



## **BOARD OF DIRECTORS REGULAR MEETING**

**Thursday, April 23, 2020 8:30 a.m.**

**Virtual Meeting via Zoom/Facebook Live**

As detailed in the March 3, 2020 OPALCO Press Release – The OPALCO Board of Directors announced that in order to follow CDC guidelines for social distancing, all the upcoming OPALCO public gatherings are cancelled until further notice in order to err on the side of caution in face of tremendous uncertainty with the current outbreak of COVID-19 in the state of Washington. Board meetings will be conducted as scheduled via remote video conferencing until further notice.

The first 15 minutes of the Board meeting will be streamed via Facebook Live for member comments and questions, followed by the Annual Member Business Meeting. Members do not need a Facebook account to view the live portion of the meeting (just say no when asked to create an account). Follow our Facebook page at and sign up for notifications <https://www.facebook.com/orcaspower/>. Please be patient; this process will evolve as we move forward.

Members may also submit any comments and questions in writing no less than 24 hours in advance of each meeting to: [communications@opalco.com](mailto:communications@opalco.com)

### **Sequence of Events**

- OPALCO 2020 Annual Meeting
- OPALCO Board meeting
- Executive Session

**Orcas Power & Light Cooperative**  
**Board of Directors**  
**2020 Annual Meeting and Regular Board Meeting**  
**April 23, 2020 8:30 A.M.\***

**Virtual Meeting via Zoom (Facebook Live for Viewing Only)**

*\*Time is approximate; 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.*

- *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.*

**MEMBER ENGAGEMENT TIME (via Facebook Live)**

- *Members will be able to participate via Facebook Live for the first ~15 minutes of the Board meeting.*
- *Follow OPALCO's Facebook page (<https://www.facebook.com/orcaspower/>) and sign up for notifications for easy access.*
- *After this member engagement time, members are encouraged to view the 2020 Annual Member Business Meeting. The Regular Board meeting will continue without member participation and live streaming. The intent is to record all Board meetings and post them on our website (barring technical difficulties).*

**2020 ANNUAL MEMBER BUSINESS MEETING**

- Call to Order
- Confirmation of Quorum (Greater than 10% of Membership casting ballots)
- Approval of Meeting Minutes
- Election Results
- Adjourn

**REGULAR BOARD MEETING - APRIL**

**ACTION ITEMS**

- Board Officer Elections
- Special Meeting Ratification – 3/20/2020 Tele-Education Grant
  - Waving 5 Day Notice of Meeting
  - Resolution 2-2020
- Consent Agenda
- COVID-19 Financial Impact Analysis and Potential Tools
- COVID-19 Member Assistance Package
- Member Service Policy 19 – Temporary Energy Assistance Program for Commercial Service
- Resolution 3-2020 – Use of Electronic Signatures

**DISCUSSION ITEMS**

- None

**REPORTS**

- General Manager
- Rock Island Snapshot
- Rock Island 2019 Year-end Financials

**APPENDICES**

- Member Communications

**EXECUTIVE SESSION**

- COVID-19 Financial Impact Analysis and Potential Tools
- COVID-19 Member Assistance Package
- Legal
- Personnel
- Competitive

**ADJOURNMENT**

**2020**

**Annual Member Business  
Meeting**

## MEMORANDUM

DATE: April 17, 2020

TO: Board of Directors

FROM: Foster Hildreth

RE: 2020 Annual Meeting

Due to the outbreak of Covid-19 and the resulting global pandemic, the board of directors of Orcas Power and Light Cooperative (OPALCO) rescheduled its annual meeting. The original meeting was scheduled to occur on April 18, 2020 aboard the inter-island Washington State Ferry. This meeting was rescheduled to April 23, 2020, occurring at the same time as the regular meeting of the board of directors.

OPALCO's bylaws allow for the annual meeting to be set on either the first day of May in any year, "or any other date and place selected by the Board of Directors", Article II, Section 1. Given the extraordinary circumstances resulting from the pandemic, the emergency declarations issued by Washington state Governor Jay Inslee, and OPALCO's own resolutions declaring an emergency, the full annual meeting cannot be held. What follows is a recommended brief process in which the annual member meeting can be conducted to meet the obligations of OPALCO bylaws and state statutes.

### **ANNUAL MEETING – April 23, 2020 (This Meeting)**

OPALCO's bylaws suggest a recommended process for meetings of its members. However, the following process will allow OPALCO to meet all its obligations, in a more abbreviated format.

1. The President of the Board of Directors calls the annual meeting to order, including a statement that the original meeting was rescheduled from April 18, 2020 until today.
2. The President shall request whether a quorum of voting members has been achieved in order to elect new directors – 10% of all energy members. Based on official voting records from Survey & Ballot Solutions (SBS), a quorum has been met with over 10% of the membership casting ballots.
3. Approval of minutes for the 2019 Annual Meeting with ratification at 2021 Annual Meeting, see attached.
4. The President shall call for the results of the election to be announced (staff or EGC Member). Considering it was an uncontested election both Vince Dauciunas and Mark Madsen have been re-elected.
5. Call for a motion to adjourn the Annual Meeting.

ORCAS POWER & LIGHT COOPERATIVE  
MINUTES OF THE ANNUAL MEETING  
April 13, 2019

President Vince Dauciunas called the 82<sup>nd</sup> Annual Membership Meeting to order at 10:10 a.m. aboard the interisland ferry, the MV Tillikum.

A quorum was met with ~17.2% of the membership casting ballots. A total of 1,948 ballots.

President Dauciunas welcomed members and guests, thanking the caterers who provided lunches at the three main ferry docks: The Market Chef, San Juan Island; Lopez Market, Lopez Island; and Avenue Catering, Orcas Island. Dauciunas also thanks special guests including Anita Decker, NWPPA; Andrew Barter, PNGC; Melanie Jackson, BPA; Kurt Miller, Northwest River Partners; Gerry Lawlor, T-Mobile; Ryan Palmateer, San Juan Islands Conservation District; Eddie Jackson, Brown & Kysar; Jeff Lindgren, Eaton; Matt Holzer, Anixter; SewNSew Embroidery and the crew of the Tillikum were thanked for their participation in the meeting. Also attending was past Director Jim Lett.

- **Motion** was made and seconded to waive the reading of the Official Notice of the Meeting; motion carried.
- **Motion** was made and seconded to waive the reading of the Minutes of the 2018 Annual Meeting; motion carried.
- **Motion** was made and seconded to approve the minutes of the 2018 Annual Meeting; motion carried.

Dauciunas then introduced the current Board of Directors: District 1 Mark Madsen and Vince Dauciunas (President); District 2 Rick Christmas and Jeffrey Struthers; District 3 Brian Silverstein (Secretary/Treasurer) and Peter Garlock and District 4 Dr. Jerry Whitfield (Vice-President). Parliamentarian Joel Paisner was also introduced.

Dauciunas spoke about the Board of Directors’ two main functions: decision making and oversight. The Board’s strategy is based on the Integrated Resource Plan (IRP), available on the website. It answers 1) how much electric power will we need in the future; 2) where will we get it; 3) how much will we pay for it; and 4) how will the price be determined? He spoke of the difference between 1958 and 2019 for determining future plans and how we get our power. The Board will spend a lot of time determining the answers to those questions and more in the upcoming months.

Dauciunas introduced the Elections and Governance Committee (EGC) members in attendance. Bill Severson, the Chair of the EGC introduced the 2019 candidates: For District 3, Peter Garlock and Brian Silverstein. For District 4, Peter Hawkes and Dr. Jerry Whitfield.

Results of the election are as follows:

District 3:	Brian Silverstein	1,661 votes
	Peter Garlock	1,264 votes
District 4	Dr. Jerry Whitfield	1,328 votes
	Peter Hawkes	511 votes

General Manager Hildreth spoke of the vision for the future of our island communities plus a strong foundation for our electric and fiber systems.

