



**BOARD OF DIRECTORS
REGULAR MEETING
December 21, 2017 8:00 a.m.
Lopez Fire Hall**

TRAVEL



Via Island Air
378-2376

To:

Leave FH 7:15 a.m.

Arrive Lopez 7:30 a.m.

Return:

Leave Lopez 3:00 p.m.

Arrive FH 3:15 p.m.



Via Ferry:

To:

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

Arrive Lopez 6:50 a.m.

Arrive Lopez 7:30 a.m.

Return:

Leave Lopez	3:50 p.m.
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Arrive Shaw	4:10 p.m.
Orcas	4:30 p.m.
FH	5:10 p.m.

**Orcas Power & Light Cooperative
Board of Directors
Regular Board Meeting
Lopez Firehall
376-3500**

December 21, 2017 8:00 a.m.

Meetings are scheduled around the ferry schedule; if all Board members are present, the meeting may begin earlier or later than advertised.

PAGES

WELCOME GUESTS/MEMBERS

- Video Recording Acknowledgement:
 - *Members attending the board meeting acknowledge that they may be recorded and the recording posted to OPALCO's website.*

SEQUENCE OF EVENTS

- Member Comment Period:
 - *Members are expected to conduct themselves with civility & decorum, consistent with Member Policy 17. If you would like answers to specific questions, please fill out the Q&A card for post meeting follow-up.*
- Presentation from Nouridine Jenson Youth Scholars ~20 minutes
- Board of Directors seat from Lopez – filling interim position
 - Candidate interviews with Board (closed session) ~ 1 hour
 - Person selected to fill interim seat from Lopez will be announced in regular session
- Resume Regular Session

ACTION ITEMS

- Interim Board of Director Seat from Lopez Announcement (after candidate interviews in closed session)
 - Consent Agenda
 - Tariffs (second read)
 - EGC Position A Appointments
 - MS Policy 1 *Services Offered*
- 3-13**
14-29
30
31-32

DISCUSSION ITEMS

- MS Policy 11 *Capital Credits*
 - OPALCO Policy 11 *Director's Stipend*
 - Outage Recap
 - Community Solar Update
- 33-38**
39-46
47-53
54-60

REPORTS

- General Manager
- 61-64**

65 COMMUNICATIONS FROM MEMBERS

ADJOURNMENT

Executive Session: Legal, personnel, Director candidate interviews ~ 1 hour

MEMORANDUM

December 15, 2017

TO: Board of Directors

FROM: Foster Hildreth

RE: Consent Agenda

All matters listed with the Consent Agenda are considered 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 Credit payments to estates of deceased members and/or organizations no longer in business
- RUS 219s

Staff requests a motion to approve the Consent Agenda.

**Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Wednesday, November 15, 2017**

President Vince Dauciunas called the meeting to order at 9:00 a.m. at the Eastsound OPALCO office. Board members present were Winnie Adams, Randy Cornelius, Jim Lett, Mark Madsen and Jerry Whitfield. Board member Brian Silverstein was absent. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis, Head Accountant Travis Neal and Executive Assistant Bev Madan (serving as recording secretary). Rock Island Communications staff present included Gerry Lawlor, Dan Burke and Chris Schmidt.

President Dauciunas read the following statements to those present: *“Members attending the board meeting acknowledge that they may be recorded, and the recording posted to OPALCO’s website. Members are expected to conduct themselves with civility & decorum, consistent with Member Policy 17. If you would like answers to specific questions, please fill out the Q&A card for post meeting follow-up.”*

MEMBER/GUESTS

Consultant Jay Kimball, Tom Owens, Bruce Dunlop and Dwight Lewis.

CONSENT AGENDA

- Motion was made and seconded to approve the Consent Agenda which included the October minutes, new members (listed below) and capital credit payments totaling \$2,120.40. Motion carried by voice vote.

New Members

District 1

Brown, Pearl, Henry, San Juan, Spieden

Christison, Maxine M
Dutton, Merrill
Gramer, Chris
Guidry, Wade
Hiser, Gregory
Hoyt, Jonathan
JFT Investments LLC
Judd, Donald & Nanette
KSD Construction Inc
Mercer, Gerald & Debra
Ogle, Jon & Satin, MacKenzie
Oldwyn, Courtney
Stabley, Sue Ann
Thomason, William A & Kristi
Ward, Jared
Warren, Deborah & Richard

Mikulak, Kathryn & Duffy, Nathaniel
Moriarty, Vanessa
Murray, Carol
Newton, Luke & Vanderwarker, Amy
Nimmo, Kristen
Pelligrinelli, David
Pleszewicz, Kristofer
Riley, Katie
Sprenger, Amy & Cornelius
Stoner, Brad
Taylor, James & Jennifer
Wilson, Andrew
Wright, Stephanie

District 2

Armitage, Blakely, Obstruction, Big Double, Little Double, Fawn, Orcas

Balmain, Maxwell
Blocksom, Timothy & Beverly A
Brown, Todd R & S.J. Emma
Carhart, Jane
Durand, James & Debora
Finn, Rachel
Gibson, Deborah
Gilinsky, Norman & Templeton, Susan
Kramer, Philip & Gainey, Erin
Marlow, Janet & Will
Material Wit

District 3

Decatur, Center, Charles, Lopez

Catherine Washburn Med. As.
Clogston, Maggie
Devoe, Gregory
Fedorko, Steven
Minkler, Robin
Parlin, Larrol & Robin
Peters, Jeramy
Prewitt, Ryan Lee
Richards, Dale & Adams, Heather
Rolla, Lea 7 Chevara, Carl
Sullivan, Gary & Cynthia

District 4

Crane, Canoe, Bell, Shaw

Hines, Jason

Capital Credits – Customer Estates/Organizations Retired

Customer #

65388.....\$1,360.10
61482.....\$ 627.71
84262.....\$ 132.59

Policy 29 Rate Design

- **Motion** was made and seconded to table approval of the draft revisions until the rate review is completed; the draft will be used as a guideline of a rate setting tool. Motion carried by voice vote.

Excess Margin Treatment

- **Motion** was made and seconded to allocate ~\$512k of any year-end excess funds to member capital credit retirement acceleration and to split the balance of year-end estimated excess margin between an energy charge adjustment (member bill credit) and Board restricted funds. Motion carried by voice vote. Staff will be estimating year-end margin at the end of November and credit the members bills in the December billing cycle(s).

Capital Credit Application to Associated Uncollectible Accounts

- **Motion** was made and seconded to approve the use of member allocated capital credits to reduce and/or offset individual member delinquent UA balances as referenced in the Capital Credit / Bad Debt Payment Program report. Motion carried by voice vote.

REPORTS

Q3 Financial Report

The Q3 Financial Report included the Statement of Revenues and Margins; Balance Sheet; Statement of Cash Flows (GAAP); and capital projects budget tracking. Cold weather in Q1 of 2017 was the primary driver of the overall revenue variance of +12% (\$2.3M) higher than budgeted by Q3 year-to-date. This was partially offset by the related increase in purchased power of 13% (\$735k) with no significant peak charges from BPA. Q3 shows an increased margin of \$1.86M which was discussed as excess margin treatment.

Of note, Heating Degree Days (HDD) were up ~44% above normal budgeted levels. Actual kWh sales were 17.0M kWh above budget. Q3 power purchases were up \$735k due to higher kWh consumption; actual kWh purchases were 18.8M kWh above budget. Operating expenses were approximately \$303k under budgeted amounts.

General Manager

Safety: Total hours worked without loss time is 21,944.

ADJOURNMENT

Meeting adjourned at 12:15 pm.

Vince Dauciunas, President

Winnie Adams, Secretary-Treasurer

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, November 16, 2017

President Vince Dauciunas called the meeting to order at 9:03 a.m. at the Eastsound OPALCO office. Board members present were Winnie Adams, Randy Cornelius, Jim Lett, Mark Madsen, Brian Silverstein and Jerry Whitfield. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis, Head Accountant Travis Neal and Executive Assistant Bev Madan (serving as recording secretary). Counsel Joel Paisner was also present. Rock Island Communications staff present included Gerry Lawlor, Dan Burke and Chris Schmidt.

President Dauciunas read the following statements to those present: *“Members attending the board meeting acknowledge that they may be recorded, and the recording posted to OPALCO’s website. Members are expected to conduct themselves with civility & decorum, consistent with Member Policy 17. If you would like answers to specific questions, please fill out the Q&A card for post meeting follow-up.”*

COOPERATIVE CREDENTIALLED DIRECTOR AWARD

Brian Silverstein was presented with the Cooperative Credentialed Director certificate and pin from NRECA for completing the requirements of the course.

MEMBER/GUESTS

Consultant Jay Kimball, Dwight Lewis, Chantelle Hildreth, David Sabala, and John Donner (CoBank).

2018 BUDGET

Staff presented the 2018 budget, recommending a 5% rate increase for the 2018 budget year. The recommendation includes a revenue increase to \$29.3M (up from \$27.8M in 2017) to meet OPALCO’s financial, operational and capital project commitments. Included is \$900k for depreciation and interest expense, primarily for the submarine cable project; and \$50k in power costs. The 2018 budget is aligned with the mission statement of providing safe, reliable, cost effective and environmentally sensitive utility services. Hildreth also noted, the Board met in June to confirm that the budget aligned with board expectations and fulfils the mission and strategic directives. At that time, the consensus was that there are few to no discretionary expenses to cut in the budget, and that the Board does not support budgetary cuts that would have a negative impact on safety or system reliability. OPALCO’s first Community Solar and Energy Storage project on Decatur Island is included in this budget, as are upgrades to lines and substations to integrate a new 69KV tap from BPA in order to reroute power through Blakely Island directly to Orcas. The Blakely and Olga Substations will be upgraded for acceptance of 69kV. The completion of these projects will allow for an alternative feed for Orcas Island and will be completed by year-end 2018. After discussing many options, the Board approved the 2018 budget as recommended by staff.

- Motion was made and seconded to approve the 2018 budget that includes a 5% rate increase effective with the January 2018 billing cycles.

DRAFT TARIFF REVISIONS

During discussion, the Board approved an increase to the payouts of the Energy Assistance Program (EAP). This results in a \$5 increase in the Energy Assistance Credit for each category. Starting January 2018, monthly bill credit will range from \$25 to \$55 per household. This was the first reading of the tariffs; they will be presented at the December Board meeting for approval. No changes were suggested to the drafts presented.

ADJOURNMENT

Meeting adjourned at 11:50 am.

Vince Dauciunas, President

Winnie Adams, Secretary-Treasurer

NEW MEMBERS
November 2017

District 1 (San Juan, Pearl, Henry, Brown, Spieden)

1. Adams, Jon & Dean
2. Arrowsmith, Lacy
3. Berard, Jenny
4. Cox, Seth
5. Evans-Wickberg, Susan & Daniel B
6. Franklin, Antoinette
7. Grant, Randy & Jan
8. Green, Heidi & Mark
9. Johnson, Jeffrey & Smith, Rebecca
10. Joseph, Natalie
11. Lord, Mary
12. Mahoney, Stephen & Brittany
13. McCullagh, Sarah A
14. Montgomery, Aaron
15. Moreno, Ernest & Karyn
16. Nigro, Edward & Donna Lee
17. Ottinger, Nicholene & Gary
18. Rodman, Leslie
19. San Juan Auto Parts LLC
20. Springtree Vacation Stay LLC
21. Tripp, Jeffery & Jennifer
22. Tritschler, Maurice
23. Vitarelli, Arthur & Laurie
24. Weiland, Derek
25. Wow Thai Kitchen LLC

District 2 (Orcas, Armitage, Blakely, Obstruction, Big Double, Little Double, Fawn)

26. Arneill, Allison
27. Burbridge, Dean
28. Carter, Rebecca
29. Davidson, Lindsey
30. Hancock, Gregory C
31. Kean, Leslie S & Promislow, Daniel
32. LaFaunce, Denise
33. Larson, Tylen C
34. Lassen, Alexander
35. MacDonald, Jeff
36. Murray, Brian

37. Pettyjohn, Steven & Knipe, Joan M
38. Shivers, Mike & Barbara
39. Unlax, LLC
40. Willard, Linda
41. Williams, Rosalind
42. Wilson, Jonathan
43. Younger, Tracie & Joaquin

District 3 (Lopez, Decatur, Center, Charles)

44. Bates, Albert
45. Clark, Carly
46. Coro's Mechanical Repair
47. Danvolgyi, Lena
48. Fuller, Jane
49. Funaro, James & Theresa
50. Herold, Mehgan
51. Klein, Angel
52. Nichols, Rachel
53. Nou, Daniel
54. Peterson, Robert
55. Pope, Mary K & Bacco, Edward M
56. Stearns, Brian & Jean
57. Ward, Robin

District 4 (Shaw, Crane, Canoe, Bell)

58. Miller, Walter & Nicolene

MEMORANDUM

December 15, 2017

TO: Board of Directors

FROM: Foster Hildreth, General Manager

RE: Capital Credits

Staff requests payment of capital credits to the estates of the following deceased members and/or to organizations no longer in business by way of approval of the consent agenda:

	December
Decedent Customer #	Amount
1780	\$ 665.61
7310	\$ 177.32
11179	\$ 388.32
21970	\$ 2,173.69
26680	\$ 859.46
26850	\$ 443.07
62468	\$ 1,906.23
69660	\$ 1,127.66
Request Total	<u>\$ 7,741.36</u>

MEMORANDUM

December 15, 2017

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 AS1710	\$ 23,725.56
<i>Minor projects</i>	

Inventory 201710	\$407,895.94
<i>Overhead to underground conversion; transformer relocate; system improvement;</i>	

Staff requests Board approval to submit the above referenced RUS Form 219s totaling \$431,621.50 by way of approval of the Consent Agenda.

