

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

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

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

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

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

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

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

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

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

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

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

electricity. OPALCO has joined NRECA's Rural Electric Safety Achievement Program (RESAP) with three staff members becoming certified to participate.

Lett added that the wholly owned subsidiary extends the safety net by improving communication throughout the county for emergency personnel. By adding a \$3 charge per member per month for 24 months that will be repaid by Rock Island Communications, OPALCO is able to support the build out of our fiber optic backbone to extend the service to members. The projected revenue will help meet the expenses associated with replacing submarine cables and to offset the revenue volatility of weather variations and changes in energy usage.

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

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

Tally Committee Chairman Doug Pearson announced the following voting results:

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

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

Bylaw Amendment #Article IV *Meeting of Directors* (Failed)

Initiated by member petition, it was proposed to amend Article IV *Meeting of Directors* Section 3 (new section):

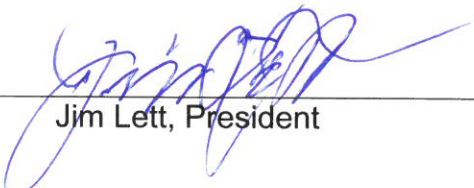
"In addition, the Cooperative shall maintain an email list to notify any Energy Member who signs up to be notified when any board meetings are called or scheduled and whether they are open to the Energy Members. Any amendments to these Bylaws shall be emailed to the same email list."


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

A total of 2,524 ballots were cast.

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

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


Jim Lett, President


Jerry Whitfield, Secretary-Treasurer