB 2016

System Designation: WA AH O9

Inventory: AM1602

Loan		Work Order Construction (1)	Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year			Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
		Retirement (2)							
1600	2013	1488	1	25,541.98	0.00	0.00	0.00	8,913.80	16,628.18
1600	2014	2044	1	2,740.71	0.00	0.00	0.00	279.36	2,461.35
1600	2014	2195	1	25,924.04	0.00	0.00	0.00	0.00	25,612.26
							AFUDC: 311.78		
				54,206.73	0.00	0.00	0.00	9,193.16	44,701.79
Grand Totals:				\$ 54,206.73	\$ 0.00	\$ 0.00	\$ 0.00	\$ 9,193.16	\$ 44,701.79

Minor Construction Work Orders

Work Order: 1488 - THIS JOINT PROJECT CONTAINS CONDUIT AND VAULT WHEN A CROSSING WAS DONE. TO PROVIDE AN ALTERNATE FEED ROUTE.

Work Order: 2044 - INSTALLATION OF LARGER CONDUCTOR TO AID WITH VOLTAGE AND POWER QUALITY ISSUES.

Work Order: 2195 - INSTALL CC-2 AND 1/0 URD WITH NORMAL OPEN FOR TIE BETWEEN WINDSONG AND SPRING POINT CIRCUITS.

04/14/2016 9:11:16 am

RUS Form 219 Inventory Of Work Orders

Page: 8

Period: FEB 2016

System Designation: WA AH O9

Inventory : AN1602

Budget Loan	Project	Amount
1	706 - 3	54,811.50
Total:		54,811.50

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

04/14/2016 9:11:16 am

RUS Form 219 Inventory Of Work Orders

Page: 4

Period: FEB 2016

System Designation: WA AH O9

Inventory: AN1602

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	2015	1742	1	10,756.10	0.00	0.00	0.00	0.00	10,278.39
							AFUDC: 477.71		
706 - 3	2015	1878	1	3,384.37	0.00	0.00	0.00	0.00	3,264.18
							AFUDC: 120.19		
706 - 3	2015	2097	1	41,463.90	0.00	0.00	0.00	0.00	41,268.93
							AFUDC: 194.97		
				55,604.37	0.00	0.00	0.00	0.00	54,811.50
Grand Totals:				\$ 55,604.37	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 54,811.50

MEMORANDUM

April 15, 2016

TO: Board of Directors

FROM: Foster Hildreth

RE: Member Information Request Appeal to Board

Orcas member James Owens submitted a request as follows:

"I would like to understand OPALCO's undersea cable system. I am doing this to help me understand the cost, timing and need to replace this system. Unfortunately, it may take several sets of questions for me to get my thoughts together. Thanks for your help. So to start out, could I get a table describing the system? Each individual cable's identification name, which islands it connects, length, capacity, date place in service, expected life at purchase, expected life now, terms of the warranty when purchased, original cost, depreciation so far, number of customer's served, who paid (OPALCO, BPA or customer group, other) and the OPALCO estimate of its replacement cost."

Pursuant to Policy 16, section 3.1.1.3, that furnishing the requested information would be adverse to the Cooperative's best interests. Staff also noted that the information is not readily available and there are potential security concerns. The details of our submarine cable system represent sensitive information (see Policy 16, section 4.9) that could create security risks for our Co-op and limit our ability to negotiate with future contractors.

Mr. Owens' appeal to the board is in the attached letter.

Appeal to Board of Directors Form

3/23/2016

OPALCO Board of Director

Appeal of Information Request Denial

Ladies and Gentlemen,

I would like to appeal Mr. Hildreth's denial of my request submitted under policy #16 for information on business aspects of our cable infrastructure. This denial was done in January of 2016 and is attached. I would ask that you reverse this decision.

What I asked for was business information on the 20 or so undersea power cables owned and operated by OPALCO, see my request, attached. I did not ask for locations or other security information. When I made my request in October of 2015, I was hearing all kind of wild statements about the future costs of replacing these cables. I wanted to get to the real facts so that I could perhaps write a public article making it possible for all your member/owners to have accurate information and understand the importance of this system. Doing this work would have represented a very large commitment of my time.

The information I need is wide ranging and would take time for OPALCO personnel to assemble. If I could get access and a little direction as to where to look, I would be happy to do the digging required. Actually, OPALCO, in its normal course of business, should be doing this sort of business review on all its major investments. The information should be somewhere, perhaps all in one place.

I fail to see this as a security risk. With the business information that I seek, I would not be able to locate or damage your undersea cable system.

I do not understand Mr. Hildreth's concerned about future negotiation with contractors. OPALCO should be seeking competitive bids for all major projects. In this process, all potential contractors should be given full information on the work required and the conditions they will encounter.

The body of information on your website does not provide the scope of information I am seeking.

Thank you for your consideration.


Tom Owens

ORCAS POWER & LIGHT COOPERATIVE

A Touchstone Energy Co-op



Eastsound Office
183 Mount Baker Road
Eastsound, WA 98245-9413
p:(360) 376-3500 f:(360) 376-3505
www.opalco.com

January 14, 2016

James Owens
PO Box 308
Orcas WA 98280

Dear Mr. Owens:

Thank you for your information request of 10-29-15. With budget time behind us, I have reviewed your request and must deny it because 1) the information is not readily available and 2) due to security concerns. The details of our submarine cable system represent sensitive information that could limit our ability to negotiate with future contractors and create security risks for our Co-op.

The body of information available on our website, including board materials and a video on the current submarine cable replacement project, provide all of the information available to the public without compromising security.

I appreciate your attention to Co-op matters and encourage you attend monthly board meetings when an agenda item is of interest. Board Materials are posted online the Monday before each meeting.

Member Service Policy 16.6 states: "Any public information request that is denied may be appealed to the Board of Directors for resolution. Any decision by the Board of Directors will be final."

Sincerely,

Foster Hildreth, General Manager

Rec'd
10-29-15

ORCAS POWER & LIGHT COOPERATIVE
Policy 16 Information Requests
Member Information Request Form

Member Name JAMES OWENS

Address POB 308, ORCA WA 98280

Telephone Number 360-632-8896 Member Number 8338500

Requesting on behalf of myself and the following other members:

Name	Address	Telephone #	Member #
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The specific information I am requesting is:

see email to Theresa Haynie

The specific purpose of the request is:

understand the undersea cable system
and need and cost of replacement

The specific use to which I intend to put the requested information is:

perhaps write an article on the issue

☐ I request a cost estimate for the copying charges before any costs are incurred. I understand that I am responsible for the costs of copying any documents that are provided and the cost of copying documents will include appropriate staff time for locating and copying the documents.


I hereby state that the foregoing information is complete and correct. I covenant that I shall not give the requested information to anyone other than the member(s) named herein or allow the requested

Printed Name J T Owens
Signature J T Owens
Date 10/26/15

Approved

~~_____~~ Denied

Comments SEE ATTACHED


Foster Hildreth, General Manager

1/14/2016
Date

Subject: Re: Graph
From: Tom Owens (svlandsend@yahoo.com)
To: THaynie@opalco.com;
Cc: jay@mountaincedar.com;
Date: Monday, October 26, 2015 1:42 PM

Hi Theresa,

Thanks for responding to Jay Kimball's request to provide me some information on your undersea cables.

The subject of my request has been lost in the transmission so here is my request. I

I would like to understand OPALCO's undersea cable system. I am doing this to help me understand the cost, timing and need to replace this system. Unfortunately, it may take several sets of questions for me to get my thoughts together. Thanks for your help.

So to start out, could I get a table describing the system? Each individual cable's identification name, which islands it connects, length, capacity, date placed in service, expected life at purchase, expected life now, terms of the warranty when purchased, original cost, depreciation so far, number of customer's served, who paid (OPALCO, BPA or customer group, other) and the OPALCO estimate of its replacement cost.

Thanks

Tom Owens

From: Theresa Haynie <THaynie@opalco.com>
To: Jay Kimball <jay@mountaincedar.com>; Tom Owens <svlandsend@yahoo.com>
Cc: Vince Dauciunas <vdauciunas@gmail.com>; Foster Hildreth <FHildreth@opalco.com>; William Appel <appelllb@aol.com>
Sent: Thursday, October 22, 2015 4:25 PM
Subject: RE: Graph

I'm ready when he is to discuss Henry Island.

Theresa Haynie
Communication Specialist
360.376.3560 || office
360.317.6227 || cellular
thaynie@opalco.com || email

From: Jay Kimball [mailto:jay@mountaincedar.com]
Sent: Wednesday, October 21, 2015 12:41 PM
To: Tom Owens <svlandsend@yahoo.com>

MEMORANDUM

April 15, 2016

TO: Board of Directors

FROM: Foster Hildreth

RE: Draft Bylaw Revision re Bona Fide Resident

The subject of “bona fide resident” comes up almost every year during the election process. Language has been drafted to alleviate the question ‘what is a bona fide resident’ and, in fact, to eliminate that requirement from the bylaws.

Article III – Directors Section 2 Qualifications and Tenure

“The territory served by the Cooperative shall be divided into four districts, and the directors shall be energy member residents of the respective districts, **as evidenced by an OPALCO membership with a residential meter in their name and** as hereafter provided.

District No. 1 shall include all territory lying South and West of a line beginning at the boundary between the United States and Canada, Northeast of Stuart Island; thence running in a Southeasterly direction to the East of Stuart and Spieden Islands through San Juan Channel; thence proceeding Southerly between Cattle and Davis Points through Middle Channel.

District No. 2 shall include all territory lying East and North of a line beginning on the boundary between the United States and Canada Northeast of Stuart Island and running thence Southeasterly to the East of Stuart and Spieden Islands and West of Flattop Island to a point West of Jones Island; thence Easterly to the North of Jones Island through Spring Passage and thence Easterly through North Pass and Pole Pass to the South of Orcas Island through Harney Channel; thence Southeasterly to the West of Blakely Island and through Thatcher Pass to the Skagit County line.

District No. 3 shall include all territory lying West of the Skagit County line and North of the Island County line and East of the East boundary of District No. 1, with the North boundary thereof commencing at the Skagit County line East of Blakely Island and running thence Westerly through Thatcher Pass; thence Northwesterly to the intersection of Harney Channel and Upright Channel North of Upright Head; thence Southwesterly through Upright Channel to its intersection with San Juan Channel.

District No. 4 shall include all territory, which is bounded on the South and West of District No. 1, on the North by District No. 2 and on the Southwest by District No. 3.