12/04/2017 8:48:59 am

RUS Form 219 Inventory Of Work Orders

Period: OCT 2017 System Designation: WA AH O9

Page: 3

Inventory: AS1710

Loan		Work Order Construction (1)	Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year			Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
		Retirement (2)							
1600	2018	2410							
		2410	1	31,691.69	367.98	1,241.26	0.00	13,582.16	16,630.29
							AFUDC: 605.96		
1600	2018	2787							
			1	7,112.77	0.00	0.00	0.00	0.00	7,095.27
							AFUDC: 17.50		
				38,804.46	367.98	1,241.26	0.00	13,582.16	23,725.56
Grand Totals:				\$ 38,804.46	\$ 367.98	\$ 1,241.26	\$ 0.00	\$ 13,582.16	\$ 23,725.56

Minor Construction Work Orders

Work Order: 2410 - PLUM TREE COTTAGES

Work Order: 2787 - REROUTE EXISTING OPALCO LINE THAT IS UNDER BUILDING MEMBER CONTRIBUTES TO EXCAVATION

12/04/2017 8:48:59 am

RUS Form 219 Inventory Of Work Orders

Page: 6

Period: OCT 2017

System Designation: WA AH O9

Inventory : AS1710

Budget

Loan	Project	Amount
1	1600	23,725.56
Total:		23,725.56



EXPIRES 3/16/19

ENVIRONMENTAL CERTIFICATION

- 1 ☒ WE CERTIFY THAT CONSTRUCTION REPORTED ON THE LISTED WORK ORDERS (EXCEPT CERTIFICATION "2" BELOW), IS A CATEGORICAL EXCLUSION OF A TYPE DESCRIBED IN 7 CFR 1970 WHICH NORMALLY DOES NOT REQUIRE PREPARATION OF A BORROWER'S ENVIRONMENTAL REPORT.
- 2 ☐ WE CERTIFY THAT CONSTRUCTION REPORTED ON WORK ORDERS _____, IS A CATEGORICAL EXCLUSION OF A TYPE THAT NORMALLY REQUIRES A BORROWER'S ENVIRONMENTAL REPORT WHICH IS ATTACHED.

SIGNATURE (MANAGER)

DATE

BORROWER CERTIFICATION

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

SIGNATURE (MANAGER)

DATE

SIGNATURE (BOARD APPROVAL)

DATE

ENGINEERING CERTIFICATION

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

Joel Mietzner P.E.

INSPECTION PERFORMED BY

42902

LICENSE NUMBER

3/16/19

DATE

OPALCO

FIRM

SIGNATURE OF LICENSED ENGINEER

12/04/2017 8:48:59 am

Page: 2

RUS Form 219 Inventory Of Work Orders

Period: OCT 2017

System Designation: WA AH O9

Inventory: 201710

Loan		Work Order Construction (1)	Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year			Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
		Retirement (2)							
319	2018	1287							
		1287	1	113,837.19	4,693.46	-12.45	0.00	0.00	108,222.09
							AFUDC: 10,321.01		
				113,837.19	4,693.46	-12.45	0.00	0.00	108,222.09
601	2018	2657							
		2657	1	6,465.33	0.00	0.00	0.00	615.20	5,817.00
							AFUDC: 33.13		
				6,465.33	0.00	0.00	0.00	615.20	5,817.00
608	2014	2732							
			1	1,482.93	0.00	0.00	0.00	0.00	1,480.97
							AFUDC: 1.96		
608	2017	2631							
			1	9,020.11	0.00	0.00	0.00	0.00	8,948.34
							AFUDC: 71.77		
608	2018	2652							
		2652	1	10,648.13	167.43	0.00	0.00	0.00	10,768.13
							AFUDC: 47.43		
				21,151.17	167.43	0.00	0.00	0.00	21,197.44
706 - 3	2018	2587							
			1	277,624.12	0.00	0.00	0.00	0.00	272,659.41
							AFUDC: 4,964.71		
				277,624.12	0.00	0.00	0.00	0.00	272,659.41
Grand Totals:				\$ 419,077.81	\$ 4,860.89	\$ -12.45	\$ 0.00	\$ 615.20	\$ 407,895.94

12/04/2017 8:48:59 am

RUS Form 219 Inventory Of Work Orders

Period: OCT 2017 System Designation: WA AH O9

Page: 5

Inventory : 201710

Budget	Loan	Project	Amount
	1	319	108,222.09
	1	601	5,817.00
	1	608	21,197.44
	1	706 - 3	272,659.41
	Total:		407,895.94



EXPIRES 3/16/19

BORROWER CERTIFICATION

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

SIGNATURE (MANAGER)

DATE

SIGNATURE (BOARD APPROVAL)

DATE

ENGINEERING CERTIFICATION

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

Joel Mietzner P.E.

INSPECTION PERFORMED BY

42902

LICENSE NUMBER

3/16/19

DATE

OPALCO

FIRM

SIGNATURE OF LICENSED ENGINEER

MEMORANDUM

December 15, 2017

TO: Board of Directors

FROM: Foster Hildreth

RE: Tariff Revisions

The tariffs have been edited to include the rate increases approved at the November Board meeting with the passing of the 2018 budget. These tariffs will be effective with the January 2018 billing.

Staff requests a motion to approve the tariffs as revised to include the 5% rate increase.

ORCAS POWER AND LIGHT COOPERATIVE

RECOMMENDED RATE STRUCTURE

	A.	B.	C.
			Recommended
			5% Increase to All Components
1	Residential	Present Rates	
2	Facility Rate (\$/Service/Month)	\$40.54	\$42.57
4	Energy Assistance Program (\$/kWh)	\$0.0005	\$0.0005
5	Energy Rates (\$/kWh)		
6	Summer Block 1 (< 1,500 kWh)	\$0.0959	\$0.1007 (< 2,000 kWh)
7	Summer Block 2 (1,500 kWh to 3000 kWh)	\$0.1087	\$0.1141 (2,000 to 3,000 kWh)
8	Summer Block 3 (> 3,000 kWh)	\$0.1289	\$0.1353
9	Winter Block 1 (< 3,000 kWh)	\$0.0959	\$0.1007 (< 4,000 kWh)
10	Winter Block 2 (3,000 kWh to 5,000 kWh)	\$0.1087	\$0.1141 (4,000 to 5,000 kWh)
11	Winter Block 3 (> 5,000 kWh)	\$0.1289	\$0.1353
12			
13			
14	Residential TOU	Present Rates	Recommended
15	Facility Rate (\$/Service/Month)	\$45.99	\$48.29
16	Demand Rate (\$/Service/Month)		
17	Energy Assistance Program (\$/kWh)	\$0.0005	\$0.0005
18	Energy Rates (\$/kWh)		
19	TOU Period 1 (6 AM - Noon)	\$0.1609	\$0.1690
20	TOU Period 2 (Noon - 6 PM)	\$0.0995	\$0.1045
21	TOU Period 3 (6 PM - 8 PM)	\$0.1609	\$0.1690
22	TOU Period 3 (8 PM - 6 AM)	\$0.0436	\$0.0458
23			
24			
25	Small Commercial (<20 kW)	Present Rates	Recommended
26	Facility Rate (\$/Service/Month)	\$57.65	\$60.53
27	Energy Assistance Program (\$/kWh)	\$0.0005	\$0.0005
28	Energy Rates (\$/kWh)		
29	Block 1 (< 5,000 kWh)	\$0.0976	\$0.1025
30	Block 2 (> 5,000 kWh)	\$0.1090	\$0.1145
31	Demand Rates (\$/kW)		
32	First 20 kW (Flat Rate)	\$5.66	\$5.94
33			
34			
35	Large Commercial (> 20kW)	Present Rates	Recommended
36	Facility Rate (\$/Service/Month)	\$57.65	\$60.53
37	Energy Assistance Program (\$/kWh)	\$0.0005	\$0.0005
38	Energy Rates (\$/kWh)		
39	Block 1 (< 5,000 kWh)	\$0.0864	\$0.0907
40	Block 2 (5,000-150,000 kWh)	\$0.0957	\$0.1005
41	Block 3 (>150,000 kWh)	\$0.1277	\$0.1341
42	Demand Rates (\$/kW)		
43	Block 1 (< 300 kW)	\$3.49	\$3.66
44	Block 2 (> 300 kW)	\$5.24	\$5.50
45			

ORCAS POWER AND LIGHT COOPERATIVE

RECOMMENDED RATE STRUCTURE

46			
47			
48	Pumps	Present Rates	Recommended 5% Increase to All Components
49	Facility Rate (\$/Service/Month)	\$37.93	\$39.83
50	Energy Assistance Program (\$/kWh)	\$0.0005	\$0.0005
51	Energy Rates (\$/kWh)		
52	0 - 370 kWh	\$0.1008	\$0.1059
53	370-5,000 kWh	\$0.0875	\$0.0919
54	Over 5,000 kWh	\$0.0982	\$0.1031
55	Demand Rates (\$/kW)		
56	First 20 kW (Flat Rate)	\$1.05	\$1.10
57	Over 20 kW	\$3.48	\$3.65
58			
59			
60	Line Retention	Present Rates	Recommended 5% Increase to All Components
61	Facility Rate (\$/Service/Month)		\$23.37
62			
63			
64	Unmetered Service	Present Rates	5% Increase to All Components
65	Facility Rate (\$/Service/Month)	\$34.97	\$42.57
66	Energy Assistance Program (\$/kWh)	\$0.0005	\$0.0005
67	Energy Rates (\$/kWh)	\$0.0807	\$0.1007
68			
69			
70	Private Outdoor Lighting	Present Rates	5% Increase to All Components
71	Billing Rate (\$/Service/Month)	\$2.43	\$2.55
72	Fixture Rate (\$/Service/Month)	\$10.37	\$10.89
73	Energy Rates (\$/kWh)		
74	100 Watt Lights	\$4.17	\$4.38
75	200 Watt Lights	\$8.47	\$8.89
76			
77			
78	Energy Assistance Credits	Present Rates	Recommended Rates
79	Household Size		
80	1	\$20.00	\$25.00
81	2	\$26.00	\$31.00
82	3	\$32.00	\$37.00
83	4	\$38.00	\$43.00
84	5	\$44.00	\$49.00
85	6+	\$50.00	\$55.00

1) Any per energy charge (\$ per kWh) above \$0.1025 may induce fuel switching to fossil fuels.

2) Column C produces revenues equal to the Recommended Budget Option.

ORCAS POWER AND LIGHT COOPERATIVE

TARIFF EAP - 18

ENERGY ASSIST PROGRAM

AVAILABILITY

Available to low-income members, subject to the General Provisions hereunder, and served under the current Tariff R – Residential Service, and the provisions therein.

TYPE OF SERVICE

Electric service under the current Tariff R – Residential Service

APPLICATION

Residential homes with year-round low-income occupants being served by a standard residential service.

ENERGY ASSISTANCE CHARGE \$0.0005 per kWh

ENERGY ASSIST CREDIT

Household Size	Monthly Credit
1	(\$25.00)
2	(\$31.00)
3	(\$37.00)
4	(\$43.00)
5	(\$49.00)
6+	(\$55.00)

MINIMUM MONTHLY CREDIT

The minimum monthly credit, under the above rate, shall be (\$25.00). No refunds, or bills under \$0.00, will be issued based on participation in the Energy Assist Program.

SUBJECT TO AVAILABLE FUNDING

The Energy Assist Credit is pending available funding through the Energy Assist Charge in each related tariff, and other funding sources as approved by the Board of Directors.

