



BOARD OF DIRECTORS

REGULAR MEETING

Thursday, October 20, 2016 9:00 a.m.

OPALCO Conference Room, 183 Mt Baker Road, Eastsound

TRAVEL



Via Island Air

378-2376 / 378-8129 (cell)

To:

Leave FH 8:15 a.m.

Lopez 8:30 a.m.

Arrive Eastsound 8:45 a.m.

Return:

Leave Eastsound 3:00 p.m.

Arrive Lopez 3:15 p.m.

FH 3:30 p.m.

Via Ferry:

To:

Leave FH 6:10 a.m.

Lopez 6:50 a.m.

Shaw 7:35 a.m.

Arrive Orcas 7:35 a.m.

Return:

Leave Orcas 3:10 p.m.

Arrive Shaw 3:25 p.m.

Lopez 3:45 p.m.

Leave Orcas 4:30 p.m.

Arrive FH 5:10 p.m.

**Orcas Power & Light Cooperative
Board of Directors
Regular Board Meeting
Eastsound OPALCO Office
376-3500 / 317-5156
October 20, 2016 9:00 a.m.**

PAGES

WELCOME GUESTS/MEMBERS

- Member Comment Period
- WRECA Kent Lopez

ACTION ITEMS

- 3** ○ Consent Agenda
- 4-6** • Approval of September 15th Minutes
- 7-9** • Approval of September 29th Minutes
- 10** • New Members
- 11** • Capital Credits
- 12-20** • RUS 219s
- 21** ○ Annual Meeting Date Set
- 22-33** ○ Comprehensive Review of Elections

DISCUSSION ITEMS

- 34-35** ○ Community Solar Siting
- 36-39** ○ Policy 30 Political Activity – First Read

REPORTS

- 40-42** ○ General Manager

INFORMATION ITEMS

- 44-45** ○ Reference Only – Prior Solar Siting Portion of Sept 2013 Analysis

46-47 MEMBER COMMUNICATIONS

ADJOURNMENT

Executive Session: Legal and personnel / Form 990 and Form 990-T approval

MEMORANDUM

October 14, 2016

TO: Board of Directors

FROM: Foster Hildreth

RE: Consent Agenda

All matters listed with the Consent Agenda are considered to be routine and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed as an Action Item by request of a Board member. The minutes will reflect the approved consent agenda.

The Consent Agenda includes:

- Minutes of the previous meeting(s)
- Approval of new members {as required by Bylaws Article I Section 2 (d)}
- Capital Credits
- RUS Form 219

Staff requests a motion to approve the Consent Agenda.

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

Friday, September 16, 2016

President Vince Dauciunas called the meeting to order at 8:45 am at the Friday Harbor OPALCO office. Board Members present were Winnie Adams, Randy Cornelius, Jim Lett, Mark Madsen, Brian Silverstein and Jerry Whitfield. Staff present included General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis, and Public Relations Administrator Suzanne Olson (serving as recording secretary). Rock Island Communications staff present was Gerry Lawlor. Also present were consultant Jay Kimball and legal counsel Joel Paisner (arrived at 9:05 am).

MEMBER/GUESTS

Each member/guest was offered an opportunity to address the board. Present were the Member Review Committee on Elections: Wally Gudgell, Terry O'Sullivan, Doug Marshall, Rob Thesman, Gabriel Jacobs and Stephen Shubert. Members also present: Dwight Lewis and Chris Hodgkins. Beth Looney, PNGC arrived at 9:15 am.

CONSENT AGENDA

- **Motion** made to accept the Consent Agenda which included the August 18, 2016 minutes, new members (listed below), capital credits and RUS 219s as presented. Motion was seconded and carried by voice vote.
- **New Members** accepted:

DISTRICT 1

Brown

Milne, Philip & Gretchen

Henry

Nelson Bay RE LLC

Pearl

Dock to Dock LLC

San Juan

Beachem, Rene

Bristow, Erin

Day, Joy & Johnson, Bruce

Estrada, Shelby

Fitzgerald, Michael

HMW Intrigue LLC

Huffman-Hall, Tammy E

Jennings, Angela

Jensen Family Charitable Trust

Kelly, Ashley

Kinnaman Hollis, Diane C

Lindsey, Derik & Penwell, Maria

Lund, Worm

McLochlin, Shannon

Michael, Samantha & White, Ryan

October Farms LLC

Patten, Jill

Prather, Dean

Ringhofer, Bradley & Yang, Mindy

Savlen, Kevin

Schatzman, Randall & Sheldon, Julie

Suttell, William

Worley, Ricki

DISTRICT 2

Orcas

Alperine, Elisabeth

Clearwater, Danielle

Cockrum, Larry & Dixie

Coffey, Ed

Foundant Technologies Inc

Fushimi, Randa & Tomohiro

Gamez, Melissa & Triplett, Robert

Hall, Taryn

Horwitz, Sanford & Janet

Islas Carreon, Sheila

King, Stephanie

Miller, Sarah

Most, James & Palmer, Sara

Nelson, Jearl & Fisher, Martha

Pacasum, John & Jenkins, Lisa

Parsons, Kimberly

Rodgers, William

Ryan, McKenna

Shu, Vincent

Stone, Andrew

DISTRICT 3

Decatur

Coghlan, Will

Vetrone-Timothy, Leeanne

Lopez

Allen, Mark & Andrea

Barben, Jack

Barzegar, Kelli & Ali

Beidler, Paul & Sue
Carrion, Heather & Cesar
Daniels, Turner & Rosemary
Giles, Kathi
Killen-Gall, Annemarie & Gall, Barry
Krumme, Katherine
Olson, Janice
Perry, Meredith

Platter, John & Leah
Van Doren, Ruth & Harold

DISTRICT 4
Shaw
Brooks, Scott & Brasse, Marijke

- **Capital Credits** approved:
Keith Grinstein \$613.63
Jeffrey C. Hill\$149.87
C F Holmes..... \$1,762.44
Total **\$2,525.94**
- **RUS 219s** approved for projects completed from the Construction Work Plan in the amount of \$192,822.48.

CFC VOTING DELEGATE

- **Motion** made and seconded to authorize Hildreth to serve as voting delegate for CFC District 9. Motion carried by voice vote.

WA I-732 Washington Carbon Emission Tax and Sales Tax Reduction

- **Motion** made and seconded to adopt a neutral position on WA I-732. Motion carried by voice vote.

MEMBER REVIEW COMMITTEE ON ELECTIONS

Committee Co-Chairs Wally Gudgeall and Terry O’Sullivan introduced the committee members present and thanked the Board for the opportunity to be of service to the Co-op. They presented the Committee’s recommendations and answered questions from the Board. Discussion ensued. Dauciunas extended gratitude and admiration to the Committee for their significant work. Dauciunas proposed a special meeting of the Board to discuss the timeline and practicalities for implementation, in order to enact changes for the 2017 election cycle.

- **Action:** A special meeting of the Board was scheduled for September 29, 2016 at 8:30am, in the Eastsound OPALCO office. The Member Review Committee on Elections is invited to attend and participate.

ROCK ISLAND GOVERNANCE

Hildreth introduced the discussion to determine a longer process for RIC governance with long-term and short-term options. Paisner gave background on the legal options for RIC governance structures. Discussion ensued. Over the course of the next year, the Board will discuss RIC governance options. In the interim, the Board directed staff to hold a separate and independent RIC meeting. The Board consensus was to provide the membership with materials that will lead to a high-level understanding of startup operations and noted the need to disclose information that is not of a competitive nature.

REPORTS

- **PNGC:** Staff met with PNGC to discuss load forecasting and relayed appreciation for the expertise and value that they are bringing to our cooperative.
- **Safety:** There were no accidents, incidents or near misses in August.
- **Communications:** Open House events are scheduled on four islands October 7-11 to engage members and get feedback on the election changes proposed. Rock Island and OPALCO staff will be present to answer questions and talk with members about any topics of interest.
- **Rock Island Communications:** Review and discussion was deferred to the separate Rock Island meeting to follow.

Adjourned Executive Session: 11:05 am

The executive session ended and regular session was reconvened to approve the Moss Adams 2016 engagement letter.

