



BOARD OF DIRECTORS REGULAR MEETING

Thursday, April 25, 2019 8:30 a.m.
Eastsound OPALCO Office

TRAVEL



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

To:						
Leave	FH	7:45 a.m.	Arrive	ES	8:05 a.m.	
	Lopez	7:00 a.m.		ES	7:20 a.m.	
Return:						
Leave	ES	2:00 p.m.	Arrive	Lopez	2:20 p.m.	
	ES	2:45 p.m.		FH	3:05 p.m.	



Via Ferry:

To:						
Leave	Lopez	6:55 a.m.	Arrive	ES	7:35 a.m.	
	FH	6:10 a.m.			7:35 a.m.	
	Shaw	7:15 a.m.			7:35 a.m.	
Return:						
Leave	ES	3:10 p.m.	Arrive	Shaw	3:25 p.m.	
		4:30 p.m.		Lopez	3:45 p.m.	
				FH	5:10 p.m.	

Sequence of Events

- Board Meeting

Orcas Power & Light Cooperative
Board of Directors
Regular Board Meeting
Eastsound
April 25, 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.*

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

- Consent Agenda
- NRECA Director Election
- Thomas and Krajack Easement Relinquishments
- Board Officer Elections

DISCUSSION ITEMS

- Annual Meeting Recap
- Member Service Policy 14 Revisions
- Candidate Forums

REPORTS

- General Manager
- Rock Island Snapshot

COMMUNICATION

- PNGC Power Pulse

ADJOURNMENT

Executive Session: Legal, personnel

MEMORANDUM

April 19, 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 – March 2019

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

1. Appel, William & Hallie
2. Connor, Cheryl R
3. De Jong, Shannon M
4. Eager, Scott
5. Foy, Susan
6. Garcia, Denise & Schmidt, Eric
7. Gonzalez, Julian & Taylor, Lisa
8. Guillen, Gloria
9. Hartman, Elizabeth & Graham, Dominique R
10. Kiddie Cove LLC
11. King, Erin & Patterson, Mark
12. Largent, Sam
13. Lee, Greg
14. Loya, Theresa & Ronald
15. McBride, Benjamin & Molina, Maria
16. Moreno, Alex
17. O'Connor, Theresa & Michael
18. Oliver, William
19. Reed, Alex
20. Shaw, Shelly
21. Smith, Madeleine
22. Snyder, Jesse

23. Stayberg, Sou Chee

24. Tierk, Pamela
25. Turner, Jesse
26. Wasylyszyn, Mary

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

27. 1474 DBR LLC
28. A & R Exterior Maintenance
29. Ceteris Paribus LLC
30. Jones, Brian & Carli
31. Kau, Andrew & Hattendorf, Laura
32. Macfarlane, Angus & Lynnett
33. Parberry, Brad
34. Schultz, John & Dee, Lana
35. Stankevich, Dimitri & Lorena
36. Waltersdorph LLC
37. Wildrose Orchards LLC

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

- 38. Alonso, Ingela
- 39. Anderson, William R
- 40. Charleton, Charles
- 41. Jessup, Jack
- 42. Keeler, George & Kay
- 43. Patricia D. Fraser Revoc. Liv Trust

District 4 (Shaw, Crane, Canoe, Bell)

None

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

April	
Customer #	Amount
82159	\$ 597.13
13370	588.80
5205	11,588.86
16927	1,032.77
31710	528.74
12730	525.65
88996	268.72
Total	\$ 15,130.67

- **RUS 219s** *Inventory of Work Orders* of projects completed from the Construction Work Plan totaling \$35,004.31. These forms are submitted to RUS for approval of loan funds.

Inventory 201902 - \$29,654.08 for URD replacement and pole replacements

Inventory AS1902 - \$4,350.23 for Minor Projects

Staff requests a motion to approve the Consent Agenda.

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, March 21, 2019

President Vince Dauciunas called the meeting to order at 8:35 a.m. in the OPALCO Friday Harbor conference room. Board members present were Mark Madsen, Jerry Whitfield, Jeffrey Struthers, Rick Christmas (Peter Garlock and Brian Silverstein joined at 9:20). Staff present were General Manager Foster Hildreth, Manager of Engineering and Operations Russell Guerry, Manager of Finance and Member Services Nancy Loomis, Attorney Joel Paisner, Public Relations Administrator Suzanne Olson, Head Accountant Travis Neal and Executive Assistant Kelly Koral (serving as recording secretary). Consultant Jay Kimball was in attendance.

Member/Guests

Dwight Lewis
Bruce Nyden

CONSENT AGENDA

- **Motion** was made and seconded to approve Consent Agenda, including February 21, 2019 minutes, new members as listed with the Board materials, capital credit payments totaling \$2,671.97 and RUS 219s totaling \$215,622.38. Motion carried by voice vote.

MEMBER COMMENTS

Member Bruce Nyden introduced himself and told the Board he is now a full-time resident of San Juan Island and has many electric vehicles including a 14-ton utility truck. He is an active member of the Electric Vehicle Association.

**BYLAWS ARTICLE IV SECTION 1 - REGULAR MEETINGS and ARTICLE V SECTION 2 OFFICERS
(Officer Election subsequent to Annual Meeting)**

- Motion was made and seconded to amend the bylaw by removing the word “immediately” in the first sentence of Article IV Section 1 and altered the following in Article V Section 2:
“The officers shall be elected by ballot, annually by and from the Board of Directors at the first **regular** meeting of the Board of Directors held after **the** ~~each~~ annual meeting of the members...”

Motion was carried by voice vote.

ELECTION UPDATE

Reviewed limited forum attendance and cost-benefit of holding them in the future. Staff to gather relevant information for discussion at a future meeting.

A member is requesting other members to do a ‘write-in’ campaign for the Lopez Board position. Discussion was held regarding the validity of the vote and the ramifications. Counsel stated there is no basis for such and neither the Articles of Incorporation or Bylaws have a provision for a ‘write-in’ candidate. Staff will confirm specifics with our voting system vendor.

MEMBER INITIATED BYLAW MODIFICATIONS

Discussion ensued around the current method for modifying the Bylaws (50 signatures). Board stated that this provision was instituted when cooperative membership was significantly lower. With the current size of the membership, a larger number would be more realistic, such as 10% of membership. Other potential election related modifications were also discussed. Staff will review with counsel and provide recommendations to the Board for consideration at a future meeting.

Brian Silverstein and Mark Madsen join the meeting at 9:20 a.m.

DECATUR ENERGY STORAGE SYSTEM

Specifications of the project with PNNL (Pacific Northwest National Laboratory) were reviewed. Staff recommends moving forward with the innovative grant with the project being complete by year-end.

- **Motion** to approve moving forward with the application for the grant was made, seconded and approved by voice vote.

REPORTS

2018 Year-End Financials (Unaudited)

Overall the 2018 financials tracked the budget. One item of importance of the discontinuance of the Cushion of Credit by the federal government in 2018. Total operating revenue was \$22K or .08% higher than budgeted. This was complemented by purchased power being slightly below budget by \$136k or 1.5% (in part by demand costs being lower than budgeted). While most of the year was trending warmer, with lower sales than budgeted, operating costs were cut along the way to make up for the deficit. All combined resulted in an increased margin of \$209k.

Highlights were discussed; the trend from 2015 through 2018 is positive. Project PAL is a successful program as is the Energy Assistance Program. Project PAL may need some financial support. Investment was made into Community Solar which is going to generate revenue and pay for itself.

GENERAL MANAGER'S REPORT

SUMITOMO VISIT

On March 7th, Sumitomo representatives from CA, NY and Japan visited our Friday Harbor office. The project wrap-up included touring our submarine cable terminal on San Juan.

FINANCE

Both kWh purchases and sales were high in February as we incurred our highest peak demand of 66.4 MW in the last 18 years. Staff anticipates the power bill from BPA reflecting those charges will be the highest we've seen in recent history. The ECA was implemented in 2019 and the tariff appeared on bills for the first time during the February billing period, reflecting January usage. A credit was applied to members February bills for a total credit of ~\$329K. With the ECA in place, we are tracking within an acceptable range of budget through the first two months of 2019.

USDA Grant Awarded to OPALCO

\$100K to Support Commercial Energy Audits Staff received notification from the USDA-RD that OPALCO's application for an Energy Audit Grant via the Rural Energy for America Program was successful in the 2019 competition and will be funded. The grant is for \$100,000 and does not require a match by OPALCO. Our partners on this grant project, Sustainable Connections, committed to match the funding with an additional \$27K for a total funding of \$127K. The funds will be used to support the cost of commercial energy audit work in the County. This is a timely complement to our Switch-it-Up Program efforts that are kicking off in 2019.

ADJOURNMENT

Meeting adjournment at 11:25 a.m. and the Board went in to Executive Session.

Vince Dauciunas, President

Brian Silverstein, Secretary-Treasurer

03/25/2019 3:28:12 pm

Page: 2

RUS Form 219 Inventory Of Work Orders

Period: FEB 2019

System Designation: WA AH O9

Inventory: 201902

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)
Project	Year	Construction (1)	Retirement (2)		Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)		
608	2018	2850	2850	1	29,099.06	1,113.36	0.00	0.00	0.00	29,654.08
							AFUDC: 558.34			
					29,099.06	1,113.36	0.00	0.00	0.00	29,654.08
Grand Totals:					\$ 29,099.06	\$ 1,113.36	\$ 0.00	\$ 0.00	\$ 0.00	\$ 29,654.08

03/25/2019 3:28:12 pm

RUS Form 219 Inventory Of Work Orders

Period: FEB 2019 System Designation: WA AH O9

Page: 5

Inventory : 201902

Budget		
Loan	Project	Amount
1	608	29,654.08
Total:		29,654.08

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

03/25/2019 3:28:12 pm

RUS Form 219 Inventory Of Work Orders

Period: FEB 2019 System Designation: WA AH O9

Page: 3

Inventory: AS1902

Inventory: AS1902					Gross Funds Required		Deductions			Loan Funds Subject To Advance By RUS (9)
Loan		Work Order		Bdgt (3)	Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Salvage Relating To		Contrib In Aid Of Constr and Previous Advances (8)	
Project	Year	Construction (1)	Retirement (2)				New Construction Or Replacements (6)	Retirements Without Replacements (7)		
1600	2018 3043			1	4,367.25	0.00	0.00	0.00	0.00	4,350.23
					4,367.25	0.00	0.00	AFUDC: 17.02	0.00	4,350.23
Grand Totals:					\$ 4,367.25	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 4,350.23

Minor Construction Work Orders

Work Order: 3043 - CONDUIT ONLY LINE EXTENSION

03/25/2019 3:28:12 pm

RUS Form 219 Inventory Of Work Orders

Period: FEB 2019 System Designation: WA AH O9

Page: 6

Inventory : AS1902

Budget		
Loan	Project	Amount
1	1600	4,350.23
Total:		4,350.23

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

April 19, 2019

TO: Board of Directors
FROM: Foster Hildreth
RE: Board Officer Elections

The purpose of this memo is to formalize the election of officers to the OPALCO board in keeping with our Bylaws and regulatory requirements.