GENERAL PROVISIONS

1. Active eligible members must complete and sign an Energy Assist Application, and provide documentation that the low-income household member has been qualified for, and has recently received, benefits under another endorsed low-income program.
2. Reapplication will be required annually.

Foster Hildreth, General Manager

Effective Date: January 2018 Billing Period

**ORCAS POWER AND LIGHT COOPERATIVE
TARIFF LCS –18
LARGE COMMERCIAL SERVICE
TWENTY-FIRST REVISION – REPLACING TWENTIETH REVISION**

AVAILABILITY

Available to all non-residential members using more than 20 kW in any one or more of the preceding twelve (12) months, subject to the General Provisions hereunder.

TYPE OF SERVICE

Single-phase or three-phase, 60 cycles, at available secondary voltage, equipment subject to automatic load management controls.

APPLICATION

General Service for heating, lighting, etc., marinas for commercial use, and non-residential members.

FACILITY CHARGE \$60.53

ENERGY ASSISTANCE PROGRAM \$0.0005 per kWh

ENERGY CHARGE Block 1 ($\leq 5,000$ kWh) @ \$0.0907 per kWh
Block 2 ($> 5,000 - 150,000$ kWh) @ \$0.1005 per kWh
Block 3 ($> 150,000$ kWh) @ \$0.1341 per kWh

DEMAND CHARGE Block 1 (≤ 300 kW) \$3.66 per kW
Block 2 (> 300 kW) \$5.50 per kW

MINIMUM MONTHLY CHARGE

The minimum monthly charge, under the above rate, shall be \$60.53 per month or prorated if service is provided for less than a full month.

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the member for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT

Demand charges may be adjusted to correct for average power factors lower than 95%. Such adjustments will be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 95% lagging.

WHOLESALE POWER COST ADJUSTMENT

A surcharge or credit may be applied to each billing for service under this tariff to reflect increases or decreases in the wholesale cost of power based on the rates charged by the Bonneville Power Administration.

GENERAL PROVISIONS

1. Member agrees to allow the cooperative, at its discretion, to install automatic load management controls.
2. Except for bed and breakfast establishments, service under this rate shall not be provided to locations with occupied residential facilities unless such facilities are insignificant with respect to the business operations at the location.
3. Bed and breakfast establishments will be served under this rate tariff if the owner or manager does not live in a building served by this meter.
4. The rated capacity of any motor served under this tariff shall be as follows:
 - Motors up to 2 HP can operate at 115 volts.
 - Motors larger than 2 HP (single phase) are subject to requirements in Member Service Policy 3-Technical Provisions.
5. No single resistive 3-phase loads (examples: ovens, heaters, kilns) of over 45kW shall come on line simultaneously.
6. Non-resistive loads such as arc welders, fluorescent or mercury lamps, and induction heating furnaces are causes of harmonic distortion and may require corrective measures.
7. See Member Service Policy 3-*Technical Provisions* for additional requirements.

Effective Date <u>January 2018 Billing Period</u>
Foster Hildreth, General Manager

ORCAS POWER AND LIGHT COOPERATIVE

TARIFF LR – 18

LINE RETENTION

EIGHTEENTH REVISION – REPLACING SEVENTEENTH REVISION

AVAILABILITY

Available for individual residential, marina, and general service accounts where the primary and transformer only serve one member and the removal of the equipment will not affect the service to other members, and/or no service has been taken for a period of twelve (12) months.

TYPE OF SERVICE

Single-phase, 7200 GrdY primary or 120/240 secondary voltage.

APPLICATION

Payment of the line retention rate will ensure that the facilities remain in place for future use.

FACILITY CHARGE \$23.37

ENERGY CHARGE

No energy may be used under this rate.

MINIMUM MONTHLY CHARGE

The monthly charge, under the above rate, shall be \$23.37 per month or prorated if service is provided for less than a full month.

GENERAL PROVISIONS FOR MEMBERS ON LINE RETENTION

1. The above rate is not available where energy is being used or where a meter is installed.
2. OPALCO normally retires and/or removes facilities that have not been used for twelve (12) months. Payment of the line retention rate will ensure that the facilities remain in place for future use. If OPALCO removes any equipment and the member wants it reinstalled, the member shall be required to apply for a new service or line extension in accordance with the current member service policy.
3. Members who have discontinued service for a period of twelve (12) months or have made a formal request for service and have not connected to the system after a period of twelve (12) months are subject to the line retention rate, provided that OPALCO has determined that the facilities are causing ongoing expenses, such as line losses or line maintenance to the system.

Foster Hildreth, General Manager

Effective Date: January 2018 Billing Period

ORCAS POWER AND LIGHT COOPERATIVE

TARIFF NM- 18

UNMETERED SERVICE

ELEVENTH REVISION – REPLACING TENTH REVISION

AVAILABILITY

Available to small fixed loads such as cable television amplifiers.

TYPE OF SERVICE

Single-phase, 60 cycles, 120 volts, 20 amps or less.

APPLICATION

For electrical loads that are unchanging during the day and operate at 120 volts with 20 amps or less.

FACILITY CHARGE: \$42.57

ENERGY ASSISTANCE PROGRAM \$0.0005 per kWh

ENERGY CHARGE: All kWh @ \$0.1007

MINIMUM MONTHLY CHARGE

The minimum monthly charge, under the above rate, shall be \$42.57 per month or prorated if service is provided for less than a full month.

WHOLESALE POWER COST ADJUSTMENT

A surcharge or credit may be applied to each billing for service under this tariff to reflect increases or decreases in the wholesale cost of power or transmission charged by the Bonneville Power Administration.

GENERAL PROVISIONS

1. The member must install a disconnect switch that can be locked by OPALCO.
2. The member must provide suitable fusing to protect their equipment.
3. Kilowatt hour usage shall be calculated based on the device drawing rated current (as determined by the manufacturer's recommended fuse size) at 120 volts at unity power factor for 720 hours per month.

Foster Hildreth, General Manager

Effective Date: January 2018 Billing Period

**ORCAS POWER AND LIGHT COOPERATIVE
TARIFF P- 18
PUMP SERVICE**

TWENTY-FIRST REVISION – REPLACING TWENTIETH REVISION

AVAILABILITY

Available to all members, subject to the General Provisions hereunder.

TYPE OF SERVICE

Single-phase, 60 cycles, at available secondary voltage, equipment subject to automatic load management controls.

APPLICATION

Service for pumping water for domestic use and/or irrigation.

FACILITY CHARGE \$39.83

ENERGY ASSISTANCE PROGRAM \$0.0005 per kWh

ENERGY CHARGE 0-370 kWh @ \$0.1059 per kWh
 371-5,000 kWh @ \$0.0919 per kWh
 Over 5,000 kWh @ \$0.1031 per kWh

DEMAND CHARGE First 20 kW (flat rate) \$1.10
 Over 20 kW \$3.65 per kW

MINIMUM MONTHLY CHARGE

The minimum monthly charge, under the above rate, shall be \$39.83 per month or prorated if service is provided for less than a full month.

WHOLESALE POWER COST ADJUSTMENT

A surcharge or credit may be applied to each billing for service under this tariff to reflect increases or decreases in the wholesale cost of power based on the rates charged by the Bonneville Power Administration.

GENERAL PROVISIONS

1. All pumps served under this tariff shall be metered separately.
2. The rated capacity of any motor served under this tariff shall be as follows:
 - Motors up to 2 HP can operate at 115 volts.
 - Motors larger than 2 HP shall operate at 230 volts and are subject to requirements in Member Service Policy 3-Technical Provisions.
3. See Member Service Policy 3-Technical Provisions for additional requirements.

_____ Foster Hildreth, General Manager	Effective Date: <u>January 2018 Billing Period</u>
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TARIFF POL –18
PRIVATE OUTDOOR LIGHTING
TWENTIETH REVISION – REPLACING NINETEENTH REVISION

New service under this tariff is not available after March 1, 1998. Those members receiving service under this tariff prior to March 1, 1998 may continue to do so.

OPALCO will own, maintain and operate suitable fixtures on brackets, with refractors and controls, and supply energy for sodium vapor lamps at locations agreed upon with the member, the service distance not to exceed 150 feet/2 wire, or 300 feet/3 wire.

Non-metered or metered street, yard or security lighting service.

BILLING CHARGE *\$2.55 per month

FIXTURE CHARGE \$10.89 per month

ENERGY CHARGE ** 100 Watts \$4.38 per month
200 Watts \$8.89 per month

*Applies only when not included on a bill for other energy usage.

****Applies only when energy is not metered.**

A surcharge or credit may be applied to each billing for service under this tariff to reflect increases or decreases in the wholesale cost of power based on the rates charged by Bonneville Power Administration.

1. All lamp replacements and other maintenance will be provided by OPALCO, except that lamps and fixtures broken by vandalism will be charged to the member.
2. The member shall notify OPALCO if a lamp does not operate. OPALCO agrees to repair lamps as soon as possible, but, in any event, within five (5) working days.
3. A timing device and/or photo electric cell may be installed by OPALCO in order to limit the time interval that the lamp is turned on each night.
4. During the periods of energy shortage, lamps may be disconnected by request of either the cooperative or member, with no charge to member. The member will not be charged for the period the light has been disconnected.

Effective Date: January 2018 Billing Period

**ORCAS POWER AND LIGHT COOPERATIVE
TARIFF R – 18
RESIDENTIAL SERVICE**

NINETEENTH REVISION – REPLACING EIGHTEENTH REVISION

AVAILABILITY

Available to all small farm and home members, subject to the General Provisions hereunder.

TYPE OF SERVICE

Single-phase, 60 cycles, at available secondary voltage, equipment subject to automatic load management controls.

APPLICATION

Service for home and farm uses, such as cooking, lighting, heating, private docks not used for commercial purposes, etc. Residences qualifying as “cottage industries” by San Juan County shall be served under this tariff.

FACILITY CHARGE \$42.57

ENERGY ASSISTANCE CHARGE \$0.0005 per kWh

ENERGY CHARGE

Summer			Winter	
Block 1	<2,000 kWh	\$.1007 per kWh	<4,000 kWh	\$.1007 per kWh
Block 2	2,001 – 3,000 kWh	\$.1141 per kWh	4,001 - 5,000 kWh	\$.1141 per kWh
Block 3	3,001 – 5,000 kWh	\$.1353 per kWh	>5,000 kWh	\$.1353 per kWh

DEMAND CHARGE \$0.00

MINIMUM MONTHLY CHARGE

The minimum monthly charge, under the above rate, shall be \$42.57 per month or prorated if service is provided for less than a full month.

WHOLESALE POWER COST ADJUSTMENT

A surcharge or credit may be applied to each billing for service under this tariff to reflect increases or decreases in the wholesale cost of power based on the rates charged by the Bonneville Power Administration.

GENERAL PROVISIONS

1. Member agrees to allow the cooperative, at its discretion, to install automatic load management controls.
2. The rated capacity of any motor served under this tariff shall be as follows:
 - Motors up to 2 HP can operate at 115 volts.
 - Motors larger than 2 HP shall operate at 230 volts and are subject to requirements in Member Service Policy 3-Technical Provisions.

3. No single resistive loads (examples: ovens, heaters, kilns) over 15 kW shall come on line simultaneously.
4. Non-resistive loads such as arc welders, fluorescent or mercury lamps, and induction heating furnaces are causes of harmonic distortion and may require corrective measures.
5. See Member Service Policy 3 *Technical Provisions* for additional requirements.
6. Bed and breakfast establishments will be served under this rate if the owner or manager lives in a building served by this meter.
7. Summer Block is defined as May billing cycle through September billing cycle; Winter Block is defined as October billing cycle through April billing cycle.

Foster Hildreth, General Manager

Effective Date: January 2018 Billing Period

ORCAS POWER AND LIGHT COOPERATIVE
TARIFF SCS – 18
SMALL COMMERCIAL SERVICE
NINETEENTH REVISION – REPLACING EIGHTEENTH REVISION

AVAILABILITY

Available to all non-residential members using less than 20 kW in all of the preceding twelve (12) months, subject to the General Provisions hereunder.

TYPE OF SERVICE

Single-phase or three-phase, 60 cycles, at available secondary voltage, equipment subject to automatic load management controls.

APPLICATION

General Service for heating, lighting, etc., for marinas for commercial use, and non-residential members.

FACILITY CHARGE \$60.53

ENERGY ASSISTANCE PROGRAM \$0.0005 per kWh

ENERGY CHARGE Block 1 (< 5,000 kWh) @ \$0.1025 per kWh
Block 2 (>5,000 kWh @ \$0.1145 per kWh

DEMAND CHARGE \$5.94 per month

MINIMUM MONTHLY CHARGE

The minimum monthly charge, under the above rate, shall be \$60.53 per month or prorated if service is provided for less than a full month.

