



BOARD OF DIRECTORS REGULAR MEETING

Thursday, January 17, 2019 8:30 a.m.
Eastsound OPALCO Office

TRAVEL



**Via Island Air
(378-2376)**

To:						
Leave	FH	7:20 a.m.	Arrive	ES	8:00 a.m.	
	Lopez	7:40 a.m.				
Return:						
Leave	ES	2:00 p.m.	Arrive	Lopez	2:20 p.m.	
				FH	2:40 p.m.	



Via Ferry:

To:						
Leave	Lopez	6:20 a.m.	Arrive	ES	6:35 a.m.	
	FH	6:10 a.m.			7:20 a.m.	
	Shaw	7:00 a.m.			7:20 a.m.	
Return:						
Leave	ES	2:55 p.m.	Arrive	Shaw	3:10 p.m.	
				Lopez	3:30 p.m.	
		4:15 p.m.		FH	4:55 p.m.	

Sequence of Events

- Board Meeting

Orcas Power & Light Cooperative
Board of Directors
Regular Board Meeting
Eastsound
January 17, 2019 8:30 A.M.*

**Time is approximate; 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

Member attending the board meeting acknowledge that they may be recorded, and the recording posted to OPALCO's website.

- Member Comment Period
 - *Members are expected to conduct themselves with civility and decorum, consistent with Member Service Policy 17. If you would like answers to specific questions, please fill out Q&A card for post-meeting follow-up.*

ACTION ITEMS

- 3-11
- Consent Agenda
 - NWPPA Board Seat

DISCUSSION ITEMS

- 12-28
- Board Roles & Responsibilities (Paisner – Verbal Review)
 - OPALCO Policy 1 – *Functions of Board of Directors* (First Read)
 - 2019 Calendar of Events
 - WS Ferries Discussion
 - Salmon Discussion

REPORTS

- 29-35
- General Manager
 - Rock Island Snapshot

COMMUNICATION

- 36-38
- Seattle Times - Frasier River Chinook

ADJOURNMENT

Executive Session: Legal, personnel

MEMORANDUM

January 11, 2019

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 – attached
- **Approval of New Members** - attached {as required by Bylaws Article I Section 2 (d)}

NEW MEMBERS – December 2018

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

1. Adams, Hannah
2. Alberson, Jasmin
3. Brown, Charles
4. Bryan, Jessica
5. Cole, Chase & Kylie
6. Harris, Christopher & Kara
7. Hurley, Breezy
8. Kelley, Edward B
9. LaLonde, Nicholas & Leigh
10. Lommel, Scott
11. Lugnut Automotive
12. Natural Link Hair Salon
13. Novak, Emillie
14. San Juan Driftwood LLC
15. Shaw, Maria & Roy A
16. Tremaine, Jack
17. Valdez, Joseph A

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

18. Carolyn McGlenn-Newton R
19. Cline, Amy & Edgar
20. Coffelt Farm Stewards
21. Eastsound Rentals LLC
22. Eco Cleaners, Inc.
23. Ehrich, Ted
24. F&H Holdings, Inc.

25. Fee, Charles B
26. Fee, Ian
27. Goepfert, Malcolm C
28. Grace, Thaddeus
29. Holtorf, Ashley
30. Kerr, Brent
31. McDowell, Calen
32. O'Brien, Allison
33. Shelley, Ian
34. Sipe, Bryan
35. Steimel, Paul & Julie
36. Vaccaro, Marc & Astrid

District 3 (Lopez, Center, Decatur, Center, Charles)

37. Carr, Julie
38. Carr, Michael & Susan
39. Krebs, Richard
40. Madden, Demarcus R
41. Neilsen, Patricia
42. Ove, Wayne & Deborah
43. Sargusingh, Imran
44. Stratil, Matthias & Stephanie
45. Stripling, Susan & Boroughs, Laurie

District 4 (Shaw, Crane, Canoe, Bell)

46. Hawkes, Peter
47. Seidl, Robert B & Christina R

- **Capital Credit** payments to estates of deceased members and/or organizations no longer in business as shown below:

January	
<u>Customer #</u>	<u>Amount</u>
29630	\$ 1,193.53
63832	738.43
11810	1,054.38
135	980.09
62495	305.67
9790	367.73
63827	1,869.12
66094	499.61
66525	490.23
62062	768.96
50768	831.19
71304	1,740.12
7205	971.48
63588	895.06
Total	\$ 12,705.60

- **RUS 219s** *Inventory of Work Orders* of projects completed from the Construction Work Plan totaling \$161,920.56. These forms are submitted to RUS for approval of loan funds.

Inventory 201811 - \$135,416.35 for URD replacement
 Inventory AS1811 - \$26,504.21 for OH to UG conversion

Staff requests a motion to approve the Consent Agenda.

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, December 20, 2018

President Vince Dauciunas called the meeting to order at 8:32 a.m. in the Friday Harbor OPALCO Conference Room. Board members present were Rick Christmas, Brian Silverstein, Mark Madsen, Jeff Struthers and Jerry Whitfield. Board member Peter Garlock attended via Zoom. 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, Rock Island Acting Executive Vice President Alan Smith, and Public Relations Administrator Suzanne Olson (serving as recording secretary). Consultant Jay Kimball, and members Gay Wilmerding and Darren Olshefsky were in attendance as well as OPALCO Nourdine Jensen Scholars Arlo Harold, Aida Must and Natalie Meenan.

CONSENT AGENDA

- **Motion** was made and seconded to approve the Consent Agenda, including November 15, 2018 minutes, new members as listed with the Board materials, capital credit payments totaling \$3,659.87 and RUS 219s totaling \$2,932,718.20. Motion carried by voice vote.

2019 BOARD MEETINGS

The 2019 schedule of board meetings was reviewed and approved.

- **Motion** was made to approve the 2019 schedule of board meetings as presented. Motion carried by voice vote.

POLICY 17: MEMBER CONDUCT AT OPALCO MEETINGS

Revisions to Policy 17 proposed at the November board meeting were reviewed and approved.

- **Motion** was made to approve the revisions to Policy 17 as presented. Motion carried by voice vote.

ENERGY ASSIST

Staff presented scenarios for increasing the Energy Assist amount available for low-income households. The Board reviewed, discussed and approved Option #3: a \$5/month increase in Energy Assist awards to offset the 2019 increase in the Service Access Charge.

- **Motion** was made to approve Option #3: increase Energy Assist by \$5/month. Motion carried by voice vote.

NOURDINE JENSEN COOPERATIVE YOUTH SCHOLARSHIP PROGRAM: SCHOLAR PRESENTATION

2018 Scholars Arlo Harold, Aida Must and Natalie Meenan gave a short presentation to the Board on their Youth Rally experience and thanked the Board for the opportunity. Discussion ensued.

RESOLUTION 5: REVIEW OF ISLAND NETWORK, LLC BUSINESS PLAN

The Board reviewed the business plan for Island Network, LLC (dba Rock Island Communications) as was previously presented. Financial targets were discussed.

- **Motion** was made to approve Resolution 5 as presented. Motion carried by voice vote.

OPALCO STRATEGIC DIRECTIVES

The Board reviewed a revision to OPALCO's Strategic Directive #11: Rock Island Communications.

- **Motion** was made to approve the revision the Strategic Directives as presented. Motion carried by voice vote.

RESOLUTION 4: AUTHORIZATION AMENDMENT TO GUARANTEE

Staff presented an amendment to OPALCO's parent company loan guarantee for Island Network, LLC. Discussion ensued.

- **Motion** was made to approve Resolution 4 as presented. Motion carried by voice vote.