Returned to Regular Session: 12:03 pm

- **Motion** made and seconded to accept the 2017 engagement letter from Moss Adams. Motion carried by voice vote.

ADJOURNMENT

Meeting was adjourned at 12:10 pm.

Vince Dauciunas, President

Winnie Adams, Secretary-Treasurer

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

Thursday, September 29, 2016

President Vince Dauciunas called the meeting to order at 8:40 am at the Eastsound OPALCO office. Board Members present were Winnie Adams, Mark Madsen, Brian Silverstein. Members absent (excused): Randy Cornelius, Jim Lett and Jerry Whitfield. Staff present included General Manager Foster Hildreth and Public Relations Administrator Suzanne Olson (serving as recording secretary). Also present were consultant Jay Kimball and legal counsel Joel Paisner (arrived at 9:05 am).

MEMBER/GUESTS

Each member/guest was offered an opportunity to address the board. Present were the Member Review Committee members Doug Marshall, Stephen Shubert and Ed Sutton. Members also present: Doug Pierson, Michael Riordan and John Fleischer.

Doug Pierson, OPALCO Tally Committee Chair, stated his support for absentee only balloting (no voting on the boat) and gave a history of OPALCO voting practices. In his 30-year tenure, only one time has the vote on the boat changed the results of the election.

MEMBER REVIEW COMMITTEE ON ELECTIONS

President Dauciunas invited an exploration of the Member Review Committee on Elections' recommendations, as presented at the September 16, 2016 regular board meeting. He stated that no motions or decisions would be made until the October 20, 2016 regular board meeting.

The discussion was dynamic, jumping from recommendation to recommendation as the seven categories are so interconnected. Committee members present participated freely in the discussion. Written feedback from Whitfield and Cornelius was introduced into discussion as each topic arose. For the purpose of these notes, discussion is consolidated by recommendation.

Committee members stated their absolute independence from OPALCO's influence in their deliberations and recommendations and restated the relevance of reviewing districting to the overall fairness and equity of the election process.

In response to member comments, the board reiterated that the independent member committee recommendations are for board consideration only at this time.

Recommendation #1: Encourage Member Interest

All present agreed that encouraging more interest in the cooperative and election process are in the greater good and the recommendation could be readily implemented for the 2017 election cycle.

Recommendation #2: Adopt County Districts

Discussion ensued on member comments received by OPALCO and in social media. Discussion points included district voting versus co-op wide, proportionality of districts, legal issues, at-large positions and the failed 2016 member-initiated bylaw amendment. Committee member presented their rationale which stemmed from the problem of getting members more engaged, building tighter connections between directors and members and fairness of representation. Research on districting practices of other electric co-ops was presented and discussed, as well as various districting scenarios. The group showed support for staggering board terms so that the majority of the membership would vote in every election and agreed about the importance of a dialogue with members about re-districting. The board showed interest in understanding a greater view of member opinions during the upcoming open houses prior to further consideration.

Recommendation #3: Nominating Committee

The Member Committee stated that this recommendation is key to achieving the major goals of greater transparency and greater member involvement in the election process. Discussion ensued on timing of the nominations process, recruitment challenges,

compensation, diversity, qualifications and eligibility of board candidates. There was support for a standing nominating committee who could cultivate qualified board candidates over time. All present agreed that incumbents should go through the regular election process and not be automatically re-nominated. It was agreed that this recommendation would have to be acted on at the October 20th board meeting, if approved, in order for outreach to begin for a nominating committee that would participate in the 2017 election cycle.

Recommendation #4: Adjust Elections Timeline

Discussion ensued on the importance of the petition process and number of signers required. There was support for adjusting the elections timeline.

Recommendation #5: Outside Directors

The Committee stated that its intent was to provide the board with the ability to obtain further expertise (if needed) through the addition of an outside (member or non-member) director(s). The two areas of concern were having a non-member on the board and having the board appoint a director(s) in lieu of the membership.

Recommendation #6: Director Compensation

There was support for an independent non-board periodic review of director compensation and discussion on using the Nominations (and Governance) Committee to conduct the review with guidance and industry research provided by staff.

Recommendation #7: Housekeeping Changes to Bylaws

The Committee has provided draft language to assist in bylaw consistency and continuity.

The format of the Open House events was discussed and how member feedback would be collected and disseminated to Board and membership.

ADJOURNMENT

Meeting was adjourned at 11:52 am.

Vince Dauciunas, President

Winnie Adams, Secretary-Treasurer

NEW MEMBERS
September 2016

DISTRICT 1

San Juan

1. Binkley, Jennifer
2. Chapman, April E
3. Crisanti, Joe
4. CrisantiGlass
5. Danielsen, Maya
6. Endter, Stan & Luckie Cynthia
7. Folkman, Rachel & Zak
8. Howe, Daniel
9. Hoyne, James
10. James, Lois
11. Larson, Steven & Catherine
12. McGraw, David
13. Melville, Michael
14. Mendenhall, Jane
15. Miles, James
16. Muray, Andrew & Marshall, Kerri
17. Nakashima, Melanie & Ronald
18. Oliver, MaryAnn P
19. Oswald, Libbey
20. Peters, Laura
21. Pollard, William
22. Schmidt's Show & Shine
23. Seagrave, Carl & Miller, Teresa
24. Silva Martinez, Linda Rosa
25. Smith, Corissa & Timothy
26. Vojkovich, Jami & George
27. Waggoner, Velma
28. Wells, Joyce
29. Whaley, James
30. Williamson, John & Becky

DISTRICT 2

Orcas

31. Ashyrov, Begidzhan & Nina
32. Balic, Baturay
33. Bennett, Erin & Abodon, Emily
34. Benton, Patricia
35. Dunn, Rachael
36. Fernquest, Mark
37. Garcia, Alenna
38. Hwang, Ducksoon & Jenks, Mark
39. Hynek, Alia & Stylos, Anastasia
40. Kliman, Marilyn J
41. Lapuzza, Heidi
42. Lechler, Andrew
43. Little, Donna & Carl
44. Meyer, Anna
45. Meyer, Jeremy
46. Reimherr, Andrew & Cathy
47. Robison, Christopher & Kimberly
48. Spinogatti, Jon
49. Steele, Monica & Jeffry
50. Utter, Jennifer
51. Voorhees, Robert E

DISTRICT 3

Center

52. Lewis, Lisa & Dan

Lopez

53. Acremant, Karen
54. Bowen, Heidi
55. Bradley, Philip
56. Carroll, Gail & Alexander
57. Cattle Pass Group B Water
58. Dostert, Grace & Trader, Taylor Hall
59. Mason, Mark
60. McCloy, Nora J & Larson, Terry Leona
61. Roundy, Jessica

DISTRICT 4

Shaw

62. Whitford, Lynn & Louis

MEMORANDUM

October 14, 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:

Boyd Crumpacker	\$190.60
Phillip L. Carter	\$2,017.76
Carlene Fitzgerald	\$2,988.09
Phyllis E. Houghton	\$112.54
Total	\$5,318.99

MEMORANDUM

October 14, 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 201608\$35,520.64 Apply to AM8
Transformers, meters, overhead to underground, URD replacement
- Inventory AN1608\$4,383.74 Apply to AN8
Smart Grid
- Inventory 201609\$70,885.98 Apply to AM8
Transformers, meters, URD replacement
- Inventory AN1609\$801,289.43 Apply to AN8
Smart Grid

Staff requests a motion from the Board to approve submittal of RUS Form 219s totaling \$912,079.79.