The meeting adjourned at 10:55 a.m.

**April 2020**

**Regular Board Meeting**

## MEMORANDUM

DATE: April 17, 2020  
TO: Board of Directors  
FROM: Foster Hildreth  
RE: Board Officer Elections

The purpose of this memo is to assist the board of directors in the election of officers to the OPALCO Board consistent with our Bylaws.

According to Article V Section 2 of the Bylaws, the board is to elect its officers '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 annual meeting was originally set for April 18, 2020. Due to the COVID-19 pandemic the annual member meeting has been waived and set over to the first meeting of the board of directors after the election – April 23, 2020. The election results will be announced at this meeting, after which officer elections may take place.

Board members will be asked to vote electronically submitting their votes to the Recording Secretary during the business meeting held April 23, 2020. The 2020-2021 Directors are as follows:

Vince Dauciunas	San Juan
Mark Madsen	San Juan
Richard Christmas	Orcas
Jeffrey Struthers	Orcas
Peter Garlock	Lopez
Brian Silverstein	Lopez
Jerry Whitfield	Shaw

The following board positions to be elected are:

President  
Vice President  
Secretary-Treasurer

Position	2019 – 2020	2020-2021
President	Vince Dauciunas	
Vice-President	Jerry Whitfield	
Secretary/Treasurer	Brian Silverstein	



## MEMORANDUM

DATE: April 17, 2020

FROM: Foster Hildreth

TO: OPALCO Board of Directors

RE: Special Meeting of the Board – Removal of Requirement of 5-day Notice of Special Meeting and Approval of Match Funds for Distance Learning Grant

Due to the recent outbreak of the COVID-19, Governor Jay Inslee has closed all schools in the state of Washington. For this reason, on March 20, 2020 staff sent the attached email requesting a Special Meeting via email to consider two items:

1. Waiver of the 5-day notice requirement for a Special Meeting, and
2. Approval of a 15% match (\$150,000) upon approval and funding of a grant from RUS for video/audio equipment to be installed in all San Juan County high schools for tele-education.

All seven members responded via email:

Item 1. Waiver of the 5-day notice requirement  
Passed by unanimous decision.

Item 2. Approval of a 15% match upon approval and funding of a grant from RUS  
Passed by unanimous decision.

Attached please find the correspondence that was sent to the Board via email.

Dear Board,

Due to recent outbreak of the Coronavirus (Covid-19), Governor Jay Inslee has closed all schools in the state of Washington.

As a follow up to yesterday's conversation, please consider this email a special meeting of the OPALCO Board which is held for the purpose of conducting OPALCO business remotely. Staff will formalize the results of this meeting within the April 2020 Board meeting materials.

The purpose of this Board action is as follows:

1. Removal of the requirement of 5-day notice of a special meeting (requires a unanimous vote)
2. Approval of a 15% match (\$150,000) upon approval and funding of a grant from RUS for video/audio equipment to be installed in all San Juan County high schools for tele-education.

Staff has been working with legal counsel (Joel Paisner) to solidify the specifics of this Board action.

Please respond to this email by "replying all" and voting on:

Fill out:

NAME:

VOTE:

- 1.
- 2.

Thank you and stay well out there.

Foster Hildreth  
General Manager  
OPALCO

## MEMORANDUM

April 17, 2020

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 2020

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

1. Baker, Steven
2. Booms, Douglas M & Catherine A
3. Boydston, Naomi
4. Campbell, Paula E & Kenneth L
5. Denney, Richard E & Hunt, Michelle L
6. Eldred, James L Jr. & Kim E
7. Embrey, Robert
8. Eventide Health
9. Fourth Cub Productions Inc.
10. Hanna, Karan
11. Hetcler, Dylan
12. Johnson, Kendall
13. Kines, Mark
14. Kingsfield, Madeline
15. Lamont, Lacy
16. Miller, Jessica
17. Mollat, Martin
18. Mottet, Gretchen
19. Radcliffe, Brooke & Frantz, William
20. Rappold, Julie
21. Remington, Miles
22. Rutherford, California & Grimes, Austin
23. Tappmeyer, Cash
24. West Valley Holdings LLC

25. Zamudio, Leonard O

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

26. Abrash, Cheryl & Michael
27. Axe and Wedge
28. Borman, Morgan
29. Bryon, Cynthia
30. Francis, Simone & Reisman, Garrett
31. Hazel Brook, LLC
32. Kuntz, Ronald & Kathleen
33. Maske, Madelyn
34. Quinones, Louisa L & Rodriguez, Richard
35. Raffelson, Greg & Francis, Lewis
36. Ricks, Robyn
37. Spiller, Bruce & Bonetti, Sondra

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

38. Jelte Harnmeijer
39. Nash, Russell
40. Porath, Paul & Martin, Martha
41. Strom, Michael
42. Swal'lech Construction, LLC

#### **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
66721	515.94
6228	4,027.44
68938	315.75
61685	1,017.15
91879	154.76
<b>Total</b>	<b>\$ 6,031.04</b>

- **RUS 219s** *Inventory of Work Orders* of projects completed from the Construction Work Plan totaling \$4,988.86. These forms are submitted to RUS for approval of loan funds.
  - Inventory 202002 - \$4,988.86 for a transclosure and transformer replacement project.

Staff requests a motion to approve the Consent Agenda.

**Orcas Power & Light Cooperative**  
**Minutes of the Board of Directors Meeting**  
**Thursday, March 19, 2020**

President Vince Dauciunas called the meeting to order at 8:30 a.m. The meeting was held via Zoom and Facebook Live to allow member comment. Board members present were Rick Christmas, Brian Silverstein, Jeffery Struthers, Peter Garlock and Jerry Whitfield. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis; Public Relations Administrator Suzanne Olson; Communications Specialist Krista Bouchey; Assistant Manager of Member Services Jon Orr; Head Accountant Travis Neal; and Executive Assistant Kelly Koral (serving as recording secretary). Consultant Jay Kimball, Legal Counsel Joel Paisner were also in attendance.

**MEMBERS AND GUESTS**

Members were given the opportunity to participate via Facebook Live. Approximately 63 people viewed the session live with 14 members commenting.

**MEMBER COMMENTS**

Member comments were about COVID-19 and the related assistance. The member session can be viewed in the link below.

[https://www.facebook.com/orcaspower/videos/518969599004022/UzpfSTEwNzU1MTc0MzI6MTAyMTg5MjlxNTEzMzk1Mjk/?q=%20opalco%20board%20meeting&epa=SEARCH\\_BOX](https://www.facebook.com/orcaspower/videos/518969599004022/UzpfSTEwNzU1MTc0MzI6MTAyMTg5MjlxNTEzMzk1Mjk/?q=%20opalco%20board%20meeting&epa=SEARCH_BOX)

**CONSENT AGENDA**

- **Motion** was made and seconded to approve the Consent Agenda, including February 20, 2020 minutes, new members as listed with the Board materials and capital credit payments totaling \$3,131.48. Motion carried by voice vote.

**ANNUAL MEETING – ELECTIONS AND CANCELLATION**

On March 2, 2020 a special meeting was held by the Board via email to discuss ramifications of the Governor's order, specifically cancellation of the 2020 Annual Meeting and candidate forums (no public gatherings) and to re-classify the April 23, 2020 meeting as an Annual Member Business meeting to elect Board officers.

- **Motion** was made to ratify the special meeting of the of the Board on March 13, 2020. Second and passed by voice vote

**PAL FUNDING INCREASE**

Discussion was held regarding PAL and EAP programs. Staff will bring for a resolution at the April, 2020 meeting.

**COVID-19**

Staff is working with legal counsel to formalize succession planning. Plans are in development for staff and Board members for both organizations.

