

2014 BALLOT BOOKLET

ORCAS POWER & LIGHT COOPERATIVE'S

77TH ANNUAL MEETING

ON THE WASHINGTON STATE FERRY

SATURDAY, MAY 3RD, 2014

Dear OPALCO Member-Owner:

THIS IS YOUR 2014 BALLOT PACKAGE. Within this booklet, you will find information on the candidates for election to the Board of Directors, as well as your ballot, ballot secrecy envelope and reply envelope. If your OPALCO membership is through a partnership or corporation, please complete the appropriate forms as included and return them with your ballot. Please **SIGN THE FRONT OF YOUR REPLY ENVELOPE.** Without your signature, your vote will not count.

ONLINE VOTING. OPALCO is once again offering the opportunity to vote online in partnership with Survey and Ballot Systems (SBS). Members can vote by absentee ballot online or via the mail. See the enclosed ballot for instructions. Absentee ballots must be received no later than 12:00 noon on **Friday, May 2nd.** Members can also choose to cast their votes in person at the annual meeting on the ferry on Saturday, May 3rd. Note: Please do not bring your ballot to the annual meeting—a separate ballot will be issued. Election results will be announced at the annual meeting and also online at www.opalco.com.

YOUR CO-OP IS DOING ITS PART TO SAVE ENERGY AND MONEY. Instead of mailing the Annual Report to our more than 11,000 members, we have made it available online at www.opalco.com. Hard copies of the report will be distributed at the annual meeting, and a limited supply will also be available in OPALCO offices after the annual meeting.

WHY VOTE? OPALCO members are owners of their electric cooperative. You have the **POWER** to elect your Co-op Board of Directors, who make the policies that affect all Co-op members. If you have questions, please call Bev Madan at 376-3549.

Orcas Power & Light Cooperative
183 Mt. Baker Road
Eastsound WA 98245
www.opalco.com
360-376-3500



ISLAND NETWORK | BROADBAND
Cooperation . . . Connection

FREE WI-FI FOR OPALCO MEMBERS

AT INTERISLAND FERRY LANDINGS BEGINNING MONDAY, MAY 5TH!

Beginning Monday, May 5th, OPALCO members can access Wi-Fi at the interisland ferry landings with their SmartHub (eBill) user name and password. OPALCO is able to offer this public service free of charge in exchange for the savings created by paperless billing. Members must select paperless billing in order to participate.

If you do not have a SmartHub (eBill) user name and password, you can get yours online (www.opalco.com) or by phone (376-3500) with your OPALCO member account number. A member services representative will walk you through the process and help you select paperless billing. If you have a SmartHub user name and password, you can go into your profile settings to “Turn Off Printed Bills.”

When at the ferry landing, look for the **OPALCOcares** network in your Wi-Fi settings. When prompted, enter your SmartHub user name and password to complete your connection (some devices will require that you launch your browser to activate the connection). This is a secure network.

OPALCO is taking this action to provide a county-wide public safety net. After the CenturyLink outage last fall, it became clear that our membership needs more reliable access to communication channels, especially during emergencies. The **OPALCOcares** network will be up and running during the BPA county-wide planned outage (see page 11) during the night of May 8th. Members will be able to get a Wi-Fi connection at their local ferry landing.



OPALCOcares

2014 BALLOT: BOARD ELECTION & MEMBER PROPOSED BYLAW AMENDMENTS

2014 BOARD ELECTION: DISTRICT 1

OPALCO's 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, and **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 Glenna Hall
- **District 2** (Orcas, Armitage, Big Double, Blakely, Fawn, Little Double and Obstruction Islands): Winnie Adams and Chris Thomerson
- **District 3** (Lopez, Decatur, Center and Charles Islands): Jim Lett and Bob Myhr
- **District 4** (Shaw, Bell, Canoe and Crane Islands): Dr. Jerry Whitfield

Two board positions in **District 1** are up for election in 2014. Please vote for any **two** candidates from District 1. 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 2014 candidates nominated by committee are:

Vince Dauciunas (incumbent), Glenna Hall (incumbent), Bryan Hoyer,
Doug Rowan and John Sheehan

The 2014 candidates nominated by petition are:

Steve Hudson and Don Galt, Sr

MEMBER PROPOSED BYLAW AMENDMENTS

There are two bylaw amendments on the 2014 Ballot, as proposed by co-op member petitions:

- 1) Article II Meeting of Energy Members Section 9 Informational Meetings (new section)
- 2) Article IV Meetings of Directors new section

Full bylaw amendment language, cost estimates and statements pro and con are included on pages 13-14.