Article V Section 2 of the Bylaws states "The officers shall be elected by ballot, annually by and from the Board of Directors at the first regular meeting of the Board of Directors held after the annual meeting of the members."

The Board is encouraged to discuss potential officers and those who are interested in serving. After discussion staff will distribute voting forms. Attached, please find a sample copy of the ballot that will be distributed to the board for voting at the April 25th meeting.

The following board positions are to be elected:

- President
- Vice President
- Secretary-Treasurer

Vote forms will be collected by staff and tallied by legal counsel, staff recommends the board motion to approve the slate of officers as elected, which becomes effective immediately.

The Bylaws require the Board of Directors to elect officers at the first regular Board meeting after the annual election. (April 25, 2019)

The 2019 – 2020 Directors are as follows:

- Vincent Dauciunas (current President)
- Mark Madsen
- Richard Christmas
- Jeffrey Struthers
- Peter Garlock
- Brian Silverstein (current Secretary/Treasurer)
- Jerry Whitfield (current Vice President)

Board Officer Ballot

I hereby vote to elect the following officers to the Board of Directors for the 2019-2020 year:

PRESIDENT _____

VICE-PRESIDENT _____

SECRETARY-TREASURER _____

Voting Board Member Signature _____

Date _____

MEMORANDUM

April 19, 2019

TO: Board of Directors

FROM: Foster Hildreth

RE: NRECA Director Election (at WRECA Annual Meeting)

The purpose of this memo is to request the Board set the primary and alternate voting delegates for the NRECA Director Election positions representing Washington State. This election will take place at the WRECA Annual Meeting on June 10th.

Staff requests the Board make a motion to approve the primary and secondary voting delegates for the NRECA Director Election.



Notice of NRECA Director Election

To: NRECA Voting Members Located in the State of Washington
From: Jim Matheson, NRECA Chief Executive Officer
Date: April 8, 2019

As a NRECA voting member located in the state, *and regardless of whether you are a member of a NRECA statewide member*, you may vote for the NRECA Director. You may vote, however, only for the NRECA Director representing this state. The NRECA Director elected will serve the term which begins with the adjournment of the 2020 annual meeting of the NRECA Board of Directors ("Board") and ends with the adjournment of the 2022 annual meeting of the Board.

NRECA notifies you that the NRECA Director representing your state for this term will be elected at the following date, time, and place, and under the following procedure:

Date: June 10, 2019

Time: 7:30 p.m.

Place: WRECA Annual Meeting

Centennial Hotel, 303 W North River Drive, Spokane, WA 99201

Procedure: In nominating and electing the NRECA Director:

- Each NRECA voting member located in the state may select a voting delegate and alternate voting delegate, each voting delegate has one vote only, no voting delegate may vote for more than one NRECA voting member, and *each voting delegate must complete the enclosed Certification of Voting Delegate for NRECA Director Election and submit it at the election on June 10th*;
- Voting by proxy is prohibited, voting by mail is prohibited and the presence of voting delegates representing at least 20 percent of the NRECA voting members located in the state is a quorum;
- The incumbent NRECA Director presides over the election, but, if the incumbent is a candidate and comments regarding the election, then an individual designated by the incumbent, and approved by the NRECA voting members present, presides over the election;
- A NRECA Director candidate may be nominated from the floor only and no second is required;
- Voting is by secret ballot unless only one candidate is nominated, in which case the candidate may be declared elected by acclamation; and
- The NRECA Director must be elected by a plurality of votes cast (largest number of votes cast), and, if there is a tie vote, then voting is repeated and the nominee receiving the lowest number of votes is not removed from the next ballot.

A NRECA Director candidate must be located in the state, and must be a member, director, officer, or employee of a NRECA voting member in good standing located in the state.¹ To become and remain a NRECA Director, an individual must comply with the *NRECA Board of Directors Conflict of Interest Policy* ("Policy") and annually complete and sign a *Conflict of Interest Certification and Disclosure Form* ("Form"). The *Policy*, *Form*, and the *NRECA Director Job Description* are available upon request.

For a copy of these documents, or for *administrative* questions about the NRECA Director Election process, please contact Bernita Faulkner, Liaison to the NRECA Board of Directors, at 703-907-5541 or bernita.faulkner@nreca.coop. For *legal* questions about the election process, please contact Jessica Healy, NRECA Office of General Counsel, at 703-907-5846 or jessica.healy@nreca.coop.

¹ If the individual is a director or officer of an NRECA voting member, the individual shall be considered to be "located" in the same jurisdiction as the voting member for which the individual is a director or officer. NRECA Bylaw Article III. Section 1. D. (2) a.

Certification of Voting Delegate for NRECA Director Election

Please complete this form and bring it to the election. Do not forward a copy to NRECA.

Pursuant to the NRECA Bylaws, the undersigned director who is president or chair, and the director who is secretary, of the following NRECA voting member certify that the voting member has selected the following voting delegate and alternate voting delegate for, and that the delegates are authorized to cast the voting member's vote in, the election of the NRECA Director from **Washington**:

NRECA Voting Member

System Name: _____
System Mailing Address: _____

System E-Mail Address: _____
System Phone Number: _____

Voting Delegate

Voting Delegate Name: _____
Voting Delegate Title: _____
Voting Delegate E-Mail Address: _____
Voting Delegate Phone Number: _____

Alternate Voting Delegate

Alternate Delegate Name: _____
Alternate Delegate Title: _____
Alternate Delegate E-Mail Address: _____
Alternate Delegate Phone Number: _____

Certified By

Director who is President or Chair of the NRECA Voting Member

Signature: _____
Printed Name: _____
Date: _____

Director who is Secretary of the NRECA Voting Member

Signature: _____
Printed Name: _____
Date: _____

Date: April 15, 2019

To: OPALCO Board of Directors

From: Foster Hildreth, General Manager

Subject: Thomas and Krajack Easement Relinquishments

Thomas:

Hyon Su (Charles) Thomas and In Sook Thomas have requested that OPALCO relinquish an easement that was just recorded in March across their development on Finnegan Ridge on San Juan Island due to a change in design.

The subject easement AFN 20190313004 which was for an underground distribution line easement was granted and recorded in March of 2019. The development scope was changed by the developer/owners and a new design in phases has now been requested by Mr. & Mrs. Thomas.

To accommodate the new development design, in phases, There is no reasonable future use of this easement and staff recommends relinquishment of all rights to easement AFN 20190313004 as new easements will be recorded in phases as the project progresses.

Krajack:

Michael and Jennifer Krajack have requested that OPALCO relinquish an old easement across their Lopez Road area property on tax parcel number 251042001000.

The subject easement AFN 85174 which was for an underground distribution line easement was granted in 1974. The line has since been abandoned and a new Easement has been granted and signed by the Krazyacks for a new underground distribution electric line servicing this property.

There is no reasonable future use of this easement and staff recommends relinquishment of all right to easement recorded under AFN 85174.

Included are the following items for review and discussion:

1. Copy of OPALCO Easement AFN 85174 and 20190313004 to be relinquished.
2. Drawings showing lot lines, easements, OPALCO facilities and other improvements.
3. E-mail from Krajack's and Thomas' requesting OPALCO relinquishment.
4. Easement Relinquishment Documents.

Staff requests the Board make a motion to approve these relinquishments.

351190328000, 351190333000,
351190334000 & 351190335000

After Recording Return to:
ORCAS POWER & LIGHT COOPERATIVE
183 MT. BAKER ROAD
EASTSOUND, WA 98245

San Juan County, WA
F. Milene Henley, Auditor
UTEASE
Pgs=3 CHRISTIEB

2019-0313004
03/13/2019 10:10 AM
Total:\$101.00



Recorded at the request of:
ORCAS POWER & LIGHT COOP

UTILITY EASEMENT

Page 1 of 3


GRANTORS: HYON SU THOMAS & IN SOOK THOMAS

GRANTEE: ORCAS POWER AND LIGHT COOPERATIVE (OPALCO)

Tax Parcel #: 351190328000, 351190333000, 351190334000 & 351190335000

Location: BOARDWALK SHORT PLAT, LT 53 AND JAMES PLACE SHORT PLAT, LTS 2, 3 & 4, ALL IN SEC 11, T 35N, R 3W

The Grantors for good and valuable consideration, receipt of which is hereby acknowledged, does hereby grant and convey to the Grantee its successors, affiliates, assignees, and subsidiaries, an easement for the installation and continued operation, maintenance, repair, and replacement of underground electric distribution line(s) including appurtenant below ground and surface mounted appurtenant facilities, underground fiber optic communication line(s), including appurtenant below ground and surface mounted appurtenant facilities, and any of the following infrastructure:

X The right to permit joint use of the easement by others for underground electrical, telephone, or cable television purposes,  (initial)

and any other appurtenances and apparatus and equipment deemed appropriate, necessary, or convenient for the distribution of electric energy and current and for the provision of fiber optic or other communication services for all present and future purposes, both public and private, of Grantee, its successors, affiliates, assignees, and subsidiaries, **said easement being 15 feet wide, 7.5 feet on each side of said Grantee's facilities as installed**, together with the right of access to said facilities and right to cut, trim, control, and remove trees, brush, and other obstructions which interfere with the Grantee's proper use of this easement over under and across the following described property to-wit:

See attached Exhibit "A" – Subject Parcel Description

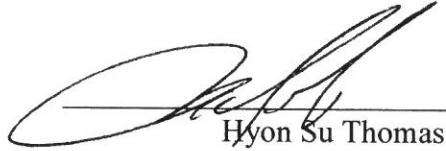
Note: Said cable and facilities to be installed approximately as shown on attached Exhibit "B" - Site Diagram

All facilities installed by Grantee on said lands shall remain its property and may be removed by it at any time. Grantee, assumes no duty for determining whether trees within the easement may be a danger to the property owner, his/her/their guests, licensees and invitees, or to any adjacent property owners and /or users and will make no inspections and/or determinations of such dangers and assumes no duty of care in connection therewith.