09/20/2016 9:46:58 am

RUS Form 219 Inventory Of Work Orders

Page: 2

Period: AUG 2016

System Designation: WA AH O9

Inventory: 201608

Project	Loan	Year	Work Order Construction (1) Retirement (2)	Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
					Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
601		2016	2334 2334	1	3,699.14	403.28	0.00	0.00	0.00	4,047.64
								AFUDC: 54.78		
					3,699.14	403.28	0.00	0.00	0.00	4,047.64
606		2015	1908	1	6,551.91	0.00	0.00	0.00	0.00	6,358.88
								AFUDC: 193.03		
					6,551.91	0.00	0.00	0.00	0.00	6,358.88
608		2014	2414 2414	1	25,208.09	87.29	0.00	0.00	0.00	25,114.12
								AFUDC: 181.26		
					25,208.09	87.29	0.00	0.00	0.00	25,114.12
Grand Totals:					\$ 35,459.14	\$ 490.57	\$ 0.00	\$ 0.00	\$ 0.00	\$ 35,520.64

09/20/2016 9:46:58 am

RUS Form 219 Inventory Of Work Orders

Period: AUG 2016 System Designation: WA AH O9

Page: 5

Inventory : 201608

Budget		
Loan	Project	Amount
1	601	4,047.64
1	606	6,358.88
1	608	25,114.12
Total:		35,520.64

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.



Russell H. Guerry

INSPECTION PERFORMED BY

Orcas Power and Light Cooperative

FIRM

52424

LICENSE NUMBER

10/14/2016

DATE

[Signature]

SIGNATURE OF LICENSED ENGINEER

09/20/2016 9:46:58 am

RUS Form 219 Inventory Of Work Orders

Page: 3

Period: AUG 2016

System Designation: WA AH O9

Inventory: AN1608

Loan		Work Order Construction (1)	Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year			Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
706 - 3	2014	2423							
			1	4,417.60	0.00	0.00	0.00	0.00	4,383.74
							AFUDC: 33.86		
				4,417.60	0.00	0.00	0.00	0.00	4,383.74
Grand Totals:				\$ 4,417.60	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 4,383.74

09/20/2016 9:46:58 am

Page: 6

RUS Form 219 Inventory Of Work Orders

Period: AUG 2016

System Designation: WA AH O9

Inventory : AN1608

Budget

Loan	Project	Amount
1	706 - 3	4,383.74
Total:		4,383.74

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.

Russell H. Guerny
INSPECTION PERFORMED BY

Orcas Power and Light Cooperative
FIRM

52424
LICENSE NUMBER

10/14/2016
DATE

[Signature]
SIGNATURE OF LICENSED ENGINEER



10/14/2016 9:39:03 am

RUS Form 219 Inventory Of Work Orders

Period: SEP 2016 System Designation: WA AH O9

Page: 2

Inventory: 201609

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	Retirement (2)		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)		
601	2014	2427							
		2427	1	14,235.59	151.80	0.00	0.00	4,222.53	10,074.40
							AFUDC: 90.46		
601	2014	2462							
		2462	1	3,346.84	347.43	0.00	0.00	0.00	3,670.50
							AFUDC: 23.77		
				17,582.43	499.23	0.00	0.00	4,222.53	13,744.90
608	2014	2419							
		2419	1	29,006.35	166.05	0.00	0.00	0.00	28,874.36
							AFUDC: 298.04		
608	2014	2425							
		2425	1	28,159.68	446.46	0.00	0.00	0.00	28,266.72
							AFUDC: 339.42		
				57,166.03	612.51	0.00	0.00	0.00	57,141.08
Grand Totals:				\$ 74,748.46	\$ 1,111.74	\$ 0.00	\$ 0.00	\$ 4,222.53	\$ 70,885.98

10/14/2016 9:39:03 am

RUS Form 219 Inventory Of Work Orders

Page: 5

Period: SEP 2016

System Designation: WA AH O9

Inventory : 201609

Budget	Loan	Project	Amount
	1	601	13,744.90
	1	608	57,141.08
	Total:		70,885.98

**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.

Russell H. Guerry

INSPECTION PERFORMED BY

Orcas Power and Light Cooperative

FIRM

52424

LICENSE NUMBER

10/14/2016

DATE

SIGNATURE OF LICENSED ENGINEER

10/14/2016 9:39:03 am

RUS Form 219 Inventory Of Work Orders

Page: 3

Period: SEP 2016

System Designation: WA AH O9

Inventory: AN1609

Loan		Work Order Construction (1)	Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year			Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
706 - 3	2014	1608	1	141,872.73	0.00	0.00	0.00	0.00	135,583.71
							AFUDC: 6,289.02		
706 - 3	2014	1980	1	72,361.41	0.00	0.00	0.00	0.00	70,885.85
							AFUDC: 1,475.56		
706 - 3	2015	1398	1	810,972.54	0.00	0.00	0.00	245,000.00	554,451.76
							AFUDC: 11,520.78		
706 - 3	2016	2389	1	41,052.93	0.00	0.00	0.00	0.00	40,368.11
							AFUDC: 684.82		
				1,066,259.61	0.00	0.00	0.00	245,000.00	801,289.43
Grand Totals:				\$ 1,066,259.61	\$ 0.00	\$ 0.00	\$ 0.00	\$ 245,000.00	\$ 801,289.43

10/14/2016 9:39:03 am

Page: 6

RUS Form 219 Inventory Of Work Orders

Period: SEP 2016

System Designation: WA AH O9

Inventory : AN1609

Budget Loan	Project	Amount
1	706 - 3	801,289.43
Total:		801,289.43

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

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Russell H. Guerry

INSPECTION PERFORMED BY

Orcas Power and Light Cooperative

FIRM

52424

LICENSE NUMBER

10/14/2016

DATE

[Signature]

SIGNATURE OF LICENSED ENGINEER



MEMORANDUM

October 14, 2016

TO: Board of Directors

FROM: Foster Hildreth

RE: Annual Meeting 2017

Staff recommends the following based on the current bylaws:

- Set the date for the 2017 annual meeting at the first Saturday in May (May 6, 2017) aboard a Washington State ferry;
- Absentee balloting ends on May 4, 2017 at 10 AM;
- appoint Doug Pearson as Tally Chairman; and
- appoint Joel Paisner as Parliamentarian.

Current bylaw mandates:

- Board of Directors selects a date and place for the annual meeting
- 100 days prior to the meeting: Committee on Nominations to be appointed
- 70 days prior to the meeting: candidates posted
(3 days following the candidates' posting: Legal notice)
- 55 days prior to the meeting: candidates by petition posted
- 10-35 days prior to the meeting: ballots mailed

MEMORANDUM

October 14, 2016

TO: Board of Directors

FROM: Foster Hildreth

RE: Comprehensive Review of Elections

The Member Review Committee on Elections put forth seven recommendations for board consideration. The General Manager and staff take no position on the seven recommendations, leaving the decisions on what to do up to the Board.

OPALCO Board members attended the following meetings:

BOARD Attendees	Special Meeting 9/29	Lopez Open House 10/6	San Juan Open House 10/7	Shaw Open House 10/10	Orcas Open House 10/11
Vince	X		X	X	X
Brian	X	X	X		X
Mark	X	X	X	X	
Winnie	X	X	X	X	X
Randy		X	X	X	X
Jerry			X	X	
Jim					

At this point, the board needs to determine which recommendations, if any, to implement. After discussions at the September 16th regular board meeting and the September 29th special board meeting, input from the membership gathered at open house events, and from comments on social media, there appeared to be majority support for:

1. Encourage More Member Interest

Member Meetings: Institute the practice of scheduling two member meetings in each district every year (spring and fall). This includes the Candidate Forums at the beginning of the election cycle, to be scheduled once the voter's guide is published, but before the ballots are distributed.

Annual Meeting: The focus of the annual meeting will be to discuss cooperative business and substantive member discussion. The pre-certified election results are to be announced at the annual meeting.

2. Elect 5 Directors “By District” and 2 “At Large”

Staggered Board Terms: Implement staggered board terms so that there are representatives from more than one district on the ballot in each membership-wide vote.

Full Membership Voting: Major adjustments to the make-up of the Board, and/or election boundaries (districting, number of board members, and appointment of directors) should be put forth to the full membership for a vote.

Lack of Consensus – Follow SJC District Map and Board Proportionality (# of Members per Board seat):

The Board as a group needs to reconvene on this topic. Again, the General Manager and staff take no position on the balance of Recommendation #2.

Lopez and Shaw Open Houses: The members attending the Lopez and Shaw open houses voiced strong opposition to changing voting districts and the need to strive for Member/Board proportionately and questioned why this remains a topic of discussion (in light of the redistricting petition defeat in the 2016 election).