Each director shall serve for a term of three years, or until his successor shall have been elected and qualified, subject to the provisions of these bylaws with respect to the removal of directors. The election of directors and their terms of office shall be staggered as follows: ~~upon the expiration~~

~~of the terms of the present directors, new directors shall be elected who are residents of their districts for three-year terms and shall be elected every third year thereafter (at this time the terms are: District No. 1 Directors, 2 years; District No. 2 Directors, 3 years; District No. 3 Directors, 1 year; and District No. 4 Director, 1 year.).~~ District 1, District 2 and District 3 & 4 elections are to be rotated and held every third year, respectively.

Nominations for directors shall be made each year as hereafter provided from persons residing in the respective districts from which directors are to be elected in that year. No energy member shall be eligible to become or remain a director of the Cooperative ~~who is not a bona fide resident in the district of the Cooperative he is to represent, or who is employed by the Cooperative, or who is in any way employed by or financially interested in a competing enterprise or business primarily engaged in selling electrical or plumbing appliances, fixtures, or supplies to members of the Cooperative.~~

When a membership is held jointly by a married couple, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director nor to hold a position of trust in the Cooperative unless both shall meet the qualifications here above set forth. Nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever, the validity of any action taken at any meeting of the Board of Directors."

MEMORANDUM

April 15, 2016

To: Board of Directors

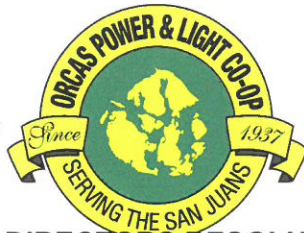
From: Foster Hildreth, General Manager

Re: CFC Line of Credit / Resolution 2-2016

Staff is requesting Board approval of a new *As Offered Uncommitted Line of Credit* in the amount of \$10M, with National Rural Utilities Cooperative Finance Corporation (CFC). Due to the existing credit facility expiring in 2016, staff is recommending the board approve reinstituting a credit facility in line with Board directives.

Based on Strategic Directive #3 *Cash and Asset Availability*, an unsecured line of credit is to be used as capital and/or contingency funding. OPALCO's legal counsel completed a thorough language conflict analysis comparing RUS, CFC and CoBank loan documents and approved both sets of loan documents as to form. Please note that OPALCO will not incur any maintenance fees to keep the proposed loan active.

Staff recommends that the board make a motion to approve Resolution 2-2016, which allows OPALCO to execute the documents relating to the CFC \$10M line of credit.



**BOARD OF DIRECTORS RESOLUTION 2-2016
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
LINE OF CREDIT AND BORROWING**

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, Jerry Whitfield, do hereby certify that (i) I am the secretary of Orcas Power & Light Cooperative (hereinafter called the "Cooperative"), (ii) the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Cooperative at a meeting held April 21, 2016; (iii) the meeting was duly and regularly called and held in accordance with the bylaws of the Cooperative; (iv) the Cooperative is duly incorporated, validly existing and in good standing under the laws of the State of Washington and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the Cooperative; (v) forms of the loan documents were submitted to the meeting and were authorized by the Board of Directors to be executed; (vi) none of the following resolutions has been rescinded or modified as of this date; and (vii) the persons authorized below have been duly elected or appointed to their respective positions and occupied such positions on the date of actual execution of the loan documents:

RESOLVED, that the Cooperative establish a line of credit and authorize borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount which shall not at any one time exceed \$10,000,000.00 (the "Line of Credit Amount"), subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the "Line of Credit Agreement"); and,

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the following documents: the Line of Credit Agreement;

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to make all payments, to execute any future amendments to said Line of Credit Agreement as such individual may deem appropriate within the Line of Credit Amount so authorized and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

President	James Lett
Vice President	Vince Dauciuinas
Secretary-Treasurer	Dr. Jerry Whitfield

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this 21st day of April, 2016.

SEAL

Secretary

MEMORANDUM

April 15, 2016

TO: Board of Directors

FROM: Foster Hildreth

RE: Submarine Cable Update

CenturyLink Fiber Optic Cables

OPALCO has been in discussion with CenturyLink about the issues discovered during the seafloor mapping of the existing cables and planned routing for our new cable. During the seafloor mapping exercise, we discovered CenturyLink's cables have drifted over the top of the 1977 Sumitomo cable that is to be removed. We alerted CenturyLink of this issue and informed CenturyLink of the approximate \$900,000 cost of relocation and anchoring of their cable. Our project manager, Joel Mietzner, was informed indirectly by a CenturyLink employee that CenturyLink is choosing not to have direct dialogue regarding the relocation of their cables.

Staff will be working with the Department of Natural Resources to explore potential resolutions of this issue. Staff will be available to answer specific questions at the meeting.

Removal of the land portion of the Sumitomo Submarine cable

In preparation for installation of the land portion of our new submarine cable from Otis Perkins Park to the Lopez Submarine Cable Terminal, OPALCO will need to decommission the existing Sumitomo cable and take it out of operation. This will involve unearthing this portion of the existing cable (approximately 1,550 ft.) and installing a new vault and conduit system that will house the new cable. We will then begin the pressurized removal of oil from the existing cable to prepare the submarine cable for removal. OPALCO is scheduled to receive the land portion of our new submarine cable in June. This cable will need to be installed and the modifications to the submarine cable terminal will need to be complete prior to laying the new submarine cable in the fall of 2017. Due to investigations and project planning, this cable has been de-energized for approximately two years. Please note that taking this cable out of operation will leave San Juan and its radial connected islands, Brown, Pearl, Henry, and Spieden, without a redundant transmission source. Based on our surveys of the Furukawa cable we are confident that this will be a reliable source of power for San Juan Island in the interim period.

MEMORANDUM

Date: April 15, 2015
To: Board of Directors
From: Foster Hildreth, General Manager
Subject: Safety Program – March 2016

Safety Training

Jeff Myers and Roger Sandwith conducted hazard training for the Engineering Department. This review covered hazards that qualified non-electrical workers may encounter when conducting engineering audits of vault, switch pedestals, transformers, etc.

Jeff Myers conducted Emergency Action Plan training. This includes training on how employees should respond to immediate emergencies.

Accidents/Incidents/Near Miss

None

	March 2016	YTD (2016)
Near Misses	0	0
Incidents	0	0
Accidents	0	0
Loss Time	0	0

Total Hours Worked without Loss Time Accident: 37,244

GENERAL MANAGER'S REPORT

April 15, 2016

ENGINEERING, OPERATIONS AND TECHNICAL SERVICES

WIP

As of April 15, 2016, there were 358 work orders open totaling \$4,612,705. Of those, Operations has completed construction on 79 work orders, totaling \$1,147,723. Construction at Karen Lane on Orcas is expected to be complete in May. Re-conductoring of our three-phase line on San Juan Valley Road will commence in May. This will strengthen the redundancy of our substations on San Juan. Transmission pole replacements on Pear Point Road and Tucker Avenue will commence in June as part of our pole replacement programs.

RUS Transmission Loan (Submarine Cable)

Loan processing is nearing completion. The contract approval is near complete as is the final paperwork and approval to draw funds prior to project completion. Sumitomo is still on schedule with the manufacturing of the land and sea cables. The land cable will be delivered for installation in June. The installation of the conduit system from Otis Perkins Park to the Lopez Submarine Cable Terminal will start at the end of May. See also 'submarine cable update' discussion item in the board materials.

FINANCE

2015 Year-End Audited Consolidated Financial Statements

OPALCO and Rock Island staff have been working closely with Moss Adams staff both during the on-site fieldwork and post fieldwork portions of the 2015 audit. Staff expects Moss Adams will present the final audit report at the May board meeting.

2015 US Department of Energy Form EIA - 861

The preparation of the annual filing is currently underway, which is based both on the year-end and specialized reporting of financial information as well as energy programs. The required report provides statistical data regarding various areas of utility operations. Staff anticipates filing the report before the deadline of May 2nd.

CFC Unsecured Line of Credit

Staff will be presenting the CFC loan documents at the April board meeting for board approval and discussion.

MEMBER SERVICES and ENERGY SAVINGS

Member Services

With the addition of a Member Services Supervisor, we are nearing full staffing levels. In light of a recent staff vacancy, we have posted a full-time regular Member Services Representative position, and are currently accepting applications.

Energy Savings

Staff has received another request to review previous years' submissions to BPA, and is also preparing for calculating interconnected Member Generator production incentives. Rebate applications are continuing to be submitted, though they have slowed compared to previous years. If current trends continue, the EEI funds may extend into Q3 of this year.

COMMUNICATIONS

Election Update

To date, 526 members have voted and all but 5 of those ballots came in online. The greatest voting days so far were the first three days after ballots were distributed on April 8th (209 came in on the first day of voting). Absentee ballots are due by 10:00 am April 29th. Election materials are available in our Resource Library online.

Candidate Forums

The schedule for next week is as follows, with each forum starting at 5:00 pm:

Tuesday, April 19 – Shaw Community Building

Wednesday, April 20 – Friday Harbor Grange

Thursday, April 21 – Lopez Woodmen Hall

Friday, April 22 – Eastsound Fire Hall

Please see attached: 1) candidate forum flier and 2) agenda for candidate forums. All board members are encouraged to attend as many forums as schedules allow. Please let Theresa know ASAP if you need a ride from the ferry landing to the forum (thaynie@opalco.com). There will be a charter boat returning to Orcas from San Juan on Wednesday, leaving the Spring Street landing promptly at 7:15 pm.

Annual Meeting

The format for the annual meeting is a little different this year. As with all annual meetings, we will strive to take care of all business items first and as efficiently as possible. Management will take about five minutes to present our vision for the Co-op and then we will move into a member question and comment period. There will be mic stands on each side of the room where members can line up to speak for up to one minute each. Our goal at this meeting is to promote communication dialogue between the OPALCO team and the membership. We encourage the management team and board to engage in two-way dialogue during the Q&A session. Door prizes (scaled down) will be given away before the meeting closes.

Representatives from Rock Island, Islanders Bank, and San Juan Conservation District will be circulating information and giveaways for members. Islanders Bank will be specifically promoting their Get Connected loan program – giving members access to loan funds for fiber connections, renewable installations and energy efficiency improvements.

Following the annual meeting, each member (based on the \$5 bill credit) in attendance will receive a brief survey via email to give feedback on the annual meeting and election. Questions will address member preferences and satisfaction on: voting/election, annual meeting activities, annual meeting incentives (freebies, door prizes), and the annual report. Results will be used to plan next year's election and annual meeting.