**RESOLUTION 2-2020 (*Tele-education*)**

Resolution 2-2020 allowing the expenditure of \$150,000 as matching funds for an applied for RUS/USDA grant was reviewed and discussed.

- **Motion** was made to approve Resolution 2-2020. Seconded and passed by voice vote.

Break 11:15 – 11:35

**2019 Financials**

The 2019 financial report was reviewed.

**REPORTS**

**General Manager**

Staff reviewed the General Manager's Report and Rock Island Snapshot.

**ADJOURNMENT**

Meeting adjourned at 12:55

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Vince Dauciunas, President

Brian Silverstein, Secretary-Treasurer

03/24/2020 3:02:01 pm

# RUS Form 219 Inventory Of Work Orders Period: FEB 2020

Page: 2

System Designation: WA O9

Inventory: 202002

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)		
601	2018 2740	2740		1	5,061.17	0.00	0.00	0.00	0.00	4,988.86
								AFUDC: 72.31		
					5,061.17	0.00	0.00	0.00	0.00	4,988.86
<b>Grand Totals:</b>					\$ 5,061.17	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 4,988.86

03/24/2020 3:02:01 pm

RUS Form 219 Inventory Of Work Orders  
Period: FEB 2020 System Designation: WA 09

Page: 4

Inventory : 202002

## Budget

Loan	Project	Amount
1	601	4,988.86
Total:		4,988.86

**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

DATE: April 17, 2020

FROM: Foster Hildreth

TO: OPALCO Board of Directors

RE: COVID-19 Financial Impact Analysis and Potential Tools

OPALCO is examining the budget to trim and shift expense and capital projects in order to have funds available to meet the needs of our membership while protecting the financial viability of the co-op. Staff is reprioritizing programs, projects and expenses based on essential needs and safety. OPALCO and Rock Island provide essential services and need to maintain appropriate staffing levels. Both organizations have independently applied for the Payroll Protection Program (PPP) through Small Business Administration (SBA), a (potentially forgivable) loan to ensure our staffing levels. At this point, Rock Island is moving forward with a PPP loan while it has not been determined whether OPALCO, as a 501(c)12 organization, is eligible.

As OPALCO and our members navigate these uncertain times, staff conducted a financial analysis to test how the COVID-19 pandemic may impact the Co-op's finances. The budget is built on carefully developed assumptions on kilowatt-hour (kWh) sales with a make or break point in Q4 when colder temperatures are forecast. The disruptions of COVID-19 have already caused a serious reduction of commercial kWh sales.

It's too early to tell whether the overall kWh sales will be lower, but we know late payment and reconnect fees are being waived and can forecast with some certainty that many members' bills will go unpaid, all of which affects cash.

## Financial Impacts to the Co-op

Although it is too early to understand the fully impacts of this pandemic, staff prepared several scenarios projecting various durations of the disruption as seen below. Staff will update this forecasting tool monthly as more information comes to light.

		A.	B.	C.	D.	E.	F.
		Audited	Unaudited	Approved	2020 FORECAST - COVID IMPACTED		
		Year End	Year End	Budget	Impact duration 3-months (end of Q2)	Impact duration 6-months (end of Q3)	Impact duration 9-months (end of Q4)
		12/31/2018	12/31/2019	12/31/2020	12/31/2020	12/31/2020	12/31/2020
1	kWh Purchases	217,948,063	221,869,000	212,000,000	208,072,000	206,177,000	203,531,000
2	Total kWh Sales	208,733,000	207,180,000	198,930,000	196,599,000	194,704,000	192,058,000
3	Annual HDD	1,190	1,323	1,367	1,409	1,409	1,409
4	Projected Total Revenue	29,683,000	31,361,000	32,185,000	30,282,000	29,950,000	29,497,000
5	Total Expenses	26,676,000	28,629,000	30,069,000	30,371,000	30,640,000	30,774,000
6	Net Margins	\$ 3,007,000	\$ 2,732,000	\$ 2,116,000	\$ (89,000)	\$ (690,000)	\$ (1,277,000)
7	TIER	2.67	2.40	2.06	0.96	0.65	0.35
8	Equity % of Total Cap	40.3%	39.7%	38.8%	36.8%	36.5%	36.1%
9	Net COVID-19 Cash Impact				(443,000)	26,000	(386,000)

### Financial Tools Available

The team also outlined potential opportunities or “levers” the Co-op could access if financial mitigation measures become necessary to protect the Co-op from harm. Full details, pro- and con- arguments and financial metrics will be discussed at the board meeting. The potential financial levers are:

<i>Tool/Option</i>	<i>Description</i>
<b>Cash Reserves</b>	Board restricted funds earmarked as 2019 cash reserves
<b>Borrowing Power</b>	OPALCO maintains lines of credit with CFC and CoBank; and can utilize RUS construction work loans to fund both unforeseen circumstances (submarine cable break, etc.) and budgeted capital spending to maintain our current infrastructure system.
<b>Capital Credit Deferral</b>	the Board could vote to defer capital credit distributions at year end based on the state of co-op finances.
<b>Rate Increase</b>	the Board could vote to raise rates to increase co-op revenues. Rates are a cooperative’s fundamental approach to addressing shortfall since, as a non-profit, it is prohibited from stockpiling cash reserves.
<b>Minimize Margin and TIER</b>	the Board could allow a reduction in both margin and TIER in hope that the economic conditions will return to normal levels.
<b>Disaster Funding</b>	the Co-op will apply for FEMA and/or other disaster relief funding as it becomes available. This funding typically takes more than a budget year to be realized.

Currently, the only staff recommendation is to use Cash Reserves to provide bill assistance to our membership through June 30<sup>th</sup>, at which time we will reassess. Further measures may be recommended once the duration of the pandemic becomes clearer, and as we see further trending of financial impacts.

### ACTION:

After Executive Session discussions, staff recommends the Board approve use of 2019 cash reserves in the amount agreed upon to provide bill paying assistance to members in need through June 30<sup>th</sup>.

## MEMO

DATE: April 17, 2020

FROM: Foster Hildreth

TO: OPALCO Board of Directors

RE: COVID-19 Member Assistance Package

As the disruption of the pandemic unfolds, OPALCO members are being impacted through illness, loss of wages, and school and business closures. Staff has analyzed OPALCO's financial picture and available funding sources and is assessing member needs for the next 60 days. Our strategy is to offer relief measures over two billing cycles between now and June 30<sup>th</sup> and continue to reassess the dynamically evolving situation to maximize relief to our members and protect the Co-op's limited resources. In particular, this proposal for additional measures includes relief for businesses (commercial revenue class), and some creative solutions to add to the pool of available resources for all members.

The goal is to provide as much support as we can to help members pay their power bills during this challenging time while maintaining the viability of our member-owned co-op. The strategy recognizes that there are other sources of assistance for businesses related to payroll and business losses.