San Juan and Orcas Open Houses: The members attending the San Juan and Orcas open houses appeared to support reallocating Board seats for equity and using the SJC map for district boundaries. However, the attendees made it clear that if this topic is to be decided upon, they strongly supported putting forth such decisions in the hands of the full membership for voting.

3. Strengthening the Nominating Process

Standing Nominations Committee (coined Elections and Governance Committee): Adopt a nine-member standing Elections & Governance Committee (voluntary) with staggered and rotating three-year terms to provide greater continuity and time for cultivating the best possible board member candidates. The member Elections & Governance Committee is to provide the board with recommendations for nominations, election processes, and governance related matters.

If the Board decides to move forward with this topic, the Board needs to determine how to appoint the first Elections & Governance Committee members. We expect the Committee members themselves would present successive committee members

to the Board for the Board's approval. As stated in the recommendations, the Elections & Governance Committee is to be made up of three members from each of the voting districts. The committee member selection process needs to result in a qualified and diverse committee.

4. Timelines

More Time for Petition Nominees: Adjust the elections timeline to provide more time for nominating directors by petition and update the required number of petition signers to 20 members, as recommended – or 25 as was discussed at the Special Board Meeting on 9/29.

Voting in Advance: In order to promote substantive member discussion at member meetings, all issues coming before the membership for voting should be cast by absentee balloting only (mail or online) in advance of member meetings.

5. Option to Select Additional Directors for their Expertise

Board seats: There appears to be consensus to not implement Recommendation #5. Additional Board seats are not warranted; such expertise can be gained by hiring consultant(s); membership-wide voting was strongly preferred over standing Board appointments.

6. Review Director Compensation

Board Compensation: Adjustments made to Board compensation (if any) should be made by an independent member group. Preference was given to assigning such review(s) to the Elections & Governance Committee, based on time commitment, and industry standards.

7. “Housekeeping” Changes to Bylaws

Bylaw Adjustments: Attached please find draft Bylaw changes that would be required for administrative implementation of the above for the 2017 election cycle if the Board so elected. Note: General Manager and staff take no position on any of the draft bylaw revisions.



BYLAWS

And

ARTICLES OF INCORPORATION

ORCAS POWER & LIGHT COOPERATIVE

183 Mt. Baker Road

Eastsound, Washington 98245

Established 1937

Articles of Incorporation amended March 19, 1998

Bylaws amended May 19, 2016

STATEMENT OF NONDISCRIMINATION

Orcas Power & Light Cooperative is the recipient of Federal financial assistance from the Rural Utilities Service (RUS), an agency of the US Department of Agriculture, and is subject to the provision of Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; and the rules and regulations of the US Department of Agriculture.

This institution is an equal opportunity provider and employer.

The objective of the ORCAS POWER AND LIGHT COOPERATIVE is to serve San Juan County by providing electrical utility service that is efficient, economical and adequate for our members.

Including amendments adopted by the Board of Directors at the Board Meeting held May 19, 2016

ARTICLE I - MEMBERS

Section 1. *No Change*

Section 2. Qualifications and Obligations. *No Change*

Section 3. Membership Fee. *No Change*

Section 4. Purchase of Electric Energy. *No Change*

Section 5. Non Liability for Debts of the Cooperative. *No Change*

Section 6. Expulsion of Members. *No Change*

Section 7. Withdrawal of Membership. *No Change*

Section 8. Transfer and Termination of Membership. *No Change*

Section 9. New Classes of Memberships. *No Change*

Section 10. Removal of Directors and Officers. Any energy member may seek removal of a director or officer by bringing written charges of malfeasance or misfeasance against an officer or director by filing them in writing with the secretary, at least 30 days prior to any annual or special meeting of the energy members of the cooperative, together with a petition signed by ten percent (10%) of the energy members, requesting the removal of the officer or director in question. The secretary shall provide a copy of the charges to the director or officer being charged within five (5) business days of their filing with the secretary. To be considered, the removal request must state sufficient facts in writing to support the charge of malfeasance or misfeasance. The Board of Directors, excluding the director or officer subject to the charges, with the advice of the cooperative's counsel, shall determine whether the removal request states sufficient facts to support the charges. In the event all members of the Board of Directors are subject to petitions charging malfeasance or misfeasance at the same time, the President shall appoint an independent committee made up of seven (7) energy members from the Districts established in Article III, Section 2 of these Bylaws, reflecting the same District representation as the then current Board of Directors. The independent committee, with the advice of the cooperative's counsel, shall determine whether the removal request states sufficient facts to support the charges by a majority vote. A removal request that has been found to be sufficient shall be considered at the next regular or special meeting of the energy members at which a quorum is present. The director or officer against whom such charges have been brought shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity. Following the presentations, all members shall be entitled to vote on the requested removal, based upon the factual allegations in the removal request presented. The vote on the removal petition shall be conducted pursuant to Article II, Section 5 of the bylaws, and notice shall be provided consistent with Article II, Section 3 of the bylaws, by mail and/or electronic transmission. The secretary shall arrange for distribution of absentee ballots to the membership electronically after the presentations at the regular or special meeting of the energy members, and shall include a transcript of the meeting, written materials from the members charging malfeasance or misfeasance in the removal petition, and the written response from the director or officer who is the subject of the petition. Absentee ballots shall be marked "Yes" or "No" on whether the director or officer shall be removed. Voting shall be concluded thirty (30) days after the date ballots were electronically distributed to the membership. Members may complete ballots either by mailing them to the cooperative or returning them electronically to the cooperative, within the thirty (30) day period set for voting. Votes shall be tabulated by an independently hired accountant selected solely for that purpose, who will certify

the results to the Board of Directors. A director will be removed if a majority of members vote to remove the director, following a meeting of the members where a quorum was present. In the event a director or officer is removed, a replacement director shall be appointed pursuant to Article III, Section 4 to complete any of the removed director's or officer's unexpired term. In the event all directors are removed, the membership shall immediately call for an election of replacement directors, for the remainder of the term each prior director was serving.

ARTICLE II - MEETINGS OF ENERGY MEMBERS

Section 1. Annual Meeting of the Energy Members. The annual meeting of the energy members shall be held on the first Saturday of May, or on another date selected by the directors each year, at such place as the directors shall designate, for the purpose of electing directors and transacting such other business as shall come before the meeting. Unless the laws of the State of Washington, the Articles of Incorporation of the Cooperative, or the bylaws provide otherwise, no all business requiring a vote of the members shall be acted upon at such the annual meeting unless provided a clear statement of any properly noticed ballots and resolutions are provided, and proper notice of the business to be transacted has been given provided in advance to members in accordance with notice provisions contained in Article II, Section 3 of these bylaws. If the election of directors shall not be held on the day designated herein for such annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the energy members as soon thereafter as conveniently may be set. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings of the Energy Members. Special meetings of the energy members may be called by at least three (3) directors or the president, or upon a written request signed by at least 10 percent (10%) of all the energy members entitled to vote, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided in Article II, Section 3 of the bylaws. Special meetings of the energy members may be held at any place in the County of San Juan, in the State of Washington, specified in the notice of the special meeting.

Section 3. Notice of System Energy Members' Meetings. **A. Meeting Notice.** Written notice stating the place, day and hour of the an annual meeting or special meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten twenty-one (4021) days nor more than fifty (50) days before the date of the annual meeting, either personally, by electronic transmission, or by mail, by or at the direction of the secretary, or by the persons calling the meeting, to each energy member provided, however, that with respect to all meetings at which directors are to be elected, such notice shall be so delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting. Such The Meeting Notice notice may be transmitted sent either by mail or electronic transmission. If mailed, such notice shall be deemed delivered when deposited in the United States mail, addressed to the energy member at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid. If sent by electronic transmission, the notice is deemed to be delivered when sent, addressed to the member or shareholder at his or her electronic transmission address as it appears on the records of the Cooperative. The failure of any energy member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting. Each member and director shall be responsible to provide advance written notice to the Cooperative of any address change. **B. Special Meeting Notice.** Notices of Special meeting shall be provided in the manner described in Article II, Section 3(A) above. The purpose of the special meeting shall be clearly stated in the Special Meeting Notice.