COLLECTIVE BARGAINING AGREEMENT (CBA) RATIFICATION

At 9:45 am, the Board adjourned to Executive Session to review the detail changes to the CBA for January 1, 2019 – December 31, 2023. Returning to regular session at 10:30 am, the Board ratified the CBA.

- **Motion** was made to ratify the CBA as presented in Executive Session. Motion carried by voice vote.

DECATUR LAND ACQUISITION: USE OF FUNDS

Staff requested that the Board memorialize for the minutes their approval for the use of restricted funds to purchase the Decatur property as discussed during Executive Session on Friday, August 10, 2018.

- **Motion** was made to approve the use of restricted funds to purchase the Decatur property as presented. Motion carried by voice vote.

MEMBER ADDRESS

Co-op member Gay Wilmerding addressed the Board on the subject of fence issue located on her property in Friday Harbor. Wilmerding stated her appreciation for staffs willingness to aid in resolving this matter. Member Darren Olsefsky addressed the Board on the subject of a fiber connection for his business. Staff will follow up.

2019 BUDGET

Staff presented the final budget proposal incorporating revisions discussed in November, including scenarios for different revenue increase amounts. Discussion ensued.

- **Motion** was made and seconded to approve the 2019 Budget (Scenario #3). Motion carried by voice vote.

TARIFFS: SECOND READ

Board reviewed the 2019 tariffs for a second time. Note, the EAP Tariff was adjusted for the increase in EAP awards by \$5 as previously discussed.

- **Motion** was made and seconded to approve the 2019 Tariffs with the adjusted EAP awards increased by \$5 and the collection amount of 0.00068 \$/kWh. Motion carried by voice vote.

NWPPA NOMINATIONS

Hildreth informed the Board of an open position for a co-op director on the NWPPA Board and discussion ensued. The Board discussed the appreciation for the entity and their contribution to industry training to our organization and the region. There were no volunteers to fill the NWPPA Board position at this time.

REPORTS

General Manager

The Board reviewed the GM report and discussion ensued.

RIC Snapshot

The Board reviewed the monthly snapshot.

ADJOURNMENT

Meeting adjourned at 11:15 am.

Vince Dauciunas, President

Brian Silverstein, Secretary-Treasurer

12/27/2018 2:16:27 pm

Page: 2

RUS Form 219 Inventory Of Work Orders

Period: NOV 2018

System Designation: WA AH O9

Inventory: 201811

Loan		Work Order		Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
					Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
Project	Year	Construction (1)	Retirement (2)							
608 - 14	2018 2627	2627		1	164,734.63	489.69	125.93	0.00	25,876.37	135,416.35
								AFUDC: 3,805.67		
					164,734.63	489.69	125.93	0.00	25,876.37	135,416.35
Grand Totals:					\$ 164,734.63	\$ 489.69	\$ 125.93	\$ 0.00	\$ 25,876.37	\$ 135,416.35

12/27/2018 2:16:27 pm

Page: 5

RUS Form 219 Inventory Of Work Orders

Period: NOV 2018

System Designation: WA AH O9

Inventory : 201811

Budget

Loan	Project	Amount
1	608 - 14	135,416.35
Total:		135,416.35

BORROWER CERTIFICATION

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

SIGNATURE (MANAGER)_____
DATE_____
SIGNATURE (BOARD APPROVAL)_____
DATE**ENGINEERING CERTIFICATION**

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

INSPECTION PERFORMED BY_____
FIRM_____
LICENSE NUMBER_____
DATE_____
SIGNATURE OF LICENSED ENGINEER

12/27/2018 2:16:27 pm

Page: 3

RUS Form 219 Inventory Of Work Orders

Period: NOV 2018

System Designation: WA AH O9

Inventory: AS1811

Loan		Work Order		Bdgt (3)	Gross Funds Required		Deductions			Loan Funds Subject To Advance By RUS (9)
					Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)	Contrib In Aid Of Constr and Previous Advances (8)	
Project	Year	Construction (1)	Retirement (2)							
1600	2018	1521		1	37,125.47	0.00	0.00	0.00	11,195.25	26,105.17
								AFUDC: -174.95		
1600	2018	3043		1	401.31	0.00	0.00	0.00	0.00	399.04
								AFUDC: 2.27		
					37,526.78	0.00	0.00	0.00	11,195.25	26,504.21
Grand Totals:					\$ 37,526.78	\$ 0.00	\$ 0.00	\$ 0.00	\$ 11,195.25	\$ 26,504.21

Minor Construction Work Orders

Work Order: 1521 - MEMBER WOULD LIKE POLE REMOVED AND CONVERT OH TO UG AT 1120436.

Work Order: 3043 - CONDUIT ONLY LINE EXTENSION

12/27/2018 2:16:27 pm

Page: 6

RUS Form 219 Inventory Of Work Orders

Period: NOV 2018

System Designation: WA AH O9

Inventory : AS1811

Budget

Loan	Project	Amount
1	1600	26,504.21
Total:		26,504.21

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.

INSPECTION PERFORMED BY

FIRM

LICENSE NUMBER

DATE

SIGNATURE OF LICENSED ENGINEER

MEMORANDUM

January 11, 2019

TO: Board of Directors
FROM: Foster Hildreth
RE: NWPPA Board Seat

NWPPA is calling for the State of Washington General Manager seat on the NWPPA Board open to a cooperative utility. Given the utility industry is evolving rapidly and requires more technically trained staff, the importance of training and the role of NWPPA is vast. OPALCO's participation as a Board Member of NWPPA can aid in guiding the organization to appropriately train OPALCO staff for the future of our industry.

Staff would like the Board's understanding and support for OPALCO's involvement in NWPPA over other cooperative entities such as NRECA, CFC, WRECA, CoBank, NISC, etc.

Staff requests a motion for approval of Foster Hildreth to participate as an NWPPA Board Member for the State of Washington General Manager seat open to a cooperative utility.

MEMORANDUM

January 11, 2019

TO: Board of Directors

FROM: Foster Hildreth

RE: Board Roles and Responsibilities (Paisner – Verbal Review)

On a regular basis, Joel Paisner, OPALCO's legal counsel, reviews with the Board OPALCO Policy 1 (*Functions of the Board of Directors*), roles and responsibilities.

MEMORANDUM

January 11, 2019

TO: Board of Directors

FROM: Foster Hildreth

RE: OPALCO Policy 1 – *Functions of the Board of Directors* (First Read)

With the 2019 election cycle upon us, Policy 1 requires updates to include the Elections and Governance Committee (EGC) in lieu of the Nomination Committee used in years past. The goal of this modification is to update the policy to reflect that the EGC is replacing the prior “Nominating Committee” language. At the suggest of a Board Member, Legal counsel has also recommended language changes to Policy 1.8 *Oversight* to memorialize the Boards role in oversight of subsidiaries (Rock Island). Legal counsel suggests that staff brings back this policy for further review and modifications mid-year.

Please review attached policy revisions as suggested by OPALCO legal counsel.

ORCAS POWER & LIGHT COOPERATIVE
POLICY 1
FUNCTIONS OF THE BOARD OF DIRECTORS

1. BOARD ETHICAL STANDARDS

Preamble

This policy is the responsibility of the Board and it may only be changed or amended by the Board. Board Governance policies are intended to define the Governance activities of the Board of Directors and their functioning within the Organization.

Board-authorized documents such as Mission and Values Statements and Strategic Directives will provide further guidance and instructions to the Organization.

1.1. BOARD ETHICAL STANDARDS

The Board may neither cause nor allow any Organizational practice or event that is imprudent or unethical, or that could damage the short-term or long-term viability of OPALCO.