Absentee ballots are enclosed with this report and must be received online or via the mail no later than noon on Friday, May 2nd. Ballots can also be cast in person at the annual meeting on the ferry, Saturday, May 3rd. The election results will be announced at the annual meeting and subsequently published at www.opalco.com and in local papers.

DISTRICT I CANDIDATES

NOMINATED BY COMMITTEE

VINCE DAUCIUNAS (INCUMBENT)



Vince Dauciunas and his wife Vikky have been residents of San Juan Island since 2002. After their 30 years in Silicon Valley, the beauty and quality of life in the San Juan Islands beckoned!

Vince currently is in his 10th year on the Board of Directors of the Friday Harbor Animal Shelter. He enjoys flying, and has a Commercial Pilot certificate. Vince holds Bachelors and Masters Degrees in Electrical Engineering from the University of Notre Dame and UC Berkeley.

After working at NASA's Jet Propulsion Laboratory, he spent 26 years with Hewlett Packard and Agilent Technologies in R&D, General Management, and Business Development. His experience includes development of systems for measurement, computation and communication in a wide variety of industries, including Power Generation, Environmental Science, and Water Quality. He was responsible for Strategic Planning in the Chemical and Life Sciences Group. Next, Vince was Vice President at Symyx Technologies, a company focused on materials research in fields including fuel cells, advanced battery technologies, and alternate fuel technologies.

Vince believes that the coming years are likely to be challenging because of the realities and politics of energy, global economic uncertainties, and climate change. It is vital that all organizations in the County responsible for the infrastructure be prepared to respond to these challenges.

OPALCO will continue to meet the members' need for reliable electric power. Given the above concerns, a long-term plan should be put in place to ensure that the power supply remains secure and affordable. As a member of the Board, Vince believes OPALCO should:

- Maintain a long term power purchase agreement with Bonneville Power Administration
- Improve the electrical and communications infrastructure to increase efficiency, security, safety, and adaptability, and make the communications infrastructure available for multiple community uses
- Actively support energy conservation and efficiency efforts
- Encourage member and community owned renewable energy generation systems
- Secure additional external power sources with other electric cooperatives.




Glenna Hall considers it a privilege to have served since 2013 on the OPALCO Board of Directors, and asks the members to elect her to another term. She sees OPALCO as keeping alive the proud heritage of the rural electrification movement that lit up the American heartland. “I bring to the Board deep and broad experience in governance, skills as a mediator and problem solver, and more than twenty years of experience in making decisions based on facts and reliable evidence.”

Hall, a 45-year resident of the Pacific Northwest, holds a law degree from the University of Washington School of Law and undergraduate and graduate degrees from Rutgers and Northwestern Universities. She served as a King County Superior Court Judge from 1996 to 2008, and continues to serve San Juan County as a pro tem judge.

Hall has been a member of boards that governed the Seattle and Washington State park systems, the Washington Superior Court Judges Association, and the San Juan Island Library District, as well as those of the Seattle Audubon Society, Seattle Art Museum and San Juan Singers. She served on the faculties of the Seattle University School of Law and the Washington State Judicial College, and helped bring King County and Washington State courts into the modern technology age.

Glenna and her husband, Richard, have been residents of San Juan Island since 2005. She has been active in the local community, including the Friends of the Library, the San Juan County Bar Association and the San Juan Pilots Association.

“I am passionate about ensuring that OPALCO members continue to have clean, reliable, reasonably priced, safe and efficient energy, and that OPALCO lives by the guiding cooperative principles of self-help, democracy, equality and community. The vital next step: Create and embrace a practical vision that anticipates the energy and technology needs of the future while remaining true to the mission of the Cooperative’s first 75 years.”



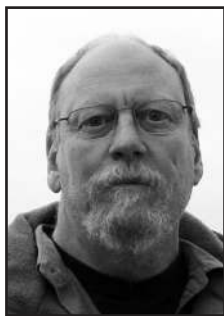
GET YOUR SAVINGS ON WITH AN

ENERGY SAVINGS BACKPACK

one per membership

AT THE ANNUAL MEETING ON MAY 3RD

Includes LED bulb and tools for
measuring energy savings



Bryan worked in Silicon Valley for over 25 years as an engineer, inventor and entrepreneur, designing everything from high power satellite systems to network encryptors.