351190328000, 351190333000,
351190334000 & 351190335000

UTILITY EASEMENT – Cont.
Page 2 of 3

Dated this 22 day of Feb, 2019.

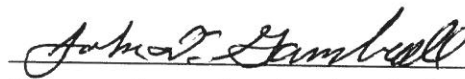

Hyon Su Thomas


In Sook Thomas

INDIVIDUAL ACKNOWLEDGEMENT:

STATE OF Washington)
COUNTY OF San Juan) ss.

On this day personally appeared before me Hyon Su Thomas and In Sook Thomas, to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.


Given under my hand and seal of office this 22nd day of February, 2019.
Notary Public in and for the State of Washington residing at Friday Harbor.
My appointment expires: 08-19-2021



351190328000, 351190333000,
351190334000 & 351190335000

UTILITY EASEMENT – Cont.
Page 3 of 3

EXHIBIT “A” Subject Parcel Description

Parcel A

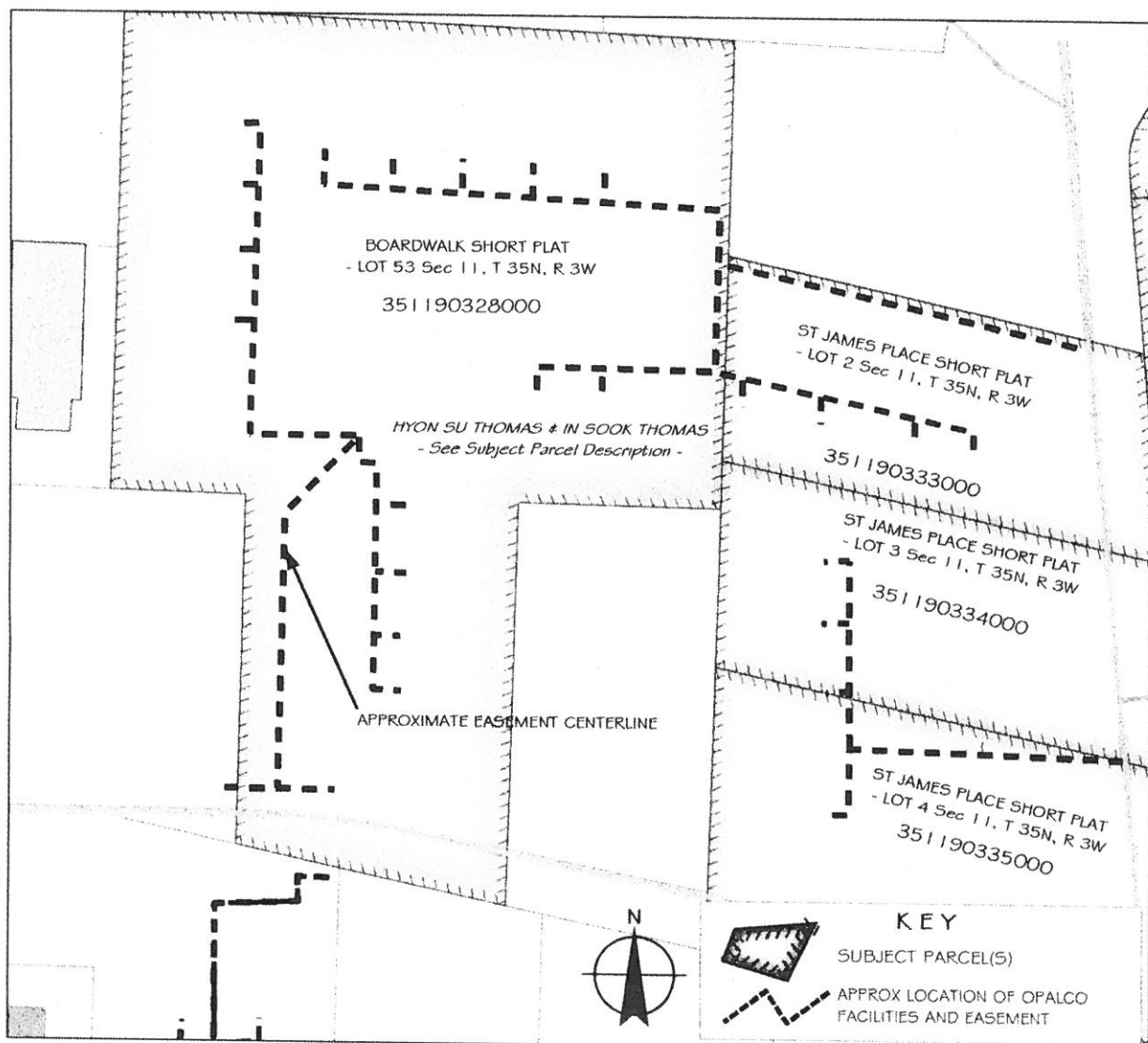
Lot 53, SHORT PLAT OF BOARDWALK, according to the plat thereof, recorded in Volume 7 of Short Plats, Pages 95 and 95A, records of San Juan County, Washington.

Parcel B

Lots 2, 3 and 4, SHORT PLAT OF ST. JAMES PLACE, according to the Short Plat recorded in Volume 8 of Short Plats, Page 5, records of San Juan County, Washington.

EXHIBIT “B” Site Diagram

Disclaimer: This drawing depicts the approximate routing of the Orcas Power and Light Cooperative cable and facilities as agreed to herein by Grantor(s). This drawing is for reference purposes only, and is not suitable for determining the exact location of said easement or its position relative to property boundaries, corners, or public and private rights-of-way. The actual centerline of said easement shall be the installed cable and facilities. Specific on-site location and demarcation of the installed underground power facilities for survey, land title, excavation, construction or other purposes which may affect the Grantees use of this easement shall be made by Orcas Power and Light Cooperative personnel.



OLD EASEMENT TO BE
REINQUISHED

BOARDWALK SHORT PLAT
- LOT 53 Sec 11, T 35N, R 3W

351190328000

HYON SU THOMAS & IN SOOK THOMAS
- See Subject Parcel Description -

APPROXIMATE EASEMENT CENTERLINE

ST JAMES PLACE SHORT PLAT
- LOT 2 Sec 11, T 35N, R 3W

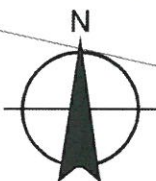
351190333000

ST JAMES PLACE SHORT PLAT
- LOT 3 Sec 11, T 35N, R 3W

351190334000

ST JAMES PLACE SHORT PLAT
- LOT 4 Sec 11, T 35N, R 3W

351190335000



KEY

SUBJECT PARCEL(S)



APPROX LOCATION OF OPALCO
FACILITIES AND EASEMENT

NEW EASEMENT PHASE 1

351190334000

ST JAMES PLACE SHORT PLAT
- LOT 3 Sec 11, T 35N, R 3W

HYON & IN SOOK THOMAS
- See Subject Parcel Description -

APPROXIMATE EASEMENT CENTERLINE

351190335000

ST JAMES PLACE SHORT PLAT
- LOT 4 Sec 11, T 35N, R 3W



KEY



SUBJECT PARCEL(S)



APPROX LOCATION OF OPALCO
FACILITIES AND EASEMENT

Judy Bossert

From: Glen Brozio
Sent: Tuesday, April 9, 2019 3:16 PM
To: Judy Bossert
Subject: FW: OPALCO Easement

From: Charles Thomas <bellacaters@yahoo.com>
Sent: Tuesday, April 9, 2019 3:11 PM
To: Glen Brozio <gbrozio@orcaspowerandlight.onmicrosoft.com>; Dfslaw <dfslaw@rockisland.com>
Subject: Re: OPALCO Easement

Yes OPALCO has the right to release the easement and make a new one.

Please after you record the new easement please forward to my lawyer who is making the HOA docs.
dfslaw@rockisland.com

Thank you
Charles

On Tuesday, April 9, 2019, 03:05:18 PM PDT, Glen Brozio <gbrozio@orcaspowerandlight.onmicrosoft.com> wrote:

Hi Charles,

Per our recent conversation, OPALCO would like to relinquish the recently recorded easement for the Finnegan Ridge subdivision due to the changes in the layout. OPALCO will be requesting one new easement for each phase. In order to proceed on this, OPALCO needs an email or letter from you to present to our board asking us to relinquish the existing easement. You can respond directly to this email and it can be short and direct:

We would like OPALCO to relinquish all rights to Easement AFN 20190313004 which applies to our development on Finnegan Ridge tax parcel numbers: 351190328000; 351190333000; 351190334000 & 351190335000.

Hyon Su Thomas and In Sook Thomas

Please let me know if you have any questions or concerns regarding this.

Filed for Public Record at the
Request of:
ORCAS POWER & LIGHT COOPERATIVE

After Recording Return to:
ORCAS POWER & LIGHT COOPERATIVE
183 MT. BAKER RD.
EASTSOUND, WA 98245

RELINQUISHMENT of UTILITY EASEMENT

THE GRANTOR, Orcas Power and Light Cooperative, does hereby relinquish and quit claim to the GRANTEES, Hyon Su Thomas & In Sook Thomas, being the owner(s) of those particular parcels described herein (Tax Parcel # 351190328000, 351190333000, 351190334000 & 351190335000), and to all heirs, successors, future owners and assigns of said property, any and all rights, title and interest in said property as granted in that particular easement dated February 22, 2019, executed by Hyon Su Thomas & In Sook Thomas, and recorded on March 13, 2019, under Auditors File No. 20190313004, said easement being located in, Section 11, Township 35 North Range 3 West, W.M., over, under and across the following described real property in San Juan County, Washington, to-wit:

Parcel A

Lot 53, SHORT PLAT OF BOARDWALK, according to the plat thereof, recorded in Volume 7 of Short Plats, Pages 95 and 95A, records of San Juan County, Washington.