1.2. CONFIDENTIALITY

Directors are entitled to reasonable access to Organizational data and information.

Directors are required to keep confidential all matters involving the cooperative that have not been disclosed to the public. Information received by a director shall not be disclosed to any other persons unless the director reasonably believes that he or she must do so to fulfill his fiduciary duty.

1.3. DIRECTOR CONDUCT

Regardless of any personal differences, directors are required to:

- 1.3.1. Foster an environment where expression of individual experience, expertise and point of view shall be encouraged where relevant to the discussion at hand.
- 1.3.2. Demonstrate mutual respect and allow opportunity for every other director to be heard on any matter being considered by the Board.
- 1.3.3. Publicly support decisions of the Board except in extraordinary circumstances where the director can demonstrate that a decision or action will bring harm to the cooperative or threaten the cooperative's survival.
- 1.3.4. Refrain from revealing to persons other than directors, the General Manager, or the cooperative's attorney any differences of opinion among directors on matters considered and acted upon by the Board. (This standard does not preclude fair and accurate publication of such differences to the cooperative's members in relation to contests for director elections or other matters to be voted upon by the members. Nor does it impinge upon a director's right to dissent and to have his dissenting vote recorded in the minutes.)
- 1.3.5. Recognize that personal notes taken during meetings are legally discoverable unless intended to be and identified as Attorney/Client Privileged communications.

1.4. CONFLICT OF INTEREST DISCLOSURE

Board members are required to disclose any potential conflict of interest with regard to ongoing or specific transactions on any matters before the Board and shall attest that they have no material undisclosed conflict of interest situations in writing annually.

1.5. BOARD MEMBER QUALIFICATIONS

- 1.5.1. Board members shall be competent to sign legal contracts and shall exercise their best business judgment in performing their duties as Directors.
- 1.5.2. Board members are required to attend Board meetings as specified in other governing documents and to travel and perform other reasonably required duties in a safe and competent manner.
- 1.5.3. Board members are required to complete an initial orientation conducted by the Board President and General Manager within 45 days and are encouraged to achieve NRECA Credentialed Cooperative Director status or equivalent within 24 months of first election to the Board.
- 1.5.4. Board members are required to complete one or more relevant ongoing one day educational sessions during each additional three years of tenure.
- 1.5.5. Board members are encouraged to attend conferences and other activities designed to improve their skills and knowledge. The expenses of enrollment and attendance at Board training programs are paid by the cooperative. Board training programs shall be conducted within the confines of an annual budget established by the Board of Directors for this purpose.

1.6. BOARD POLICIES AND STRATEGIC DIRECTIVES

- 1.6.1. The Board shall whenever possible formally and explicitly express the Board's expectations and standards regarding General Manager, Board, and Organizational performance.
- 1.6.2. Board Policies shall address matters that are expected to be permanent and pervasive in nature and define the limitations imposed on the General Manager and the Cooperative.
- 1.6.3. Board Strategic Directives shall address matters that may be impermanent in nature, address specific circumstances, may terminate when complete or rendered obsolete by changing circumstance and provide guidance in addressing the goals and objectives of the Cooperative.
- 1.6.4. Any Board member may propose a new policy or amendment to a current policy.
- 1.6.5. All Board Policies and Strategic Directives shall be maintained up-to-date in a format that is available to every Board member,
- 1.6.6. The Board shall review its own Policies and Strategic Directives for relevance, appropriateness and benefit to OPALCO at least annually.

1.7. STRATEGIC PLANNING

The Board shall set the Cooperative's mission and purposes, engage in strategic planning on a regular basis and produce Strategic Directives, to be reviewed and updated at least annually.

1.8. OVERSIGHT

The Board shall provide oversight including the adoption of policies and monitoring for compliance with legal and regulatory requirements as well as the adequacy of internal

controls, primarily through appropriate use of Auditors and Legal Counsel. The Board shall also oversee any subsidiaries of the Cooperative. Such oversight shall include regular updates from the General Manager, financial performance review, business plan and strategy review, review and approve debt increases, and consistency with overall Strategic Directives.

1.9. BOARD INTERACTION WITH AUDITORS

The Board shall approve an engagement agreement for annual audit services to be provided to the cooperative that:

- 1.9.1. Requires pre-approval by the Board for all services to be provided by the audit firm.
- 1.9.2. Sets out the scope of the audit, its objective and purposes, and deadlines for work to be performed.
- 1.9.3. Specifies all fees to be paid for all audit, audit-related and tax work provided by the audit firm.
- 1.9.4. If a multi-year agreement, provides for regular rotation of the lead audit partner.
- 1.9.5. Complies with all RUS Policies and/or other applicable regulatory standards on Audits.

1.10. BOARD INTERACTION WITH LEGAL COUNSEL

The Board shall:

- 1.10.1. Make all decisions regarding retaining, employing, and discharging attorneys for the cooperative.
- 1.10.2. Reaffirm that the attorney represents the cooperative and does not represent individual directors, officers, employees, or members or affiliated entities of the cooperative, unless the Board consents to such representation and the attorney has complied with applicable conflict of interest requirements.
- 1.10.3. Require the attorney to keep the Board and the General Manager informed of matters for which the attorney is providing legal services.
- 1.10.4. Require the attorney to report evidence of any actual or intended material violation of law or material breach of duty that would likely cause substantial harm.

1.11. ~~NOMINATIONS AND THE ELECTION GOVERNANCE COMMITTEE BOARD INTERACTION WITH THE COMMITTEE ON NOMINATIONS~~

Nominating the best qualified Directors is essential to OPALCO and its members. To oversee the recruitment of strong Director candidates, the Bylaws have established an independent Election Governance Committee (EGC). The EGC serves to independently identify, interview and recommend to the Cooperative's membership high quality candidates to run for election to the Board of Directors. The Bylaws require that the EGC is made up of a representative group of 9 members, 3 from each of the 3 membership districts. To foster independence, no current Director or Officer of the Cooperative may serve on the EGC, nor may any current employee of the Cooperative or its subsidiary serve on the EGC. The Board of Directors shall use its best efforts to ensure that the EGC has a full membership each year. This policy is intended to provide guidance for the Board and the Committee on Nominations

~~and in no way overrides nor supersedes any requirement in OPALCO Bylaws or Articles of Incorporation, or other applicable state or federal requirements.~~

~~Committee on Nominations Purpose~~

~~To facilitate the ability of the membership to elect board members most qualified and appropriate to serve in the best interests of OPALCO as a member-owned non-profit cooperative.~~

~~To both recruit members who are competent, willing and able to commit to serve on the OPALCO board if elected.~~

~~1.11.1 The Board will act to minimize conflict of interest exposure of staff in the Board election process.~~

~~1.11.2 Committee on Nominations Appointment~~

~~The OPALCO Board as a whole will propose and consider suitable qualified members from the Voting District and will appoint the members of each Committee on Nominations.~~

~~1.1.3 Committee on Nominations Preparation~~

~~The Board will instruct members of the Committee on Nominations to meet with OPALCO staff for a Board approved orientation.~~

~~1.1.4 Election Notifications~~

~~The Board will direct the General Manager to have notices placed on appropriate visible public bulletin boards, newspapers, websites, and other appropriate media as soon as practicable after the Committee on Nominations appointment. These notices will serve to attract and facilitate interested candidates to contact the Committee on Nominations.~~

1.12. GENERAL MANAGER

The Board selects the General Manager, and regularly evaluates performance, and sets his compensation.

1.12.1. Board Interaction with General Manager

1.12.1.1. The Board will direct the General Manager to achieve specific results within the restraint of specific limitations. He is authorized to make all further decisions, take all actions, and establish all practices to achieve these specified results that do not transgress the limitations imposed.