Section 4. Quorum. At least 400 ten percent (10%) of energy members casting absentee ballots shall constitute a quorum for the transaction of business at all meetings of the energy members, whether the annual meeting or a special meeting. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided that the secretary shall notify any absent energy members of the time and place of such reconvened adjourned meeting, pursuant to

Article II, Section 3 of the bylaws, in order to obtain a quorum. At any such reconvened meeting following a at the original of which meeting where a quorum was shall have been present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The energy members present at a duly organized meeting may continue to transact business at such meeting and at any adjournment of such meeting (unless a new record date is or must be set for the adjourned meeting), notwithstanding the withdrawal of enough energy members from either meeting to leave less than a quorum.

Section 5. Voting. Each energy member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members, provided all proper notices have been provided pursuant to Article II, Section 3. At all meetings of the energy members at which a quorum is present, all questions shall be decided by a vote of a majority of the energy members voting thereon in person or by absentee ballot, provided that the proposition submitted is exactly the same as the measure voted on at the meeting, except as otherwise provided by law, the articles of incorporation of the Cooperative, or these bylaws. If an married couple hold a joint energy membership is represented by more than one person, they shall jointly be entitled to only one (1) vote and no more upon each matter submitted to a vote at a meeting of the energy members. Issues submitted to the energy membership for vote will be objectively stated and as free from bias as possible. In addition, a Voting Guide may be prepared and distributed by the Cooperative to include statements for and against any matter placed before the membership for a vote, as well as rebuttal statements.

Section 6. Voting by Absentee Ballot. All voting shall be conducted by absentee voting (by mail or electronic balloting), distributed either by mail, or electronically, as determined by the board of directors. Any energy member who is absent from any annual or special meeting of the energy members may vote electronically or by written absentee ballot upon any motion or resolution to be acted upon at any such meeting, except that. At an annual or special meeting, motions regarding procedural matters involving the conduct of the meeting will be properly considered, such as approval of the minutes, and may be made from the floor, and shall be acted upon solely by the energy members in attendance at the meeting.

The secretary shall enclose with the notice of such meeting an absentee ballot containing an exact copy of all motions or resolutions to be acted upon at the annual or special meeting. In the event of an election of directors, the absentee ballot notice shall include a list of all candidates by position according on the ballot the directors provided for in to Article III, Section 3 of the bylaws that have been predetermined to be acted upon. Such absentee An energy member shall express his or her vote thereon by either voting electronically following the written instructions provided by the Cooperative, or by writing "Yes" or "No" on each such motion or resolution in the space provided therefore on the absentee ballot, and enclose each such ballot so marked in a sealed envelope marked "Ballot" and then place said envelope in another envelope addressed to the Orcas Power & Light Cooperative at Eastsound, Washington, and print or type his or her name and affix a signature to the outside thereof, and cause the same to be delivered by mail, electronically or otherwise to the Orcas Power & Light Cooperative at Eastsound, Washington. A member may elect not to vote on a particular matter, without invalidating the rest of the ballot. Any ballot shall be submitted by such date and hour time as may be fixed by the Board of Directors and described in the written instructions, but in no event later than the two days before the annual or special meeting, at the close of business by the Cooperative.

When such written absentee ballot is enclosed and received from any absent energy member, it shall be accepted and counted as a vote of such absent energy member at the meeting. Only one absentee ballot shall be returned and counted on behalf of a membership. If a married couple holds a joint membership and are absent from any annual or special meeting of the members, they shall jointly be entitled to vote by absentee ballot, whether provided in the mail or electronically by the Cooperative, as provided in this section. The failure of any such absentee energy member to receive a copy by mail or electronically, of any such motion or resolution or ballot shall not invalidate any action which may be taken by the members at any such meeting. The Board may adopt voting procedures to facilitate an all-electronic absentee voting process. In the event electronic voting procedures are adopted, the Board shall provide advance notice of those procedures in the manner provided for in this Article II, and as provided by law.

Section 7. Order of Business. The order of business at the annual meeting of the energy members, and, so far as possible, at all other meetings of the energy members, shall be essentially as follows:

1. Call of the roll;
2. ~~Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be~~
~~Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be;~~
3. ~~Report of the Elections and Governance Committee and e~~~~Election of directors~~
~~Reading of unapproved minutes of previous meetings of the energy members and the taking of necessary action thereon;~~
4. ~~Reading of unapproved minutes of previous meetings of the energy members and the taking of necessary action thereon;~~
~~Presentation and consideration of, and acting upon, reports of officers, directors and committees;~~
5. ~~Election of directors~~
~~Presentation and consideration of, and acting upon, reports of officers, directors and committees;~~
6. Unfinished business;
7. New business. Any new business raised at the annual or special meeting may be continued until the next member meeting set according to these bylaws;
8. Adjournments.

Section 8. Robert's Rules of Order. The most recent edition of Robert's Rules of Order shall serve as the governing rules for any official meeting of the energy members, unless inconsistent with the bylaws.

ARTICLE III - DIRECTORS

Section 1. General Powers. *No Change*

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 Southeast 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 for three year terms: District 1, District 2 and Districts 3 and 4 elections are to be rotated and held every third year, respectively. Once a candidate for election, a

full three-year rotation of the candidate's original District must be completed before a candidate may qualify to run again or re-establish residency in any other District, as related to the election. Director positions shall have staggered board terms such that there are representatives from more than one district on the ballot in each membership-wide vote. [Please note, the transitional aspects of staggering board terms shall be developed by the current board]

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 employed by the Cooperative, a subsidiary or affiliate of the Cooperative, or who is in any way employed by or financially interested in a competing enterprise or business. Directors and director candidates must comply with all other policies regarding qualifications and conflicts of interest which may be established by the board of directors from time to time.

When a membership is held jointly by husband and wife, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove 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.

Section 3. Nominations and Election of Directors.

- a) **Nominations:** It shall be the duty of the Board of Directors to appoint, not less than one hundred and ten (100110) calendar days before the date of the annual a meeting of the energy members at which directors are to be elected, a nine (9) member committee on nominations elections (the Elections and Governance Committee) consisting of not less than three (3) nor more than five (5) energy members from each of the voting residency districts approved for the election of the San Juan County Council in San Juan County, Washington. for which a director is to be elected. No current officer or member of the Board of Directors shall be appointed a member of such committee, although former officers and directors may serve. No employee of the Cooperative or its subsidiaries may serve on the Nominating CCommittee, although the Elections CCommittee may request that staff support be provided to act under the direction of the Committee. Each member of the nominating Committee shall serve a three (3) year term. The initial terms of the Elections Committee members shall be staggered such that District 1 Committee members shall serve a one (1) year term, District 2 Committee members shall serve a two (2) year term, and District 3 Committee members shall serve a three (3) year term. The reference to Districts 1, 2, and 3 are to the residency districts approved for the election of the San Juan County Council. The Election Governance committee CCommittee shall have prepared and posted in the lobby at the principal office of the Cooperative at least seventy (70) calendar days before the meeting a list of its nominations for directors. Any fifteen twenty (1520) or more members may make other nominations of qualified members from their particular district, by petition with their signatures, filed with the Board of Directors at the principal office of the Cooperative at Eastsound, Washington, not less than fifty-five (55) days prior to the meeting. The secretary shall cause the same to be posted at the place where a list of nominations made by the Committee is posted, including electronic postings on the Cooperative's website. The secretary shall publish a legal notice in the local newspaper(s) which carries legal notices, said notice to announce names of director candidates. The notice must be submitted to the newspaper(s) within three (3) working days of the posting of nominations. The Cooperative, in the alternative, may shall post the list of director candidates on its website in order to provide the notice required in this section. The Committee, if possible, should nominate at least two (2) candidates for each open position. The secretary shall mail with the notice of the meeting a statement of the number of directors to be elected from each district [and showing separately the nominations made by petition,

if any,] or in the alternative, the Cooperative shall provide such notice electronically. The Election Governance Committee may also evaluate, and report to the board of directors, on an ongoing basis election procedures, review best practices from other cooperatives and non-profit corporations, and evaluate the existing districts described in Article III, Section 2, to enhance fairness consistent with general Cooperative goals and policies.