### Overview of COVID-19 Relief Measures:

MEASURE ( <i>new</i> )	DESCRIPTION	BENEFIT
No Late Fees	Never hits the member bill, doesn't compound unpaid balance.	<i>varies</i>
No Disconnection for Non-payment	Will not disconnect a member who hasn't paid their bill.	<i>varies</i>
Temporary Disconnects with no Reconnect Fees	Businesses can disconnect; OPALCO pulls meter and no bill is issued; \$200 reconnect fee is waived.	<i>\$200 reconnect</i>
Extend PAL Benefits ( <i>new</i> )	Extend PAL season through June 30 <sup>th</sup> (Q2); allow up to two grants within this PAL season. COVID PAL grants would be \$100.	<i>\$100</i>
Energy Assist (EAP) COVID qualified ( <i>new</i> )	Add funding to available pool; qualify by checking COVID box. COVID benefits per usual (\$31.41-\$61.41 depending on household size) available for up to two billing periods through June 30 <sup>th</sup> . First come, first served until funds exhausted. EAP COVID-19 participants are also eligible for a \$25 bill credit on their Rock Island bill.	<i>Up to \$61.41/mo + \$25/mo from RIC</i>
Energy Assist for Businesses (EAP-C) ( <i>new</i> )	Monthly bill credit equal to service access charge for up to two billing periods through June 30 <sup>th</sup> . Apply through COVID-19 Form and Payment Plan (if unpaid balances). First come, first served until funds exhausted.	<i>\$67.57/mo</i>
Switch It Up payment deferrals ( <i>new</i> )	Participants can defer their on-bill finance payments for up to six months. Apply through COVID-19 Form.	<i>Averages \$75.50/mo</i>
Community Solar Credits for COVID-19 Relief ( <i>new</i> )	Participants in the Decatur Community Solar Project will be invited to donate their solar production credits to benefit the Energy Assist (EAP) for the next six months. Members had an option to donate solar units to the EAP when they signed up for the Community Solar project, and many did.	<i>varies</i>

The San Juan County Economic Development Council (SJC EDC) is providing the consolidated and comprehensive clearinghouse of possible loans, grants and resources for business: <https://www.sanjuansedc.org/covid-19/>. For example, there are three types of Small Business Administration (SBA) loans available:

- **Economic Injury Disaster Loans (EIDL)** program: The SBA has expanded their EIDL program. For general information, [click here](#). To apply, go through their [application portal](#). These loans are available now and can include a \$10,000 emergency grant.
- **Paycheck Protection Program:** Contact your local banker for help now, as there is a funding cap and it's first-come, first-served. For general information, see [this page on the SBA website](#) and [this post](#).
- **Express Bridge Loans:** Businesses that already have a relationship with an SBA lender bank can also apply for an [Express Bridge Loan](#), which enables small businesses who to access up to \$25K quickly. These funds will be repaid in full or in part by the eventual proceeds from the EIDL loan. For more information, contact your business banker directly.

OPALCO and Rock Island are providing essential services; our commitment to the membership is to keep the power on, and internet and cell phone services flowing. We are doing everything we can within our area of expertise to increase the safety net for community.

An update on OPALCO finances and discussion of available levers to create funding for these relief measures will take place in Executive Session.

MEMORANDUM

DATE: April 17, 2020  
TO: Board of Directors  
FROM: Foster Hildreth  
RE: Member Service Policy 19 – Temporary Energy Assistance Program for Commercial Service (EAP-C)

As the disruption of the pandemic unfolds, OPALCO member businesses are being impacted through mandatory closures, illness, and loss of wages.

OPALCO staff have developed a temporary COVID-19 policy for board consideration as a measure to assist commercial businesses. The program will be administered to the OPALCO commercial members who apply in a similar fashion as the current Energy Assist Program is available to OPALCO residential members.

Upon board consideration and discussion, staff requests that the Board make a motion to approve Member Service Policy 19 – Energy Assistance Program for Commercial Meters (EAP-C) after one reading.

**ORCAS POWER & LIGHT COOPERATIVE**  
**MEMBER SERVICE POLICY 19**  
**TEMPORARY ENERGY ASSISTANCE PROGRAM FOR COMMERCIAL SERVICE (EAP-C)**  
***TEMPORARY COVID-19 MEASURE***

**18. TEMPORARY ENERGY ASSISTANCE PROGRAM FOR COMMERCIAL SERVICES (EAP-C)**

**18.1. OVERVIEW**

- 18.1.1. The Board established this policy to assist commercial members who are impacted by COVID-19 as a temporary assistance measure. Program need and funding will be reassessed on an as needed basis.
- 18.1.2. This assistance program provides a partial offset to member bills; members remain responsible for their bill;
- 18.1.3. Bill credits will be disbursed for up to two billing cycles per account.
- 18.1.4. Funding for program will be from board directed funds and donations from OPALCO members.
- 18.1.5. Program is limited to a bill credit as determined by the General Manager consistent with this Policy and may vary based on available funds for commercial accounts in need of assistance during the COVID-19 disruption.
- 18.1.6. Participation is on a first-come, first-served basis for as long as funding is available. Assistance availability may be extended or closed based on Board direction.
- 18.1.7. The bill credit mechanism is similar to the Energy Assist Program (Tariff EAP-20); this program is not a tariff.

**18.2. PROGRAM CONDITIONS**

- 18.2.1 Member applications are considered for EAP-C if all of the following conditions are met:
  - 18.2.1.1 Member is applying for an account under a commercial tariff;
  - 18.2.1.2 Commercial member has submitted a complete, signed COVID-19 Relief Form;
  - 18.2.1.3 Funds are available;
  - 18.2.1.4 Payment plan is in place if there is an unpaid balance on the account at the time of EAP-C application.

**18.3 MEMBER PARTICIPATION**

- 18.3.1 Applications will be approved based on written criteria established by this Policy and changes necessary as the COVID-19 situation evolves, as determined by the General Manager.
- 18.3.2 Any active commercial account of OPALCO and in need of assistance can apply to participate in the Program.
- 18.3.3 Members must complete and sign a COVID-19 Relief Form.
- 18.3.4 Commercial Tenants who are not OPALCO members must have an active OPALCO member (landlord) sign COVID-19 Relief Form. OPALCO encourages landlords and tenants to work together to distribute assistance funds accordingly.

18.3.5 Oversubscription to an OPALCO program will be handled by using a first-come, first served protocol.

**18.4 EAP-C BILL CREDIT**

18.4.1 The amount of the bill credit will be determined by the General Manager and may vary based on available funds.

\_\_\_\_\_  
Foster Hildreth, General Manager

Effective Date: April 23, 2020

## MEMORANDUM

DATE: April 17, 2020  
FROM: Foster Hildreth  
TO: OPALCO Board of Directors  
RE: Resolution re: Use of Electronic Signatures

With the implementation of the Washington State Governor's stay at home order due to the COVID-19 virus, the ability for the Board of Directors and, in some instances, the General Manager, to sign documents on behalf of the Cooperative is limited. Technology today provides for the ability to sign documents remotely. This will allow the business of the Cooperative to move forward without interruption.

Staff requests the Board approve and adopt the attached resolution (3-2020) in support of the use of electronic signatures for Board related matters.



# ORCAS POWER & LIGHT COOPERATIVE

A Touchstone Energy Co-op



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www.opalco.com

## BOARD OF DIRECTORS RESOLUTION 3-2020 USE OF ELECTRONIC SIGNATURES

**WHEREAS,** Washington State has experienced a growing number of verified cases and deaths due to the spread of the coronavirus disease 2019 (COVID-19) and the Washington State Governor declared a state of emergency on February 29, 2020, directing a stay at home order and to utilize social distancing whenever possible; and

**WHEREAS,** each member of the Board of Directors of Orcas Power & Light Cooperative are physically located in separate geographical areas; and

**WHEREAS,** to conduct the necessary business of the Board of Directors, to maintain day to day business without interruption, and efficiently allow all matters necessary to the proper functions of the Cooperative and the Board of Directors of Orcas Power & Light Cooperative, it is hereby;

**RESOLVED,** the Board of Directors approves the use of electronic signatures on its Resolutions, Minutes and other board matters that are necessary to complete board action and also hereby authorize the same for the General Manager.

**RESOLVED,** the Board of Directors approves the use of electronic signatures effective immediately.

---

Secretary



## **GENERAL MANAGER'S REPORT**

### **April 2020**

#### **DASHBOARDS**

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

#### **Finance**

Budget Variance  
Cash  
Power Cost  
TIER/Margin  
Debt/Equity  
Capital  
WIP  
Expense  
Capital Projects  
Purchased Power

#### **Member Services**

Disconnects  
ECA  
PAL  
Energy Assist  
Community Solar  
Service Additions  
Member Generation  
Revenue Dist. – Prior Year  
Revenue Dist. – Current Year

#### **Outage**

Historical SAIDI - Graph  
Historical SAIDI - Figures  
Outage Stats – Monthly  
Outage Stats – Rolling 12 Mth  
SAIDI by Category  
Outage Summary  
Outage Summary - Monthly

#### **ENGINEERING, OPERATIONS, AND INFORMATION TECHNOLOGIES**

##### **WIP**

As of April 17, 2020, there are 357 work orders open totaling \$5.8M. Decatur Energy Storage System is \$1.2M of the balance. Operations has completed construction on 116 work orders, totaling \$1.29M.