1.12.1.2. The Board may change its policies and thus the expectations or limitations imposed on the General Manager. So long as any particular delegation is in place the Board members will respect and support the General Manager's choices.

1.12.1.3. All Board authority is delegated through the General Manager. The General Manager is to be considered the only employee of the Board.

1.12.1.4. Only decisions of the Board acting as a body are binding upon the General Manager.

1.12.1.5. Decisions or instructions of individual Board members, officers, or committees are not binding on the General Manager except in circumstances where the Board has specifically authorized such exercise of authority.

1.12.1.6. In the case of Board members requesting information or assistance without Board authorization, the General Manager can refuse such requests that require in his judgment a material amount of staff time or funds or are disruptive.

1.12.2. General Manager Relationship Review

The Board shall ensure that the General Manager knows and understands the expectations and limitations it has placed on discretionary decision making. These expectations and limitations shall be identified in approved policies or directives. Such policies and directives shall be used as the foundation for the annual appraisal of the General Manager's performance.

1.13. BOARD SELF-EVALUATION

The Board shall complete an annual self-evaluation of its performance and accomplishments in relation to the goals and mission of OPALCO, to confirm its compliance with all relevant policies and procedures, and to review its working methods and contribution to OPALCO.

1.14. BOARD SUBCOMMITTEES

- 1.14.1. Board subcommittees will be formed, defined, controlled, and dissolved by action of the Board;
- 1.14.2. Authority of any subcommittee will be limited to reporting findings to the Board, unless specifically authorized by the Board. No action may be taken by a subcommittee unless authorized specifically or in general by the Board;
- 1.14.3. Board member participation in any subcommittee will be determined and controlled by the Board. There will be no more than three Board members on any subcommittee;
- 1.14.4. Employee involvement with a subcommittee will only be with the agreement of the General Manager;
- 1.14.5. The General Manager shall be kept informed of the work of the subcommittee;
- 1.14.6. Communications with employees will be copied to the General Manager.
- 1.14.7. Purpose may include a review of methods, plans, or results, propose solutions, strategic directives;
- 1.14.8. Duration of the subcommittee shall be at the pleasure of the Board.

APPENDIX 1

BYLAWS MANDATED BOARD WORK

Annual Meeting

Date Selection

The Board selects the date for Annual Meeting according to Bylaws, Article II Section1.

Report

The Officers report the condition of the cooperative at the Annual Meeting according to Bylaws, Article V Section12.

Audit

The Board provides for an annual audit. The Officers present an audit summary at the next annual meeting which follows after completion of each audit according to Bylaws Article III Section 7.

Board of Directors

Committee on Nominations

The Board appoints a Committee on Nominations for each election according to Bylaws, Article III Section 3.

Compensation

The Board sets a fixed sum and expenses for attendance of meetings on behalf of the Coop. according to Bylaws Article III Section 5.

Vacancy Replacements

The Board fills vacancies according to Bylaws, Article III Section 4.

Bylaws

Amendments

The Board shall make necessary Bylaws amendments according to Bylaws Article XIV Section1.

Contracts

The Board may authorize any officer or agent to enter into contracts on behalf of the Coop in general or in specific instances according to Bylaws Article VII Section1.

Capital Credits

The Board shall be responsible for establishing policies for the retirement of capital credits and shall review and approve the payout of retired capital credits.

At the Board's discretion, discounted rate retirements may be used to reduce outstanding or delinquent billing amounts. Board approval is required for retirement payments according to Bylaws Article VIII Section 2.

The Board may distribute forfeit capital credits to the "Education and Promotion Fund" or the "Retirement and Replacement Fund" according to Bylaws Article VIII Section 5.

Disposition of Assets

The Board may dispose of unnecessary property not exceeding 10% of the value of all property of the Cooperative according to Bylaws Article X Section 1.

Members

Expulsion

The Board shall expel any member according to Bylaws Article I Section 6.

Membership fee

The Board sets the initial membership fee according to Bylaws Article I Section 3.

New Members

The Board approves new memberships according to Bylaws Article I Section 2

Other Organizations

The Board shall authorize membership in other organizations according to Bylaws Article XII.

Revision Date January 11, 2019

Vince Dauciunas, Board President

MEMORANDUM

January 11, 2018

TO: Board of Directors
FROM: Foster Hildreth
RE: 2019 Calendar of Events

At the December board meeting, staff outlined the board meeting dates for 2019. We have now added other events and noteworthy topics planned to discuss throughout 2019. Note, staff is requesting a date change to August 8th and 9th for the Rock Island Q2 update and August Board Meeting respectively. See attached calendar of events.

2019 Calendar of Events

JANUARY	9 th Nomination by Committee Deadline 17 th Board Meeting – Eastsound OPALCO Policy 1 Review
FEBRUARY	13 th Nomination by Petition Deadline 21 st Board Meeting – Lopez Attorney Review and Engagement Contract GM Annual Review
MARCH	4-8 th Board Candidate Forums 20 th Rock Island Quarterly Meeting – Eastsound 21 st Board Meeting – Friday Harbor Unaudited Year-End Financials
APRIL	13 th Annual Meeting – Inter-island Ferry 25 th Board Meeting – Eastsound Guiding Documents Review (Mission and Vision)
MAY	15 th Rock Island Quarterly - Eastsound 16 th Board Meeting – Lopez Audit Report Q1 Financials
JUNE	27 st Board Meeting – Friday Harbor
JULY	<i>No Meeting</i>
AUGUST	8 th Rock Island Quarterly - Eastsound 9 th Board Meeting - Eastsound Q2 Financials Auditor Engagement Contract
SEPTEMBER	19 th Board Meeting – Lopez Board Self-Evaluation Load Forecasting Integrated Resource Plan (IRP) Update (Refresh only)
OCTOBER	17 th Board Meeting – Friday Harbor Election and Governance Committee (EGC) Appointments Annual Meeting Planning Tax Return Approval and Submittal
NOVEMBER	20 th Rock Island Quarterly - Eastsound 21 st Board Meeting - Eastsound Capital Credits General Retirement Approval Q3 Financials Annual Budget Review and Approval Tariffs (1 st reading)
DECEMBER	19 th Board Meeting - Lopez Tariffs (2 nd reading) Annual Budget Follow up (if required)

Other:
Tariff Approval

As Needed:
Policies Review
By-laws Review
Safety (Monthly updates) / Overall Review
Board Conference/Training

MEMORANDUM

January 11, 2019

TO: Board of Directors

FROM: Foster Hildreth

RE: WS Ferries (WSF) Long Range Plan

Staff and Board Director Whitfield attended the Ferries Long Range Plan Meeting in Friday Harbor on January 8th, 2019. The meeting was co-hosted by WSF and the San Juan County Ferry Advisory Committee (FAC).

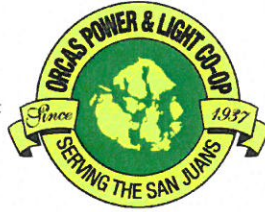
The purpose of the meeting was to give stakeholders an opportunity for to review and discuss the WSF Long Range Plan as it pertains to San Juan County. In this meeting, the largest take away is that the plan has our San Juan ferry routes will be the last on the list to be electrified.

Staff wrote the following correspondence to encourage WSF to put the San Juan Island routes first to realize the greatest results for the environment, the whales, resiliency and public relations. Also attached is an email of support from SeaDoc Society Science Director Joe Gaydos.

Also, please see this recent news story that aired on KUOW in support of electrifying the San Juan Islands routes first: <https://www.kuow.org/stories/electric-ferries-reduce-pollution-benefit-to-orcas-less-clear>.

