

# Understanding Compensation and the Form 990

The following are snippets of OPALCO's Form 990 with additional detail provided on the compensation of the General Manager. The full Form 990 is available online at: [www.opalco.com/wp-content/uploads/2019/05/2017-Form-990-Public-Disclosure-Copy\\_05082019.pdf](http://www.opalco.com/wp-content/uploads/2019/05/2017-Form-990-Public-Disclosure-Copy_05082019.pdf)

\*\* PUBLIC DISCLOSURE COPY \*\*  
EXTENDED TO NOVEMBER 15, 2018

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)  
Do not enter social security numbers on this form as it may be made public.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047  
**2017**  
Open to Public Inspection

Form **990**  
Department of the Treasury  
Internal Revenue Service

**A For the 2017 calendar year, or tax year beginning and ending**

<b>B</b> Check if applicable: Address change Name change Initial return Final return/terminated <input checked="" type="checkbox"/> Amended return Application pending	<b>C Name of organization</b> ORCAS POWER & LIGHT COOPERATIVE Doing business as		<b>D Employer identification number</b> 91-0348358
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 183 MOUNT BAKER RD		<b>E Telephone number</b> (360) 376-3500
	City or town, state or province, country, and ZIP or foreign postal code EASTSOUND, WA 98245-9413		<b>G Gross receipts \$</b> 25,880,275.
	<b>F Name and address of principal officer: J. FOSTER HILDRETH SAME AS C ABOVE</b>		<b>H(a) Is this a group return for subordinates?</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>H(b) Are all subordinates included?</b> Yes <input type="checkbox"/> No <input type="checkbox"/> If "No," attach a list. (see instructions) <b>H(c) Group exemption number</b>
<b>I Tax-exempt status:</b> 501(c)(3) <input checked="" type="checkbox"/> 501(c) ( 12 ) (insert no.) 4947(a)(1) or 527			
<b>J Website:</b> WWW.OPALCO.COM			
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other			
<b>L Year of formation:</b> 1937 <b>M State of legal domicile:</b> WA			

OPALCO's General Manager is responsible for managing both the highly-complex cooperative (\$30M in revenue) and OPALCO's subsidiary, Rock Island Communications (\$6M in revenue). His time is recorded for both organizations. The 990 (see below) shows hours for a typical work week:

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former
(8) J. FOSTER HILDRETH GENERAL MANAGER	34.50 5.50			X			

86% OPALCO  
14% Rock Island

NOTE: Rock Island pays for all amounts under their column

The General Manager's compensation is shown in the 990 as follows:

Schedule J (Form 990) 2017 ORCAS POWER & LIGHT COOPERATIVE 91-0348358 Page 2

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) J. FOSTER HILDRETH GENERAL MANAGER	(i)	239,375.	0.	9,051.	101,491.	34,212.	384,129.	0.
	(ii)	14,909.	0.	0.	0.	0.	14,909.	0.

Here's how the break down between OPALCO and Rock Island looks:

base salaries for comparison to other utilities

	OPALCO	Rock Island	Total
1. Base Salary	\$205,863	\$33,512	\$239,375
2. Benefits (medical & actuarial estimate of retirement)	\$116,705	\$18,998	\$135,703
3. Other Comp	\$ 9,051	\$14,909	\$ 23,960
<b>Total Compensation</b>	<b>\$331,619</b>	<b>\$67,419</b>	<b>\$399,038</b>

Significant cost savings are gained by combining roles.

A separate GM of Rock Island would drive expense up and postpone profitability.