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the member for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered as indicated or recorded by a demand meter and adjusted for power factor as provided below.

POWER FACTOR ADJUSTMENT

Demand charges may be adjusted to correct for average power factors lower than 95%. Such adjustments will be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 95% lagging.

WHOLESALE POWER COST ADJUSTMENT

A surcharge or credit may be applied to each billing for service under this tariff to reflect increases or decreases in the wholesale cost of power based on the rates charged by the Bonneville Power Administration.

GENERAL PROVISIONS

1. Member agrees to allow the cooperative, at its discretion, to install automatic load management controls.
2. Except for bed and breakfast establishments, service under this rate shall not be provided to locations with occupied residential facilities unless such facilities are insignificant with respect to the business operations at the location.
3. Bed and breakfast establishments will be served under this rate tariff if the owner or manager does not live in a building served by this meter.
4. The rated capacity of any motor served under this tariff shall be as follows:
 - Motors up to 2 HP can operate at 115 volts.
 - Motors larger than 2 HP (single phase) are subject to requirements in Member Service Policy 3-Technical Provisions.
5. No single resistive 3-phase loads (examples: ovens, heaters, kilns) of over 45kW shall come on line simultaneously.
6. Non-resistive loads such as arc welders, fluorescent or mercury lamps, and induction heating furnaces are causes of harmonic distortion and may require corrective measures.
7. See Member Service Policy 3-*Technical Provisions* for additional requirements.

Foster Hildreth, General Manager

Effective Date January 2018 Billing Period

ORCAS POWER AND LIGHT COOPERATIVE TARIFF TOU - 18

RESIDENTIAL TIME OF USE RATE

(Formerly known as "ESR-08 Energy Saving Rate")

TWENTIETH REVISION – REPLACING NINETEENTH REVISION

AVAILABILITY

Available to all small farm and home members, subject to the General Provisions hereunder.

TYPE OF SERVICE

Single-phase, 60 cycles, at available secondary voltage. Equipment subject to automatic load management controls.

APPLICATION

Service for small farms, homes, pools, greenhouses and other non-essential loads. Limited to single phase loads.

FACILITY CHARGE: \$48.29

ENERGY ASSISTANCE PROGRAM \$0.0005 per kWh

ENERGY CHARGE:

Period	Time	Cost per kWh
1	6:00 am – Noon	\$0.1690
2	Noon – 6:00 pm	\$0.1045
3	6:00 pm – 8:00 pm	\$0.1690
4	8:00 pm – 6:00 am	\$0.0458

DEMAND CHARGE: \$0.00

MINIMUM MONTHLY CHARGE

The minimum monthly charge, under the above rate, shall be \$48.29 per month or prorated if service is provided for less than a full month.

WHOLESALE POWER COST ADJUSTMENT

A surcharge or credit may be applied to each billing for service under this tariff to reflect increases or decreases in the wholesale cost of power based on the rates charged by the Bonneville Power Administration.

GENERAL PROVISIONS

1. Member agrees to allow the cooperative, at its discretion, to install automatic load management controls.

2. The rated capacity of any motor served under this tariff shall be as follows:
 - Motors up to 2 HP can operate at 115 volts.
 - Motors larger than 2 HP shall operate at 230 volts and are subject to requirements in Member Service Policy 3-Technical Provisions.
3. No single resistive loads (examples: ovens, heaters, kilns) over 15 kW shall come on line simultaneously.
4. Non-resistive loads such as arc welders, fluorescent or mercury lamps, and induction heating furnaces are causes of harmonic distortion and may require corrective measures.
5. Loads served under this tariff shall not be capable of being switched to another meter served under a different tariff.
6. See Member Services Policy 3 *Technical Provisions* for additional requirements.

Foster Hildreth, General Manager

Effective Date: January 2018 Billing Period

MEMORANDUM

December 15, 2017

TO: Board of Directors

FROM: Foster Hildreth

RE: Elections and Governance Committee

The Elections and Governance Committee consists of 9 positions, with staggered terms. The initial appointments were made for one, two and three years which results in a three-year rotation. Subsequent appointments to the committee will be full three-year terms. The Board will appoint new members or reappoint existing members (when terms are completed) in November of each year so that the committee is prepared to provide a slate of candidates to meet the annual meeting deadlines.

Currently the committee includes:

- Position A, one-year term:
 - i. Barry Cave (District 1 – San Juan);
 - ii. Doug Marshall (District 2 – Orcas) and
 - iii. Rob Thesman (District 3 – Lopez/Shaw)
- Position B, two-year term:
 - i. Vacant (District 1);
 - ii. Howard Barbour (District 2);
 - iii. Vacant (District 3)
- Position C, three-year term:
 - i. Bill Severson (District 1);
 - ii. Bev Leyman (District 2);
 - iii. Chom Greacen (District 3)

Staff requests the Board reappoint members to Position A from each district (as seen above). The current members of the committee in Position A are willing to be reappointed in order to continue the work underway but have indicated that they may not complete a full three-year term.

MEMORANDUM

December 15, 2017

TO: Board of Directors

FROM: Foster Hildreth

RE: Member Service Policy 1 *Nature of Services Offered* Draft Revision

Since 2014, OPALCO has seen turnover in staff primarily due to retirement (39% of our staff are new to OPALCO). Our 2018 budget includes an expanded staff training and development program. This program is to also aid in unifying the district offices.

Once a month, OPALCO staff will gather for staff training and development opportunities. This requires flexibility with office hours which currently are from 8:00 am to 4:30 pm Monday through Friday except holidays.

OPALCO plans to close the offices monthly in 2018. The Friday Harbor office will close the full day to allow for ferry travel and the Eastsound office will close at noon those days. The first closure for safety training and staff development is planned for January 26.

Revisions are necessary to Policy 1 Section 1.2 *Business Office* to allow for the closures. Section 1.2.1 shall read “OPALCO shall maintain business offices in Eastsound and Friday Harbor. These offices shall be open from 8:00 a.m. until 4:30 p.m. Monday through Friday except holidays *and occasional closures for safety training and staff development.*”

Staff is requesting for the board to waive the second reading and requests a motion for approval of the revised policy as listed above and attached.

**ORCAS POWER AND LIGHT COOPERATIVE
MEMBER SERVICE POLICY 1
NATURE OF SERVICES OFFERED
DRAFT REVISIONS**

1.1 ELECTRIC SERVICES

1.1.1 OPALCO provides 60 cycle (Hertz) alternating current service at the following voltages:

Single Phase, 2 Wire	120 Volts
Single Phase, 3 Wire	120/240 Volts
Three Phase, 4 Wire	120/208 Volts
Three Phase, 4 Wire	277/480 Volts

Service voltage ranges are maintained at +/- 5% of these voltage levels. It will not be considered a violation of this voltage standard when voltages outside of the prescribed limits are caused by any of the following:

- Action of the elements
- Service Interruptions
- Temporary separation of parts of the system from the main system
- Infrequent fluctuation of a short duration
- Voltage control for load management purposes
- Addition of member equipment without proper notification to the Cooperative
- Emergency operation
- Operation of member's equipment
- Other causes beyond the control of the Cooperative

The Cooperative will not be responsible for the installation and maintenance of any equipment needed to accommodate nonstandard voltage, voltage regulation of less than +/- 5% of the standard voltages, or protection for motors and electronic equipment. This equipment will be operated and maintained at the member's expense.

1.1.2 OPALCO shall, unless otherwise provided in this policy, construct, operate and maintain the facilities necessary to deliver electrical energy to the point of service connection to the service equipment owned by the member or prospective member (hereinafter "member"). Responsibility for design, construction, operation, maintenance and removal of OPALCO's lines and other facilities shall rest with OPALCO. See Member Service Policy 5 *Line Extension* for a detailed description of OPALCO's responsibility for construction of new facilities.

1.1.3 OPALCO shall only provide service to its members.

1.2 BUSINESS OFFICE

1.2.1 OPALCO shall maintain business offices in Eastsound and Friday Harbor. These offices shall be open from 8 a.m. until 4:30 p.m., Monday through Friday except holidays and occasional closures for safety training and staff development.

1.2.2 OPALCO will accept collect telephone calls from members concerning billing or other service related issues.

Foster Hildreth, General Manager

Effective Date: 9/19/2013

MEMORANDUM

December 15, 2017

TO: Board of Directors

FROM: Foster Hildreth

RE: Member Service Policy 11 - *Capital Credits*

At the November meeting, the board considered revising Member Services Policy 11 to memorialize our approach of smoothing general retirement of capital credits.

Pursuant to the discussion, staff has included the summary below of the capital credit governance in regard to distributions. Staff added clarification language to MS Policy 11 in order to give additional smoothing guidance during budgeting processes, as seen below and attached.

“11.4.4 General Retirement of Capital Credits: The Board will consider general retirement of capital credits, in accordance with the above conditions, on a yearly basis. The Board will review the amount of funds that are available for retirement and, if appropriate, authorize payment of these capital credits to members and former members. OPALCO shall not pay interest or dividends on capital furnished by members. **To minimize year over year fluctuations in cash outlay, the concept of smoothing future year payouts will be considered.”**

No action is necessary at this time; this is the first read and is for discussion only.

Background:

1) WA State RCW 23.86.160

“Directors may, however distribute all or any portion of the net earnings to members in proportion to the business of each with the association....”

“All dividends declared or other distributions made under this section may, in the discretion of the directors be in the form of ... capital funds of the association”

2) OPALCO Bylaws Article VIII, Section 2 - Members’ Patronage Capital in Connection with Furnishing Electric Energy

Allocating capital to members: “The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses.”

Distributing Capital Credits: excerpt from Section 2(a) “...If, at any time prior to the dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to energy members’ accounts may be retired in full or in part. Each such retirement of capital shall, in the sole discretion and determination of the Board of Directors, be made pursuant to resolution of general application of the Board of Directors in the following manners:

d. By the Board of Directors determining the method, basis, priority and order of retirement.”

ORCAS POWER AND LIGHT COOPERATIVE
MEMBER SERVICE POLICY 11
CAPITAL CREDITS

Draft Revisions

11.1 GOALS AND OBJECTIVES

To state the general policy of Orcas Power and Light Cooperative for allocating and retiring capital credits.

11.2 EXPECTATIONS

11.2.1 OPALCO shall operate on a cooperative basis for the mutual benefit of all members. Capital credits shall be allocated and retired in a manner that is consistent with operating as a cooperative under federal law. OPALCO will be fair and reasonable to its members and former members, while providing the cooperative with sufficient equity and capital to operate efficiently and effectively, thus protecting OPALCO's financial condition. Subject to law, OPALCO's Articles of Incorporation, and OPALCO's Bylaws, the allocation and retirement of capital credits shall be at the sole discretion of the OPALCO Board of Directors.

11.2.2 Member

An OPALCO member is any member, or member entity, who has paid the membership fee and who is providing patronage by using any OPALCO service.

11.2.3 Capital Credits

Capital credits are the primary source of equity for most cooperatives. Members contribute equitably to the capital of the cooperative every month when they pay their OPALCO bill for electric and communication charges. At the end of each fiscal year, the operating and non-operating expenses are deducted from the operating and non-operating income to arrive at the net margins. Net margins are assignable as capital credits to each member and allocated annually to the member's capital credits account.

11.3 PROCEDURES FOR ALLOCATION OF CAPITAL CREDITS

11.3.1 Board Approval

OPALCO shall allocate capital credits according to the manner, method, timing, and amount approved by the Board.

11.3.2 Patronage Earning Allocations

OPALCO shall equitably allocate its patronage earnings to each member in proportion to the value of service paid for by the member during the fiscal year.

11.3.3 Patronage Loss Allocations

OPALCO shall offset patronage losses with its patronage earnings during any fiscal year.

11.3.4 Formula for Allocation

A member's year-end capital credit allocation is calculated by multiplying OPALCO's annual capital credit allocation factor times a member's annual direct billing for electric energy and communication services.

11.3.4.1 Capital Credit Allocation Factor

Upon the completion of the OPALCO's audited annual financial statements, the total net margin is divided by total annual revenue derived from the sale of electric energy and communication services (also known as patronage) which results in the Cooperative's overall allocation factor. The total patronage amounts included are annual electrical demand charges, street and security light charges, kWh usage charges, basic charges, and communication charges. The Cooperative's revenue components that are not included in the allocation factor calculation are miscellaneous charges (fees, deposits, member-elected contributions, etc.).