##### **Safety**

John Spain of Northwest Safety Service conducted PPE training for Engineering and Operations staff via Zoom. The total hours worked without a loss time accident: 234,716 hours.

##### **Grid Modernization Projects**

- **Decatur Battery Energy Storage System (ESS) – WA DOC CEF2 Grid Modernization (~\$1M Grant)** – Foundations and battery container are installed. OPALCO crews completed switchgear and transformer installations. Once contractor energizes the HVAC system, batteries and inverter will be delivered to the site. Current schedule anticipates commissioning to commence in June dependent on COVID-19 effects.
- **Microgrid – WA DOC CEF3 Grid Modernization (Grant \$ Amount TBD)** – WA DOC has awarded the grant funds and staff is negotiating with WA DOC on the contract.

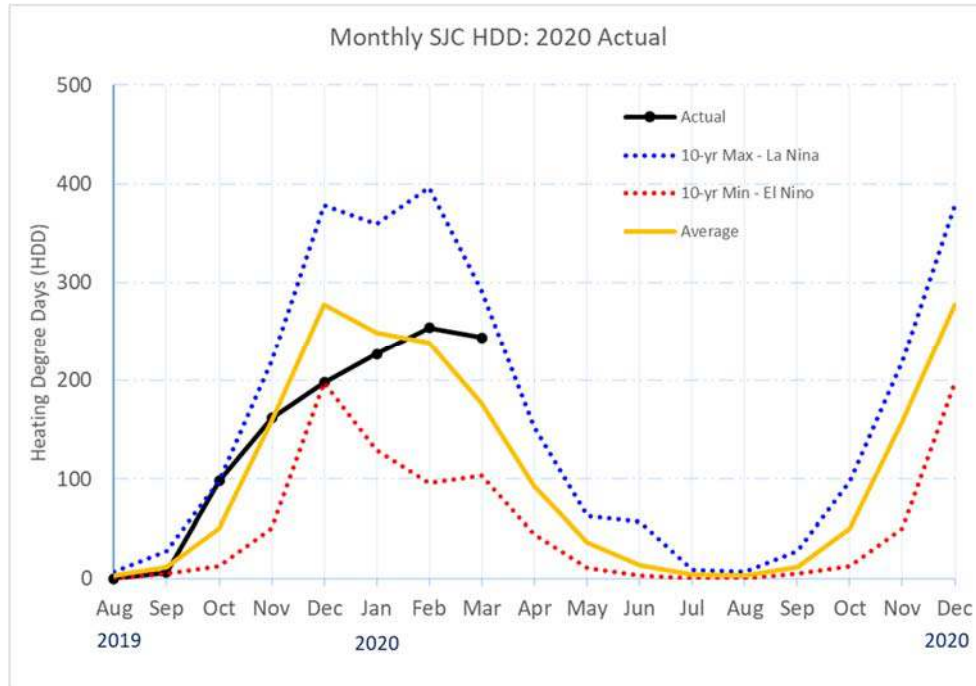
#### **FINANCE**

##### **2020 Budget Tracking**

Energy (kWh) purchases, sales were slightly higher than budgeted in Q1 2020. Note, staff will incorporate with budget tracking snapshot once 2020 budget spreads are finalized. Also note, NOAA is indicating a transition to an El Niño as 2020 marches on.

## Heating Degree Days (HDD)

Last winter's HDD's were very volatile as compared to historical averages as October was the coldest it has been in the last 20 years, while December was the warmest in the last 17 years. For 2020, January & February HDD settled just around the 10-year average while March came in much colder than its' historical average.

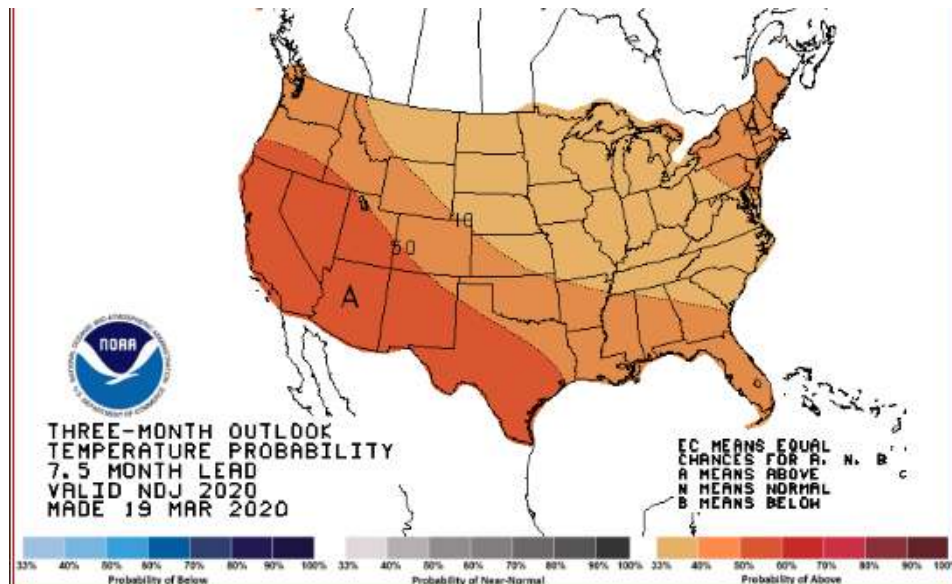


\*10-year max, min, avg is 2009-2019

## Weather Forecast

Looking ahead to the NOAA '3-month outlook temperature probability' for Nov-Dec-Jan 2020-2021 shows a probability of 'above average' temperatures in our region. We continue to monitor these predictors on a monthly basis.

### 2020-2021 Nov-Dec-Jan Outlook



Source: NOAA National Weather Service

## **Moss Adams Audit**

Moss Adams conducted the remote fieldwork portion of the consolidated year-end 2019 audit during the week of March 30<sup>th</sup>-April 3<sup>rd</sup>. They are in the process of finalizing their review and will present the results of the audit at the May 15<sup>th</sup> regular meeting. Note the audit is on a consolidated basis (OPALCO and Island Network LLC dba Rock Island Communications).

## **2019 RUS Form 7**

The 2019 RUS Form 7: Financial and Operating Report Electrical Distribution was filed at the end of March and now appears on the OPALCO website.

## **Grants**

- **Clean Energy Fund III** - The WA Department of Commerce (DOC) approved our Letter of Intent (LOI) for the Electrification of Transportation (ETS) grant project "School District E-School Bus Infrastructure Support" in the amount of \$50,000. The full application deadline of May 5<sup>th</sup> has been extended to June 1<sup>st</sup>.
- **Bonneville Environmental Foundation (BEF)** – The BEF has a Zero Emissions Vehicles (ZEV) Innovation Fund grant opportunity open with LOI's due by April 17<sup>th</sup>. OPALCO plans on submitting up to three LOI proposals for ~\$50K each in the funding categories of: 'Infrastructure', 'Community Engagement', and 'Other'. Each of these grant opportunities will catalyze the development of projects & access to ZEV's in the County.

Not including the three BEF grant LOI's to be submitted above, OPALCO is currently managing seven grants at various stages of completion/reporting for a total of \$4,806,993 in grant funding.