- b) **Election of Directors.** Not less than ten (10) nor more than thirty-five (35) days before an annual or special meeting of the energy members at which directors are to be elected, As provided in Article II, Section 6 of the bylaws, the secretary of the Cooperative shall mail to each energy member a printed ballot marked "Ballot for Directors" containing the names of all nominees for the respective districts to be arranged alphabetically, together with a notice of said meeting, containing appropriate information and instructions relative to voting by absentee ballot or at the meeting. The ballot shall indicate thereon the number of directors to be elected from each district and shall also show separately nominations made by the nominating committee and the nominations made by petition. In the alternative, the Cooperative may provide ballots to each energy member electronically. All voting by Each each energy member of the Cooperative present at the meeting shall be entitled to cast a vote for the election of directors unless voting previously had shall been completed by an absentee ballot, either provided in the mail or electronically by the Cooperative. Absentee voting shall be conducted by the procedures established in Article II, Section 6.

- a) Each energy member is entitled to vote for each position for which a director is to be elected, and the candidate receiving the most votes in each position is deemed to be elected; provided, where two directors are to be elected for a particular district, the two persons receiving the greatest number of votes shall be deemed elected.

Section 4. Vacancies. No Change

Section 5. Compensation. Director compensation shall be reviewed and set by the Elections and Governance Committee. Directors shall not receive any salary for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for serving as a director at meetings on behalf of the Cooperative. Close relatives of a director shall not receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

Section 6. Rules and Regulations. No Change

Section 7. Accounting System and Reports. No Change

Section 8. Changes in Rates. No Change

Section 9. Absences of Directors. No Change

ARTICLE IV - MEETINGS OF DIRECTORS

Section 1. Regular Meetings. No Change

Section 2. Special Meetings. No Change

Section 3. Notice. No Change

Section 4. Quorum. No Change

Section 5. Manner of Acting. No Change

Section 6. Actions by Written Consent and Telephone or Other Electronic Means. No Change

ARTICLE V - OFFICERS

Section 1. Number. No Change

Section 2. Election and Term of Office. No Change

Section 3. Removal. *No Change*
Section 4. Vacancies. *No Change*
Section 5. President. *No Change*
Section 6. Vice President. *No Change*
Section 7. Secretary. *No Change*
Section 8. Treasurer. *No Change*
Section 9. Manager. *No Change*
Section 10. Bonds of Officers. *No Change*
Section 11. Compensation. *No Change*
Section 12. Reports. *No Change*
Section 13. Indemnification Against Liability. *No Change*
Section 14. Exception. *No Change*
Section 15. Right of Indemnitee to Bring Suit. *No Change*
Section 16. Insurance. *No Change*
Section 17. Indemnification of Employees and Agents. *No Change*

ARTICLE VI - BOOKS AND RECORDS

Books of Account, Minutes and Member Register. *No Change*

ARTICLE VII - CONTRACTS, CHECKS AND DEPOSITS

Section 1. Contracts. *No Change*
Section 2. Checks, Drafts, etc. *No Change*
Section 3. Deposits. *No Change*

ARTICLE VIII - NONPROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited. *No Change*
Section 2. Members' Patronage Capital in Connection with Furnishing Electric Energy. *No Change*
Section 3. Binding Effect of Articles of Incorporation, Bylaws, Tariffs and Rules of the Cooperative. *No Change*
Section 4. Patronage Refunds in Connection with Furnishing Other Services. *No Change*
Section 5. Transfer of Credits or Refunds to "Education and Promotion Fund" or "Retirement and Replacement Fund". *No Change*
Section 6. Priority of Cooperative's Claim for Amounts Due from Member. *No Change*

ARTICLE IX - WAIVER OF NOTICE

No Change

ARTICLE X - DISPOSITION OF PROPERTY

Section 1. Sale or Transfer. *No Change*
Section 2. Sales or Encumbrance. *No Change*
Section 3. Borrowing Authority. *No Change*

ARTICLE XI - FISCAL YEAR

No Change

ARTICLE XII - MEMBERSHIP IN OTHER ORGANIZATIONS

No Change

ARTICLE XIII - SEAL

ARTICLE XIV - AMENDMENTS

Section 1. Board Initiated Amendments. *No Change*

Section 2. Member Initiated Amendments. Voting members may propose changes to the bylaws as follows:

- a) Bylaw Amendments Proposed by Members. Any group of fifty (50) or more voting members may propose, in writing, a resolution to make, alter, amend or repeal a bylaw or to adopt new bylaws. Any such proposed resolution must be submitted to the Board of Directors no less than ninety (90) days prior to the date of the next annual meeting of the members, and consistent with as described in Article II, Section 1 of the Bylaws. Notice of any amendments proposed pursuant to this section shall be provided pursuant to Article II, Section 3 of the bylaws.
- b) Review by Directors. After review by the directors, the proposed amendment to the bylaws shall be placed upon the agenda of the annual meeting of the energy members, and notice of the proposed amendment shall be provided to the energy members in accordance with the notice provisions contained in Article II, Section 3 of the Bylaws.
- c) Voting on Proposed Amendment. Any proposed amendment shall be voted upon at the annual meeting of the energy members. Voting shall be in accordance with Article II, Sections 4, 5 and 6 of the Bylaws. Any proposed amendment receiving a simple majority of votes from the energy members shall be approved.

ARTICLE XV - GENDER

No Change

MEMORANDUM

October 14, 2016

TO: Board of Directors

FROM: Foster Hildreth, General Manager

RE: Community Solar Siting (including Pilot Energy Storage System)

As we move forward with WA Department of Commerce community solar and pilot energy storage system projects, staff will be preparing permitting and conducting the preliminary engineering for construction to commence in 2018. Staff will begin confirming the solar/energy storage site location. The Board has requested the methodology used for siting these facilities including the maintenance of facilities on a non-ferry served island.

Staff conducted a detailed solar siting analysis in September of 2013. This analysis provides a good basis for discussion. The siting analysis portion of this document is attached as an Informational Item in this report. The criteria for siting these facilities in the report are as follows:

- Facilities: Access to three phase transmission facilities/size
- Capacity: Availability of interconnection facility capacity
- Appearance: Minimize visual impact
- Growth potential: Ability for expansion
- Solar Insolation: Potential for maximized solar exposure

Please note, the 2013 analysis does not reference site accessibility as a determining factor. We have had discussion with the manufacturer and will be prepared to discuss maintenance logistics at the meeting. Below please find the Summary Siting Tables for all OPALCO properties based the 2013 analysis.

Summary Siting Tables

Substation	Facilities	Capacity	Appearance	Expansion	Sun Insolation	Array Size (kW)
Decatur						200
Lopez						30
Lopez Step-Down						5
Shaw						20
Orcas						5
Eastsound						30
Olga						5
Blakey						5
Friday Harbor						30
Gravel Pit						5
Roche Harbor						10

Submarine Cable Terminal	Facilities	Capacity	Appearance	Expansion	Sun Insolation	Array Size (kW)
Lopez South						0
Lopez North						0
Shaw South						0
Shaw North						0
Orcas Landing						0
Orcas: Deer Point Landing						0
SJI: Pear Point Landing						0

District Office	Facilities	Capacity	Appearance	Expansion	Sun Insolation	Array Size (kW)
Eastsound Office						30
Friday Harbor Office						0
Lopez Office						40
Properties						
Friday Harbor: West Valley/Boyce Rd						60
Lopez: Military Rd (Old Substation)						30

MEMORANDUM

October 14, 2016

TO: Board of Directors

FROM: Foster Hildreth

RE: Policy 30 Political Activity – First Read

Per direction given in the April and May 2016 Board Meetings, the board directed staff to draft a political action policy for review and approval. Please note, OPALCO legal counsel has reviewed this policy.

The policy attached is a discussion item and will be brought back for formal approval at the November meeting.