ORCAS POWER & LIGHT COOPERATIVE

CANDIDATE FORUMS

2016 BOARD OF DIRECTORS ELECTION

DISTRICT 3 CANDIDATES



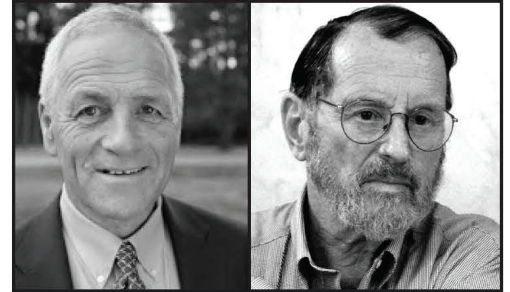
LETT

SILVERSTEIN

STEPHENS

LEWIS

DISTRICT 4 CANDIDATES



WHITFIELD

JACOBS

Please join us for a series of independently moderated candidate forums
Forums begin at 5:00 PM followed by an informal Q&A with staff at 6:00 PM

APRIL 19 - Shaw Community Center

APRIL 20 - San Juan Island Grange

APRIL 21 - Woodmen Hall, Lopez

APRIL 22 - Eastsound Fire Hall



Election opens: April 8th

Absentee Ballots Due: April 29th

Annual Meeting on the Ferry: April 30th

Candidate bios and election info: **www.opalco.com**

2016 OPALCO BOARD ELECTION

CANDIDATE FORUMS

The purpose of this meeting is to get to know the candidates for OPALCO's Board election. There will be time at the end of the meeting to ask general questions of OPALCO staff and leadership. Please keep remarks limited to candidate questions. Also, please note, the forum will be video-taped for OPALCO's internal use only.

4:45 Doors Open

5:00 Welcome and Introductions (Suzanne Olson)

5:05 Forum Guidelines and Ground Rules (Steve Bowman)

- Candidate Intros: limited to 3 minutes each
- Questions from the membership: limited to 1 minute each
- Questions to a specific candidate: that candidate limited to 2 minutes to respond– other candidates limited to 1 minute to add their own answer
- General Questions: each candidate limited to 2 minutes

5:10 Candidate Introductions

5:30 Questions from the Membership

6:00 Moderator calls Forum to close
Informal Q&A with OPALCO Staff and Leadership

7:00 Event Closes

**MINUTES OF THE ANNUAL MEETING
OF
ORCAS POWER & LIGHT COOPERATIVE
May 2, 2015**

President Jim Lett called the 78th Annual Meeting of the members of Orcas Power & Light Cooperative to order at 9:45 a.m. aboard the M/V Hyak.

A quorum was met, with 229 members in attendance and 337 attendees.

Lett welcomed members and guests, and introduced the current Board of Directors: District 1 Vince Dauciunas and Glenna Hall; District 2 Winnie Adams and Chris Thomerson; District 3 Bob Myhr and James Lett and District 4 Dr. Jerry Whitfield. Guests welcomed included Marcus Perry BPA Senior Account Executive; Melanie Jackson, BPA Transmission Account Executive; Adelmo delaCruz, BPA Transmission Field Specialist for the Snohomish District; Jeff Case, Oldcastle sales representative, Walt Wilson (and daughter Riley), General Pacific sales representative; Jeff Lindgren, Cooper Power Systems; and Matt Holzer HD Supply Utilities. Special recognition was given to Joan Crosby, wife of former Board member Roger Crosby. Lett thanked the caterer Asher & Olive for the wonderful lunch and the Washington State Ferries for their cooperation in letting us have the meeting onboard.

Also introduced were Joel Paisner, OPALCO counsel serving as parliamentarian and Doug Pearson, Tally chair.

A motion was made and seconded to waive the reading of the Official Notice of the Meeting; motion carried. A motion was then made and seconded to waive the reading of the Minutes of the 2014 Annual Meeting; motion carried. Motion was made and seconded to approve the minutes of the 2014 Annual Meeting; motion carried.

Board candidates from District 2 (representing Orcas, Armitage, Blakely, Obstruction, Big Double, Little Double and Fawn islands) were introduced: Winnie Adams (incumbent), Chris Thomerson (incumbent), and Ed Sutton. Candidate Randy Cornelius was not in attendance. After giving members time to mark their ballots, Lett declared registration and balloting closed for this annual meeting.

President Lett then thanked the San Juan Islands Conservation District, OPALCO's nonprofit partner for energy efficiency, conservation and renewables outreach and education, for providing the lunch bags. Lett noted that this year's giveaways were scaled back as part of OPALCO's "belt tightening" measures.

Lett outlined the steps the Board of Directors took this past year beginning with a cost of service study in early 2014 to reach a new rate structure in November 2014. In addition, the 2015 budget included the rate increases that went into effect with the February 2015 billing cycle. This rate increase reflects other hard hits that occurred in 2014, including cost increases for the upcoming submarine cable replacement; a \$200,000 charge from BPA for an early morning peak demand that happened during a February cold snap; unusually warm temperatures that left us with a \$1.4 million revenue shortfall. The Board is studying the needs of our low income members and is looking for ways to do more through Project PAL and other programs with the help of the Opportunity Council and the Low Income Home Energy Assistance Program (LIHEAP). Lett asked that members donate to PAL, as only about 25% of the membership currently "rounds up".

Lett noted that OPALCO, even with the rate increase, still has some of the lowest rates in the nation and our power is cleaner and greener than most because of the hydroelectric power accessed through BPA.

Safety is a top priority at OPALCO with three main objectives, including getting employees safely home to their families each night, protecting members and their property from harm; and educating our children and communities about how to be safe around

electricity. OPALCO has joined NRECA’s Rural Electric Safety Achievement Program (RESAP) with three staff members becoming certified to participate. Lett added that the wholly owned subsidiary extends the safety net by improving communication throughout the county for emergency personnel. By adding a \$3 charge per member per month for 24 months that will be repaid by Rock Island Communications, OPALCO is able to support the build out of our fiber optic backbone to extend the service to members. The projected revenue will help meet the expenses associated with replacing submarine cables and to offset the revenue volatility of weather variations and changes in energy usage.

The fifth annual Nourdine Jensen Scholarship Awards were presented to Ray Doss of Orcas and Robby Miller of San Juan. Additional scholarship winners were Michaela Ibambasi, Seeda Guckian and Anthony Kaskurs who were unable to attend due to SAT testing. Each student will receive a \$500 scholarship and a week at the Youth Rally Leadership Camp at the College of Idaho this summer with opportunities to earn additional scholarships.

Lett announced the six members whose absentee ballots were drawn to win a \$50 credit on their utility bill: Pat Ball, Richard Nicholson, Smugglers Cove Water Users Association, Virgil Hennen, Gordon Fowler and Michelle Novak.

Tally Committee Chairman Doug Pearson announced the following voting results:

For the District 2 director positions (two open seats):

	Total	Absentee	Annual Meeting
Winnie Adams	1643	1600	43
Randy Cornelius	1597	1548	49
Ed Sutton	796	781	15
Chris Thomerson	1267	1239	28

Bylaw Amendment #Article IV *Meeting of Directors* (Failed)
Initiated by member petition, it was proposed to amend Article IV *Meeting of Directors* Section 3 (new section):
“In addition, the Cooperative shall maintain an email list to notify any Energy Member who signs up to be notified when any board meetings are called or scheduled and whether they are open to the Energy Members. Any amendments to these Bylaws shall be emailed to the same email list.”

	Total	Absentee	Annual Meeting
Yes	1191	1156	35
No	1324	1297	27

A total of 2,524 ballots were cast.

Hildreth then answered frequently asked questions with the assistance of Suzanne Olson. Members also submitted their questions, which Hildreth stated would be answered via email and posted on the OPALCO website after the meeting.

There being no further business, Lett declared the meeting adjourned at 10:55 a.m. Door prizes were then awarded.

Jim Lett, President

Jerry Whitfield, Secretary-Treasurer

Rock Island Communications April 2016 Update

Summary

Major fiber construction projects continue; 18 separate projects completed or were underway during March, resulting in 46 new Fiber connections -- 11 ahead of budget. Our new community projects for 2016 are off to a good start, closing a deal with 4 new neighborhoods with a long line behind them. Our Individual Connection program is continuing all the time and will only grow faster as the remaining backbone is moving into more active construction, particularly on San Juan Island. 15 LTE Fixed Wireless sites are active and we added 125 new LTE customers in March, 65 ahead of budget for the month. We more than doubled our LTE revenue month over month.

Since Jan 1st we have averaged 6 new Fiber/LTE connections each working day

Major Projects Summary

LCLT TUATARA (Lopez):

- 17/17 total homes connected

THE HAMLET (Lopez): New

- 11/17 total condos connected

CAPE SAN JUAN (Phase 2)

- Multiple last miles under way
- Additional middle mile work 90% complete
- Communications to residence have been going out and will continue
- Fiber backhaul making its way down and Up Cattle Point Rd through the new road section, awaiting Federal Parks approval for construction through their property.

WHISKEY HILL: 55% of Total Project Complete

- 18 of 57 connected
- Middle mile construction complete, fiber and splicing complete
- Last mile construction continues

Other Active Projects underway

- Portland Fair
- Harney Park
- Roche Harbor HOA
- Brown Island
- Hilltop
- Morley Dr
- Calypso/Melody Ln
- Indian Point
- Pole Pass
- Eastsound Core
- Rum Runner

INDIVIDUALS

Continued push for individual connections all over the county. Along these routes alone we have identified and are actively constructing 120+ services that can be funded with incentive dollars. New routes for individual connections will become available as the backbone fiber is constructed.

VoiP Rollout

- UPS battery backups going out with VoiP-enabled modems, delayed due to manufacturer issue on the cable.
- We are rolling out VoiP to customers chronologically by fiberhood sequence.
- Entered negotiations with a new upstream provider to decrease the operational burden and increase the feature set for customers.

LTE Rollout Project

- 15 LTE Fixed Wireless sites are active, and all have more customers coming online on a daily basis.
- Customer response continues to be beyond our expectations
- Next sites to be operational will be Orcas Road (near the Grange), South Blakely and West Valley/Boyce.
- Deployed a web-based eligibility list on rockisland.com along with a new site design
- Our largest outstanding LTE issue outside of building and deploying new sites relates to the wireless backhaul at the Cape of San Juan.
- We are working on completing locations for the remaining sites as we bridge coverage gaps in the network.