## **Small Business Administration (SBA) Paycheck Protection Program (PPP)**

As part of the early stimulus package, the SBA established the PPP which provides coverage for payroll & mortgage interest costs. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

There's a question of whether electric cooperatives, 501(c)12 organizations, are eligible for this program. Staff applied for the loan. If OPALCO is successful in securing a PPP loan, we may still have to return the funds if "forgiveness" is not allowed. NRECA is working with SBA to clarify whether 501(c)12 organizations are eligible.

Please note that Rock Island is eligible for the PPP, has executed loan documents, and is awaiting loan funds.

## **Monthly ECA**

The calculated amount for the March ECA was a bill credit of (\$.007086) per kWh which returned \$164,401, or \$7.09 per 1,000 kWh, 2020 YTD the ECA has returned \$490k to members. The April billing period ECA will be a bill credit of (\$.005053) per kWh.

## **MEMBER SERVICES**

### **Energy Assistance**

During March 2020, 398 members received \$~14.4k from the Energy Assist program, compared to 347 members receiving \$~12.0k in March 2019. There were 41 members awarded \$8,700 in assistance through the PAL program by the local Family and Community Resource Centers. In March 2019 the volunteer PAL Council awarded \$9,672 to 33 members. Applications for both programs are being accepted through the end of April.

### **Switch it Up!**

There are now 105 projects complete and billing for a total of \$900k outstanding. There are another 46 projects in various stages of the process.

### **Energy Savings**

In March 2020 there were 25 rebates paid to members totaling ~\$17.7k. This includes 9 self-funded fuel switching DHP and EV charging station rebates totaling ~\$8.5k.

### **Community Solar**

During the March 2020 billing cycle the Decatur Community Solar array produced 28,880 kWh kWh, and 5 kWh per solar unit was credited to member participants. A total of ~\$3,378 was distributed to 275 accounts, including an additional ~\$347 for the PAL and Energy Assist programs.

(<https://energysavings.opalco.com/energy-savings/renewable-generation/community-solar/decatour-community-solar-project/>)

## **COMMUNICATIONS**

### **Election Results**

The 2020 election closed at 10:00am on April 15. The official results were received on Friday, April 17<sup>th</sup> as follows:

- Quorum achieved: total of 1,373 votes (12.4% of our membership)
- Incumbents Re-elected. Vince Dauciunas with 1,270 votes, landing a three-year term, Mark Madsen with 1,186 votes to serve a two-year term.

We received several comments from members wondering why OPALCO spent the time and money to have an election when it was uncontested and encouraged us to get more candidates to make the elections more compelling to vote in. We explained to our members that OPALCO is required to hold an election annually regardless of the number of candidates. The Elections & Governance Committee is looking for additional members; cultivation for the 2021 election (Orcas District) could begin now.

### **COVID-19 Relief**

Staff are fielding increased member questions about measures available to help them pay their power bills. A weekly email newsletter is updating members on available measures and key

information as the pandemic situation evolves. See the COVID-19 Relief Measures memo in this board packet for information on specific measures.

Members have been invited to donate to COVID relief measures in outreach since mid-March. With the announcement of any new measures approved by the Board in April, staff will increase outreach to members and encourage the following donation mechanisms:

- Project PAL: round up, make a one-time or recurring monthly donation
- Capital credits: donate your check back to OPALCO for Project PAL
- Solar credits: interconnected member generators and investors in the Decatur Community Solar project can donate their solar credits to our energy assistance programs (as suggested by Jeffrey Struthers).
- OPALCO rebates may also be donated to Project PAL

### **Nourdine Jensen Cooperative Youth Scholarship Program**

Due to COVID-19, the Youth Rally has been cancelled for 2020. We have received seven scholarship applications from local youth and will put the program on hold for now.

### **Lineman Appreciation Month**

April is National Lineman Appreciation Month. OPALCO Linemen were honored at an all-staff Zoom meeting on Friday, April 10<sup>th</sup> and members are being encouraged to send a message of gratitude through OPALCO's "Thank a Lineworker" page: <https://www.opalco.com/thank-a-lineworker/>. The notes have been pouring in.



**Thank a Lineworker this month!**  
**Some quotes from our members:**

*"Thanks so much for keeping on in this difficult time. Especially since you have to stay away from your coworkers and at times it must be hard to do something alone! Y'all are in my thoughts and prayers. Bless your hearts!"*

*-Beth*

*"You bring us warmth, light, hot food and drink. Who else can be so awesome?"*

*-Connie*

*"You linemen are our life-line right now when we are relying solely on information through our electronic devices. We are glued to our computers, TV and other devices. Without electricity, we could access none of it and would be isolated and literally "in the dark".  
THANK YOU!!"*

*-Margot*

*"Not only are you lineworkers on the job twenty-four/seven, you're always so nice! It's reassuring to know that even when we do lose power (happening less and less often), you're out there in all kinds of weather fixing it and restoring power ASAP. Huge thank you!"*

*-Judy*

*"Forget Spiderman, Hulk and the rest of our comic book friends..... these guys are our real SuperHeroes! Huge thank you to all!"*

*-Chuck*

*"Thanks to all of you folks at OPALCO. The co-op has shown itself to be responsible to our Island communities. Repairs in the middle of the night, helping people who are struggling with reduced rates. A+ in humanity and service. Thank you."*

*-Gregg*

**We got more than 48 thank you's in the last week from our members to the linecrew!**

### **Switch it Up!**

Rock Island has begun to promote the new fiber measure as their "RESP Smart Energy Plan." Members interested in adding fiber to their premise can now do so with on-bill financing of up to \$15k over 10 years. All fiber projects go through Rock Island and must include an efficiency measure: any of the Switch it Up! measures, or a smart thermostat. Due to COVID-19 restrictions, installations are delayed, but Rock Island is actively working with members to set up bids and conservation plans. The new measure also raises the total available Switch it Up! maximum per meter to \$36k.

Staff surveyed members who completed a Switch it Up! project in 2019 and results show that member satisfaction for the program is very high (~95%) and there is still good appetite for additional measures. The greatest measures of satisfaction were “improved comfort in my home” (90%) and “energy savings on my bill” (70%). Full survey results are online:

[www.opalco.com/resourcelibrary/#rlfelectionsandgovernancemembersurveys](http://www.opalco.com/resourcelibrary/#rlfelectionsandgovernancemembersurveys)

### **Safety Education**

Staff have distributed safety education activity bags to Family Resource Centers on each island and also teachers who have requested them for remote learning tools. The activity bags are targeted for students in 3-5<sup>th</sup> grade and contain educational materials, coloring pages, workbooks, stickers and games.