ORCAS POWER & LIGHT COOPERATIVE

A Touchstone Energy Co-op



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

January 10, 2019

Amy Scarton
WSDOT State Ferries
2901 3rd Avenue, Suite 500
Seattle, WA 98121-3014

For the BIG WIN: Electrify the San Juan Ferry Route First

The current WS Ferries Long range plan for deploying electric ferries appears to put San Juan routes last on the list (20 or more years from now). Your strategy includes a rotation of moving the older boats from the southern routes up to the islands until they age out and then, finally, it's our turn to get newer, more efficient boats. We propose that the opposite approach provides bigger wins for WSF stakeholders – and the environment.

The San Juan Islands are the jewel of Washington State, in the international spotlight as a travel destination and the home of the Southern Resident Killer Whales who are critically endangered. Reducing carbon emissions and noise in the heart of the most beautiful and sensitive ecosystem in the state will achieve greater reach across multiple measures: visibility for public relations, contribution to the Governor's key initiatives to improve habitat for the Orcas, and a stable of ready partners to share resources and help leverage results.

Environment

The Salish Sea is a tremendously dynamic, diverse, and ecologically significant inland sea. It has supported indigenous communities for millennia and is now one of the most heavily used coastlines in the world. Salish Sea Ecosystem Conference (Western WA University: 2018)

Carbon pollution impacts our sensitive marine environment through acidification, warming air and water temperatures and changes to shoreline health and levels. Ferries make up 63% of the carbon emissions from the Washington State Transportation Fleet. The number of species that are affected in the Salish Sea area of the Puget Sound is remarkably concentrated and diverse: humans, Orcas whales, salmon, oysters, clams, bait fish, near shore eelgrass and kelp beds, birds, otters, seals, sea lions, invertebrates, and myriad other fish and mammal species.

In addition to carbon (and other contaminant) pollution, vessel noise has been identified as a major barrier to the health and survival of our Southern Resident Orcas Whales. The Governor's 2019-2021 budget initiative states: *"The frequent daily transits of Washington state ferries are a significant contributor to underwater noise in Puget Sound."*



Ready Partners

OPALCO looks forward to working with WSDOT to increase its capacity to meet the needs of electric ferries at two landings on the San Juan Islands routes: Orcas and San Juan islands. In addition to upgrading our electric system capacity to the landings, this year we are also installing the first of what we envision as many battery energy storage systems which may enable us to partially offset the large peaks that charging electric ferries will incur. OPALCO has successfully garnered a \$1M grant from the WA DOC Clean Energy Fund for our first battery storage project and has several other smart grid/renewable grant proposals under consideration. OPALCO has the expertise and is willing to work with WSF on joint grant funding proposals to help flatten the electrification learning curve.

It may be a stretch, but we'd also like to explore becoming the power provider for the ferry landing in Anacortes. Puget Sound Energy has a much higher carbon profile in their fuel mix than OPALCO does and may be less willing to help WSF mitigate peaks charges. If OPALCO were managing the power, we may be able to shave the peak loads down through smart grid innovations and provide a significant reduction to your electricity costs.

There are numerous state and non-profit agencies already heavily invested in the health, monitoring of and advocacy for the Salish Sea including the Friends of the San Juans, the Sea Doc Society, San Juan County Land Bank, San Juan County Preservation Trust, the San Juan County Marine Resources Committee, NOAA, Center for Whale Research, WDFW, WA Dept of Ecology, UW Pacific Marine Energy Center and others. Because of the dire straits of our whale population, we have in-depth baselines for every environmental measure in the region and we expect we can count on the cooperation of these agencies to continue to monitor and report the good work and results of WSF reduced carbon impacts.

It goes without saying that Governor Inslee is particularly invested in the health and sustainability of our small inland sea and has already allocated significant resources to address the issues that put it at risk.

Connectivity

Through OPALCO's wholly owned subsidiary, Rock Island Communications, there is now seamless gigabit fiber internet connection to every ferry landing on the San Juan Islands ferry routes, including Anacortes, and a dedicated wireless LTE communication system that ensures continual in-route connections. This provides a unique opportunity to connect the new electric ferries to the internet of things (devices, motors, data) for real-time access to data and provide a sharing platform for broad audience engagement. WSF will be able to closely monitor ferry systems, maximize operational efficiencies and collect the data to measure and demonstrate cost and carbon reduction savings. OPALCO is interested in partnering with WSF to create kiosks at ferry landings to help engage riders in the project and champion WSF's successful stewardship of our natural resources.

Resiliency

OPALCO provides energy and internet services to 20 islands in the archipelago. There are about 12,000 residents and, during the high tourist season, the population swells by 2-3 times. OPALCO gets its carbon-free power from the Federal Columbia River Power System (through BPA and PNGC), which relies on a mainland delivery system to our local grid. We maintain 26 submarine cables and 11 substations to keep the power flowing.

Adding electric ferries to OPALCO's rural, remote system provides a number of benefits: it adds revenue through new load at a time of declining energy usage due to climate change and efficiency gains; and it opens up the potential for a ferry to act as a battery and provide a power source during extreme emergency situations. The good old days of islanders lighting kerosene lamps and getting out the Scrabble board are gone. Islanders today depend on power for their every move. Indeed, when the CenturyLink cable failed in 2013, banks couldn't dispense cash, gas pumps were shut down and 911 traffic was limited.

OPALCO is eager to study the effects of reducing peak charges by grid automation (instantaneous load reduction and battery usage) at the exact moment when ferry boats plug in to the grid and share those results as a model for replication.

Audience

We have unique demographics in the San Juans. Our local population is very active and engaged in environmental issues, and a large portion of tourism is based on wildlife viewing, kayaking, scuba diving and boating. WSF ridership numbers have swelled on this route, and riders are a captive audience during one of the longest ferry rides in the WSF system. The opportunities to share this success story and position WSF as a leader in environmental stewardship are great.

Please reconsider the WSF plan for deploying electric ferries and start with the San Juan Islands routes. It's not that we mind the notion of hand-me-downs – islanders are boot-strappers – but the opportunities for significant, measurable results are far too great to ignore. Please give our community the reliable electrified ferry service that is appropriate for our environmentally sensitive environment.

We appreciate the partnership we have with WSF: over the long run you've gone above and beyond to help us get personnel and equipment from island to island during outages; you allow us to hold our annual meeting on the boat and have been great to work with every step of the way. Please let us know what we can do to influence the priorities of WSF for the electrification of ferries. It matters a great deal to our Co-op, our membership and the health of our home environment.

Thank you for your consideration.

Sincerely,



Foster Hildreth, General Manager
Orcas Power & Light Cooperative

Copies:

Jerry Whitfield, OPALCO Board Vice President
Rick Christmas, OPALCO Board Member
Elizabeth Kosa, Chief of Staff, WSF
Matt Von Rud, Director of Vessel Engineering, WSF
Kevin Bartoy, Environmental Program Manager, WSF
Jim Corenman, Chair, San Juan County FAC
Rick Hughes, San Juan County Council Member, San Juan County FAC Member

Subject: New electric ferries
Date: Friday, January 11, 2019 at 9:32:00 AM Pacific Standard Time
From: Joseph Karl Gaydos
To: Amy Scarton <scartoa@wsdot.wa.gov>
Attachments: WSF Electrify Ferries SJI FIRST.pdf

Hi Amy,

Happy New Year. I've enjoyed working with you on the killer whale task force and wanted to reach out about the news stories saying that the new electric ferries included in the Task Force Recommendations would first be going to the Seattle area. I question this and also have seen news reports questioning the wisdom of this:

<https://www.kuow.org/stories/electric-ferries-reduce-pollution-benefit-to-orcas-less-clear>

There also is local concern that if the real intent is to reduce underwater noise and hydrocarbons, these new ferries should be moved to the San Juans first. Attached please find a letter from the local energy cooperative, OPALCO as an example.