Fiber Sales Pipeline

- Commitments, many with final designs and payment. These represent more than 250 upcoming fiberhood connections:
 - Roche Harbor Resort HOA (26)
 - Harney View on Orcas (35+)
 - Brown Island on San Juan (46)
 - Garry Oak on San Juan (12)
 - Portland Fair Area on San Juan (35)
 - Panorama Place on San Juan (12)
 - Humphrey Head on Lopez (2)
 - Ruggles on Lopez (3)
 - Eastsound Village (30*)
 - Geisers Way (14)
 - Rosario Group A (12)
 - Hilltop on Lopez (40)
- Actively in discussion: 25 other communities

DASHBOARD: ROCK ISLAND COMMUNICATIONS

SUBSCRIBERS

BUDGET Subscribers	2015	2016 Budget Subscribers												2016	2016
		January	February	March	April	May	June	July	August	September	October	November	December	Period End (Mar) Budget	Year End Budget
Fiber	500	35	35	35	40	40	40	55	55	55	45	45	45	105	525
LTE	608	60	60	60	125	125	125	125	125	125	75	75	75	180	1,155
Total		95	95	95	165	165	165	180	180	180	120	120	120	285	1,680

ACTUAL Subscribers	2015	2016 Actual Subscribers												2016	2016
		January	February	March	April	May	June	July	August	September	October	November	December	Period End (Mar) Actual	Year End Actual
Fiber	489	29	35	46	-	-	-	-	-	-	-	-	-	110	110
LTE	39	39	115	125	-	-	-	-	-	-	-	-	-	279	279
Total		68	150	171	-	-	-	-	-	-	-	-	-	389	389

VARIANCE Subscribers	2015	2016 Variance Subscribers												2016	2016
		January	February	March	April	May	June	July	August	September	October	November	December	Period End (Mar) Variance	Year End Variance
Fiber	(11)	(6)	-	11	(40)	(40)	(40)	(55)	(55)	(55)	(45)	(45)	(45)	5	(415)
LTE	(569)	(21)	55	65	(125)	(125)	(125)	(125)	(125)	(125)	(75)	(75)	(75)	99	(876)
Total Variance (Actual - Budget)	(580)	(27)	55	76	(165)	(165)	(165)	(180)	(180)	(180)	(120)	(120)	(120)	104	(1,291)

Pipeline Subscribers		2016 Subscriber Pipeline												2016	2016
		January	February	March	April	May	June	July	August	September	October	November	December	Q1 Pipeline	Year End Target
Fiber		31	49	52										132	600
LTE		35	125	317										477	1,500
Total Pipeline		66	174	369	-	-	-	-	-	-	-	-	-	609	2,100

REVENUE

BUDGET Revenue		2016 Budget Revenue												2016	2016
		January	February	March	April	May	June	July	August	September	October	November	December	Period End (Mar) Budget	Year End Budget
Subscribers															
Fiber		84,463	84,463	84,463	96,380	96,380	96,380	116,779	116,778	116,778	128,696	128,696	128,697	253,388	1,278,952
LTE		34,550	34,550	34,550	62,675	62,675	62,675	90,800	90,800	90,800	118,925	118,925	118,925	103,660	920,850
DSL/Canopy		66,598	66,598	66,598	60,804	60,804	60,804	53,912	53,912	53,912	49,820	49,820	49,821	199,674	693,283
IT Services		21,069	21,069	21,069	24,878	24,878	24,878	34,402	34,402	34,402	25,715	25,715	25,717	63,206	318,193
Total		\$206,639	\$206,639	\$206,639	\$244,737	\$244,737	\$244,737	\$295,893	\$295,892	\$295,892	\$323,156	\$323,156	\$323,160	\$619,918	\$3,211,278

ACTUAL Revenue		2016 Actual Revenue												2016	2016
		January	February	March	April	May	June	July	August	September ⁴	October	November	December	Period End (Mar) Actual	Year End Actual
Fiber		59,545	72,644	73,986	-	-	-	-	-	-	-	-	-	206,175	206,175
LTE		4,972	7,230	16,481	-	-	-	-	-	-	-	-	-	28,683	28,683
Voip		714	1,368	1,748	-	-	-	-	-	-	-	-	-	3,830	3,830
DSL/Canopy		72,308	71,342	70,140	-	-	-	-	-	-	-	-	-	213,790	213,790
IT Services		22,998	33,274	11,417	-	-	-	-	-	-	-	-	-	67,689	67,689
Total		\$160,537	\$185,858	\$173,772	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$520,167	\$520,167

VARIANCE Revenue		2016 Variance Revenue												2016	2016
		January	February	March	April	May	June	July	August	September	October	November	December	Period End (Mar) Variance	Year End Variance
Subscribers															
Fiber		(24,918)	(11,819)	(10,477)	(96,380)	(96,380)	(96,380)	(116,779)	(116,778)	(116,778)	(128,696)	(128,696)	(128,697)	\$ (47,213)	\$ (36,736)
LTE		(29,578)	(27,320)	(18,069)	(62,675)	(62,675)	(62,675)	(90,800)	(90,800)	(90,800)	(118,925)	(118,925)	(118,925)	\$ (74,967)	\$ (56,898)
Voip		714	1,368	1,748	-	-	-	-	-	-	-	-	-	\$ 3,830	\$ 2,082
DSL/Canopy		5,750	4,784	3,582	(60,804)	(60,804)	(60,804)	(53,912)	(53,912)	(53,912)	(49,820)	(49,820)	(49,821)	\$ 14,116	\$ 10,534
IT Services		1,929	12,205	(9,651)	(24,878)	(24,878)	(24,878)	(34,402)	(34,402)	(34,402)	(25,715)	(25,715)	(25,717)	\$ 4,483	\$ 14,135
Total Variance (Actual - Budget)		(46,102)	(20,781)	(32,867)	(244,737)	(244,737)	(244,737)	(295,893)	(295,892)	(295,892)	(323,156)	(323,156)	(323,160)	(99,751)	(66,884)
Variance %		-22.3%	-10.1%	-15.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-16.1%	-2.1%

MEMORANDUM





































April 15, 2016

To: Board of Directors

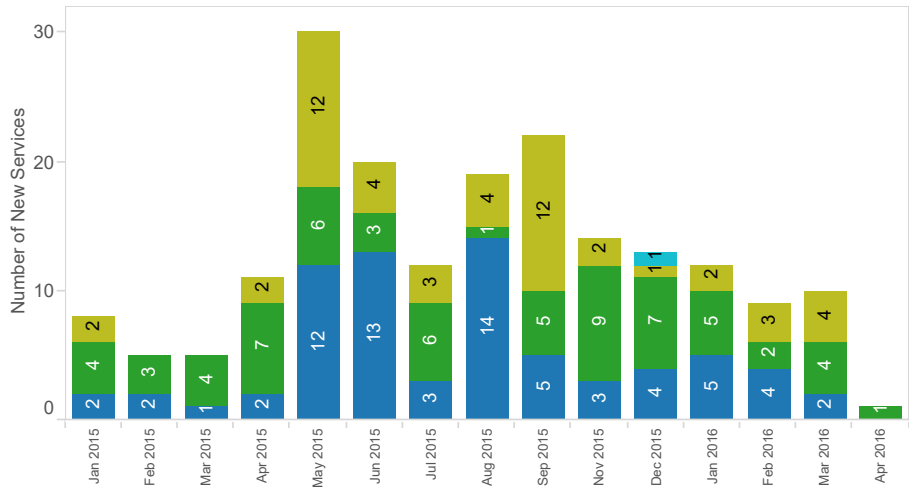
From: Foster Hildreth, General Manager

Subject: Dashboard

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

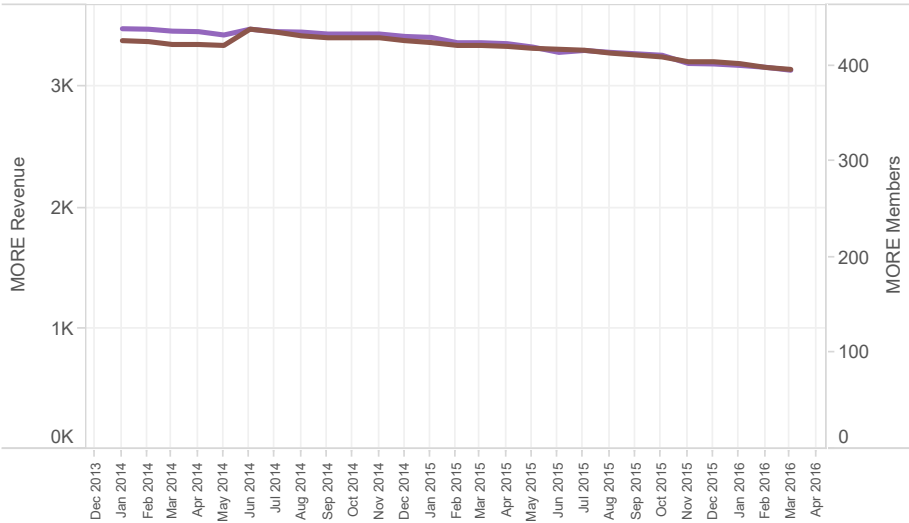
Title	Status			Comment
Service Additions by Board District				Continued new services
PAL and Energy Assist. Prog.				Funding through the tariffs will help
MORE/All Green				Continued decline in participation
Cash				Pursuant to Board Directives
Revenue				Pursuant to Board Directives/budget
Margins				Pursuant to Board Directives/budget
TIER				Stable due to CRC
Equity				Pursuant to Board Directives/budget
Debt				Pursuant to Board Directives/budget
Outage Summary				Trending is level
Outage Statistics				Durations above Industry Trends
Power Cost				Below budget

Services Additions by Board District
(excluding transfers)



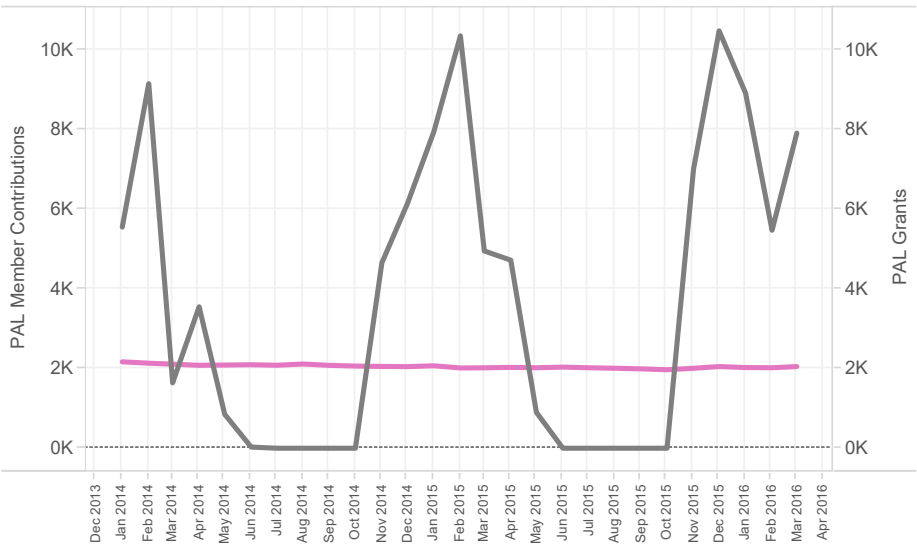
- District 4 - Shaw, Bell, Canoe, and Crane
- District 3 - Lopez, Decatur, Center, and Charles
- District 2 - Orcas, Blakely, Obstruction, Armitage, Bid Double, Little Double, and Fawn
- District 1 - San Juan, Brown, Henry, Pearl, and Spieden