### **Construction Update**

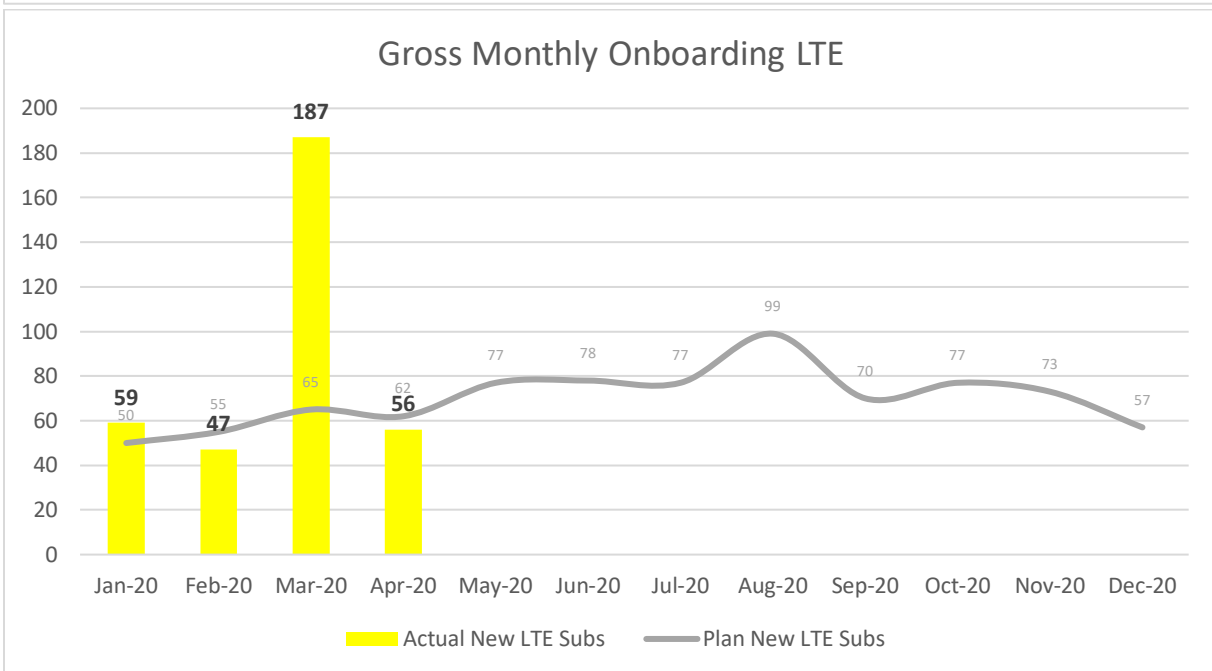
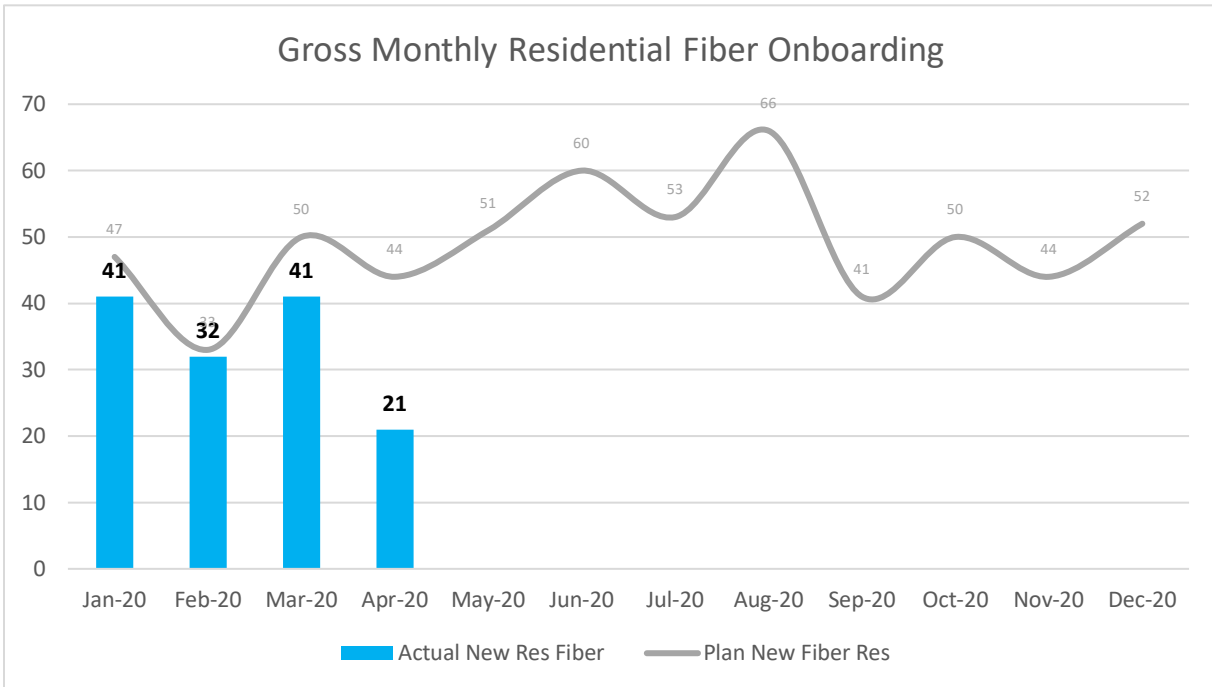
The new bathrooms and septic system are in service and await final inspection.



## RIC Snapshot April 2020 Board Meeting

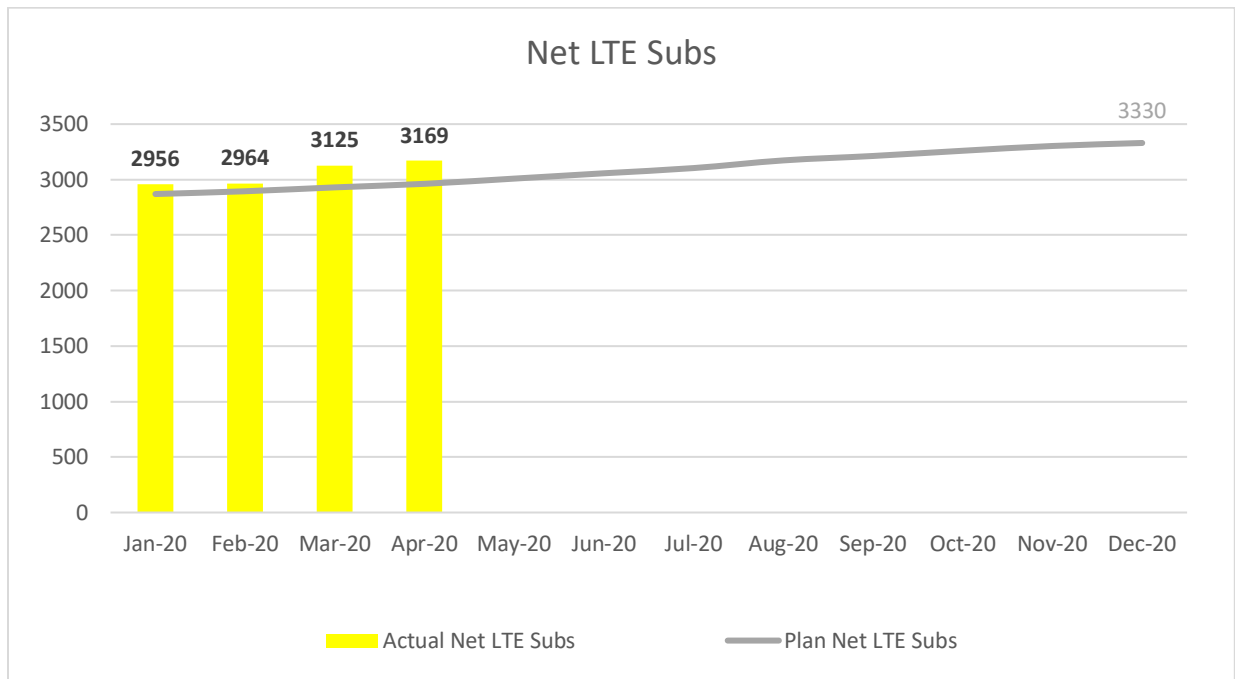
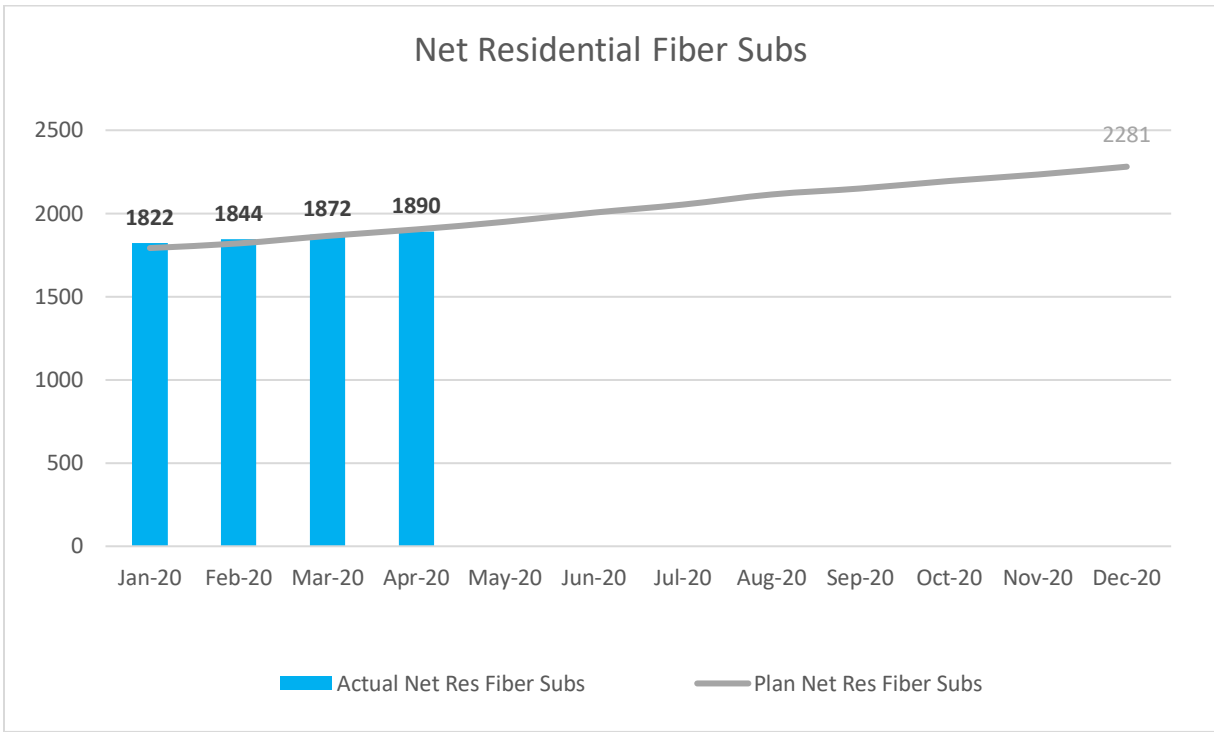
All Figures are as of April 15th, 2020