11.3.4.2 Member Capital Credit Allocation

To derive a member's year-end capital credit allocation, the Cooperative's overall Capital Credit Allocation Factor is multiplied by the annual amount paid by a member for electric energy and communication services, including charges for electric energy, electric demand, street and security lights, kWh usage, basic charges, and communication services. Member billing components not included in the capital credit allocation calculation are miscellaneous charges (fees, deposits, member-elected contributions, etc.)

11.3.5 Notification of Allocation

Within one hundred eighty (180) days following a fiscal year, OPALCO shall notify each patron in writing of the amount of capital credits allocated to the member for the preceding fiscal year. This notice can be in the form of a letter or as a message on the member's billing statement.

11.4 PROCEDURES FOR RETIRING AND REFUNDING CAPITAL CREDITS

11.4.1 At any time, if the Board determines that OPALCO's financial condition will not be adversely impacted:

- 11.4.1.1 The Board may authorize OPALCO to wholly or partially retire and refund capital credits to members and former members; and
- 11.4.1.2 The Board may also authorize OPALCO to retire and refund the corresponding affiliated organization's capital credits.
- 11.4.2 The Board shall have the discretion to determine the manner, method, and timing of retiring and refunding capital credits and affiliated capital credits.
- 11.4.3 Nothing in this policy shall be deemed to entitle a member to receive any capital credit or affiliated capital credit to which they have not contributed, or in a proportion greater than the proportion of their contribution.
- 11.4.4 General Retirement of Capital Credits
The Board will consider general retirement of capital credits, in accordance with the above conditions, on a yearly basis. The Board will review the amount of funds that are available for retirement and, if appropriate, authorize payment of these capital credits to members and former members. OPALCO shall not pay interest or dividends on capital furnished by members. To minimize year over year fluctuations in cash outlay, the concept of smoothing future year payouts will be considered.
- 11.4.5 Retirement of Capital Credits due to Death
Upon the death of any individual member or individual former member, and pursuant to a written request from the deceased member's representative, the Board may retire the deceased member's capital credits and affiliated capital credits under terms and conditions agreed upon by the member's representative and OPALCO, which will include reduction of said credits as described in Section 11.5.3.
- 11.4.6 Retirement of Capital Credits to Entities
Upon the dissolution, liquidation or cessation of existence of an entity member or former entity member, and pursuant to written proof that the entity no longer exists, the board may retire the organization's capital credits and affiliated capital credits under terms and conditions agreed upon by the entity member and OPALCO, which will include reduction of said credits as described in Section 11.5.3.
- 11.4.7 Joint Memberships
Upon OPALCO receiving written notice and adequate proof of any joint membership that is:
- 11.4.7.1 Terminated or converted through the death of one (1) joint member, the capital credits previously allocated and credited to the joint membership shall remain with the surviving joint member/s; or

11.4.7.2 Otherwise terminated or converted, and unless otherwise instructed by a court or administrative body of competent jurisdiction, the capital credits previously allocated and credited to the joint membership shall be transferred proportionately to each joint member.

11.4.8 Application to Debt

Before retiring and refunding any capital credits or affiliated capital credits, OPALCO may deduct from the capital credits or affiliated capital credits any amounts owed to OPALCO by the member or former member as per the procedure set forth in Member Service Policy 7 *Billing and Collection*.

Any remaining capital credits due the member or former member may be distributed during the normal payout cycle of capital credits.

11.4.9 Minimum Amount

OPALCO shall not retire and pay capital credits in an amount less than \$5.00.

11.5 LIMITATIONS

11.5.1 Forfeiture of Capital Credits

OPALCO shall not enter contracts through which a member or former member forfeits the right to the allocation or retirement of capital credits. RUS Bulletin 102-1 states "No patron should be asked by contract or otherwise to waive his capital credits."

11.5.2 Separate Allocations and Retirements

OPALCO shall separately identify and allocate to its members capital credits and similar amounts allocated to OPALCO by an entity in which OPALCO is a member, patron, or owner. OPALCO may retire these separately identified and allocated capital credits only after the entity retires and pays the amounts to OPALCO.

11.5.3 Valuation of Special Retirements

Special Retirements are applicable for a deceased member, dissolved corporation or association, or bad debt. Special retirements return capital to members earlier than the general retirements, which are typically planned on a 25-year holding period. An earlier retirement has a lower value. OPALCO shall use the percentage rate set by the Board at the January 1987 OPALCO Board of Directors meeting. This is a straight line accrual; OPALCO will pay 2.5% cumulative for the year the capital credit has been held by OPALCO; (i.e., 2.5% for 2004, 5% for 2003, 7.5% for 2002, etc. In addition, capital credits paid out as special retirements that have been held by OPALCO for over 25 years will be paid at 100%.

11.5.4 Voluntary Assignment to Member Programs

During the General Retirement process, members have the option of voluntarily retiring allocated capital credits and assigning capital credit payments to Board approved OPALCO member programs, including Project PAL, Solar for Schools, M.O.R.E., or other approved programs as determined by the Board. Annual capital credit distributions may be assigned to the selected OPALCO member program on a one-time or recurring basis. Members must notify OPALCO of their voluntary assignment via the attached form. Such assignment forms are to be submitted to OPALCO no later than October 1st of any given year.

11.5.5 Payment and Notice of Retirement

With the exception of Application to Debt in Section 11.4.8 and/or Voluntary Assignment to Member Programs in Section 11.5.4 above, after OPALCO retires capital credits allocated to a member, it shall pay the retired amount by sending a check for the amount to the member's most current address listed on OPALCO's records.

11.5.6 Unclaimed Capital Credits

If a member or former member fails to claim a retired capital credits amount within 180 days, the check will be voided and added to the list of unclaimed capital credit amounts.

11.6 RESPONSIBILITY

11.6.1 Implementation of Policy

OPALCO's general manager is responsible for implementing this policy and for developing procedures necessary to allocate and retire capital credits according to this policy.

11.6.2 Recommendations to the Board

OPALCO's general manager is responsible for recommending to the board the manner, method, timing, and amount for allocating and retiring capital credits. The manager is also responsible, when in the best interest of OPALCO, its members and former members, for recommending to the board revisions to this policy.

11.6.3 Review and Approval by Board

The board is responsible for approving the recommended manner, method, timing, and amount for allocating and retiring capital credits. The board is also responsible for reviewing, discussing, and evaluating the general manager's recommendations for revisions of this policy.

Foster Hildreth, General Manager

Effective Date: June 18, 2015

MEMORANDUM

December 15, 2017

TO: Board of Directors

FROM: Foster Hildreth

RE: Policy 11 *Directors' Stipend, Reimbursement and Benefits* Draft Revisions
(formerly Policy 16)

As a newly formed group, the Elections and Governance Committee (EGC) has been tasked with reviewing Policy 16 *Directors' Stipend, Reimbursements and Benefits*. This policy was last revised (and stipends increased) in 2013. The summary of the EGC proposal of policy changes is as follows and attached.

- 16.2.1 Directors shall receive a stipend of ~~\$250~~ \$300 per OPALCO Board meeting attended.
- 16.2.2 Directors shall receive ~~\$200~~ \$225 per day for conferences, trainings or meetings attended on behalf of the cooperative, including travel days.
- 16.2.3 The Board President shall receive an additional \$50 per Board meeting.

The EGC's report to OPALCO Board of Directors Regarding Director Compensation is attached.

Please note, renumbering of the policies due to the conversion of staff related policies to an Employee Handbook. This policy will be renumbered from Policy 16 to Policy 11.

No action is necessary at this time; this is the first read and is for discussion only.

Report to OPALCO Board of Directors
From the Elections and Governance Committee
Regarding Director Compensation

December 14, 2017

The Elections and Governance Committee (EGC) met on September 26th, September 28th, and October 10th to discuss this topic. Following those sessions, there was substantial email dialogue to develop these unanimously agreed upon recommendations and comments to the OPALCO Board of Directors.

1. OPALCO should continue, at least for now, the following aspects of the current structure of compensation practices:

- a. Using a “per meeting” stipend for days attending other types of meetings (other than board meetings) on behalf of OPALCO.
- b. Defining a higher stipend for Board Meetings. The higher stipend rate is to reflect the time that is expected, between board meetings, to review board materials, examine issues facing the cooperative, discuss OPALCO issues with members, etc.

- c. Reimbursing for travel expenses in the manner currently established in Board Policy 16.3 Travel Reimbursement.

16.3.1 Board members have the option of choosing the mode of transportation. Air travel shall not exceed the cost of coach class airfare. The use of a rental car shall be reimbursed at cost plus insurances. For the use of private vehicles, mileage shall be reimbursed at the prevailing IRS rate.

16.3.2 Housing shall be reimbursed at cost, based upon submitted receipts. In general, the cooperative will make hotel reservations for all board members traveling on cooperative business.

16.3.3 Meals can be reimbursed at cost with submitted receipts; or, in lieu of receipts, the Board members may choose to receive the prevailing IRS per diem rate for meals.

16.3.4 Other “out of pocket” expenses, such as parking, registration fees, taxis, etc. shall be itemized and receipts submitted. If the receipt is not available, an explanation of the expense shall be included when filing for reimbursement.

- d. Offering health care and life insurance as currently defined in Board Policy 16.4 Benefits.

16.4.1 Participation in OPALCO’s health care plan is optional.

16.4.2 Directors may continue to receive health care coverage after serving on the board, with 100% of the cost of such coverage paid by the former director wanting coverage.

16.4.3 OPALCO shall provide, at its expense, 24 hour business/travel life insurance coverage for directors.

- e. Comments: The Committee members feel that the present Policy 16 (covering stipends, reimbursements and benefits) covers what is needed. The expense reimbursement policy is sensible, and we recommend no changes. The Committee members have been advised that, in the past, total compensation amounts have varied considerably from director to director, based on what we assume were appropriate applications of two current policies: (1) health insurance is optional (not all directors request it) and (2) compensation for non-board meetings varies with the number of such meetings each director participates in. This 2017 Committee did not find this disparity of director compensation to be particularly troubling, although we did discuss the apparent discrepancy that results from the health insurance option. Different board members will likely be in quite different insurance circumstances (for example, participating in an employer sponsored plan, being eligible for Medicare, having -- or not having -- pre-existing conditions, etc.). This means that the insurance option may offer great value to some, and little value to others. This 2017 Committee recommends that the appropriateness of offering insurance that is of value to only some board members should be revisited in the future, after the nation's approach to health care will presumably have become clearer.

2. The per meeting stipends in Board Policy 16.2.1 should be modified as follows:

- a. The daily stipend for participating in OPALCO-related meetings other than Board meetings should be increased from the present \$200 to \$225, effective upon adoption by the Board.
 - Comments: It was felt that the stipend for attending meetings on behalf of OPALCO that are not Board meetings ("Other Meetings") should fairly reflect the time involved. The current \$200 fee would divide out to \$25/hr for an 8-hour day. We see this as having been reasonable when adopted in 2010, but we note that inflation (as measured by the Consumer Price Index) has increased more than 12% since then. Accordingly, we recommend about a 12% increase, to a round number of \$225/day.
- b. The daily stipend for attending a Board meeting should be increased from the present level of \$250, to \$300 effective upon adoption by the Board, and then increased again to \$350 effective a year later.
 - Comments. The Committee unanimously agrees with the current practice of setting the stipend for attending Board meetings higher than for "Other Meetings". We presume that this practice is intended to reflect not only the actual meeting time but also the "difficult to account for" time spent between meetings to study the materials distributed prior to each meeting, and to discuss issues with other directors, with management, and with members. After having reviewed the NRECA national survey of director compensation and considering other pertinent factors, we feel that there is good justification to increase this stipend by more than an inflation adjusted rate, particularly in view of

the increased number of hours that directors seem to be spending on OPALCO business the past few years (which this committee wishes to encourage), and also in view of the greater responsibility and complexity of the tasks facing the directors (including Rock Island Communications and the BPA rate changes and uncertainties that are anticipated in the future). We feel an increase from the present \$250 to \$350 is justified, although we recommend that it be phased in. As noted in section D below, the board has authority to adjust the recommended timing of, or reduce, these proposed increases.