MORE



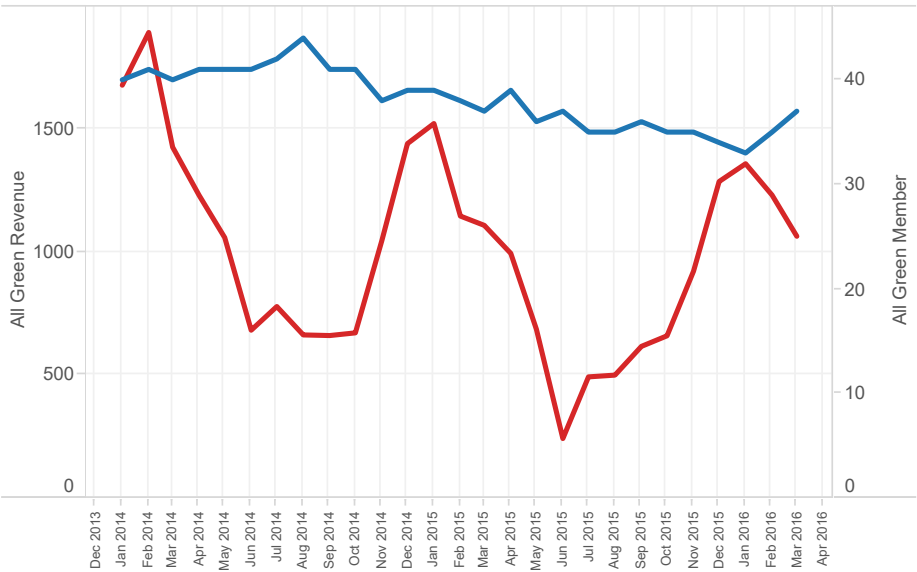
- MORE Revenue
- MORE Members

PAL

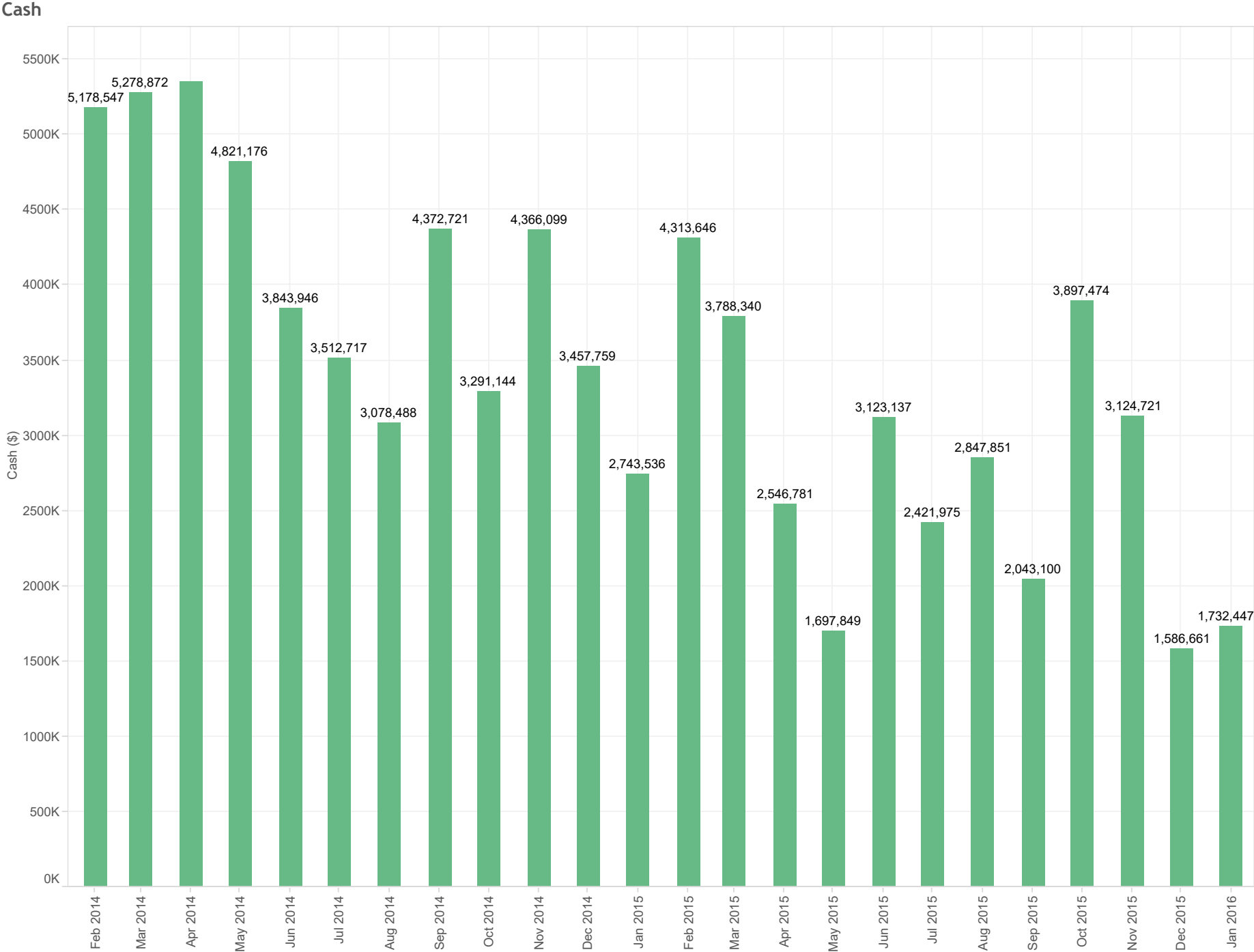


- PAL Grants
- PAL Member Contributions

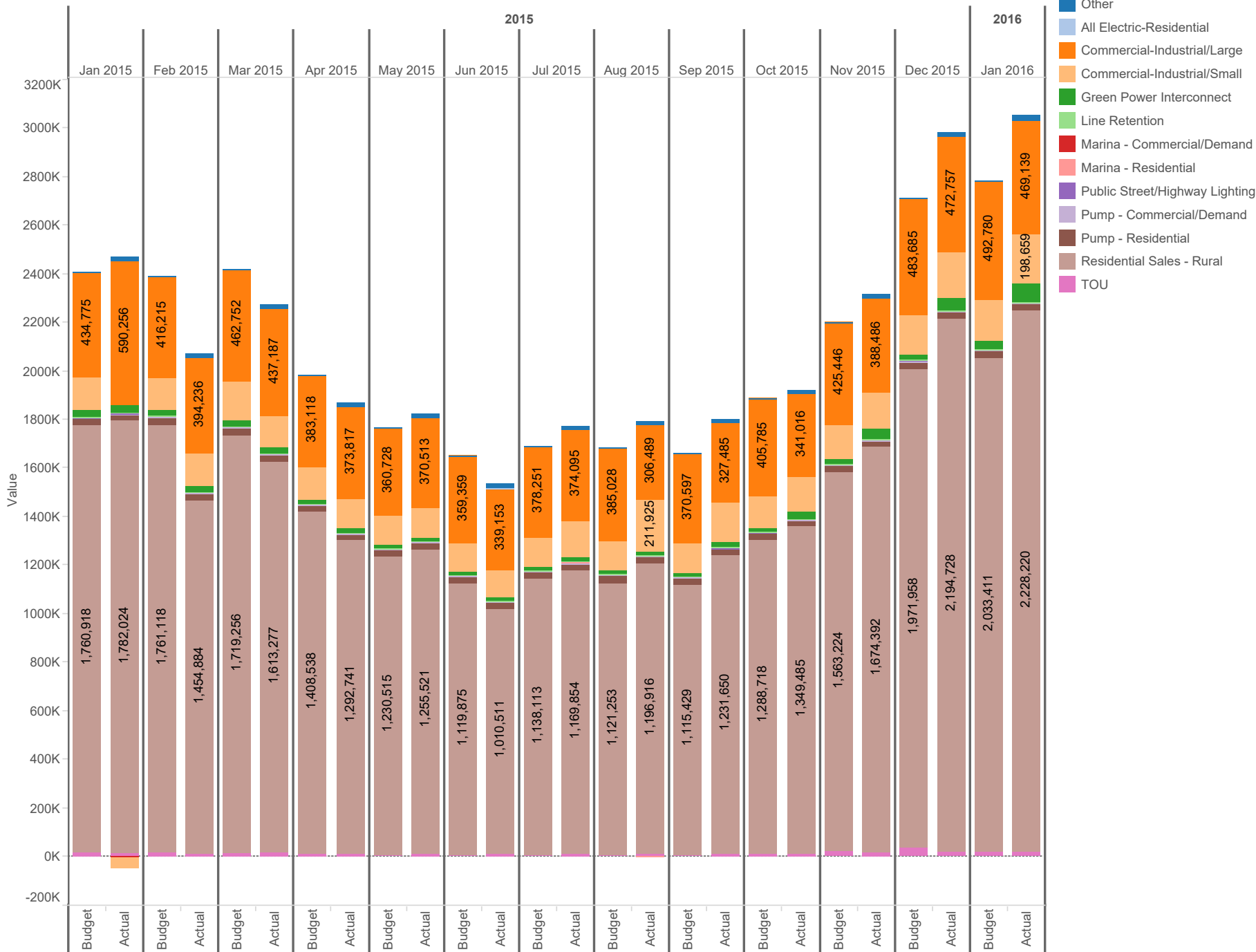
All Green