Parcel B

Lots 2, 3 and 4, SHORT PLAT OF ST. JAMES PLACE, according to the Short Plat recorded in Volume 8 of Short Plats, Page 5, records of San Juan County, Washington.

DATED this _____ day of _____, 2018

Foster Hildreth - General Manager
Orcas Power and Light Cooperative

STATE OF WASHINGTON)

COUNTY OF SAN JUAN)

I certify that I know or have satisfactory evidence that Foster Hildreth, known to me to be the General Manager of Orcas Power and Light Cooperative, signed this instrument and acknowledged it to be the duly authorized, free and voluntary act of said corporation for the uses and purposes mentioned in this instrument.

Dated: _____ Signed: _____,

Notary Public in and for the State of _____ residing at _____.

My appointment expires: _____.

85174

EASEMENT

THE GRANTOR, Doris M. Banks

....., for good and valuable consideration, receipt of which is hereby acknowledged, do hereby grant and convey to the Grantee, ORCAS POWER & LIGHT COMPANY, its successors and assigns, an easement for the installation and continued operation, maintenance, repair and replacement of an overhead or underground electric transmission or distribution line, with all necessary wires and fixtures thereon, together with the right to cut, trim, control and remove trees, brush and other obstructions which may interfere with the Grantee's proper use of this easement and the right to permit the joint use of the line or system by others for electrical, telephone or TV cable purposes, over, under and across the following described property in San Juan County, Washington, to-wit:

The North 10 feet of the West 660 feet of the East 1170.4 feet of Government Lot 5, Section 10, Township 35 North, Range 2 West W.M., County of San Juan, State of Washington.

Filed for Record at the Request

of

ORCAS POWER & LIGHT

JUN 12 1974

A.D. 19

at 40 min. past 3 P.M.

and recorded in vol. 3 of

Official Records, page 672

HENRY R. BYERS, AUDITOR

SAN JUAN COUNTY, WA

By *Dorine Evans*

DEPUTY

All facilities installed by Grantee on said lands shall remain its property and may be removed by it at any time.

DATED this 4th day of June, 1974

Doris M. Banks

STATE OF WASHINGTON

County of San Juan

SS.

On this day personally appeared before me *Doris M. Banks*

to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged to me that *she* signed the same as *her* free and voluntary act and deed for the purposes therein mentioned.

Given under my hand and official seal this 4th day of June, 1974

Robert M. Fralich

Notary Public in and for the State of Washington, residing at *Lyons, Wash.*

VOL. 3 PAGE 672

PR N1/2 GL 5 Sec 10, T 35N, R 2W

GEM FARM LN

OLD EASEMENT
85174

APPROXIMATE NEW EASEMENT CENTERLINE

MICHAEL D & JENNIFER D KRAJACK PROPERTY
- See Subject Parcel Description -
251042001000

MOZART LN



KEY

SUBJECT PARCEL(S)



APPROX LOCATION OF OPALCO
FACILITIES AND EASEMENT

Judy Bossert

From: Krista Bouchey
Sent: Monday, April 8, 2019 3:46 PM
To: Brett Deines; Judy Bossert
Subject: Fw: Easement Tax Parcel 251042001000

From: Jennifer Krajack <riverglints@gmail.com>
Sent: Monday, April 8, 2019 12:59 PM
To: Krista Bouchey
Subject: Easement Tax Parcel 251042001000

Dear Krista,

We would like OPALCO to relinquish all rights to Easement AFN 85174 which applies to the north side of Tax Parcel 251042001000.

Thank you for your assistance,

Mike and Jen Krajack
40 Sundown Lane
Lopez Island

Filed for Public Record at the
Request of:
ORCAS POWER & LIGHT COOPERATIVE

After Recording Return to:
ORCAS POWER & LIGHT COOPERATIVE
183 MT. BAKER RD.
EASTSOUND, WA 98245

RELINQUISHMENT of UTILITY EASEMENT

THE GRANTOR, Orcas Power and Light Cooperative, does hereby relinquish and quit claim to **the GRANTEES, Michael D. Krajack and Jennifer D. Krajack**, being the owner(s) of that particular parcel described herein (**Tax Parcel # 251042001000**), and to all heirs, successors, future owners and assigns of said property, any and all rights, title and interest in said property as granted in **that particular easement dated June 4, 1974, executed by Doris M. Banks, and recorded on June 12, 1974, under Auditors File No. 85174**, said easement being located in the Government Lot 5, Section 10, Township 35 North Range 2 West, W.M., over, under and across the following described real property in San Juan County, Washington, to-wit:

The North half of Government Lot 5, Section 10, Township 35 North, Range 2 West, W.M., lying East of a line perpendicular to the North line of said Government Lot 5, a distance of 1,170.4 feet Westerly of the Northeast corner of said Government Lot 5.

EXCEPT the South 165.0 feet thereof.

DATED this _____ day of _____, 2018

Foster Hildreth - General Manager
Orcas Power and Light Cooperative

STATE OF WASHINGTON)

COUNTY OF SAN JUAN)

I certify that I know or have satisfactory evidence that Foster Hildreth, known to me to be the General Manager of Orcas Power and Light Cooperative, signed this instrument and acknowledged it to be the duly authorized, free and voluntary act of said corporation for the uses and purposes mentioned in this instrument.

Dated: _____ Signed: _____,

Notary Public in and for the State of _____ residing at _____.

My appointment expires: _____.

MEMORANDUM

April 18, 2019

TO: Board of Directors
FROM: Foster Hildreth
RE: Annual Meeting Recap

Our annual meeting aboard the interisland ferry was a tremendous success. The mood of this year's annual meeting was very positive and the co-op family feeling was strong with all of the partners in the room, the supportive comments from members and a larger than usual number of great prizes donated by our vendors. Despite the cold and rainy weather, 231 people got on the ferry (145 members) – slightly down from 2018 (294 total).

There was ample opportunity for the members to interact with the Board of Directors, staff, the Conservation District, Rock Island, T-Mobile, and BPA. Members participating in a Q&A session expressed gratitude for their internet service through Rock Island, the opportunity to participate in community solar and for OPALCO's advocacy on behalf of housing, carbon legislation and support of local pharmacies.

The meeting was the official launch of our Switch It Up! Campaign and was well received by interested members. Meeting the three new local apprentice linemen was a highlight for many and a nod to the future vision of the company. We gave out reusable lunch bags, mugs and LED safety lanterns – all well received.

Things that went well:

- Savings through use of interisland ferry (no ferry fares required)
- Member to Board Member interaction
- Very community/co-op feeling to overall event
- Registration process was extremely smooth
- Member communication and meeting publication
- Catering and meal quality
- Give-away
- High marks for our voting system vendor
- Meeting was very streamlined
- Meeting setup
- Great prizes from vendors
- Positive member comments

Things to improve:

- More diverse member participation
- Speed up prize delivery
- Weather contingency - more tents at ferry landings
- More informational topics given limited duration and space
- Contingency planning based on ferry reliability



MEMORANDUM

April 19, 2019

TO: Board of Directors
FROM: Foster Hildreth
RE: Member Service Policy 14 Revisions

Please find attached revisions to Member Service Policies 14 – *Interconnection of Member Generators*. This is the first reading; no action necessary.

ORCAS POWER & LIGHT COOPERATIVE

MEMBER SERVICE POLICY 14

INTERCONNECTION OF MEMBER GENERATORS AND STORAGE

This policy covers interconnection of any member owned generating facility, herein referred to as ~~Member Generator (MG)~~ distributed energy resource (DER), to the OPALCO distribution grid. Any ~~(MG)~~ DER energized prior to December 17, 2003 will continue to be covered under Member Services Policy 13. The member may select from the following options:

- (1) Net Metering allows the MG member to consume energy generated by their system which will offset the amount of energy purchased from OPALCO; ~~(MG) may qualify for additional production incentives through the Member Owned Renewable Energy Program (MORE); OR~~
- (2) Buy/Sell allows the member the option to consume a portion of the energy produced. however, 51% of the energy produced must be sold to OPALCO.

14.1 AVAILABILITY

- 14.1.1 Energy must be generated from small scale renewable resources such as solar, wind, and (but not limited) to micro-hydro;
- 14.1.2 All power is considered non-firm, (this means power that is not available 24 hours per day, seven days per week);
- 14.1.3 Facilities with nameplate capability no greater than 200 kilowatts (kW). Facilities over 200 kW must go through BPA's generation interconnection process;
- 14.1.4 Requests for interconnection will be processed on a first-come, first-served basis. ~~The maximum cumulative generating capacity of all MGs connected to OPALCO's grid is two Megawatts (MW)~~ Engineering will review applications and determine maximum generation capacities as it pertains to maintaining system reliability and safety;
- 14.1.5 OPALCO shall reserve the right to apply a fixed fee for administrative costs. The member shall be given reasonable notice before fixed fees are applied.

14.2 SERVICE CHARACTERISTICS

Single phase 120/240 or three phase service 277/480 or 120/208 service, at 60 Hz are available; ~~at OPALCO voltages of 240/120, 480/277, 208/120 are available. In areas served by single phase lines, only single phase power will be purchased or sold unless the member requests three phase service in accordance with OPALCO's line extension policy.~~ Any service upgrades necessary must comply with MS Policy 5 – Line Extension.

14.3 GENERAL PROVISIONS

14.3.1 Design Requirements

The MG DER shall be built and operated to comply with *Interconnection Standards for Member Generators with nameplate capability no greater than 200 kW*.