I'd love to get your feedback on this. Please let me know if you have a few minutes to talk by phone if that's better than email. You can send me some times that work for you or just give me a ring on my mobile [redacted].

Thanks Amy.

Happy New Year.

Best,
JOE

Joseph K. Gaydos
www.seadocsociety.org

MEMORANDUM

January 11, 2019

TO: Board of Directors
FROM: Foster Hildreth
RE: Salmon Discussion

As part of our ongoing commitment to our Orca whale habitat education, Mike O'Connell, Long Live the Kings – Fisheries Biologist, will be at the meeting to discuss historical salmon fisheries. During our last staff field day, Mike provided us with historical and future perspective of salmon fisheries on Orcas Island.

GENERAL MANAGER'S REPORT

January 2019

DASHBOARDS

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

ENGINEERING, OPERATIONS, AND TECHNICAL SERVICES

WIP

As of January 10, there are 352 work orders open totaling \$8.55M. Operations has completed construction on 117 work orders, totaling \$4.75M.

Safety

John Spain with Columbia REA conducted the Emergency Response Plan (ERP) and Personal Protective Equipment (PPE). EAP training consists of general instructions for all employees for how we handle emergency events such as building fires, natural disasters, and other such events while at work. PPE training The total hours worked without a loss time accident is 121,764.

Grid Modernization Projects

1) Decatur Battery Energy Storage System (ESS) – WA DOC CEF2 Grid Modernization

The RFP has been transmitted. There are currently five vendors who intend to submit a bid in January. Bid evaluation and bidder selection to be complete in February.

2) Lopez Microgrid – WA DOC CEF3 Grid Modernization

Based on OPALCO's phase one submittal for CEF3 Grid Mod, staff submitted the phase two application and is awaiting the state's approval.

Redundant Feed to Eastsound Village (Completion date dependent on substation transformer mineral oil testing)

1) Decatur Tap and Substation – 100%

The 1951 submarine cable leased from BPA has been taken out of service along with the Lopez stepdown transformer feeding it. These facilities will be decommissioned in late 2019.

2) Blakely Substation – 100%

Commission testing is complete. The substation transformer bushings have been replaced. Substation energization is scheduled for the week of January 14th.



3) Olga Substation and Feeder Upgrades to Eastsound – 99% (pending on transformer oil testing)
 Final installation and testing of equipment is scheduled for completion on the week of January 14th (assumes successful test result). During transformer commissioning testing, the transformer mineral oil test showed an unusual high amount of water content in the oil. There is no evidence of water intrusion into the transformer. Staff is further investigating the reason and are having an independent company test a new sample of oil. Depending on the results of the independent testing, we either process the oil to reduce water content or energize as scheduled.

FINANCE

YE Financial Projection

Staff tracks year-end financial projections on an ongoing basis; see below for an updated year-end projection of key metrics.

Projected Income Statement (in thousands)	2018 Full Year		
	Budget	Projected	Variance
Operating Revenue	\$ 29,241	\$ 29,259	\$ 18
Expenses:			
Cost of Purchased Power	\$ 9,189	\$ 9,054	\$ (135)
Transmission & Distribution Expense	5,686	5,495	(191)
General & Administrative Expense	4,993	4,686	(307)
Depreciation, Tax, Interest & Other	6,999	7,402	403
Total Expenses	26,866	26,636	(230)
Non-op rev (Int, Patronage, other)	423	428	5
Net Margin	2,798	3,052	254
TIER	2.61	2.70	0.09
HDD	1,356	1,190	(166)
kWh Purchases	216,993	217,948	955
kWh Sales	202,985	208,733	5,748
Capital Expenditures	8,766	9,500	734

Q4 came in very strong from a revenue and kWh sales perspective (primarily driven by high winds). Both operating revenue and purchased power are within 2% of the annual budget. Staff has taken steps throughout the year to reduce operating expense where practicable, which is was partially offset by an increase in fixed expenses (primarily depreciation and interest) for an overall reduction in expenses of (\$230k). Please note that these projected amounts are expected to change slightly as remaining 2018 expenses come in and staff makes final adjustments to the 2018 books.

Overages in capital expenditures include the Lopez to San Juan Submarine Cable (~\$250k), Decatur Substation (~\$400k) and Decatur Acquisition (~\$220k). Please note the 2018 budget overages have been incrementally approved by the Board in March, June, August, and November.

Federal Government Shutdown

Due to the federal government shutdown, the RESP funds (On-Bill Financing) and RUS loan draws are delayed. Once the government reopens, please expect additional delays due to the back log of funding requests.

MEMBER SERVICES

Energy Assistance

During December 2018, 309 members received ~\$9.2k from the Energy Assist program, compared to 266 members receiving ~\$6.7k worth of assistance in December 2017. In December 2018 there were 32 members that received ~\$6.1k in PAL awards, in line with 32 members and ~\$6.1k in December 2017. Staff has also been working to test updated rates and line items approved by the Board in December '18 and working with NISC (billing vendor) to update the bill display. Energy Assist awards will increase in the January billing period by \$5 per month to offset the increase of the Service Access Charge for qualified members.

Energy Savings

Members applied for 19 rebates and received \$16.9k in incentives in December, which includes 5 rebates for beneficial electrification projects totaling ~\$4.5k. Overall in 2018 there were 268 projects totaling ~\$239.1k for ~1.42M kWh savings from BPA rebates and est. \$43k in first year savings for fuel-switching measures alone.

Community Solar

During the December billing cycle, the Decatur Community Solar array produced 7,920 kWh, and 1 kWh per solar unit was credited to member participants. A total of ~\$675 was distributed to 272 accounts (average credit \$2.48), including an additional \$69 for the PAL and Energy Assist programs. The array production is in line with kWh projections for this time of year, also projected to be the lowest production month.

COMMUNICATIONS

What's the Buzz on Rates?

So far, not much buzz from our members about the revenue increase and rate impacts. Staff put word out beginning in November at the Town Halls that monthly bills will increase by ~\$10 per month on average. Additionally, in December and January using our eNewsletter, articles in local papers, bill inserts, social media and website. At the town hall "listening" meetings on four islands staff printed bill samples for members to show what their new bills will look like. The Board raised the Energy Assist award by \$5/month, mitigating the ~\$4.50/month that service access charges will go up, on average.

Member service reps report that they are hearing very little about rates so far this year.

- A few calls from organizations setting their budgets
- One member who read about it said "that's life"
- Another said, "we have the cheapest rates in the whole US"

The first bill cycle for 2019 goes out the week of January 15th and we'll be listening for feedback.

Elections / Nominations

Staff met with the EGC to help coordinate the nominations process. Ads, bill inserts and articles have been published/distributed to let members know about the nominations process and important election dates. The deadline for nominations by committee closed on January 9th. The EGC will review the applications and publish them on January 23rd. The next deadline is for nominations by petition which are due February 13th. Members who wish to submit for candidacy by petition must get their petitions with 20 member signatures from their district to staff. Staff will direct them to the nominations portal once the

petition is verified by legal counsel. Please mark your calendars for the week of March 4-8th for Candidate Forums.