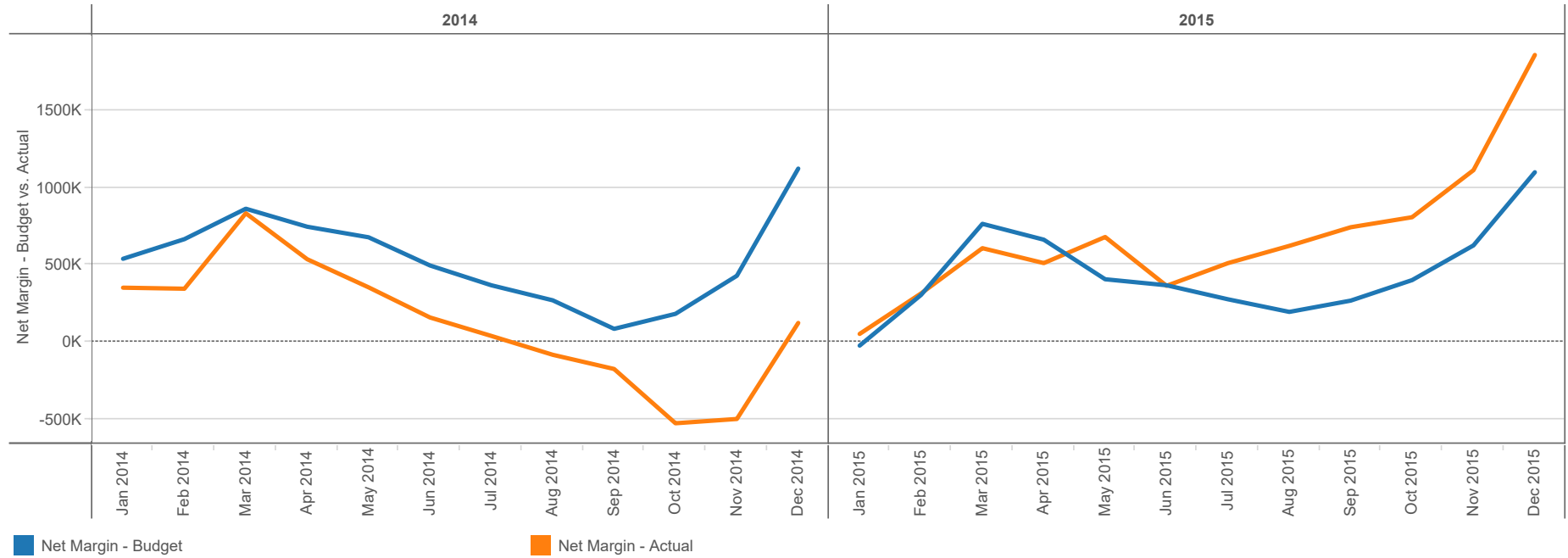
- All Green Member
- All Green Revenue



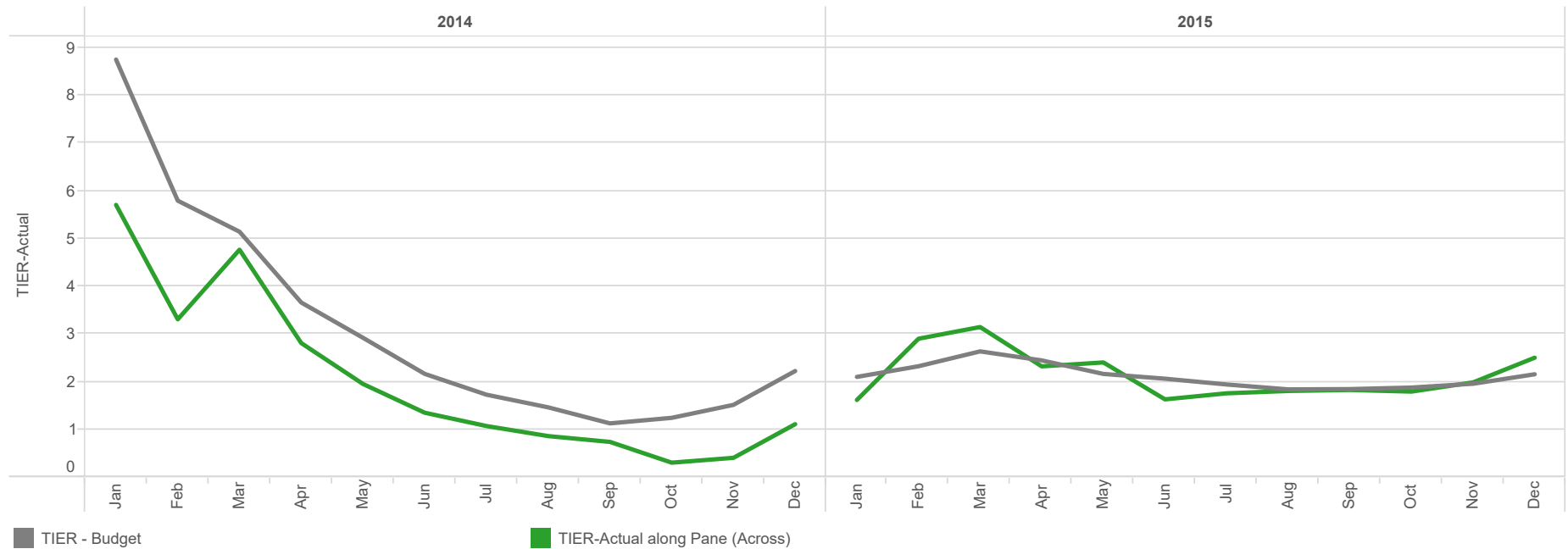
Revenue by Rate Class

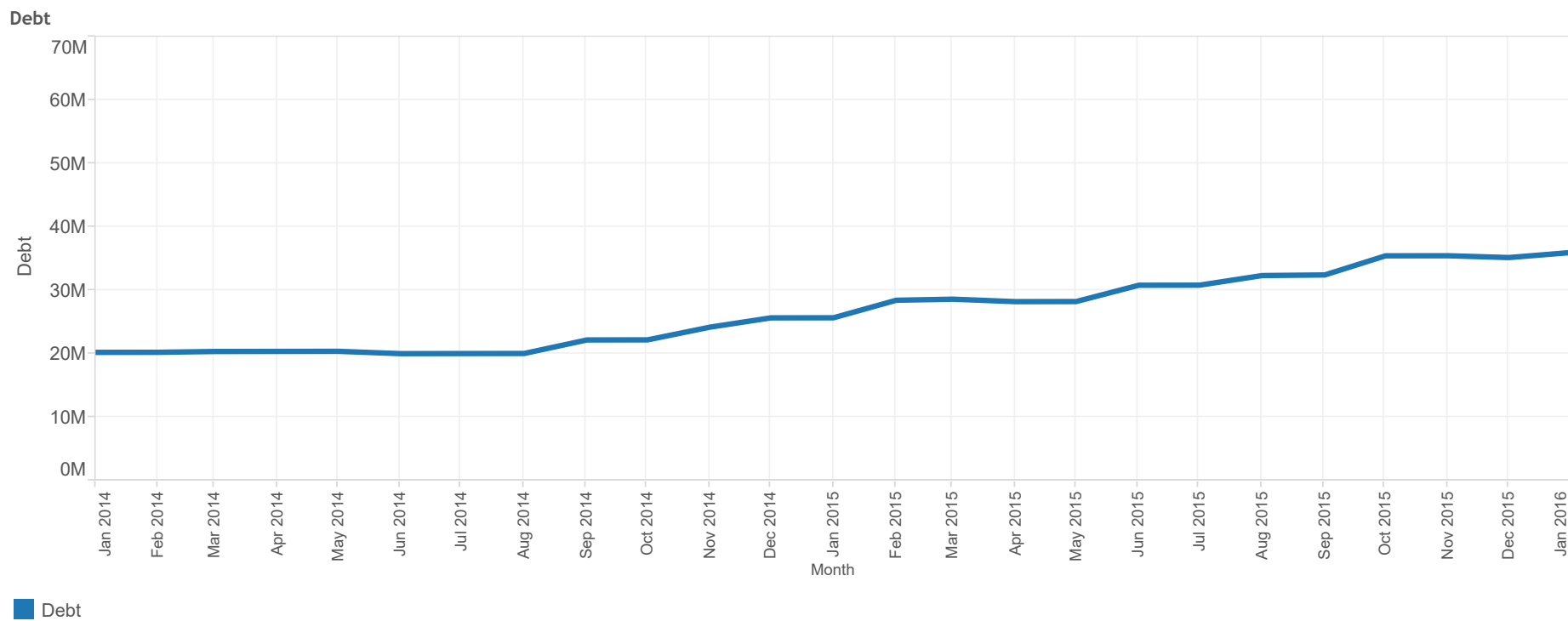
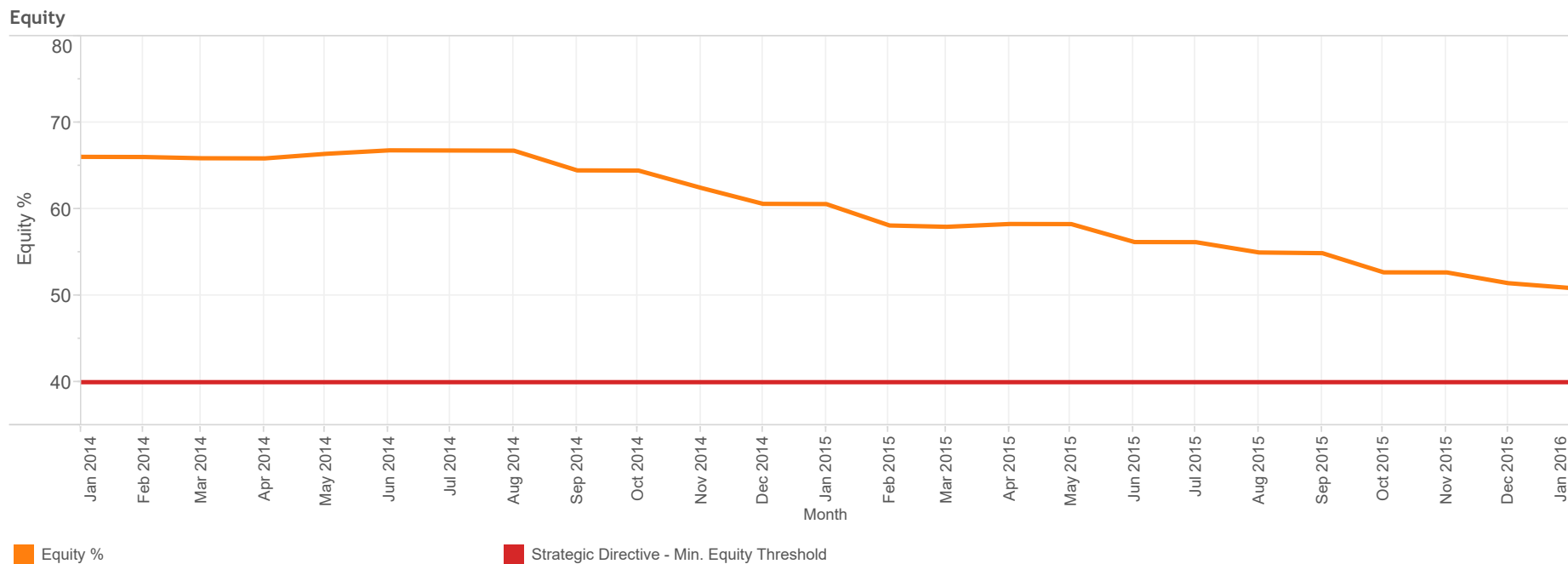