- c. The Board Meeting stipend discussed above should be increased by an additional \$50 per meeting for the President, to reflect the additional responsibilities and hours of work associated with that position.
 - Discussion. In addition to presiding over Board meetings, the President also will be a primary spokesman for the cooperative at member meetings and a sounding board for management. The NRECA survey reports that 38% of respondents do provide some additional compensation for this position. The Committee recommends the additional \$50/meeting as an acknowledgement of that greater involvement and responsibility a director would accept if elected President. It is not intended to be sufficient to reflect the additional time required to serve in this capacity. The Committee acknowledges that many other directors also spend a great deal of additional time, and we thank all who do for their extra efforts.
- d. Discussion about Member Reaction. The 2017 EGC members are very aware that OPALCO will probably have to raise electricity rates over the coming years, and we anticipate that some OPALCO members may feel this means that director compensation should not increase at this time. There were differences of opinion among the EGC members as to the extent that potential member reaction should influence our committee's recommendations. After much discussion, we agreed that (1) our role is to recommend compensation levels that are the most fair and equitable to the directors, given prevailing rates, time commitments, and the expertise that Board members are asked to develop; and (2) it is the role of the Board to factor in the politics of how the membership might react. (After all, the directors are elected, we are not.) The Board members' job is among the most important in the organization. We determined that the board stipends presently represent a very tiny portion of OPALCO's expense structure (our very rough calculation is that our recommended increases would represent roughly 3 cents for every \$100 in monthly charges). We also note that Article III, Sec 5 of the Bylaws allows the Board to delay or reduce, but not increase, the EGC's recommendations, and we see that flexibility as having been intended to allow the Board to consider factors like member reaction in deciding whether to accept, or perhaps delay implementation of, the recommendations from the EGC. In the end, the Board's decisions should reflect what the directors believe is in the best interests of the cooperative

3. This 2017 EGC recommends that the topic of board compensation should be reviewed every 2-3 years. The current EGC members lack much experience with candidate recruitment (although two have been candidates), and we hope that the recent decision to constitute the EGC as a standing committee will, over time, generate more experience with the concerns of potential candidates, and more insight into whether compensation changes might widen the candidate pool to the cooperative's advantage.

General Discussion: There was considerable discussion within the EGC about how to approach this assignment, and we want to document here some of that discussion for the benefit of the Board of Directors, the OPALCO members who may read this report, and for future members of this committee.

During our initial discussion about how to approach compensation, we acknowledged that we could consider traditional compensation factors like the scope and degree of responsibility, the number of persons supervised, and what comparable organizations pay. A survey of electric cooperatives by the National Rural Electric Cooperative Association was reviewed by the Committee and referred to during our discussions. However, in the end, those ended up being less important factors in reaching our recommendations, and the Committee's consensus was reached primarily by discussing the following primary considerations:

- a) Equitable Compensation. The EGC members all agreed that the most important consideration is for OPALCO to have a director compensation package that is perceived by all parties as equitable. We recognize that Board service is not easy, and believe it is important that those who accept that burden will not feel that under-compensation represents an additional burden or insufficient appreciation of the immense value the directors provide to this cooperative. Accordingly, we evaluated director stipends by focusing on the minimum time commitment, the complexity of the issues which Board members must master, the challenge of dealing with differences of opinion among members, and the fact that there has been 12.4% price inflation since the last adjustments to the per meeting stipends were implemented back in 2010. [*The BLS CPI June 2010 was 217.97, June 2017 was 244.96, indicating inflation of 12.4%.*]
- b) Time Commitment. The Committee considered its role in trying to recruit candidates, and started by asking how we might explain the potential time commitment and the compensation involved. We interviewed Foster Hildreth, and we looked at the time reports that he has collected from directors over time. We estimated that a candidate should typically expect to spend a minimum of 15 – 20 hours per month on board business, at and between the monthly meetings (reading the board materials, communicating with fellow directors and management, talking with other members, etc. in addition to actually attending the board meetings). This 15-20 hour estimate does not include time spent at other meetings which are separately compensated. We also would make it clear to a potential director candidate that, as a new director, even more hours likely will be required to become familiar with the many issues facing the cooperative. Furthermore, there will be director training opportunities, although time spent at director school would be compensated separately from the stipend for attending other meetings.

The Committee noted that the hours reported by Board members have increased since the topics of broadband and Rock Island have been added to their agendas. We were advised that there is no additional compensation paid to the directors by RIC for serving on that additional board, so it has become an additional uncompensated time commitment. We see the increasing involvement of Board members as a good thing and feel it should be considered in evaluating compensation.

- c) Impact of Compensation on Quality or Diversity of Board. Our committee feels OPALCO has attracted good candidates in the past, and has been fortunate that many outstanding individuals have willingly donated a lot of time to serve on the Board of Directors. We felt obliged to discuss two questions: Would greater compensation result in a “better” board? Or in a “more diverse” board (and if so, would more diversity materially improve the quality of board decisions)? We concluded that the link between compensation and attracting candidates is somewhat speculative, and that at this point in time this Committee lacks sufficient experience with candidate recruitment to understand that linkage. During our discussion, it was noted that most of the current and past directors have been retired and likely have had independent incomes – whereas wage earners may lose wages to attend meetings, and self-employed individuals might have to hire additional support to permit them to spend more time away from their own businesses. Some Committee members shared the concern that compensation may be less of a consideration for new candidates for the Board than it might be for those who are considering whether to run for reelection (given their keener appreciation for the time involved, the controversies, and the inherent difficulties involved in shaping a consensus that reflects a wide variety of member opinions). Others felt the opposite might be true as well. And several committee members felt that in some cases we would have to increase compensation substantially if there were a strong desire to attract more candidates. In the end, we agreed that the recommended increases in director stipends might make it easier to recruit strong candidates for Board service, and we hope it does, but we are not confident enough to offer that as a justification for our recommendations.

Conclusion: The OPALCO Elections and Governance Committee submits these recommendations and this report unanimously. We hope that our comments and recommendations are helpful to the Board of Directors. The Committee members thank the Board for the opportunity to undertake this review.

Unanimously approved by the Committee:

Douglas C. Marshall, Committee Chair
Chom Greacen
Beverly Leyman
Howard Barbour
Barry Cave
William Severson
Rob Thesman

ORCAS POWER AND LIGHT COOPERATIVE

POLICY 16 11

DIRECTORS' STIPEND, REIMBURSEMENTS and BENEFITS

DRAFT REVISIONS

16.1 GOALS AND OBJECTIVES

This policy establishes the amounts that directors will receive for their stipend, reimbursements, and benefits while serving on the Board of Directors of Orcas Power and Light Cooperative.

16.2 MEETING STIPEND

16.2.1 Directors shall receive a stipend of \$250 \$300 per OPALCO board meeting attended.

16.2.2 Directors shall receive \$200 \$225 per day for conferences, trainings or meetings attended on behalf of the cooperative, including travel days.

16.2.3 The Board President shall receive an additional \$50 per Board meeting.

16.3 TRAVEL REIMBURSEMENT

16.3.1 Board members have the option of choosing the mode of transportation. Air travel shall not exceed the cost of coach class airfare. The use of a rental car shall be reimbursed at cost plus insurances. For the use of private vehicles, mileage shall be reimbursed at the prevailing IRS rate.

16.3.2 Housing shall be reimbursed at cost, based upon submitted receipts. In general, the cooperative will make hotel reservations for all board members traveling on cooperative business.

16.3.3 Meals can be reimbursed at cost with submitted receipts; or, in lieu of receipts, the Board members may choose to receive the prevailing IRS per diem rate for meals.

16.3.4 Other "out of pocket" expenses, such as parking, registration fees, taxis, etc. shall be itemized and receipts submitted. If the receipt is not available, an explanation of the expense shall be included when filing for reimbursement.

16.4 BENEFITS

16.4.1 Participation in OPALCO's health care plan is optional.

16.4.2 Directors may continue to receive health care coverage after serving on the board, with 100% of the cost of such coverage paid by the former director wanting coverage.

16.4.3 OPALCO shall provide, at its expense, 24 hour business/travel life insurance coverage for directors.

16.5 RESPONSIBILITY

The General Manager is responsible for ensuring that directors receive the proper stipend, reimbursements and benefits. Each director shall be issued an IRS Form 1099 each calendar year stating the amounts received from OPALCO which are subject to federal income tax.

DRAFT

Foster Hildreth, General Manager

Effective Date: December 19, 2013

MEMORANDUM

December 15, 2017

TO: Board of Directors

FROM: Foster Hildreth

RE: Shaw Outage Report (11/26/2017 and 11/28/2017)

Big kudos and gratitude to our whole team for restoring power due to the Shaw tree issues. Each staff member played an important part. Our linemen, however, continue to be the biggest heroes of the day. Not just the crew of nine who were on Shaw for 20+ hours, but the whole operations, engineering and member services team who supported the effort. We have a fantastic team!

Outage Details

On November 26th, 2017 at 3:09 AM, OPALCO sustained an outage effecting Shaw, Orcas, Blakely, Obstruction, and Crane Islands. This outage was caused by gusts of 45-55 mph winds which toppled a Douglas Fir tree (~32" in diameter) located ~70' east of the effected line. This caused a pole to break at the ground-line ~200' north of where the tree fell into the lines and also 5 spans north at the dead-end pole which broke at the lowest transmission attachment. In addition to these two poles, insulators supporting all effected spans where damaged. All of the following were damaged:

- 2 – Class 1, 70-foot Poles, installed in 1985, 5-yr inspection rotation, last inspected 2014, condition of pole was normal with no signs of rot
- 6 – leaning poles
- 8 – Spans of wire down
- 11 – Broken horizontal post insulators
- 4 – Broken vertical post insulators
- 6 – Guy wires broken
- 1 – Fiber span broken
- 1 – Tree 70' outside the right of way (across the street from pole line), no visible signs of rot. After tree fell, noted signs of root and heart-rot.

By 4:30 am, multiple crews (2 foreman, 6 linemen and 1 apprentice), two bucket trucks, the OPALCO boat, and the derrick/pole-setting truck were all getting prepared for the repair.

Service to the transmission system was restored just after 11:00 PM with all members restored by midnight.

Lessons Learned

- Further reconnaissance at beginning of effort to assess full extent of damages (insulators).
- Expand danger tree buffers and inspection program for transmission lines

- Verify redundant communications paths
- Bridging communications with members and crews via the outage website
- When upgrading distribution lines to transmission voltage, ensure ROW widths are appropriately sized.

Next Steps

- Continue on with conducting and investigating right of way tree trimming in all critical areas.
- This highlights the importance of our 2018 capital project to build a redundant feed (Bonneville tap) to reroute power directly to most of Orcas from Decatur.

Outage Photos:





Social Media Outage response:



Justin Paulsen

11 hrs · Orcas, WA

A 10:30 pm rave to the OPALCO linemen who are now 18 hours into working on restoring power. It has been a shitty day to be outside with high voltage power lines.

Thank you to all the crews out there who are not nearly as warm and dry as the rest of us. Here's hoping you get home for some rest before the next storm!



Like



Comment



Share



Jami Geyer Cayo, Colleen Smith Armstrong and 64 others

1 Share



Georgette Wong Many many thanks for your hard work!! Grateful we now have power back at 11:10 pm (that's when we noticed it came back on).

Like · Reply · 10 hrs · Edited



Georgette Wong This is pretty impressive work!



Like · Reply · 10 hrs



Write a reply...



Brian Wright Yea 11:15 here

Like · Reply · 10 hrs



Carol Jo Enge Thank YOU !!!

Like · Reply · 10 hrs



Cynthia Edwards Wood 11:15 Buck Mt power back on. Thank you opalco.

Like · Reply · 1 · 10 hrs



Marie Hilje Got to love those guys and gals at OPALCO.

Like · Reply · 10 hrs



Rich Madan We also want to thank the hard working man of OPALCO and their families

Like · Reply · 1 · 9 hrs



Jody Billingslea Thank you OPALCO!

Like · Reply · 6 hrs



Orcas Power & Light Cooperative

Published by Krista Bouchey [?] · 10 hrs ·

Power restored! Thank you linecrew!

431 people reached

Boost Post

Yotaka Promptun Martin, Tony Martinez and 42 others

Top Comments ▾

1 Share

13 Comments



Orcas Power & Light Cooperative Some folks may be still out. We will continue to update as we know. Thanks!

Like · Reply · Commented on by Krista Bouchey [?] · 9 hours ago



Cindy Ceteras Very grateful for your long hard repair work

Like · Reply · Message · 1 · 10 hours ago



Conny Gaddy Loving YOU GUYS ROCK!!!! THANK YOU FOR YOUR HARD WORK!!!!!!!!

Like · Reply · Message · 1 · 10 hours ago · Edited



Jennifer Hatch Swanson The OPALCO crew was amazing yesterday! Shaw thanks you for all of your hard work!

Like · Reply · Message · 1 · 2 hours ago



Lisa Boyd Most appreciative. Hot shower sure felt great. Thanks to all!

Like · Reply · Message · about an hour ago



Eric Taylor How long 'till it makes it all the way out to Obstruction Pass?

Like · Reply · Message · 9 hours ago



Eric Taylor Just came on!

Like · Reply · Message · 9 hours ago



Write a reply...



Tiak Speed When should we expect it to be on? Nothing in Rosario yet.