Staff was reminded of OPALCO Policy 30: <https://www.opalco.com/wp-content/uploads/2016/12/Policy-30.pdf> for guidelines on political activity:

1. The policy prohibits employees from political activities during work hours and prohibits support/advocacy for specific candidates/issues. The policy states, "...because employees who are members may be perceived as official representatives of OPALCO...(they) shall not use their status as OPALCO employees to advocate and/or support positions or candidates." (30.2.3.1)
2. Employees are welcome to attend the Candidate Forums (evenings during the week of March 4th) and are encouraged to vote!
3. Please encourage members to vote! Let's get out the vote!

Staff Field Day

On December 21st, staff gathered to learn about the salmon hatchery in Moran State Park and celebrate the end of the year. Mike O'Connell will attend this meeting to have a similar discussion with the Board.

Switch It Up

- ALERT: Official launch is on hold pending the federal government shutdown -

The first glimpse of our Switch It Up campaign for fuel switching / beneficial electrification is on OPALCO's new all-electric Chevy Bolt. The plan is to have a soft launch in February in preparation for a busy campaign when it opens at the Annual Meeting on April 13 – contingent on RUS fund availability when the government reopens.



Legislative Outreach

OPALCO attended the WSDOT work group on Electric Ferries last week and is advocating for a faster deployment in San Juan County (see discussion item above).

Mark Madsen will be OPALCO's spokesman at a meeting supporting our new Representative Debra Lekanoff's roundtable in Friday Harbor on Saturday, January 12th and will advocate for prioritizing ferry electrification on the San Juan Islands route first. Lekanoff will sit on the Environment and Energy Committee. Rick Christmas also plans to attend.

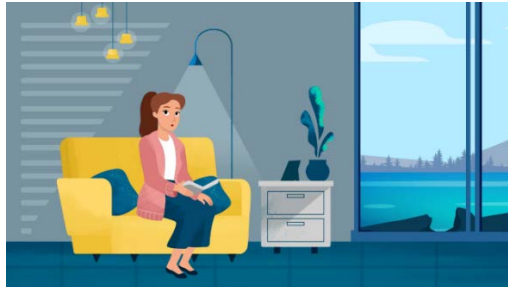
Staff are scheduling legislative visits in Olympia for February in conjunction with the WRECA meeting. Our key issues include:

1. Prioritize ferry electrification on the San Juan Islands route first.
2. Prioritize Washington State grantmaking that accelerates the transition to electric transportation, especially peak demand automation at ferry terminals.
3. Increase the WA Renewable Energy System Cost Recovery Incentive to further stimulate the transition to local renewable energy production.
4. Support salmon recovery efforts through careful analysis of ALL of the challenges stressing salmon, including warming river water temperatures, noise and water pollution, over-fishing, agricultural pollution and dams.

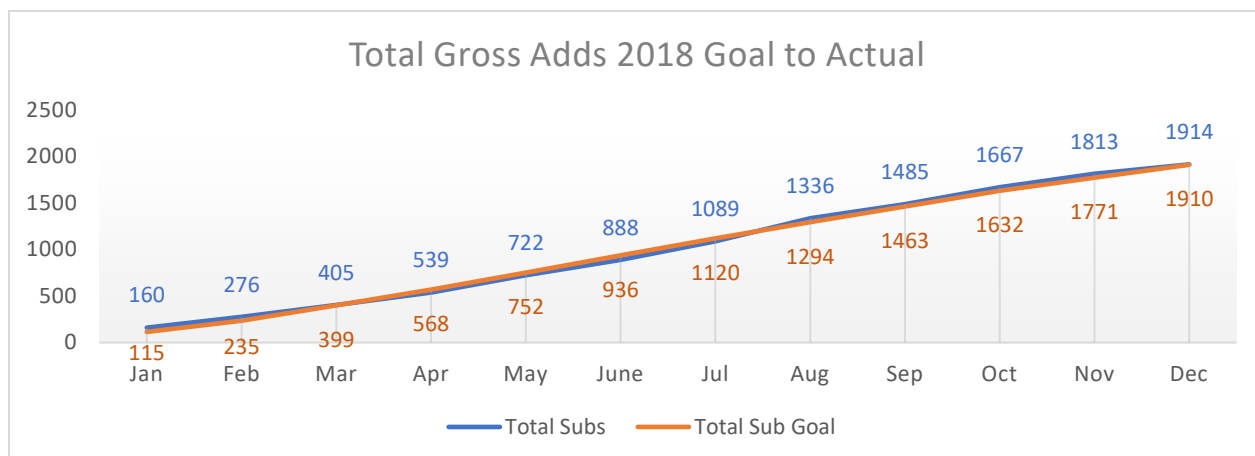
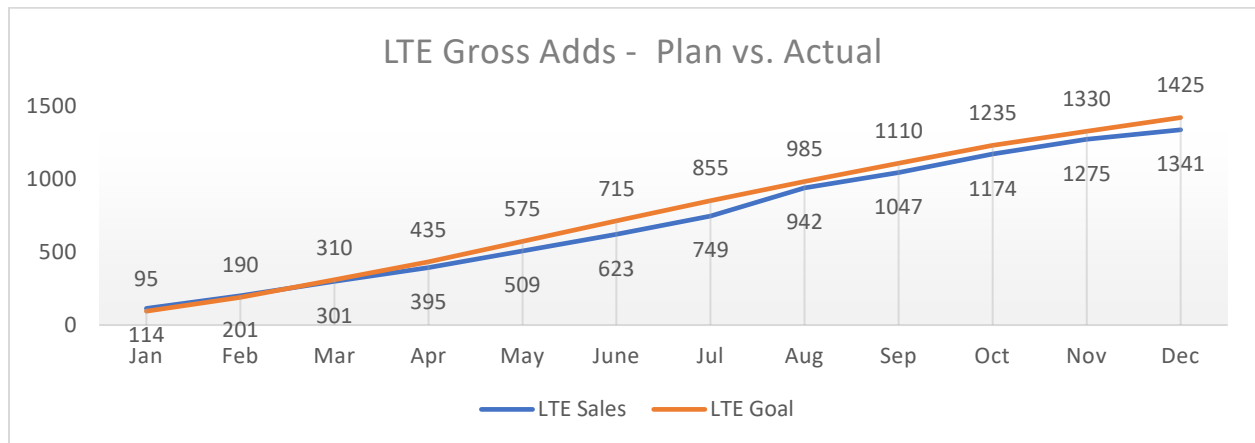
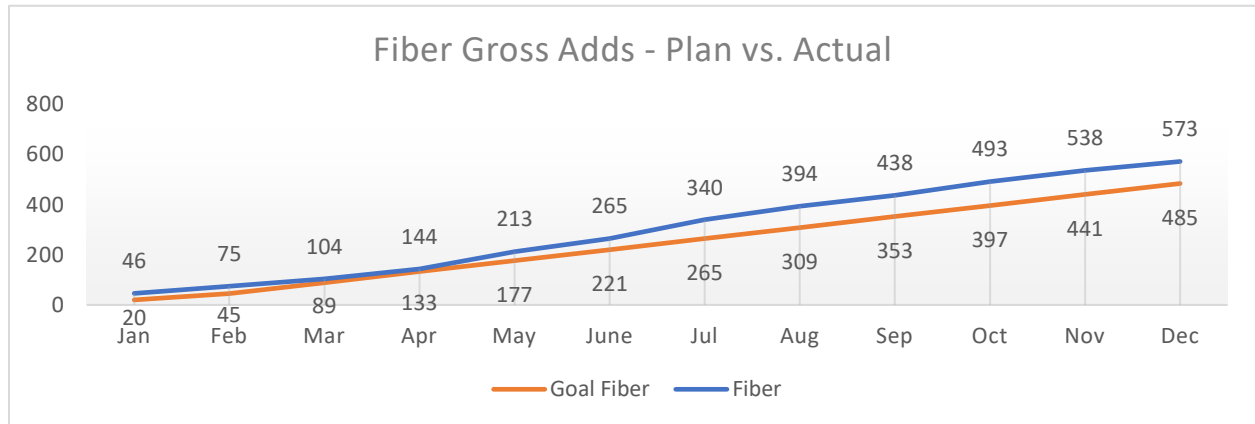
Website