### Gross Subscriber Onboarding 2020



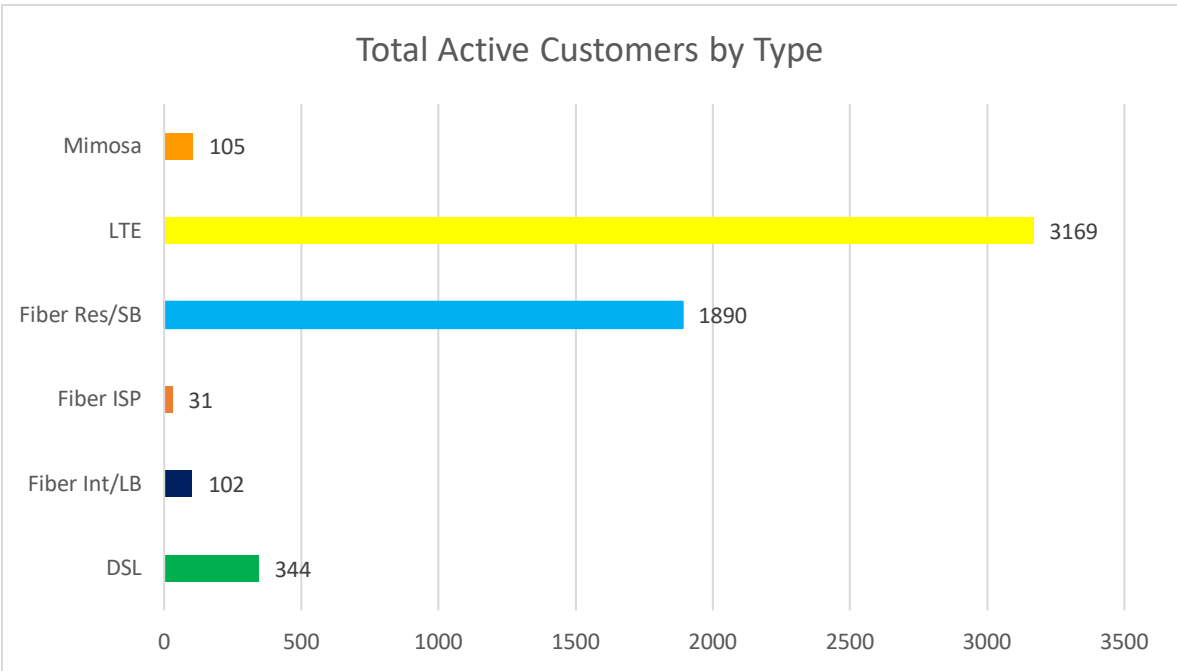
# ROCKISLAND

## Net Subscribers 2020



*\*Please note that a reporting error was corrected for this LTE graph in Jan for a positive gain of 85 subscribers*

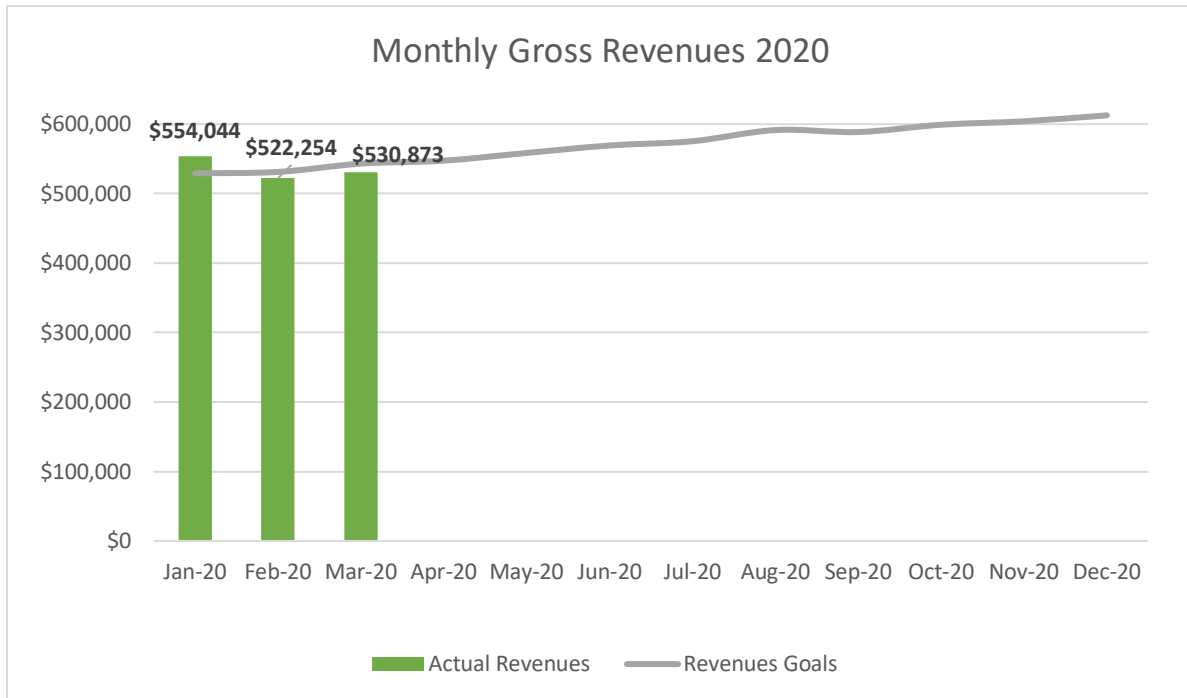
## Active Customers as of April 15th, 2020



Total

**5,641**

## Revenues



❖ March revenues are not closed and are subject to change.

Current YTD:

**\$1,603,804 -Plan**

**\$1,607,171 -Actual**