14.3.2 Interruption or Reduction of Deliveries

- 14.3.2.1 OPALCO shall not be obligated to accept delivery of MG DER's energy and may require member MG DER to interrupt or reduce such delivery:

- 14.3.2.1.1 In order to construct, or maintain any of OPALCO's equipment or system;
- 14.3.2.1.2 If curtailment is necessary because of emergencies, forced outages, or compliance with prudent electrical practices.
- ~~14.3.2.2 OPALCO will, whenever possible, give the member reasonable notice that interruption or reduction of delivery may be required.~~
- 14.3.3 The members proposed facility must be pre-approved by the OPALCO Engineering Department prior to construction.
 - 14.3.3.1 Member shall provide a detailed interconnection diagram showing disconnecting device(s) ~~and over/under voltage and current devices~~ as well as any associated protection as required by applicable standards/practice and codes.
 - 14.3.3.2 ~~MG~~ The member may be required to install additional protective equipment for the DER installation. OPALCO shall have the right to have representatives present at the initial testing of member's protective apparatus.
 - 14.3.3.3 The MG DER shall not commence parallel operation of the facility until OPALCO has authorized the start up.
 - 14.3.3.4 Smart inverter ride through is required for all new inverters after the September 8th, 2017 and shall be certified to Underwriters Laboratories UL-1741 SA (Supplement A)
 - 14.3.3.5 OPALCO may require the member to operate the DER for various power factor (PF) ranges within its specification and either enable or disable the dynamic Volt/VAR ability.
 - 14.3.3.6 OPALCO may determine that additional anti-islanding protection is required and will be installed at the expense of the member.
- 14.3.4 The MG member shall complete, sign and submit an *Interconnection Application* and an *Agreement for Interconnection of Member Generators* prior to beginning construction.
- 14.3.5 Member shall pay for designing, installing, operating and maintaining the DER in accordance with OPALCO standards and agreements that apply at the time of installation. OPALCO's standards and agreements are detailed in OPALCO's *Agreement for Interconnection of Member Generators* and *Interconnection Standards for Installation of Member Generators*, which may be amended from time to time.
- 14.3.6 OPALCO reserves the right to designate the metering type, location, and method of interconnection. The MG member shall be required to pay a contribution in aid of construction for all equipment and upgrades necessary to OPALCO's distribution system in order to accommodate the facility.

- 14.3.7 Member shall obtain any governmental authorizations and permits required for the construction and operation of the MG DER. Member shall reimburse OPALCO for any and all losses, damages, claims, penalties or liability it incurs as a result of member's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of MG DER or failure to properly maintain member's facility.
- 14.3.8 The MG DER shall comply with all requirements standards of the National Electric Code (NEC), National Electrical Safety Code (NESC), American National Standards Institute (ANSI), Institute of Electrical and Electronic Engineers (IEEE), American Society of Mechanical Engineers (ASME), Western Electricity Coordinating Council (WECC), Underwriters Laboratories (UL), North American Electric Reliability Corporation (NERC) the National Electric Code General Order 95, and all local, state, and federal rules and regulations or codes which may be applicable.
- 14.3.9 Inverter based generation units shall be in compliance with UL-1741 or have been tested by a Nationally Recognized Testing Laboratory (NRTL) with acceptable results. OPALCO reserves the right to disconnect or implement acceptable mitigation at the members expense when previously certified interconnected units are decertified by Underwriters Laboratories (UL).
- 14.3.10 All safety and operation procedures for the facility must comply with the Occupational Safety Health Administration (OSHA) standards, the NEC, Washington Administrative Code (WAC) rules, Washington Industrial Safety and Health Administration (WISHA) standards, and equipment manufacturers' safety and operation manuals.
- 14.3.10 Notwithstanding any other provision of this policy, if at any time OPALCO determines that either (1) the facility may endanger OPALCO personnel or (2) the continued operation of member's facility may endanger the integrity of OPALCO's electrical system, OPALCO shall have the right to disconnect MG from OPALCO's electric system. The MG shall remain disconnected until all hazardous conditions have been corrected enact MS Policy 3.5 – Immediate Disconnection.
- 14.3.11 The owner of the MG DER shall install, at no cost to OPALCO, a disconnect device that is manually operated, accessible, visible, and lockable. OPALCO reserves the right to lock this device in the "open" position. This protective switching equipment may be operated without notice or liability by OPALCO or an OPALCO representative if, in the opinion of OPALCO or its representatives, continued operation of the MG DER in connection with OPALCO's system may create or contribute to a system emergency or safety hazard. OPALCO shall endeavor to minimize any adverse effects of such operation on the MG DER.
- 14.3.11.1 Single phase customers with inverter based generation less than 15 kW are not required by OPALCO to have a lockable AC Disconnect Switch so long as the installation meets all applicable local/national codes and standards. However, if the customer does not install a lockable AC Disconnect Switch, the revenue meter may be removed to isolate the customers generator from the electric distribution system. The removal of the revenue meter will result in the loss of electrical services.

14.3.12 The MG member must provide OPALCO a written notice of sale or transfer of the MG DER or the premises upon which the facility is located within thirty (30) calendar days. To continue interconnection service to the new MG member, a new interconnection agreement, signed by the new MG member, is required within thirty (30) calendar days. ~~Production incentive payments~~ The net metering rate will cease to the departing member, but will transfer to new owner member upon receipt of signed documents.

14.3.14 OPALCO may enter member's premises or property:

14.3.14.1 To inspect the member's protective devices during reasonable hours with prior notice;

14.3.14.2 To disconnect at OPALCO's meter or transformer, without notice, the MG DER (or the entire service if the MG DER cannot be disconnected at or near the meter) if, in OPALCO's opinion, a hazardous condition exists.

14.4 NET METERING

14.4.1 Net Metering is the connection method in which the MG DER may consume the energy generated by their system in order to offset the amount of energy purchased from OPALCO. In the event the energy generated exceeds the energy consumed by the MG DER, the excess may be distributed to OPALCO's grid.

14.4.2 In no case will a credit be issued for excess energy generated. A bill for zero usage will be issued and excess kWhs will be "banked" for usage by the member in a subsequent month. Payment for any banked kWhs remaining on April 30th of each year shall be made based on OPALCO's yearly average of wholesale power purchased from BPA. The yearly average shall be determined each year on March 31st using OPALCO's year-end Rural Utilities Service (RUS) Form 7, Part K, Section (e) Average Cost. In addition, a green power premium shall be paid at one cent (\$.01) per kWh.

14.4.3 The Net Metering billing adjustment applies to charges for energy consumed only. A member participating in the Net Metering Program is subject to the OPALCO tariff under which the member receives service. Banked kWhs shall be applied only to energy usage and not the basic service access charge. In all cases, the basic service access charge will apply.

14.4.4 OPALCO shall provide meter aggregation for members who are participating under the Net Metering section of this policy. If a member's interconnection under Net Metering is known to produce more energy than the member's premises can consume on a yearly basis, then OPALCO shall allow the member to apply the excess energy to any other of the member's account(s) that are under exactly the same name as the member's interconnected facility. Members may only aggregate 2 meters. The member shall provide OPALCO with the account information for which they wish meter aggregation at the time application is made. Members can change the accounts which are being aggregated one time each year, on or before April 30th. Requests must be in writing and the change shall take effect in the next billing period.

14.5 BUY/SELL

14.5.1 ~~Buy/Sell is the connection method in which no less than 51% of the generation will be sold to OPALCO.~~

14.5.1 Energy delivered into the OPALCO system will be reimbursed on a monthly basis by OPALCO. The established rate at which OPALCO will purchase all energy flowing out of the MG DER and delivered to OPALCO's distribution grid for non-firm power shall be based on OPALCO's yearly average of wholesale power purchased from BPA. The yearly average shall be determined each year on March 31st using OPALCO's year-end Rural Utilities Service (RUS) Form 7, Part K, Section (e) *Average Cost*. In addition, a green power premium shall be paid at one cent (\$.01) per kWh.

14.5.32 The Buy/Sell option applies to charges for energy consumed only. In all cases the basic charge will apply. OPALCO reserves the right to limit purchases that exceed OPALCO's ability to resell the power to its members.

14.6 MEMBER OWNED RENEWABLE ENERGY (MORE) FUND/PRODUCTION INCENTIVES

All MORE incentives will be funded through voluntary contributions; OPALCO offers no guaranteed incentive payments. New MGs DERs will be admitted into the MORE Incentive Program on a first come, first served basis after July 1, 2010. MORE installations will follow the Net Metering Section 14.4 of this policy.

14.6.1 Production meter: Member will install, at their expense, a meter base which will accommodate an OPALCO meter. The production meter is a separate meter from the OPALCO billing meter and is required to record all energy produced from the MG DER.

14.6.2 Incentives will be administered through an independent committee of OPALCO members following approved MORE committee guidelines. See MORE guidelines for more details.

14.7 ~~WASHINGTON STATE RENEWABLE ENERGY SYSTEM COST RECOVERY (WSRESCR) INCENTIVE~~

14.7.1 ~~All MGs DERs are eligible for the WSRESCR incentive. MGs DERs must have their system certified by Washington State University to participate. OPALCO's incentive pool is subject to a state-defined cap. Once the cap is reached, incentives paid to participating MGs DERs will be proportionally decreased.~~

14.7.2 ~~Member will install, at their expense, a meter base which will accommodate a production meter. The production meter is a separate meter from the OPALCO billing meter and is required to record all energy produced from the MG DER.~~

14.8 INDEMNITY AND LIABILITY

Member shall hold harmless and indemnify OPALCO, its other members, employees, and its agents, from any damage, loss, claim or expense arising out of member's actions or inaction in connection with this policy. OPALCO shall hold harmless and indemnify member for any loss, claim or expense arising out of the actions or inaction of OPALCO, its employees, or its agents in implementing this policy. This

section shall not relieve any insurer of its obligation to pay claims in accordance with the provisions of any valid insurance policy.

Foster Hildreth, General Manager

~~September 18, 2014~~ XX, 2019
Effective Date

MEMORANDUM

April 19, 2019

TO: Board of Directors
FROM: Foster Hildreth, General Manager
RE: Candidate Forums

Over the past two years, member attendance at scheduled Candidate Forums has been very low. In order to make best use of member resources, staff proposes that future candidate forums be limited to one event each election season, to be held at the OPALCO headquarters in Eastsound, where we have the equipment available to include anyone who wants to participate remotely.