Check out OPALCO's first animated video about the process of power outages:

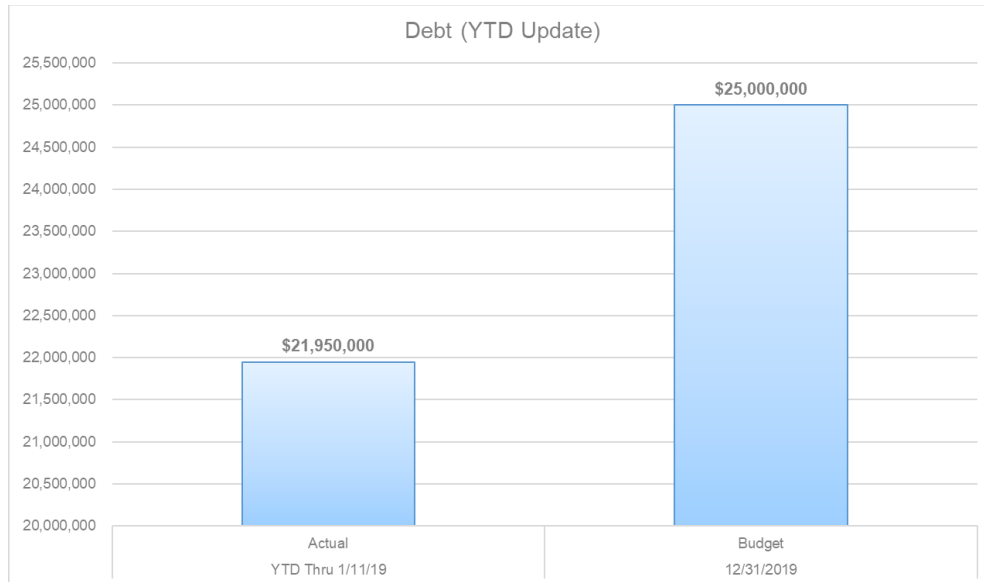
<https://youtu.be/PPqYFzVD1FM>



Sales Performance 2018 YTD



ROCKISLAND



As of December 31st, 2018, we have exceeded our overall total new subscriber goal of 1910 by four subscribers. Hitting our overall subscriber goals for 2018 puts us on strong footing to start the new year.

Please note, the accounting and finance team is still in the process of migrating over beginning balances and financial data from legacy systems into our new ERP system, Intacct. We anticipate that financial data will be available for board reporting purposes in February in connection with our next snapshot report.

Fraser River chinook critical to orcas are in steep decline, new research shows

[Lynda V. Mapes](#) Updated December 10, 2018 at 10:58 am

The fish declines are linked to a combination of factors, including poor ocean survival conditions, warming river temperatures and agricultural water withdrawals. The Fraser has no major dams.

Fraser River chinook, one of the most important food sources for southern resident killer whales, are in steep decline and should be listed for protection as an endangered species, a Canadian independent science committee has announced.

The Committee on the Status of Endangered Wildlife in Canada, an independent advisory board to the Canadian federal government, issued a grim list of species at risk of extinction this month. Among the animals are some of the most beloved in Canada, from its biggest bear, the polar bear, to its biggest salmon — chinook.

The decline of chinook in the Fraser and its largest tributary, the Thompson River, over just three generations is so steep some runs are at historic lows, others have dwindled to just a few hundred fish, and others cratered by more than 50 percent.

The news comes as southern-resident killer whales are battling extinction in part because of lack of adequate prey. Chinook salmon are the most important part of their diet during much of the year — and Fraser and Thompson river chinook are crucial eating for the whales in the summer time.

“This is a big deal,” said Brad Hanson, wildlife biologist at the Northwest Fisheries Science Center in Seattle, who among other scientists has extensively studied what the orcas are eating, when, and where the fish came from.

“You are looking at animals depending on a large number of stocks of chinook that are either threatened or endangered throughout their range,” Hanson said. “Part of how they evolved is they can move relatively rapidly throughout the

entire range to respond to changes of availability,” he said of the whales. “But the problem is if the availability is down all over, they don’t have many options.”

Fraser runs have been depressed for years. What is new is the depth of the decline, and how many runs are in trouble. The committee assessed 13 of the 16 populations of chinook salmon as at risk: eight as endangered, four as threatened and one as special concern. All will be considered for listing and protection under the Canadian Species at Risk Act.

John Neilson, an independent fisheries scientist based in Comox, B.C., co-chaired the marine fish subcommittee of the advisory panel. He said the Fraser and Thompson river declines are linked to a combination of factors, including poor ocean survival conditions, warming river temperatures and agricultural water draws from the rivers. The Fraser has no major dams.

Of 16 runs, the majority are in serious decline and only one is improving in terms of overall numbers, Neilson said. “There are at least a couple of populations in which we are seeing some of the lowest numbers on record.”

Upper Fraser chinook are particularly important to the southern residents because of their bigger size. However, the run has declined by 49 percent over the last three generations, or 12-and-a-half years, and now is at risk of extinction, Neilson said.

The [Committee on the Status of Endangered Wildlife](#) is an expert scientific advisory group established under the Species at Risk Act to assess the status of wildlife in Canada.

The committee’s status assessments are based on reports prepared by independent experts, informed by scientific research, as well as community and indigenous traditional knowledge.

Following a committee assessment, the Canadian federal government must determine whether to list that species for protection under the Species At Risk Act, in consultation with multiple communities and organizations to consider the economic and social implications of a listing.

Some said protection is long overdue.

“This confirms what we have been saying for years,” said Christianne Wilhelmson, executive director of the Georgia Strait Alliance, a nonprofit conservation group. “That is the hammer that legally requires protection, no matter what government is in power.”

Get text-message updates about local orcas

To join the conversation, text the word ORCA to [206-429-4613](tel:206-429-4613) or enter your cellphone number below.

By signing up, you are agreeing to our [Privacy Policy](#) and [Terms of Service](#).

Department of Fisheries and Oceans Canada (DFO) is already moving forward with measures to support chinook salmon stocks, said Jocelyn Lubczuk, press secretary for DFO and the Canadian Coast Guard.

- The agency has committed \$61.5 million to help southern resident killer whales, including investments to strategically rebuild and protect chinook.
- To protect endangered southern resident killer whales for the 2018 season, DFO introduced new salmon fishery cutbacks to increase prey availability and reduce disturbance from salmon fishing in three key southern resident foraging areas: the Strait of Juan de Fuca, Gulf Islands and the mouth of the Fraser River.
- Additional measures implemented in 2018 are intended to reduce harvest of chinook stocks by 25 to 35 percent in northern and southern B.C.
- Canada also this month announced it will work with the provincial government to create a British Columbia Salmon Restoration and Innovation Fund. The federal government will contribute over \$100 million over six years, and the provincial funding will be announced in the coming months. The government is also proposing to make a one-time contribution of \$5 million to the Pacific Salmon Endowment Fund.
- DFO and the Parks Canada Agency also this week expanded critical habitat for both northern and southern residents.

<https://www.seattletimes.com/seattle-news/environment/fraser-river-chinook-critical-to-orcas-are-in-steep-decline-new-research-shows/>