Bryan and his wife Dani first came to the Islands in 2002 looking for a special place to move to from the home they built in the Santa Cruz Mountains. They were taken with the islands and purchased property on the east side of San Juan Island in 2003. Moving into a trailer in 2007, the first order of business was to work with OPALCO to bring power to

the property so they could begin construction on the “Seaside Cottage” they had designed. OPALCO was a pleasure to work with and the task was completed in just a few months compared to the years it took to obtain power in California.

The house was completed in 2010 and Dani went to work for Browne’s Home Center where she currently manages the Tools and Hardware department. Bryan formed a new company, NW Digital Radio, to build advanced digital radios for the amateur radio market.

Bryan is currently the county Emergency Communications Coordinator working with the Sheriff, Fire, EMS and DEM to provide backup communications for San Juan County.

Bryan believes that first and foremost we need to recognize OPALCO for the success that it is, delivering reliable power to the islands at a reasonable cost. As a Board Member of OPALCO, Bryan will focus on guiding the technical and business issues that arise as a result of bringing broadband to the islands.

The challenge we face is how to cost effectively deliver broadband to the members that want it, without having it subsidized by those who don’t. OPALCO must work creatively with its members and local ISPs to deliver on that goal and build out a first class Island Network.

PROJECT PAL thanks our Business PAL Partners:

Washington Federal Bank • Islanders Bank • Key Bank • Orcas Island
Community Foundation • Doe Bay Resort • Country Corner

ROUND UP FOR PAL! For an average of **JUST \$6/year**, you could help a Co-op family in need to stay warm all winter. Call 376-3500 or go online to sign up today.



Doug's college degrees were from Cornell University in Electrical Engineering (Power major) and an MBA. After graduation, he worked for IBM for 22 years. In 1994, he was recruited by Bill Gates to be the founding President and CEO of Corbis (the leader in the licensing and publishing of digital content). Since leaving Corbis in 1997, he has been advising technology startup companies and several not-for-profit organizations (including Surf Incubator and CureViolence).

Doug has always been interested in power production including alternative energies, distribution and the use of electronics to make systems more efficient. At IBM, he was Utility Industry Manager and responsible for IBM's role in creating systems for public utilities to help utilities manage power generation and distribution. He also managed the IBM team that helped set up and manage the New York Power Pool, created after the 1965 blackout to coordinate the role of eight NY State utilities in keeping such a calamity from re-occurring.

Doug and his wife Liz moved to San Juan Island in January 2012 and have both been active in a number of island activities. Doug sings with The Island Chordsmen Plus and is a member of the San Juan Island Grange. Doug is also part of a group sponsored by the San Juan Islands Economic Development Council which is looking to foster entrepreneurship in the San Juans by setting up a business incubator, holding business plan competitions and encouraging mentoring of startup businesses through meetups and in other ways.

Doug is experienced at consensus-building and communicating with stakeholders under pressure.

Doug's priorities for OPALCO would be to continue reliable, low cost power, alternative energy and conservation initiatives and use of technology in all areas. Also, reliable, high speed broadband is essential to the San Juan Islands and recent events have shown that our current broadband service needs strengthening. OPALCO needs to play a key role in our broadband needs and Doug could help with this.

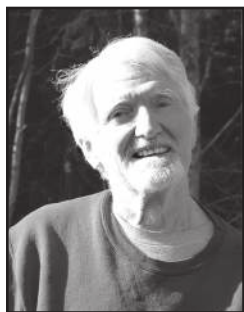


Cast your vote for the OPALCO Board of Directors online or by mailing in your absentee ballot (deadline for receipt is noon on Friday, May 2nd) or by attending the

77th Annual Meeting on the ferry

Saturday, May 3rd

9:45-11:15 a.m.



John has a B.S. in Mechanical Engineering from Lowell Technological Institution. He was a licensed professional engineer in California and has held an Atomic Energy Commission senior reactor operator's license.

John retired to Friday Harbor after thirty years working with General Electric's power equipment generation business. John started his career with GE working on the installation of large steam turbine generators in coal fired plants. After the successful start up of a 500 megawatt coal fired plant in West Virginia, John was trained to perform the factory start up and test of 5-15 megawatt gas fired turbine generators.

When the utilities constructed large nuclear power plants in the 1960s and '70s, GE needed nuclear start up test operations engineers. John was trained in nuclear plant operations and licensed in the United States and Spain as a senior reactor operations engineer. After working on the start up and test of a number of nuclear power plants, he was promoted to manager in Nuclear Plant Services in San Jose, CA, from where he retired.

Are you paying for wasted energy?