In lieu of holding separate events on four islands, staff proposes to provide a live interactive video feed which will enable the entire membership to participate.

The main benefit from this shift would be cost savings. The 2019 candidate forums resulted in an expense of ~\$21k. Although staff labor was the highest cost item, transportation for the evening meetings (no ferry available) and Director's fees were also significant.

Staff requests that the Board discuss this proposal at the April board meeting.

GENERAL MANAGER'S REPORT

April 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 INFORMATION TECHNOLOGIES

WIP

As of April 18, 2019, there are 363 work orders open totaling \$5.95M. Operations has completed construction on 100 work orders, totaling \$1.89M.

Operations

Jordan Ross has passed the Journeyman Lineman testing on 4/18 and will complete training in May.



Safety

The total hours worked without a loss time accident: 143,435 hours

Outage Statistics

These statistics can also be seen on Dashboards

Month	SAIFI	SAIDI	CAIDI	ASAI
January	0.1384	23.5	170.1	99.947
February	1.1351	336.3	296.3	99.166
March	0.1432	12.4	86.7	99.972

SAIFI = System Average Interruption Frequency Index, average number of outages per service

SAIDI = System Average Interruption Duration Index, average duration of outages per service

CAIDI = Consumer Average Interruption Duration Index, average duration per outage

ASAI = Average Service Availability Index, average percentage of availability per service

Outage Protocol

An issue on Lopez gave us an opportunity to review our outage procedures and protocols. In this instance, a member called our outage number to inform us of a “sparking” line. The call was received by CRC and relayed to the crew. Due to a call out schedule mistake, CRC called the wrong person which delayed the response.

Under normal circumstances the following steps are taken:

1. Call made by member to initiate outage call or other issue.
2. System automatically recognizes caller or is routed to operator and updates of outage map.
3. Dispatcher calls on-call crew lead, who has 30 minutes to respond and arrive at office.
4. Crew travels to site, make site safe, and remediates issue, expect crew arrival time to be 30 minutes to an hour.

After our review of this instance, we have altered the method of how we officially log the personnel on the call out schedule. We have also altered our protocol to ensure a proper response from Dispatchers are taken during a non-outage event.

It is important to remember, all outages or assistance needed from line personnel needs to be through the outage phone number or SmartHub reporting mechanism. This initiates our outage systems to record callers, prioritize outages, update internal and public outage maps, ensure all needed parties are aware and inform line personnel.

If anyone sees that members are on the scene during an outage repair, inform them that it is distracting for our line personnel who need to focus and have space to work. All non-qualified personnel should be greater than 10 ft away from equipment and work areas and away from all falling hazards. Remember any discussion with our personnel in these events will distract them from the job at hand and their focus can be the difference between life and death.

Please encourage members to watch our outage sequence video.

(<https://www.youtube.com/watch?v=PPqYFzVD1FM>)

Grid Modernization Projects

1) Decatur Battery Energy Storage System (ESS) – WA DOC CEF2 Grid Modernization (~\$1M Grant)

Based on board approval of battery vendor, staff is negotiating the final contract with EPC (Engineering, Procurement, and Construction) vendor.

2) Lopez Microgrid – WA DOC CEF3 Grid Modernization (Grant \$ Amount TBD)

Staff met with WA DOC staff to review potential sites and begin contract formation with an anticipated contract completion by the end of Q3.

FINANCE

2019 Budget Tracking

Kilowatt hour (kWh) purchases, sales, and corresponding power costs & revenues were higher than budgeted in Q1 2019. This was primarily due to a record-breaking February as reported during the March regular meeting.

Income Statement Summary (in thousands)	Q1		
	Budget	Actual	Variance
Gross Operating Revenue	\$ 9,602	\$ 10,435	\$ 833
ECA Surcharge / (Credit)	-	(155)	(155)
Cost of Power	2,994	3,105	111
Net Revenue	\$ 6,607	\$ 7,174	\$ 567
HDD	486	797	311
kWh Purchases	66,126	75,406	9,280
kWh Sales	61,828	73,927	12,099

Monthly ECA

The calculated amount for the April ECA is a credit for \$0.012022 per kWh. This equates to \$12.02 per 1,000 kWh. The YTD ECA through March billing period is a credit to members (and reduction to operating revenue) of \$155,166, or \$5.87 for a member using 1000 kWh/month.

Moss Adams Audit

Moss Adams conducted the onsite fieldwork portion of the consolidated year-end 2018 audit during the week of April 1-5th. They are in the process of finalizing their review and will present the results of the audit at the May 16th regular meeting. Note the audit is on a consolidated basis (OPALCO and Island Network LLC).

2018 RUS Form 7

The 2018 RUS Form 7: Financial and Operating Report Electrical Distribution was filed at the end of March and now appears on the OPALCO website.

MEMBER SERVICES

Energy Assistance

During March 2019, 347 members received ~\$11.9k from the Energy Assist program, compared to 311 members receiving ~\$9.3k worth of assistance in March 2018. In March 2019 there were 33 members that received ~\$9.7k in PAL awards, compared to 26 members and ~\$5.6k in March 2018.

Energy Savings

Members applied for 21 rebates and received \$12.9k in incentives in March 2019, which includes six rebates for beneficial electrification projects totaling \$7k.

Community Solar

During the March 2019 billing cycle the Decatur Community Solar array produced 25,520 kWh, and 7 kWh per solar unit was credited to member participants. A total of \$2,671 was distributed to 272 accounts, including an additional \$270.68 for the PAL and Energy Assist programs.

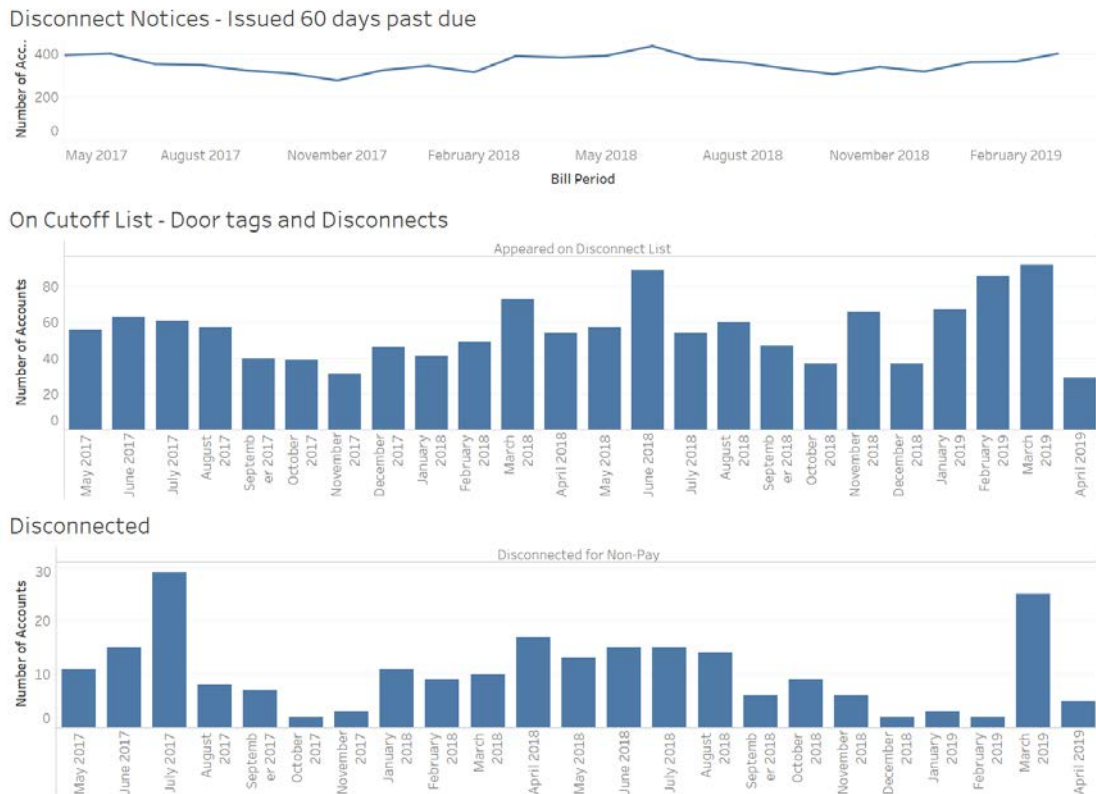
Disconnects

In the March '19 board meeting there was a request to review the number of disconnects occurring. Staff tracks the number of disconnections for non-payment and will display a new dashboard in the member services summary online (www.opalco.com/dashboards). An example is below.

The disconnect process (outlined in MS Policy 7) is as follows:

1. A monthly bill is generated*
2. When the bill is past due (21+ days after bill generated) a penalty is applied*
3. A disconnect notice is generated prior to disconnection (40+ days after bill generated)*.
4. Before the disconnect date, a courtesy phone call is placed*
5. A courtesy door-tag is delivered to the service address
6. If no response, or if no acceptable payment, payment arrangements made, or financial assistance secured, service is disconnected (50+ days after bill generated)

**indicates an automated notification (text/email) is available through SmartHub*



COMMUNICATIONS

Election

The 2019 election went smoothly and voter participation was better than last year (17.19% over 16%).

Stats:

- 1948 ballots voted
- 17.19% of our eligible voters
- 945 Paper Ballot
- 1003 Web Ballots

Member feedback for online voting:

- Very Satisfied or Satisfied 755 (92.5%)
- Dissatisfied or Very Dissatisfied 25 (3.1%)

Note: There were 60 members who included a comment requesting to “write in” Dwight Lewis as a candidate.

Switch it Up!