ORCAS POWER AND LIGHT COOPERATIVE

POLICY 30

Political Activity

30.1 PURPOSE

The purpose of this policy is to establish guidelines for Board of Directors, management and employee political activity.

30.2 POLICY

Orcas Power & Light Cooperative (OPALCO) serves our members with safe, reliable, cost effective, sustainable and environmentally sensitive utility services.

The impact that government and politics have on Washington's rural electric cooperatives is significant. Our **Federal**, **State** and **County** elected officials affect every aspect of our business - including regulations on safety practices, environmental standards, mandates on power plant fuel sources, carbon taxes, renewable energy incentives, and healthcare.

30.2.1 Co-op Political Activity

OPALCO is a strong advocate for the interests of the Co-op and its members. OPALCO ensures that the voice of electric cooperatives remains strong in our nation's capital, state legislature and local government.

30.2.1.1 OPALCO actively supports elected officials who are concerned about our community and the interests of cooperative and its members. We encourage our entire membership to join us as a grassroots proponent of cooperative energy policy and the Bonneville Power Association's federal hydropower system.

30.2.1.2 We monitor and influence legislative and regulatory developments to ensure that local, state and federal laws and rules are not detrimental to the energy interests of our members.

30.2.1.3 OPALCO is committed to engaging appropriately in the political process in a manner that informs and affects the issues related to our electric cooperative and internet subsidiary. We strive to engage on issues in the most responsible and ethical way. OPALCO complies with all applicable laws and regulations in connection with the Cooperative's political activities. Any political activities in which OPALCO engages are based solely upon the best interests of the Co-op and are made without regard to the private political preferences of its officers and/or executives. OPALCO will annually disclose political positions on its website, including political contributions (if any).

On an as-needed basis, the Board of Directors, through OPALCO's general manager and organizations such as NRECA, PNGC, WRECA, etc., will review relevant issues and candidates to form and support political positions and direction for OPALCO to follow.

OPALCO will refrain from political activity related to election of its Board of Directors.

30.2.2 Subsidiary Political Activity

Rock Island Communications, its Board of Directors, management, and employees will refrain from political activity related to election of OPALCO's Board of Directors or issues related to any OPALCO election. Further, employees may not use their official capacity or company resources to advocate for or endorse candidates or issues related to any OPALCO election.

30.2.3 Personal Political Activity

Board members and employees of the Cooperative and internet subsidiary are encouraged to stay well informed on local, state, and national affairs. Board members and employees are encouraged to support political candidates of their choice by active support, as well as voting. All such activities must be on the board member's or employee's own time outside the Cooperative and subsidiary facilities. The board member or employee is not authorized to individually represent or act on behalf of the Cooperative. The exception would be an event hosted and sanctioned by the Cooperative's Board or General Manager, consistent with this policy.

30.2.3.1 All Cooperative members are encouraged to take part in all member-related activities to the fullest extent possible. This includes members who are employees of the Cooperative. This encouragement extends to active participation in issues relating to bylaws; i.e., additions, deletions or changes, being presented to the general membership. Additionally, it applies to members' rights to actively support their choice of candidate(s) for office of Cooperative Director - challenger or incumbent.

30.2.3.2 Because employee/members have access to corporate facilities, equipment, material and time and these assets belong to all members of the Cooperative, some of whom may not agree with an individual employee regarding Cooperative issues, it is necessary to assure the membership that these assets are precluded from use to support an individual employee's position. The following rules apply to employee/member Cooperative or internet subsidiary "political" activities:

30.2.3.2.1 Personal political activities shall not be conducted during work hours.

30.2.3.2.2. No political electioneering material shall be posted on company facilities or equipment.

30.2.3.2.3. No company equipment, material or time shall be used to generate electioneering information to reflect an individual's position regarding Cooperative politics.

30.2.3.3 Because employee/members may be perceived as official representatives of OPALCO or its subsidiaries, employee/members shall not use their status as an OPALCO employee to advocate and/or support positions or candidates.

Employees will refrain from political activity related to election of OPALCO's Board of Directors. Board members can engage in political activity related to their own election.

30.3 RESPONSIBILITY

The General Manager of the Cooperative shall be responsible for the administration of this policy.

This policy acknowledges the unique position a Director may be in when in a board election. The policy contained in Section 3.4 of Policy 1 shall apply.

Foster Hildreth, General Manager

November, 2016
Effective Date

GENERAL MANAGER'S REPORT

October 2016

FINANCE AND MEMBER SERVICES

2015 Form 990 and Form 990 and Form 990-T

Staff reviewed, and will present to the Board during executive session (approve in open session), the draft returns prepared by Moss Adams, which were based on the 2015 audited financial statements.

2016 3rd Quarter Financial Statements and 2017 Budget

Staff is currently preparing the 2016 3rd quarter financial statements, as a lead-in to the 2017 budget process. Staff will present the statements and the budget during the November Board meeting.

2016 Monthly Budget Tracking

Based on August 2016 results, staff projects the year-end net margin and TIER to be consistent with the 2016 budget.

2016 Loan Covenant Tracking

For the last 25+ years, OPALCO has never violated RUS loan covenant requirements. The table below indicates the recent history of RUS loan covenant calculations. RUS requires an average TIER greater than 1.25 which is measured by the highest 2 of the 3 most recent calendar years.

Loan Covenant Summary			
	A.	B.	C.
1		OPALCO Loan Covenant Calc.	RUS Loan Covenant Req.
2	2010	5.24	1.25
3	2011	5.42	1.25
4	2012	4.24	1.25
5	2013	3.76	1.25
6	2014	2.16	1.25
7	2015	2.38	1.25
8	2016 (Projected)	2.51	1.25

Please note in 2014, OPALCO's TIER dropped to 1.13 due to lower energy (kWh) sales from unprecedented warm weather. This brought our loan covenant calculation to 2.16, which is still above RUS loan covenant requirements. In the event a cooperative's TIER drops lower than 1.25 in a given year, a corrective action plan is submitted so that RUS loan covenants will not become an issue for future years.

Member Services

In preparation for the 2016-2017 heating season, staff is organizing and communicating information regarding the three primary member assistance programs (PAL, Energy Assist, and LIHEAP). Since the communication in September regarding the increase in credits for the

Energy Assist program, there has been a small spike in applications compared to the monthly average so far.

Energy Savings

Staff has been working with the San Juan Islands Conservation District to provide Green Home Tours on Lopez and San Juan, and preparing for the Orcas event on October 22, 2016. The tours include brief presentations from local contractors and subject matter experts on energy efficiency and conservation efforts, and also gives members a chance to tour local homes highlighting both typical and unique efficiency measures. More information is available at www.greenhomesanjuans.org.

Staff is also continuing to process rebate applications through the end of this month.

DASHBOARDS

Please review the dashboards at <https://www.opalco.com/dashboards/>. Please note that all the dashboards are within board strategic parameters. The outage dashboard is still a work-in-progress due to conversion of outage management systems.

ENGINEERING AND OPERATIONS

Safety

Jeff Myers conducted forklift operator training. This training is to recertify all employees who operate the forklift and serves as a reminder of the hazards of operation.

There were no accidents, incidents or near misses in September.

	September 2016	YTD (2016)
Near Misses	0	0
Incidents	0	1
Accidents	0	1
Loss Time	0	0

The total hours worked without a loss time accident is 30,242.

OPEN HOUSE EVENT RECAP

More than 100 co-op members attended a series of open house events on Lopez, San Juan, Shaw and Orcas islands to review and discuss the recommendations for changes to the election process proposed by a member review committee in September. In general and across all of the islands, members who attended the events stated their preferences:

1. Voting by full membership was endorsed and the idea of voting by district was rejected.
2. The overwhelming majority on Lopez and Shaw attendees thought the redistricting discussion was put to rest at the last annual meeting and questioned why the topic is being raised again. On Orcas and San Juan, there was less interest and more support for redistricting, however members felt the issue should be put to a vote of the whole membership.
3. The proposed shift in balloting, moving to all-absentee (by mail and online) so that the annual meeting would become more substantive and participatory.