Net Margins

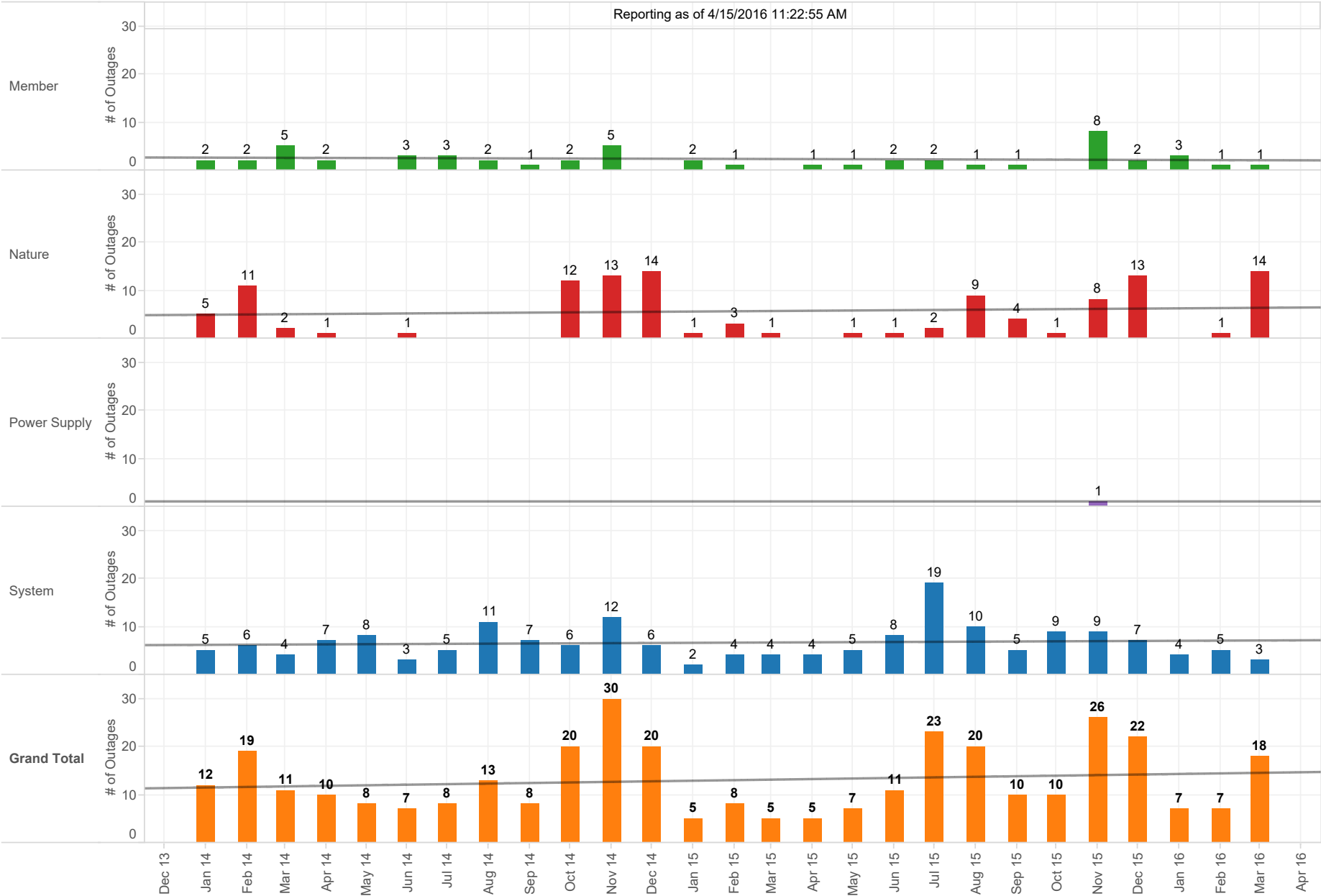


TIER





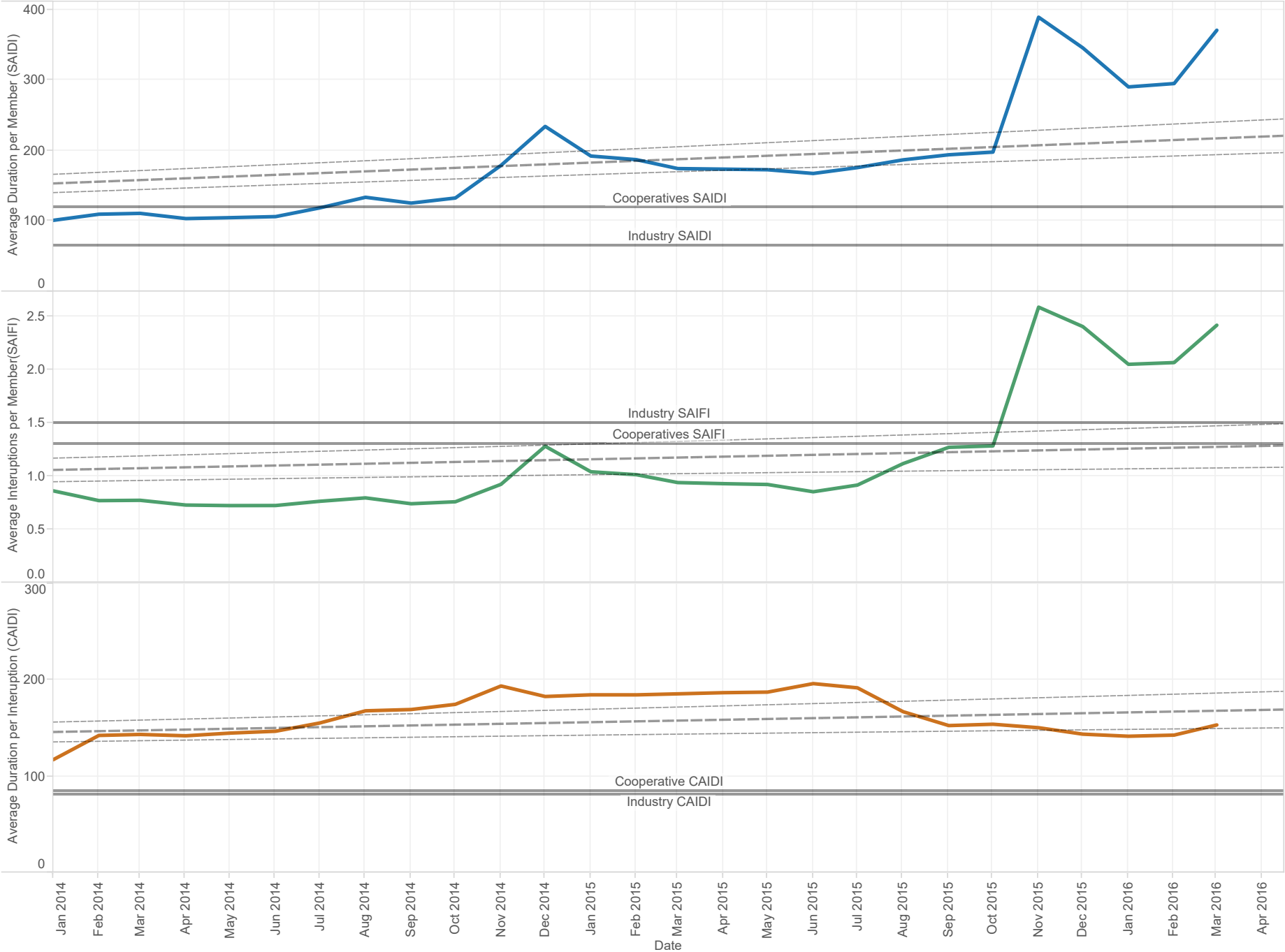
Outage Summary



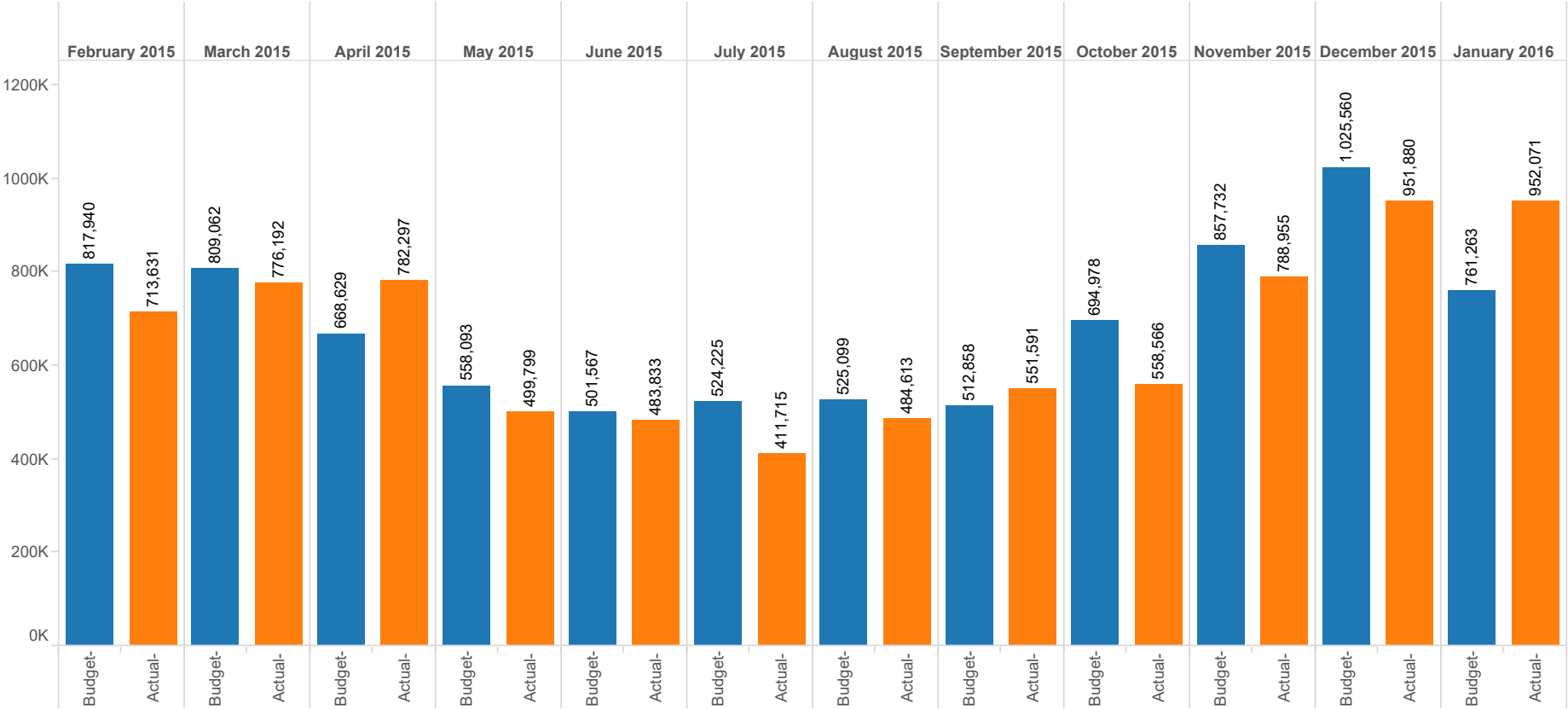
Category Description

Member Nature Power Supply System Grand Total

Outage Statistics



Power Cost



Prior Rolling 12 Months

	Budget-	Actual-	Variance
February 2014	850,331	1,105,673	255,343
March 2014	773,388	778,706	5,318
April 2014	763,902	713,126	-50,776
May 2014	487,679	475,013	-12,666
June 2014	502,284	473,272	-29,012
July 2014	431,674	421,778	-9,896
August 2014	496,352	481,176	-15,177
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
Grand Total	8,010,417	8,056,332	45,915