How much is that costing you?

Get 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 the energy efficiency upgrades that will reduce your energy bills and make your home more comfortable.

Call 360-376-3586 to schedule your **Home Snapshot Energy Assessment** today! Stop into your local Islanders Bank and pick up a **Get Connected** loan application.

DISTRICT I CANDIDATE

NOMINATED BY PETITION

STEVE HUDSON



Steve Hudson was raised on San Juan Island. He began a career in telecommunications here in the sixties with what was then the local Mom and Pop phone company. He is retired from a position with responsibility for service to 50,000 customers; capital and operating budgets of \$10 to \$15 million; up to 150 employees; and plant infrastructure around \$75 million spread over diverse geography covering much of the state of Oregon. He's familiar with retail delivery of telecom services and the responsibilities of public utilities.

Steve's public service experience includes the San Juan Island school board, two planning commissions, an economic development council, a professional association, and three non-profit boards.

For OPALCO, Steve believes in the ongoing pursuit of excellence in its people, plant, and core purpose. He sees opportunity in evolving technology and believes it must be wisely pursued. As a board member, acting on behalf of you, the owners of OPALCO, he'll promote thorough and transparent prudence, especially on questions of capital commitments that must be repaid by member rates.

Unlike electric service, communications is intensely competitive and evolving rapidly. New developments can quickly make large investments obsolete. There are many potential benefits of expanded broadband, but the economic case for OPALCO's pursuit has not been made clear.

On top of this absence of clarity, recent by-law and policy changes being considered by the board appear intended, in part, to stifle debate, communication and initiatives of both members and individuals on the board.

OPALCO is at a historic fork in the road. Members are the owners of the co-op. It is the ratepayer's money being spent. You deserve assurance and data demonstrating that it is being spent wisely, and that electric ratepayers are not subsidizing noncore pursuits.

Steve has two grown children and four grandchildren. His primary hobbies are reading and sports.



Don found San Juan Island on a boat journey from Alaska where he lived with the family since 1969. He moved to the island in 1982 buying a remodel waterfront home on Warbass Way. He built new decks, bulkheads and of course, a new dock for his boat. Although, he retired from his self-employed business in Alaska he's never quit working on projects.

Don was a residential and commercial developer in Alaska and had many projects in Anchorage, Alaska, including Woodside East, a 150-unit Townhouse project, a 76 lot subdivision called Huntington Park, a 147,000 square foot shopping mall with Safeway & Pay N Save as anchors as well as other developments in Fairbanks, Valdez and Kodiak.

He built and developed Foxhall Subdivision, a 74 lot subdivision within the Town of Friday Harbor.

He and Paul Whittier started the Pop Warner League on the island, raised funds and built the clubhouse at the Elementary School with several volunteers and contractors.

When the Senior Center needed parking, an access road and landscaping completed Don stepped in together with the Board, and got it done. When he isn't busy with projects and volunteering, you might find him playing the piano at the Convalescent Center, the Senior Center or The Village at the Harbor.

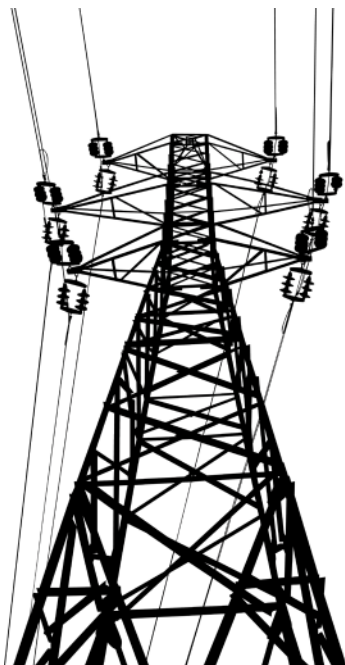
Don is passionate about sports and has been volunteering his time and development skills to form the Friday Harbor Athletic Association and build a Sports Complex in Friday Harbor for the children of San Juan Island.

The Annual Meeting is EARLY due to the spring 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 will be served on the ferry.





NOTICE OF COUNTY-WIDE PLANNED OUTAGE:

**THURSDAY, MAY 8 (11:59 PM) -
FRIDAY MAY 9 (6:00 AM)**

Bonneville Power Administration (BPA) will be doing high-voltage maintenance work on the Fidalgo Substation. Power will be off for all of San Juan County. OPALCO will take advantage of this opportunity to do some maintenance and replacement work on our own system as well.