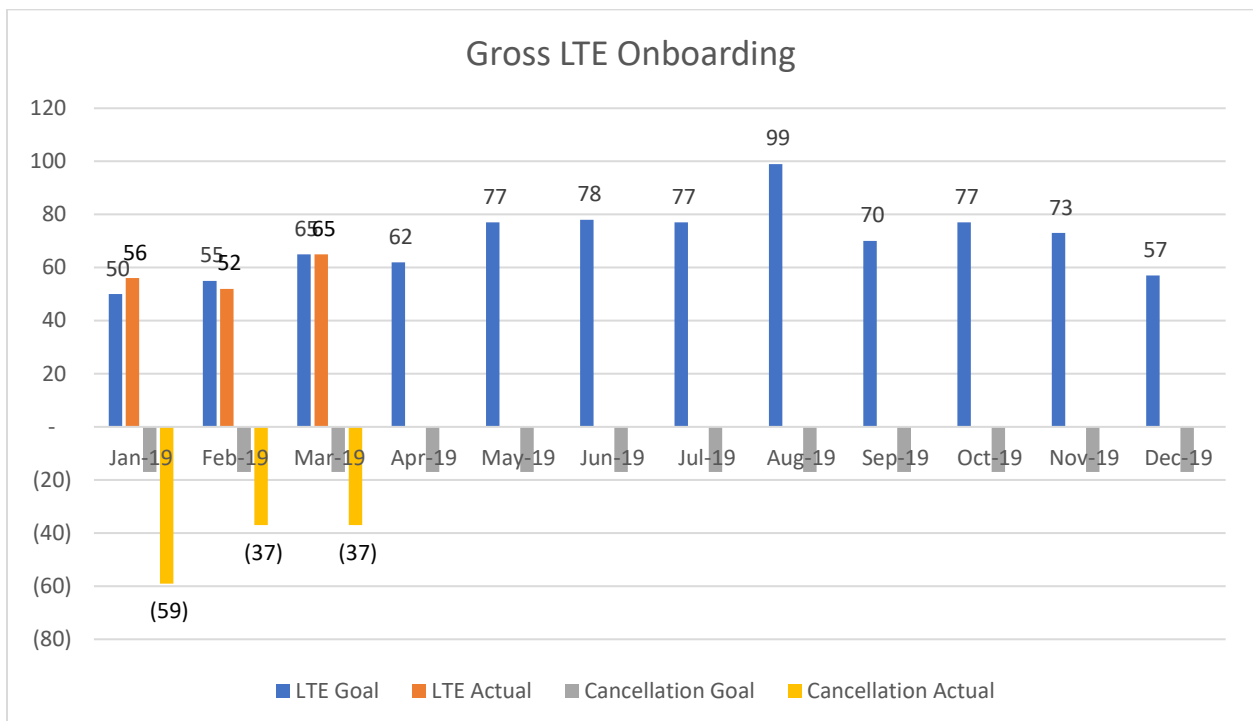
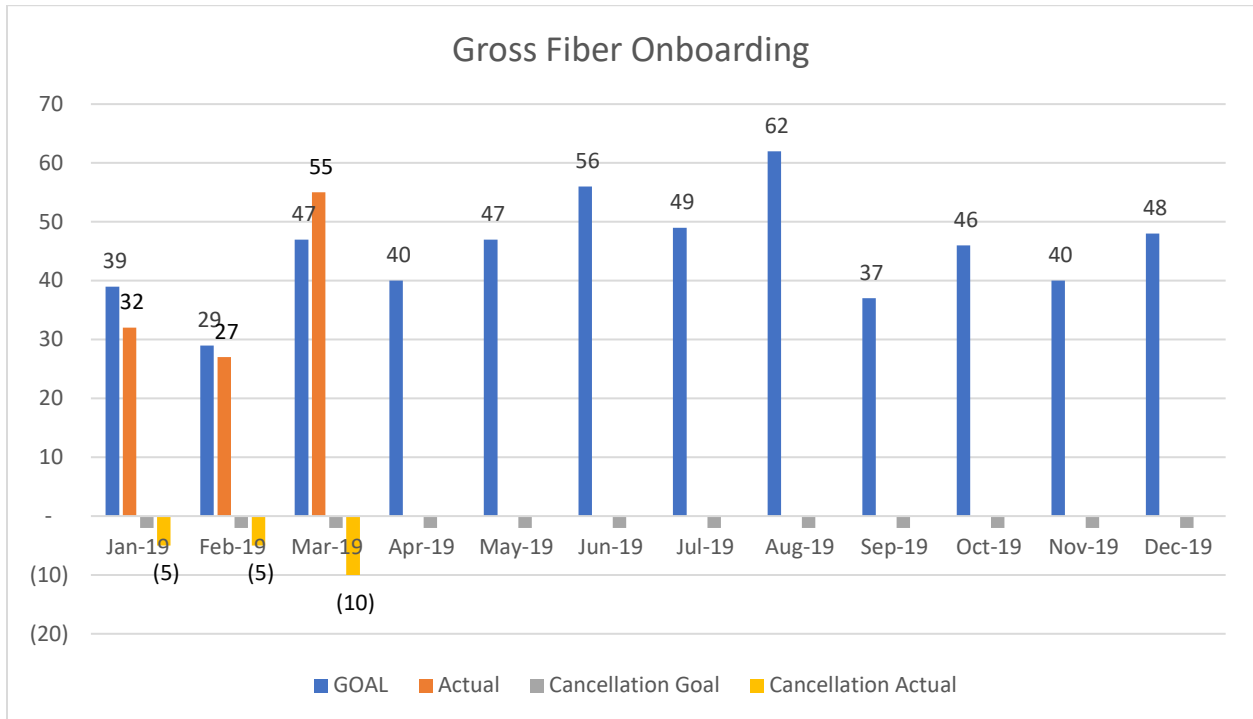
The Switch it Up! Program was launched at the annual meeting and applications are rolling in (11 as of 4/18). An article ran in the Homes & Garden section of local papers on April 10th to kick off the launch and the communications team hosted a Facebook Live event on April 18th. Outreach includes: bill inserts, ads, social media, fliers, office displays, banners, visits to community/civic clubs and pop-up appearances around village centers. The website (<https://www.opalco.com/switchitup>) is up and running and an original song by local musicians “Irthlingz” plays as our hold music on the phone system. The communications team is working with EESI to leverage additional outreach.

Scholarship Program

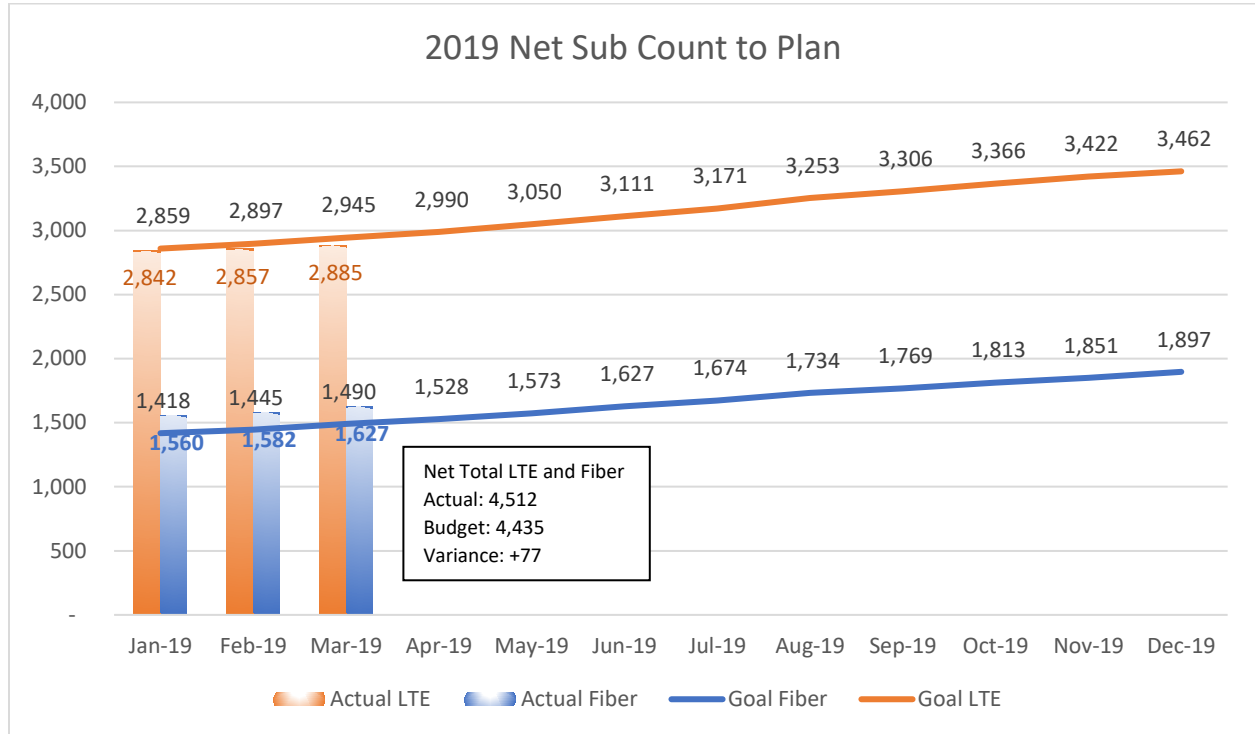
Nine students have applied for the Nourdine Jensen Cooperative Youth Scholarship Program, representing three islands and four high schools. A committee made up of co-op members from three islands will interview students on May 1st. As many as five students will be selected to receive a \$1000 scholarship (\$500 OPALCO + \$500 Jensen Family) and attend the Youth Rally at the College of Idaho July 14-20.