Like · Reply · Message · 10 hours ago



Lisa Lane Stone It just came back on for us!! Thank you what a day!

Like · Reply · Message · 1 · 9 hours ago



Write a reply...



Phil Smilanick Thanks from Eagle Lake!!!

Like · Reply · Message · 1 · 9 hours ago



Michele Wiley Yes we are!!!!... here on Mount Woolard ✓

Like · Reply · Message · 1 · 10 hours ago



Tracy McQueen Thanks! From Doe Bay.

Like · Reply · Message · 1 · 10 hours ago



Mandi Johnson Thank you from Olga!! ❤️

Like · Reply · Message · 1 · 10 hours ago



Nicole Kraayeveld Thank you!!!

Like · Reply · Message · 1 · 9 hours ago



Kami Griffin Super grateful for your work.

Like · Reply · Message · 1 · 10 hours ago



Orcas Power & Light Cooperative

Published by Suzanne Olson [?] · 14 hrs · 🌐

UPDATE: Sunday, Nov 26th @ 7:15pm: The OPALCO crew now estimates power restoration for Orcas, Shaw, Blakely and Crane by 10:00 pm tonight. They have installed two new transmission poles and restrung wire on seven spans - about 1/2 mile. They are finding storm damaged insulators on the seven poles that remained standing - and it's taking time to safely rebuild each span - especially in the dark. Thanks for your patience! Another round of Scrabble by candlelight?



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This post is performing better than 95% of other posts on your Page. Boost it to get more great results.



1593 people reached

Boost Post



Grace Storey, Liz Porter and 45 others

Top Comments ▾

11 Shares

14 Comments



Michele Wiley Thanks for the update and stay safe out there!!

Like · Reply · Message · 5 · 14 hours ago



Chris Hogle Thanks for the update. Be Safe!

Like · Reply · Message · 3 · 13 hours ago



Robert Werlinger U r the best 🙌

Like · Reply · Message · 3 · 13 hours ago



Amber Paulsen I vote to let them come home, get a good nights rest and hit it again on the morning, after we have all cancelled our work day!

Like · Reply · Message · 8 · 12 hours ago



Jodi Spitalli Uno spin, farkle, spot it and backgammon!! 🎲

Like · Reply · Message · 2 · 13 hours ago



Evelyn Fuchser Thanks for the updates

Like · Reply · Message · 2 · 13 hours ago



Patricia Burleson We really appreciate the constant updates!

Like · Reply · Message · 2 · 13 hours ago



Christianne Petersen Erwin Always the best workers, and we love you for it! Thank you for updates, they give us hope! 😊

Like · Reply · Message · 1 · 12 hours ago



Phil Smilanick Thanks to the dedicated crew for staying out in the rain and darkness to get power back to us all!

Like · Reply · Message · 1 · 9 hours ago



Evelyn Fuchser Thanks so much to the crew, power came on at 11:10 pm almost didn't notice

Like · Reply · Message · 1 · 10 hours ago



Kathy Pawlowski Booth Hats off to the dedicated OPALCO crew!

Like · Reply · Message · 1 · 11 hours ago



Nick Knoellinger You guys and gals are rockstars thanks for getting the power back on!!!!!!

Like · Reply · Message · 1 · 10 hours ago



Dan Christopherson Vicki Leimback is whoopin' my butt in Scrabble!

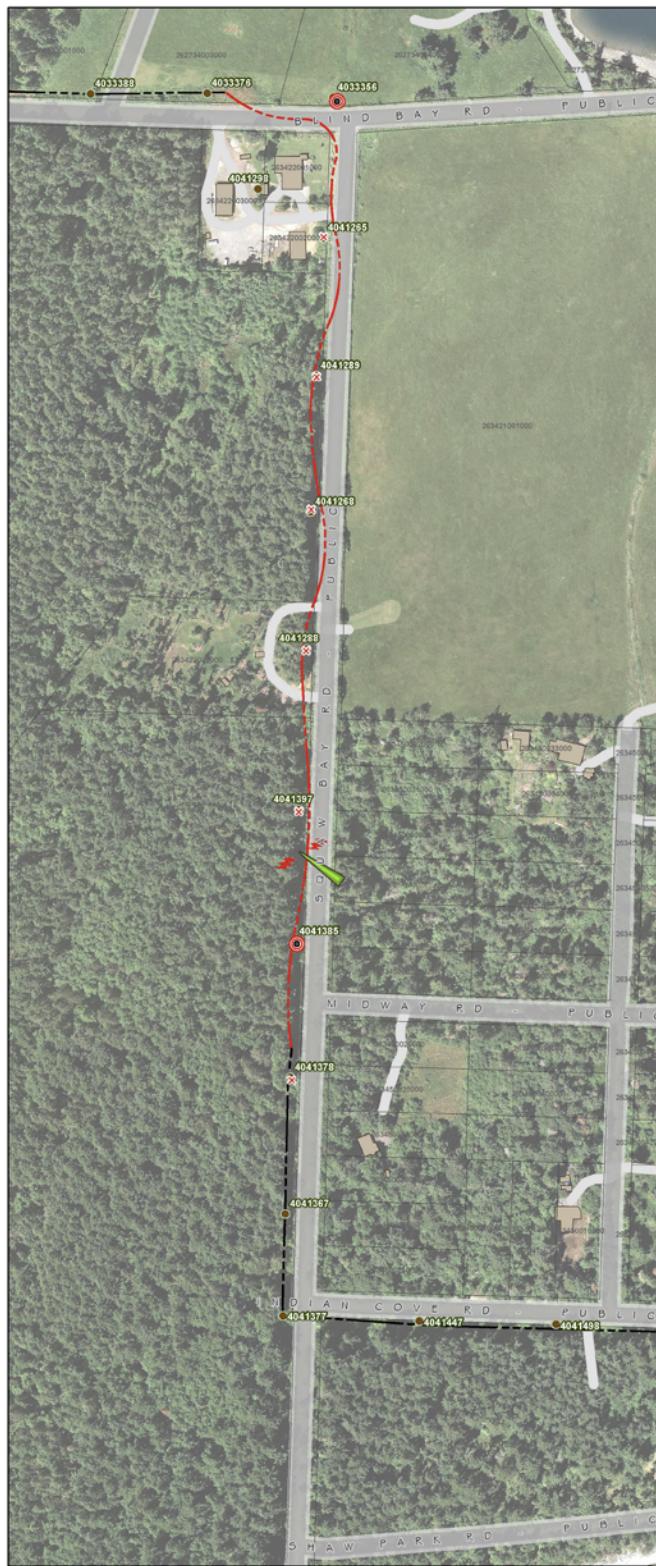
Like · Reply · Message · 2 · 11 hours ago · Edited








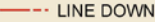

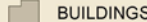
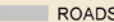
Jeff Rodenberger Thanks!!

Like · Reply · Message · 2 · 13 hours ago

Map of Shaw Outages:




Legend

-  TREE IN LINE
-  BROKEN POLE
-  BROKEN INSULATORS
-  TRANSMISSION POLE
-  DIST POLE OR STUB
-  LINE DOWN
-  UNDAMAGED
-  BUILDINGS
-  ROADS



250 125 0 250 Feet



OPALCO TRANSMISSION OUTAGE
SHAW ISLAND 11/25 - 11/26/2017

MEMORANDUM

December 15, 2017

TO: Board of Directors

FROM: Foster Hildreth

RE: Community Solar Update

The Community Solar unit sales are to launch by the end of first quarter with completion of construction by the end of second quarter 2018. The purpose of this discussion is for the Board to determine the Energy Credit Rate (rate that OPALCO pays for the kWh generated) for this first Community Solar array. Future community solar pricing structures will be determined at the respective time.

The monetary value of solar is debated across the utility industry, with virtual net metering rates ranging from wholesale cost to greater than retail. Please note, we will have a presentation which will help inform this discussion.

The Energy Credit Rate can have a significant impact on the value to participants from OPALCO's Community Solar program being offered, with a simple payback ranging from 8-20+ years depending on the monetary rate applied to the kWh produced by the array. A review of seven peer utilities with Community Solar in the Pacific Northwest shows that all seven used the retail rate as the amount they pay for generated kWh (bill credit amount).

See the below comparison of a participant's simple payback years and 20-year net benefit using various Community Solar Energy Credit Rates:

	A	B	C	D	E	F
	Energy Credit Rate Methodology	OPALCO Residential Retail Rate	BPA Wholesale rate	BPA Wholesale + \$.02	OPALCO Residential Retail + \$.01	Grandfathered rate
1						
2	Energy Credit Rate (ECR) (\$/kWh)	\$ 0.1007	\$ 0.0422	\$ 0.0622	\$ 0.1107	\$ 0.0808
3	<i>Example: 1 Panel = 5 Units</i>					
4	Estimated Annual Production (kWh)	455	455	455	455	455
5	Annual Net Metering Credit ¹	\$ 45.82	\$ 19.20	\$ 28.30	\$ 50.37	\$ 36.76
6	State Incentive Credit ²	\$ 72.80	\$ 72.80	\$ 72.80	\$ 72.80	\$ 72.80
7	Total Annual Credit	\$ 118.62	\$ 92.00	\$ 101.10	\$ 123.17	\$ 109.56
8	Simple Payback (years)³	9.0	21.5	14.6	8.2	11.3
9	20 Year Net Benefit/(Cost) ⁴	\$ 504.16	\$ (28.28)	\$ 153.72	\$ 595.16	\$ 323.07

¹ Paid out monthly via on-bill credit (ECR * kWh production)

² Annual amount, based on \$0.16/kWh

³ Assumes ECR is constant & State Incentive received for 4.6 year

⁴ Accumulated credits less cost of units

OPALCO will be conducting a full cost of service study and rate structure review in 2018 which will also include further study on our value of solar for both community solar and rooftop applications.

Also note that staff have compiled the details of the Decatur Community Solar project and overall program in the attached frequently asked questions (FAQ) sheet.

After review and discussion staff recommends the Board motion to set the initial Community Solar Energy Credit Rate per kWh equal to OPALCO's residential retail rate (Ex: \$0.1007/kWh in 2018).



OPALCO's Community Solar Project #1

Update: December 2017

Term Glossary:

- **Photovoltaic (PV):** process of converting sunlight into electricity
- **Community Solar:** a power-generating solar array located in one area for the benefit of many members.
- **OPALCO Community Solar (OCS):** OPALCO's community solar array to be located on Decatur Island
- **Array:** a collection of solar panels wired together to produce electricity
- **Unit:** one piece of the whole project; part of a solar panel; measured in watts.
- **Simple Payback:** when you get your money back
- **Watt (W):** a unit of power, and power is the rate at which energy is consumed or produced
- **Kilowatt (KW):** one thousand watts
- **Kilowatt Hour (kWh):** 1000 watts consumed/produced for one hour
- **Energy Credit:** money back on your OPALCO bill based on your Units production
- **Participants:** OPALCO members who purchase units of the Community Solar project
- **Membership:** Co-op Members (if you have an active OPALCO account, you are a member)

Quick Facts:

- **Total size of the array:** ~504 kW DC, between 350-400 kW AC inverter
- **Annual Production:** ~570,000 kWh; first full year estimated to be 579,761, with a 0.5% degradation each following year.
- **Location:** Decatur Island substation on ~3.6 acres
- **When will the array start producing energy:** by 6/30/18
- **How much to participate:** \$150 per unit
- **How many units:** 6,300 total
- **How much will the project cost:** Approximately \$945,000
- **How many units can each member purchase:** limited by member interest (TBD)
- **Number of panels:** 1,260 each with a 400W capacity

- **How many solar units per panel:** 5 (80W each)
- **Low income:** 10% of the array will be reserved for low income participants, which requires funding of ~\$94,500. At this point Bonneville Environmental Foundation (BEF) has agreed to match up to \$50,000 and we are working with other organizations to contribute the remainder.
- **Fun fact:** Each panel weighs about 47 lbs., which makes the whole array about the weight of three garbage trucks.

Frequently Asked Questions:

1. How does the program work?

Participants purchase the right to the production output of a number of units of the project. A unit represents a set amount of watts, and participants get a credit on their bill each month for the production of those solar units. In addition, participants will get a check, annually (for as long as the funds last, estimated 5 years), for WA State Production Incentives credit, which is administered through Washington State University. OPALCO will take care of operating, maintaining, upkeep, and administration of the array and community solar program.

2. How do members invest?

The project will be ready for member participation in early 2018 –send an email to solar@opalco.com and we will let you know when it's open. Members will fill out an application online and request the number of units they want to purchase. Staff will confirm the number of solar units granted based on the total number of requests received. Once your number of units on your Participation Agreement are confirmed, the charge will be added to your monthly electric bill and payment for the solar units can be made by check or credit card.