OPALCO members are responsible for their own equipment and OPALCO encourages all members to install surge protection to safeguard electronic, computer and other sensitive equipment and appliances.

To prepare for the outage, members may want to turn sensitive electronics and equipment off at the surge protector, or unplug them completely. It's a good idea to keep a flashlight handy overnight. In the morning, turn electronics and appliances back on slowly, one at a time.

For more information on surge protection, to learn how to prepare for an outage and what to do during an outage, go to www.opalco.com.



Why Vote?

OPALCO members are owners of their electric cooperative. You have the **POWER** to elect your Co-op Board of Directors, who make the policies that affect all Co-op members. If you have questions, please call Bev Madan at 376-3549.



PLEASE JOIN US AT A SERIES OF ENERGY FAIRS

Solar Home Tours, Efficiency & Conservation Workshops,
Prizes, Giveaways and more!

- **May 17th** San Juan Island
10 a.m. -3 p.m. @ 95 Nichols Street
- **May 31st** Lopez Island
10 a.m. -3 p.m. @ the Lopez Center
for Community and the Arts
- **June 7th** Orcas Island
10 a.m. -3 p.m. @ Eastsound Village Green

CO-SPONSORED BY:

Islands Energy and OPALCO

“Live Clean, Live Light”

FOR MORE INFORMATION:

San Juan Islands Conservation District
www.sanjuanislandscd.org

OPALCO's Energy Savings Team
www.opalco.com

PROPOSED BYLAW CHANGES ON THE BALLOT

INITIATED BY MEMBER PETITIONS

There are two member-initiated proposals to amend OPALCO's bylaws on the 2014 ballot. Each is included below exactly as presented by the member petition. Members are invited to vote "Yes" or "No" on these ballot measures.

1) Article II Meeting of Energy Members Section 9 Informational Meetings (new section)

(a) "The Board of Directors shall schedule three (3) Energy Member Informational Meetings. Said meetings shall be scheduled every third month following the Annual Meeting and in the following order: Orcas, San Juan and Lopez. Said meetings shall be held on a Saturday, at a time coordinated with the ferry schedule and in a facility to be selected by the Board.

(b) The purpose of said Informational Meeting is to provide the opportunity for dialogue between Energy Members, the Board of Directors and management staff about the Cooperative's affairs. The meeting shall be "chaired" by one of the Board Members representing the island on which the meeting is held.

(c) Printed notice of Informational Meetings shall be included in the monthly billing notice sent to all Energy Members preceding the date of the scheduled meeting. Notice shall also be posted on the Cooperative's website and advertised in the newspapers serving the San Juan Islands for a period of no less than twenty (20) days preceding the scheduled meeting."

Estimated Cost to Members: \$22,960 / year

Pro: OPALCO describes itself as a democratic cooperative, owned and controlled by its members. Yet, Board Members and managers are not obliged to answer questions at Board meetings, and detailed financial information can be hard to get. Now that OPALCO has decided to build a (very expensive) network to supply internet services with fiber optic cable and wireless radiation, member/owners will need to get more involved to keep electric rates affordable. This amendment will begin to make that possible.

Author: Steve Ludwig, Lopez Island

Con: OPALCO could benefit from better member engagement, but this bylaw change is not the way to go. Board members have a responsibility to seek out and receive information from members to guide policies and strategic direction. Change the board's policies and practices, not the bylaws. This proposed bylaw change means that meetings must be held regardless of the level of interest from members or the need. It is an expensive approach that does not truly address the problem.

Author: Lisa Byers, Eastsound

2) Article IV Meetings of Directors new section

“The Cooperative shall allow member-owners access to open board meetings (non-executive sessions) through Internet web-based streamed audiovisual (AV) and optionally videoconferencing. All AV will be presented unedited (except to exclude breaks and executive sessions) and made available on demand through a web server to energy members within 7 days of the meeting. Such AV will remain available for at least 24 months from the date of first posting. The Board may restrict access to the AV to include only member-owners and set terms of use restrictions.”

Estimated Cost to Members: \$47,980 year one; \$8,200 year two; subsequent years cost based on staff, equipment maintenance and replacement costs.

Pro: “The health of any democracy partly depends on the ability of its voters to view unimpeded its representatives in action. Our geography and many members’ financial situations create barriers to their attending open board meetings. Streaming video of board meetings can allow member-owners to view at their convenience rather than taking a day off of work to travel to another island. To read beyond this 80 word limit and see many more benefits and a rebuttal statement go to <http://creativeconnections.com/opalco.html> ”

Author: Gray Cope, San Juan Island

Con: This measure does not belong in our bylaws. Board packets and minutes are available to members online. Board meeting locations rotate between islands; OPALCO would have to purchase mobile equipment, subject to wear and tear from travel. A staff member would be removed from regular duties to run the equipment, edit and post the video. Quality would vary and very few members would actually view the videos. This measure is not a prudent use of Co-op resources.