4. A standing nominating committee made up of rotating members from each district who are appointed by the Board. Members stated a strong desire for the Nominating Committee to be representative of the diversity of each district.
5. Members were confused and concerned about the proposal to add two additional directors to the Board; unless the full membership voted in favor of the change and most preferred that all Board positions be filled from the pool of OPALCO members.
6. Stagger board positions on the ballot for elections (in the existing configuration of 7 directors) so that there are representatives from more than one district on the ballot in each membership-wide vote.

The majority of the Committee's recommendations were uncontroversial and applauded for their intent to bring greater fairness, transparency and member involvement to the election process.

Member comments are being tabulated and will be listed on the OPALCO website upon completion. In general, the post-meeting evaluation showed that the majority of members who participated in the meetings felt:

- OPALCO staff and leadership were receptive to new ideas and points of view.
- The meeting was productive and worth their time.
- The topic of election/district changes was their primary reason for attending the meetings on Lopez and Shaw; Rock Island was the primary topic of interest on San Juan and OPALCO topics was the primary interest on Orcas.
- The email newsletter is the preferred method of communication, followed by community meetings, single-topic workshops/small group meetings.

2016 Open House Member Comments Link

<https://www.opalco.com/Resource Library/Annual Meeting and Elections/2016>

COMMUNICATIONS

Outage Management Map

The OMS map will be embedded in our website once staff concludes testing. We expect this to be available to the membership by the end of October.

National Co-op Month

October is National Co-op Month. OPALCO is hosting member appreciations days, with cookies in each office as follows:

- **Monday, October 17:** Eastsound and Friday Harbor 9am - 3pm
- **Tuesday, October 25:** Lopez 12 - 3pm

INFORMATION ITEM(S)

- Community Solar Siting Portion of September 2013 Analysis

Solar Site Evaluation

OPALCO Substation:

Decatur Substation
Lopez Substation
Lopez Step-Down Substation
Shaw Substation
Orcas Substation
Eastsound Substation
Olga Substation
Blakey Substation
Friday Harbor Substation
Gravel Pit Substation
Roche Harbor Substation

OPALCO Submarine Cable terminals:

Lopez South
Lopez North
Shaw South
Shaw North
Orcas Landing (Orcas Island Ferry landing)
Deer Point Landing (Orcas Island Olga area)
Pear Point Landing (San Juan Island)

OPALCO District Office

Eastsound Office
Friday Harbor Office
Lopez Office

OPACLO Properties:

Friday Harbor – West Valley/Boyce Rd Property
Lopez – Military Rd (Old Substation) Property

Community Properties:

Friday Harbor	Gravel Pit (Off of Par Point Rd)
Orcas	Buck Park
Lopez	Lopez school
Shaw	Sisters of Mercy
	Lady of the Rock

Community Solar Sighting criteria

- 1) Access to three phase power
- 2) Availability of transformer
- 3) Size of power lines
- 4) Ability to distribute power
- 5) Appearances
- 6) Growth potential
- 7) Lack of Solar Shading
- 8) Estimated Max Array Size

	1) Access to three phase power	2) Availability of transformer	3) Size of power lines	4) Ability to distribute power	5) Appearances	6) Growth potential	7) Lack of Solar Shading	8) Estimated Max Array Size
G-GOOD, F-FAIR, P-POOR								
OPALCO Substation:								
Decatur Substation	G	G	G	G	G	G	G	200 kW
Lopez Substation	G	P	G	P	G	P	G	30 kW
Lopez Step-Down Substation	G	P	G	P	G	P	P	5 kW
Shaw Substation	G	P	G	G	G	P	F	20 kW
Orcas Substation	G	P	G	G	G	P	P	5 kW
Eastsound Substation	G	P	G	G	F	P	P	30 kW
Olga Substation	G	P	G	G	G	P	P	5 kW
Blakey Substation	G	P	G	P	G	P	P	5 kW
Friday Harbor Substation	G	P	G	P	G	P	P	30 kW
Gravel Pit Substation	G	P	G	P	G	P	P	5 kW
Roche Harbor Substation	G	P	G	P	G	P	F	10 kW
OPALCO Submarine Cable terminals:								
Lopez South	F	P	G	P	G	P	P	0 kW
Lopez North	P	P	G	P	G	P	P	0 kW
Shaw South	P	P	G	P	G	P	P	0 kW
Shaw North	P	P	G	P	G	P	P	0 kW
Orcas Landing (Orcas Island Ferry landing)	G	P	G	P	G	P	P	0 kW
Deer Point Landing (Orcas Island Olga area)	F	P	G	P	G	P	P	0 kW
Pear Point Landing (San Juan Island)	F	P	G	P	G	P	P	0 kW
OPALCO District Office								
Eastsound Office	G	P	G	P	G	P	F	30 kW
Friday Harbor Office	G	P	G	P	G	P	F	0 kW
Lopez Office	F	P	G	P	G	P	G	40 kW
OPACLO Properties:								
Friday Harbor – West Valley/Boyce Rd Property	F	P	P	P	G	P	G	60 kW
Lopez – Military Rd (Old Substation) Property	G	P	G	G	G	P	G	30 kW
Community Properties:								
Friday Harbor- Gravel Pit (Off of Par Point Rd)	P	P	P	P	G	P	G	200 Kw
Orcas - Buck Park	F	P	F	P	G	P	G	90 Kw
Lopez -Lopez School	G	F	F	P	G	P	G	200 Kw
Shaw - Sitters of Mercy	P	P	P	P	G	P	G	200 Kw
Shaw - Lady of the Rock	P	P	P	P	G	P	G	200 Kw

MEMORANDUM

October 14, 2016

TO: Board of Directors

FROM: Foster Hildreth

RE: Member Communications

The purpose of the OPALCO board materials is to provide materials for Board to use in conducting the agenda of each board meeting. There is no requirement to include communications received from members; inclusion is at the General Manager's discretion. Communications sent to the General Manager which have been forwarded to Board members, or which have been sent directly to Board members, fulfills the definition of "member communication" and need not be included in board materials.

1. John Bogert

General Manager Position:

Please see (below) a member communication from John Bogert. It was distributed to the Board upon receipt.

My position is that the independent, volunteer Member Election Committee was acting within their charge to "conduct a comprehensive review of the election process." It was the Member Review Committee on Elections' decision to include redistricting as a topic. The topic has been discussed in depth by the Board and membership during the open house events. The issue of staff endorsement for candidates in the 2016 election was immediately addressed with new policy language in OPALCO's employee handbook, and also in the employee policy documents of Rock Island Communications. A new OPALCO policy on political activity (OPALCO Policy #30) will be presented for discussion at the October 20th board meeting.

Sent by John Bogert via email on October 11, 2016:

Foster,

I sent you a copy of this letter I wrote to the Board a week or so ago. I would like to formally request that it be included in the Board packet for the October meeting under the heading of "member communications".

Below I have included another copy of my letter.

Thank you,
John Bogert

Dear members of the OPALCO Board,

When the call went out from your general manager to assemble a member committee to advise the board on the election process, members were led to believe that the committee would address the fiasco of the last election: management endorsing specific candidates, the use of the cooperative's mailing list to influence member voting and the errors in counting votes. The issue of reapportionment had already been settled when the membership voted down the measure with a resounding: "no do not change the voting districts for board representation."

The recommendations of the committee were made public last week and, lo and behold, they recommend reorganizing the voting districts for board representation. ***Why is the board ignoring the vote of the entire membership on this issue?***

When I served on the OPALCO board for seven years it was clear to all Directors that we represented the co-operative as a whole, not just the island where we live. The fact that all members vote for all candidates ensures that Directors uphold their fiduciary duties without preference for a specific island or interest group. The current recommendations before the board do not accomplish that.

Please consider the co-operative principles that are at the heart of our co-op, respect the vote of the membership, and reject this recommendation.

Sincerely,
John Bogert

2. Alex McLeod

General Manager Position:

Mr. McLeod has sent a letter to the Board via email, which he subsequently published in local media outlets. It was distributed to the Board and will not be included in the public record because of egregious errors of fact and inaccurate allegations regarding matters of finance and personnel.