Snapshot April 2019

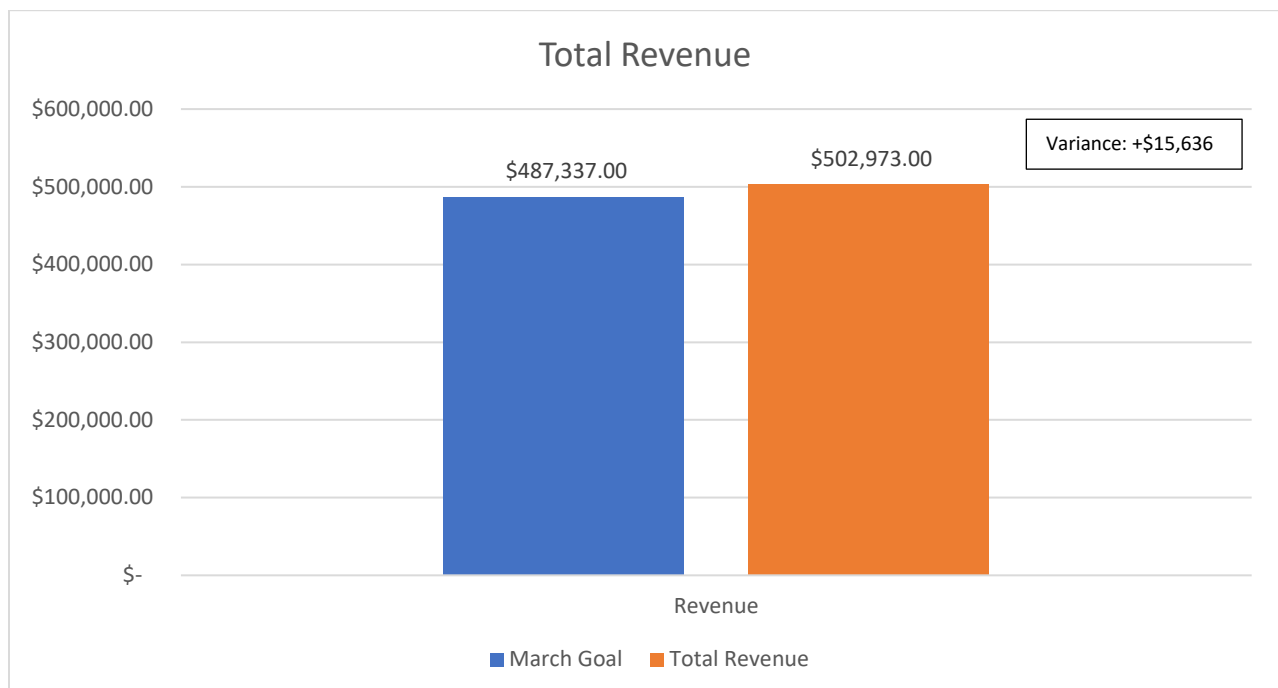
Gross Subscribers TD 2019



Net Subscribers TD 2019



Revenue YTD



PNGC Power Pulse

March 2019

Inside This Issue

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A Collaborative Effort

The Energy Efficiency Collaborative group met March 20 and 21 at the PNGC Offices. The EE Collaborative group is made up of the energy efficiency experts from PNGC's 15 cooperatives. Participants joined in person and by phone to go over a range of topics that affect the energy efficiency programs at cooperatives back home. The group meets a few times throughout the year.

"It's our opportunity to come together as the people who are directly working with these EE measures. We get to bring BPA managers in to help explain programs and program changes and also share our direct experiences with them," said Brandy Neff, PNGC Power's Conservation Services Coordinator. "The face to face time is invaluable."

Jess Kincaid, BPA Residential Program Manager, met with the group to go over upcoming changes to the Implementation Manual that will be released on April 1, as well as programmatic changes that are coming in October. Kincaid spent considerable time going over weatherization and window programs, since those areas interested PNGC participants the most. Margaret Lewis, BPA's EE Representative for PNGC, was also on hand to answer questions.

Participants were able to share with the group what they are doing at their own cooperatives as well. Connie Shrum and Travis Wood from Umatilla Electric Cooperative presented on their energy savings loan and bill financing program, and Ryan Davies from Central Electric Cooperative led the group in a discussion of Commercial sector programs.

"I appreciated this meeting," said Sonya Billington, Coos-Curry Electric Cooperative's new Billing and Energy Services Supervisor. "Just as an opportunity to meet people and find out that some of our EE problems are universal."

The EE Collaborative will meet informally at the Energy Efficiency Summit in May, and have another in-person meeting at PNGC in the fall.



Oregon Legislative Days

Ted Case, ORECA's statewide manager, planned an exceptional program for this year's co-op lobbying days in Salem. ORECA Legislative Days are a chance for Oregon's cooperatives to come together and focus on shared policy priorities. The two-day program started on March 19 with an ORECA Board of Directors meeting and an issue advocacy prep session, and followed on March 20 with individual legislator visits.

PNGC's Ashley Slater, Vice President of Government Affairs and Policy, attended and was able to give a federal legislative update at the ORECA Board meeting, and also spoke with decision makers the following day. "It's so important to get quality face time with our legislators and their staff about the issues that affect our cooperatives back home," Slater said. "We were able to talk about our shared cooperative priorities for the proposed Oregon cap and trade legislation and highlight the federal hydropower system's carbon free attributes.

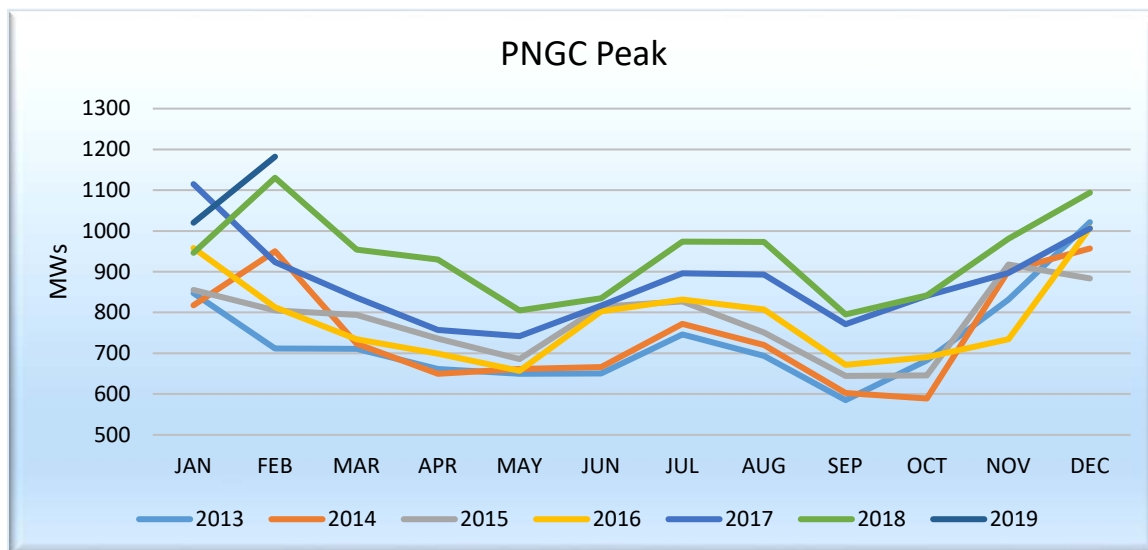
Finally, it's an opportunity to get the cooperative story out in front of decision makers, which is always worthwhile."

Slater will join PNGC Managers and Directors on a trip to Washington, D.C. in April to attend the NRECA Legislative Conference, and highlight several regional policy priorities on a national level.



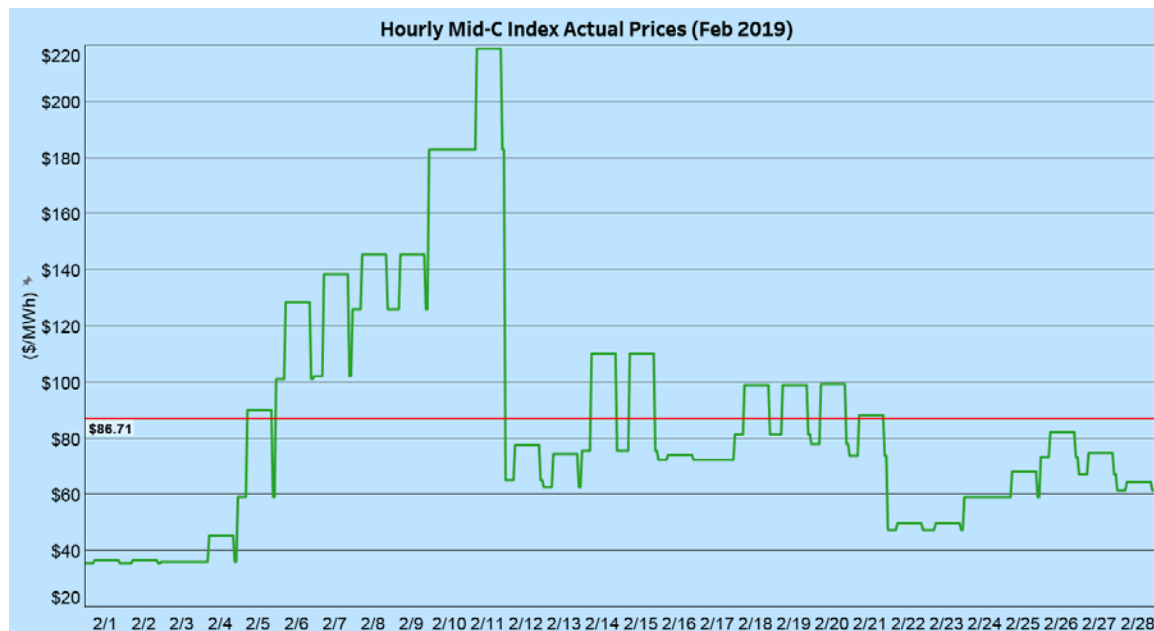
PNGC Peak

The graph below shows PNGC Peak for the past 5 years



Mid-C Pricing

The graph below shows Mid-C Pricing for the month of February 2019



BPA Happenings

April 9	Hourly Firm Customer Update
April 16	Hourly Firm Webinar
April 24	Hourly Firm Webinar
April 30	FY 2019 Q2 Quarterly Business Review

Upcoming PNGC Events

April 2	PNGC Board Meeting
April 3	PNGC Education Session
April 6	Douglas Electric Annual Meeting
April 9	Utility Sounding Board Meeting at PNGC
April 12	Central Electric Annual Meeting
April 13	OPALCO Annual Meeting
April 15	Okanogan Electric Annual Meeting
April 20	Umatilla Electric Annual Meeting
April 27	Blachly-Lane Electric Annual Meeting



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About PNGC Power:

PNGC Power is a Portland-based electric generation and transmission (G & T) cooperative owned by 15 Northwest electric distribution cooperative utilities with service territory in seven western states (Oregon, Washington, Idaho, Montana, Utah, Nevada and Wyoming). The company creates value for its member systems by providing power supply, transmission, and other management services. PNGC Power is an aggregator of geographically diverse loads in the region.