Author: Howard Barbour, Deer Harbor

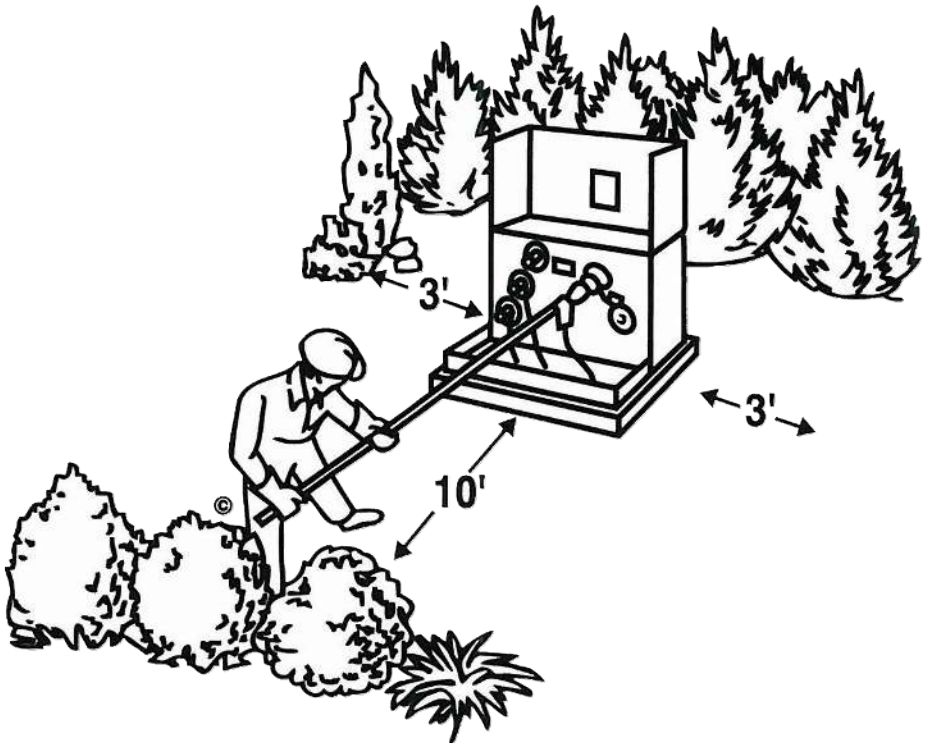




SAFETY IS OPALCO'S TOP PRIORITY

Your OPALCO crew needs room to work safely on devices in the field and those located on members' property. Please keep shrubs and structures at least 10' away from the front side and at least 3' away from the other sides.

Thank you for your cooperation!



77TH ANNUAL MEETING
ON THE WASHINGTON STATE FERRY

SATURDAY, MAY 3RD, 2014



TRAVEL SCHEDULE:

ORCAS

Register at Landing: 7:00 A.M.

Ferry Leaves: 8:50 A.M.

Return to Orcas: 11:45 A.M.

SHAW

Ferry Leaves: 9:05 A.M.

Register on board

Return to Shaw: 12:40 P.M.

LOPEZ

Register at Landing: 8:30 A.M.

Ferry Leaves: 9:35 A.M.

Return to Lopez: 11:30 A.M.

SAN JUAN

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

RESERVATIONS REQUIRED.

Call 376-3549 to reserve the limited space available.

Arrive Spring St. Landing: 6:45 A.M.

Register for Annual Meeting

Board Charter: 7:20 A.M.

Disembark at Orcas Dock: 8:30 A.M.

Orcas Ferry Leaves: 8:50 A.M.

Return Orcas Landing: 11:40 A.M.

Board Charter: 11:50 A.M.

Arrive Friday Harbor by 1:00 P.M.



If you are disabled or need special accommodations to participate in this meeting, please call Bev at 376-3549.

NOTE: The chartered boat is *not* wheelchair accessible and requires a steep walk up (and back down) the ramp from the Orcas county dock to the Orcas ferry landing to board the ferry at Orcas. If this would present a challenge, please take the 6:10 a.m. ferry to Orcas (arrives 7:35 a.m.).