Current Rolling 12 Months

	Budget-	Actual-	Variance
February 2015	817,940	713,631	-104,309
March 2015	809,062	776,192	-32,870
April 2015	668,629	782,297	113,668
May 2015	558,093	499,799	-58,294
June 2015	501,567	483,833	-17,734
July 2015	524,225	411,715	-112,510
August 2015	525,099	484,613	-40,487
September 2015	512,858	551,591	38,733
October 2015	694,978	558,566	-136,412
November 2015	857,732	788,955	-68,777
December 2015	1,025,560	951,880	-73,680
January 2016	761,263	952,071	190,808
Grand Total	8,257,005	7,955,143	-301,862

MEMORANDUM

April 15, 2016

TO: Board of Directors
FROM: Foster Hildreth
RE: Member Communication(s)

TOPIC:

NAME:

1. Member Information Request

Alex MacLeod

As agreed, MacLeod's entire Member Information Request, denial and subsequent board appeal/denial is included with these board materials.

2-26-14

ORGAS POWER & LIGHT COOPERATIVE
Policy 16 Information Requests
Member Information Request
Appeal to Board of Directors Form

Member Name JOHN A. MACLEOD

Attached is a copy of the Information Request Form showing the General Manager's denial to my Member Information Request.

I hereby request that the OPALCO Board of Directors review my request and override the General Manager's denial of my request. I further agree to abide by Member Service Policy 16 *Information Requests* if my request is approved.

Member Signature Ben A. N. Keod
Date 2/26/2016

貴州省地方志編纂委員會

Decision of the Board of Directors is final.

_____ Approved

 Denied

Comments _____

Jerry Whitfield, Secretary/Treasurer

Date _____

Feb. 23, 2016

James B. Lett
President, Board of Directors
Orcas Power & Light Cooperative
183 Mt. Baker Road
Eastsound, WA 98245

**RE: MEMBER SERVICE POLICY 16
APPEAL OF DENIAL**

Dear Jim:

I am writing to appeal Foster Hildreth's denial of my Feb. 8, 2016, request for "any an all written evidence that John Bogert 'has requested that (OPALCO) not use his name,'" as Hildreth wrote to me in explaining why he would not include Suzanne Olson's actual OPALCO response to a letter of mine and which I had asked to be included in the February Board packet.

The reason for his denial is as follows: **"As requested, materials are included in the February board materials in their entirety. This matter is resolved."**

There are several significant problems with this denial:

1. My request was **not** for the Suzanne Olson response to be printed in full in the February board materials in their entirety. My request was **for any written document that OPALCO was relying upon to say it would not include my correspondence in the Board packet**, including Olson's official — and public — response — unless I obtained a written release from Bogert.
2. You will see from the the email chain that follows my letter of appeal (Addendum to Appeal) that what I was asking for was clear: **"written proof of John's request" that OPALCO "not use his name,"** as Bevely Madan and Hildreth stated.
3. In response to repeated request for this written proof, Hildreth sent me an email with the link to request information (the Policy 16 Information Request form), which I filled out and returned, restating, exactly, my request for the "written proof" that OPALCO was relying upon.
4. **Nearly two weeks later, I received Hildreth's denial, which on its face is a.) unresponsive because it fails to address the subject of my request, and b.) fails to cite any of the causes for denial listed in Policy 16 .**

5. In the meantime, frustrated with OPALCO's claim that Bogert had insisted that OPALCO not use his name, yet having been provided no proof that claim was true, I emailed Bogert. He responded directly to Hildreth, with a copy to me. **In it, Bogert indicated he had never asked OPALCO to withhold his name from anything.** "... you (Hildreth) refer to a request of mine to exclude my name from all published materials," Bogert wrote. "I have no idea where you inferred that from my email to you (on your personal email) which expressed my outrage at Suzanne Olson's article referring to the prior negotiations with Century Link as "a fallacy."

6. Having no other way to determine who was telling the truth, I followed Hildreth's direction and officially requested the documentation he had relied upon. **Subsequent publication of Olson's actual response, in which Bogert's name is present, in no way resolves this question.**

Had Hildreth not misled the Board by including in the January Board packet "OPALCO's response on Jan. 11" which wan't, in truth, its response that day, none of this silly gamesmanship would have occurred. Now, Hildreth wants to pretend that the matter of my information request has been resolved and on that basis alone he has denied my request.

This is an egregious example of the fox guarding the henhouse, making things up along the way, just as he did in the January Board materials, in order to cover for his or his staff's missteps. The Board should not allow it to stand. My appeal should be granted and the record(s) produced.

Sincerely,



Alex MacLeod

OPALCO Member 63398

ADDENDUM TO APPEAL

Here is the email exchange reference in the body of my appeal:

It begins with an email from Beverly Madan at 8:36 a.m. on Jan. 28:

"We are in receipt of your letter dated January 21 with your request to include it with the February Board materials.

"**John Bogert has requested we not use his name** (emphasis added) and we will honor that request. As such, since his name is included in your letter, we will need a written release from John giving permission to include his name in your communication for the Board packet. Please send his written release to allow his name to remain in your correspondence for publication with the Board materials.

"Thank you"

I replied to Madan the following day:

Bev:

If you feel you need a release from John, shouldn't you ask him, not me? I am not party to any of his contacts with OPALCO other than what I inferred from a post by Suzanne Olson on salishrocks.org, and a subsequent one from him, in which he made clear that what he objected to was not the use of his name, but its use in her attempt to rewrite history as a "fallacy." (These posts are still on that website, if you haven't seen them.) In any case, this is a matter between John and OPALCO, not John and me. Respectfully,

Having received no response for over a week, I replied as follows at 9:12 a.m. Feb. 5:

Bev:

Having heard nothing from you since my note (below) sent a week ago, I am writing again asking you to confirm that if you believe you need a release from John Bogert to include my letter to Foster in this month's "Member Communications" section of the Board packet that you will obtain it from John since it clearly is an issue between OPALCO and John.

Thank you.

Nine (9) minutes later, I received the following from Foster:

John has already been clear and we intend to honor his request. No follow-up needed on our part. Respectfully. Foster

Sent from my iPad

I then replied to Foster with the following request:

Foster:

Please send me the written proof of John's request so I know how to proceed.

To which Foster replied at 10:26: **To:** Alex MacLeod
<wuzeditor@rockisland.com>

Cc: Beverly Madan <BMadan@opalco.com>, Jerry Whitfield
<jerry.whitfield@gmail.com>

Below is the link to request information.

<http://www.opalco.com/wp-content/uploads/2015/12/Policy-16-Information-Request-Form.pdf>

Foster's instructions were as clear as my request: If you want written proof that "John Bogert has requested we not use his name," you must request it under terms of Member Service Policy 16, which I did.

From: Foster Hildreth <fhildreth@opalco.com>

Date: February 5, 2016 at 10:26:03 AM PST

To: Alex MacLeod <wuzeditor@rockisland.com>
Cc: Beverly Madan <BMadan@opalco.com>, Jerry Whitfield
<jerry.whitfield@gmail.com>
Subject: Re: Checking in

Below is the link to request information.

<http://www.opalco.com/wp-content/uploads/2015/12/Policy-16-Information-Request-Form.pdf>

On Feb 5, 2016, at 9:33 AM, Alex MacLeod
<wuzeditor@rockisland.com> wrote:
Foster:

Please send me the written proof of John's request so I know how to proceed.

Thank you.
Alex

On Feb 5, 2016, at 9:21 AM, Foster Hildreth <fhildreth@opalco.com>
wrote:

John has already been clear and we intend to honor his request. No follow-up needed on our part. Respectfully. Foster

Sent from my iPad

Here, for reference, is the full text of Bogert's Feb. 5 email to Hildreth, with a copy to me:

Foster,

Alex MacLeod has forwarded to me the recent communications that have passed between the two of you (and Bev Maden) regarding his letter that he would like included in the Feb Board packet under "member communication" .

In the exchange you refer to a request of mine to exclude my name from all published materials. I have no idea where you inferred that from my email to you (on your personal email) which expressed my outrage at Suzanne Olson's article referring to the prior negotiations with Century Link as a "fallacy".

To be clear, Foster, I request that you include Mr. MacLeod's letter, as written, in the board packet for February. Mr. MacLeod is a respected member of our coop community and deserves to be heard.

John Bogert

ORCAS POWER & LIGHT COOPERATIVE
Policy 16 Information Requests
Member Information Request Form

Rec'd
2-8-16

Member Name JOHN A. MACLEOD
Address BOX 157 SHAW ISLAND 98286
Telephone Number 468-3742 Member Number 63398

Requesting on behalf of myself and the following other members:

Name	Address	Telephone #	Member #
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The specific information I am requesting is:

PURSUANT TO FOSTER HILDRETH'S FEB. 5, 2016, EMAIL TO ME: ANY AND ALL WRITTEN EVIDENCE THAT JOHN ROBERT "HAS REQUESTED THAT (OPALCO) NOT USE HIS NAME..." AS STATED IN JAN. 28, 2016, EMAIL TO ME.

The specific purpose of the request is:

CLARIFICATION

The specific use to which I intend to put the requested information is:

SEE ABOVE, PER HILDRETH'S DIRECTION

☐ I request a cost estimate for the copying charges before any costs are incurred. I understand that I am responsible for the costs of copying any documents that are provided and the cost of copying documents will include appropriate staff time for locating and copying the documents.

I hereby state that the foregoing information is complete and correct. I covenant that I shall not give the requested information to anyone other than the member(s) named herein or allow the requested

information to be used in any way or for any purpose other than as set forth above, including but not limited to, the use of any information for a member's own commercial purposes, or solicitations of other members for non-Cooperative purposes. I further agree to abide by the provisions outlined in Member Service Policy 16 *Information Requests*.

Printed Name JOHN A. MACLEOD

Signature 

Date 2/8/16

For office use only

 Approved

XX Denied

Comments As requested, materials are included in the February board materials

in their entirety. This matter is resolved.


Foster Hildreth, General Manager

2-20-16
Date