3. Who can participate?

Any OPALCO member in good standing with an active meter can participate. Non-members can also participate by donating Solar Units to an active member or OPALCO's Energy Assist Program to help low-income member households, similar to OPALCO "Gifts of Power" certificates.

4. Will OPALCO lend me money so I can invest?

For this first phase, member financing is not available. Payment can be made by check or credit card. Members can obtain financing independently through their local bank. OPALCO may consider on-bill financing for future community solar projects.

5. How much does it cost?

Minimum investment is \$150. Maximum investment is going to depend on member interest.

6. How long will it take to get my money back?

That depends on the energy credit rate set by the Board of Directors. If it is set at the 2018 residential retail rate of \$0.1007/kwh, and assuming participants receive

the full state incentive amount, we project a simple payback of approximately nine years.

7. Does Community Solar offset my energy usage?

Yes, this will vary depending on how many units you participate in. For most participants it will offset a small portion of your usage. For example, the typical home using 1,000 kWh per month would need to invest ~\$20,000 to offset its full consumption (kWh only). Please note that a goal of the program is to spread the benefit among as many participants as possible, within reason.

8. What happens after I make my money back?

The term of the Participation Agreement is 20 years, so each month for 20 years you will continue to get a credit on your bill for the production of your units.

9. What can I do with my Solar Unit/s if my membership status changes (if I leave)?

If you are no longer an OPALCO member, you can transfer your Unit/s to another active OPALCO member. If you move within the service territory you can transfer them to your new location. You can't take 'em with you if you leave the County. If you do not designate a recipient your shares will be donated to the OPALCO Energy Assistance Program.

10. How do low-income members benefit?

10% of the production on this project is targeted to benefit members from low-income households. The value of the production credits will be deposited into the Energy Assist program for distribution to qualified members.

11. When will OPALCO build it?

Construction will begin in Spring of 2018 and it will be completed by the end of June 2018.

12. Who is actually building the array?

We are excited to partner with a local Northwest solar installer, Puget Sound Solar.

13. Will I own my piece of the Community Solar array?

No. Participants will own the output of their proportionate share of the array for the term of the Participation Agreement. OPALCO will operate and maintain the array. Member participation is an investment in the project with a return on investment but no legal ownership.

14. How will the rate of pay back to participants be determined?

The Community Solar production credit rate will be determined by the Board based on a detailed rate analysis just like OPALCO rates and tariffs are for energy consumption and net-metering. The Board will begin considering Community Solar policy considerations in December 2017 with approval in early 2018.

15. Why are you doing it?

To give more people access to the benefits of solar energy for a fraction of the cost, compared to rooftop. Community Solar lets individuals invest in smaller units of local renewable power. As outlined in OPALCO's Integrated Resource Plan (IRP), this is just one step in providing increased redundancy, and the capability to re-route power for emergency services through use of local renewable energy and energy storage systems. Please note it will take multiple projects and a host of system upgrades to fully accomplish this goal.

16. What happens to the energy after it's generated?

From an engineering perspective, the energy produced by the array will be consumed by the power grid or stored in our battery storage system where it will be held until we need it (e.g. for immediate consumption, to curtail future peak demands, or potentially for emergency services during major outages). OPALCO received a grant from the Washington Dept. of Commerce to pay for a large portion the battery storage system.

17. Is this project consistent with OPALCO's BPA contract?

In short, yes. There are two thresholds that BPA looks at for local renewable energy, first exceeding 200kW-AC and then 1MW-AC. This project will be over the first threshold and requires an application to interconnect a renewable resource.

18. How will I be able to monitor the array?

We will have a camera stationed at the site to record the construction and completed array in real-time. We will also create a time-lapse video of construction once completed. Array production statistics will also be incorporated into the Community Solar area of the OPALCO website. We also hope to provide on-site tours of the array once construction is completed.

19. Are there tax credits, or other incentives?

Members are advised to speak with their tax advisor to determine their own tax situation. There are state and federal incentives that are available to individuals who install solar on their own properties which are not available through this Community Solar project. We continue to advocate for solar initiatives with our elected officials in Olympia.

20. How will this project be funded?

Individual member investors. Our 2017 Community Solar survey results clearly demonstrated that members prefer the project is funded by those who participate, and not through rates.

21. How do I sign up for Community Solar?

Contact us! Email us at solar@opalco.com with your contact information so we can keep you up to date on the project, call at 376-3500, stop by our offices on Orcas and San Juan islands. We are collecting names and email addresses of members who are interested in purchasing Solar Units and will use that list to keep you updated as the project takes shape.

22. How can I be involved? How can I get project updates?

- Continue to send us feedback and ask questions! Email solar@opalco.com, call us at 376-3500, or stop by our Eastsound or Friday Harbor offices.
- Attend our Board of Directors meetings on the third Thursday of each month.
- Subscribe to our email newsletter (www.opalco.com).

GENERAL MANAGER'S REPORT

December 2017

DASHBOARDS

Please review the dashboards at <https://www.opalco.com/dashboards/>. Note that all the dashboards are within board approved strategic parameters.

PNGC POWER UPDATE

PNGC's auditors have reported a clean, unmodified result. The board decided to re-implement a Risk Management Committee (RMC) which will be comprised of 5 board members. PNGC is reviewing its own Integrated Resource Plan (IRP) and assessing various scenarios and their corresponding impact on equity projections.

STAFF FIELD/SAFETY DAY

Staff will participate in a field/safety day the last Friday of each month (with a few exceptions) beginning January 26. This will require the Eastsound office to close for half a day and the Friday Harbor office to close a full day. The line crew will have safety training in the morning, after which the rest of the staff will join them for lunch and further staff development.

ENGINEERING, OPERATIONS, AND TECHNICAL SERVICES

WIP

As of 12/15/2017, there are 371 work orders open totaling \$23.6M. Nine of these projects are associated with the submarine cable project totaling \$14.1M. Operations has completed construction on 92 work orders, totaling \$3.1M.

Safety

Jeff Myers conducted training on energized underground work rules. This training includes the minimum approach distance review, required tools, hot line tag rules, etc. The total hours worked without a loss time accident is 21,944.

Accidents:

On 11/16/2017, crews were patrolling an overhead right-of-way and hit a stump. There was minor vehicle damage and no injuries.

On 12/5/2017, a lineman was arranging gear in the hot stick room when an item fell onto his head. There was a minor cut and no loss time.

Submarine Cable Update

OPALCO staff continues to complete the final work in the submarine cable terminal for integrating the relays, communications system, final testing, and project closeout. We are coordinating a submarine cable ribbon cutting ceremony, tentatively in January 2018.

Decatur Tap and Substation Update

BPA completed construction of the line rebuild and tap. OPALCO crews are erecting the substation steel and installation of insulators and breakers. Due to natural disasters nationally (hurricanes), we are experiencing delays in manufacturing and delivery of breakers. OPALCO thanks the BPA engineers and crew for their diligent work on this tap and service to our members.

Communications is working on a documentary of the major construction projects on Decatur: substation rebuild, tap, community solar and battery bank. The following photos show the tap infrastructure in place and work on the substation site.



CWP Loan Update

Staff received environmental approval for our 2017-2020 CWP loan and has submitted the loan application to RUS.

Battery Energy Storage System (BESS) Update

Staff continues to work with the WA State Department of Commerce and Pacific Northwest National Laboratory (PNNL) on the Decatur Substation BESS project. Patrick Balducci, Chief Economist of PNNL, is planning to attend the January 2018 board meeting to provide the board with results of the Decatur BESS economic analysis.

FINANCE

Community Solar

Staff has included a separate memo and accompanying attachments to provide a robust update for the board this month.

1992 and 1993 Capital Credit General Retirement

Per Board approval during the November board meeting, staff performed the capital credit general retirement process that retired 100% of 1992 and ~45% of 1993 remaining margin allocations. Total amount retired was \$1,300,000, which resulted in 5,306 checks, valued at \$1,012,570, to be sent to both active (2,798) and inactive (2,508) members via the USPS on December 22, 2017. Staff estimates that approximately ~90% of the checks issued will be cashed which is on target with the cash requested to be set aside estimated at the November board meeting.

Revenue Give-Back / Restricted Fund

With the results of November revenues and purchased power in, staff re-evaluated 2017 year-end projections to assess the anticipated excess margins. Staff noted no material variances from the projections presented in mid-November as part of the 2018 budget report. The excess margin appears to be trending toward ~\$2M. As presented at the November 15th meeting, after giving consideration the cash need for capital credit general retirement acceleration, there is approximately \$1.5M of remaining excess which, per board motion at the November meeting, will be split 50/50 to: \$750K revenue give-back and \$750K re-establishment of the board restricted fund.

Energy Assist Program (EAP)

As discussed at the November board meeting, staff plans to increase the Energy Assist Credit by \$5 across the board, beginning with January 2018 billing periods. Please see the attached tariff schedule which includes EAP.

Rural Energy Savings Plan (RESP) Update

Staff received notification from RUS that we should be expecting a draft of the RESP loan documents before year-end, at which point staff and legal will review prior to bringing to the Board for review and execution approval (anticipated January 2018). After loan execution, RUS anticipates that funds will be available to OPALCO by the end of Q2 2018.

COMMUNICATIONS

Submarine Cable Video

A documentary video is in the editing process, to be released in concert with the annual report in March. Extensive footage was collected during each phase of construction and installation, as well as interviews with key personnel.

Community Solar



Branding was created for the project and a sales package is in development, including a splash page on our website, online investment calculator and print materials. Please see Community Solar update and FAQ attached.

Election 2018

Contract with Survey Ballot Systems is in place and the nominations portal app will be used again. Members will be encouraged to opt out of a paper ballot, if they haven't already.

Timeline:

- January 1: Nominations Open
- January 30: Nominations by Committee Deadline
- January 30: List of Candidates (partial) posted online and in OPALCO offices
- February 23: Nominations by Petition Deadline
- February 26: Complete List of Candidates posted online and in OPALCO offices
- March 12, 13, 15, 16: Candidate Forums on Orcas, San Juan, Lopez and Shaw
- March 29: Election opens; ballots mailed / emailed
- April 19: Election closes at 10:00 am Pacific Time
- April 21: OPALCO Annual Meeting – election results announced

Social Media

Communications team hosted a Facebook live streaming event on 12/12 – our first – to talk with members about the year-end bill credit. More than 150 were reached. Facebook and Twitter followers are growing,

particularly through outage communications. We will be hosting live streaming events regularly, as topics come up.

Website

A new page was created to engage new co-op members as they first join OPALCO. It's called Hello New Member (not public, available by link only) and it walks new members through the basics of their co-op benefits and tools such as SmartHub, Outage Center, Website familiarity and Rebates. Those who complete the steps are rewarded with a \$3 bill credit. This site, along with new member printed materials, will go live in January.

Member Comments:

- The Reinholts (Orcas)
“Dear OPALCO Line gang, I am just one of the many that appreciate the work you do. The last couple of power outages were long and most likely reduced your sleeping hours considerably – particularly the first 20-hour outage. We have an automatic generator that kicks in in two seconds, so we are doing fine, but I have talked to friends that don’t have this luxury, and they had a long cold night, so for them your work was essential, on their behalf; thank you. PS Enclosing a little thank you check for your lunch break!” (enclosed \$100; used to purchase breakfast for the December safety meeting)
- Jennifer Woodbridge (Shaw) Phone message 12/12/2017
Called to express her appreciation, particularly to Brian and Kevin who were on Shaw Saturday night repairing an electric fault in the cable. After the power was restored to the other households, hers was the only house remaining without power. They stayed and fixed it; they could have easily told her to wait until the following Monday, but they stayed until it was repaired, they had such a nice attitude. Also, Hardy Schmidt showed up with his excavator and they all worked hard until it was done. It was great.
- Cards from Donna Linn & the Gang on Blakely to the Lopez Line Workers:
“Steve and the Lopez OPALCO Line Workers,
We know when the chips (and lines) are down,
You jump in to help the other islands,
The people on Blakely are all in agreement,
We should send a Case 580 tractor,
Loaded with donuts and THANK YOUs!”

To the Orcas Line Workers:
Call to Duty—
Orcas OPALCO Line workers
Crawl from their warm beds,
Facing dark and stormy nights,
Winds howling with oceans awash in white caps,
Line poles snapping and branches falling,
Blakely’s store closed=no coffee or donuts,
Yet they come...
The people of Blakely Island NEVER forget,
And always say THANK YOU
A round of donuts for everyone!

To Friday Harbor OPALCO Line Workers,
When the other islands are in need,
With lines and trees falling,
We know you send men and equipment,
That helps the people on Blakely.
We say THANK YOU!