



BOARD OF DIRECTORS REGULAR MEETING

Thursday, June 18, 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

Sequence of Events

- OPALCO Board meeting
- Executive Session

Orcas Power & Light Cooperative

Board of Directors

Regular Board Meeting

June 18, 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.*

ACTION ITEMS

- Consent Agenda
- COVID-19 Measures Renewal/Update
 - Special Meeting – Extension of EAP Measures
- Resolution 4-2020: Bank Authorization for Non-Profit Entity

DISCUSSION ITEMS

- Request for Donation of Electric Vehicle for Lopez Taxi Service
- OPALCO Policy 13 *Drug and Alcohol Testing* revisions – First Read

REPORTS

- General Manager
- Rock Island Snapshot

APPENDICES

- Member Communications

EXECUTIVE SESSION

Legal, Personnel, Competitive, Other

ADJOURNMENT

MEMORANDUM

June 12, 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 – May 2020

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

1. Bogart, Stephanie
2. Frayne, Alanna
3. Freeman, Olivia & Rosenstock, Todd
4. Galt, Alexis
5. Geffen, Richard & Hornbeck, Dorothy
6. Gietzen, Jennifer & Jeff
7. Hasler, Nancy
8. Iverson, Genevieve
9. Juchli, Bernard & Rosalie
10. Liddle, Doug & Bev
11. Lighthouse Waters Rev Trust
12. Maas, Christian & Chisam, Shay
13. Nye, Jesse & Jessica
14. Raub, Kathleen
15. Savioe, Michelle
16. Schoebel, Florent
17. Schuman, Pearl & Chistensen, Jacob
18. Tucker, Daniel
19. Westside Highlands HOA
20. Zimmerman, Fred

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

21. Bagby, George III & Carla
22. Dorn, Anthony & Jimmy
23. Griot, Richard L

24. Guillozet, Peter

25. Hart, Elizabeth

26. Ives, Sara

27. Jurgensen, Anne & Guelich, Todd

28. Lucas, Lorraine

29. Smallwood, Robert

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

30. Anderson, Claire

31. Beachcombers Artwork

32. Brown, Matt & Komenda, Crystal

33. Griley, Glenn & Nancy

34. Lopez Grind Coffeeshop

35. Palmer, Josh & Shaff-Palmer, Annette

36. Paynter, David G & Tammar Z

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:

June	
<u>Customer #</u>	<u>Amount</u>
17140	927.25
92040	225.36
32710	1,063.32
Total	\$ 2,215.93

- **RUS 219s** *Inventory of Work Orders* of projects completed from the Construction Work Plan totaling \$6,762.40. These forms are submitted to RUS for approval of loan funds.
 - Inventory 202004 - \$6,762.40 for a transclosure replacement project.

Staff requests a motion to approve the Consent Agenda.

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Friday, May 15, 2020

Streaming through Zoom attendees were: President Vince Dauciunas, Board members Rick Christmas, Jerry Whitfield, Brian Silverstein, Mark Madsen, Peter Garlock and Jeff Struthers. 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; and Executive Assistant Kelly Koral (servicing as recording secretary). Also present were Legal Counsel Joel Paisner and consultant Jay Kimball.

Also in attendance was Olga Darlington with Moss Adams.

Facebook Live session commenced at 8:37 a.m.

Suzanne Olson greeted the Facebook Live attendees and invited anyone with questions to please post online.

Facebook Live session ended at 8:56 a.m., entered regular session at 8:57 a.m.

Consent Agenda

- **MOTION** was made to accept the consent agenda, seconded. Passed by voice vote.

2019 Audit

Olga Darlington of Moss Adams presented the public audit review noting that the entire audit was handled remotely. The audit went exceptionally well and was very clean and received an unmodified opinion. The audit included the On-Bill Financing program which was new this past year. No audit adjustments were needed. This speaks highly to the transparency of the information. All staff, including management were responsive and helpful. "All in all, another great audit".

Adjourned regular session and entered executive session at 9:15 a.m.

Return to regular session 9:35 a.m.

- **Motion** to approve and accept the audit report from Moss Adams, seconded and approved by voice vote.

Electric School Bus

Lopez Island School District reached out to us about additional funds for the electric school bus project in an amount not to exceed \$40,000 financed through Switch It Up.

- **Motion** to approve tariff to Lopez School District for the Electric School Bus program no to exceed \$40,000. Seconded and passed by voice vote. Let these minutes reflect this is busses only.

Break 9:43 a.m.

Back at 10:00 a.m.

COVID-19 Update

Relief measures for members were reviewed and discussed. Measures along with the timelines will be reviewed again at the June meeting.

First Quarter Financials

Q1 financials were reviewed and discussed including capital projects.

General Manager's Report

Hildreth reviewed the General Manager's report including the Rock Island Snapshot.

Broke into Executive Session at 10:56 a.m.

Back to regular session at 11:34 a.m.

- **Motion** was made to accelerate planned borrowings in the anticipated amount of \$6.4M and will place those proceeds in restricted funds to take advantage of the lower interest rates to save member funds in the future provided acceptable waivers and other suitable terms can be arranged. Seconded and passed by voice vote.

A camp on a private island has asked for financial and technical assistance on the replacement of their submarine power cable. Estimated cost is \$300,000. General Manager was asked to investigate the issue and report back to the Board at a future meeting. No action taken.

Meeting adjourned 11:49 a.m.

Vince Dauciunas, President

Brian Silverstein, Secretary/Treasurer

05/21/2020 1:26:08 pm

Page: 2

RUS Form 219 Inventory Of Work Orders

Period: APR 2020

System Designation: WA O9

Inventory: 202004

Project	Loan	Year	Work Order		Bdgt (3)	Gross Funds Required		Deductions			Loan Funds Subject To Advance By RUS (9)
			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)	Contrib In Aid Of Constr and Previous Advances (8)	
601		2018 3052		3052	1	6,798.23	0.00	0.00	0.00	0.00	6,762.40
									AFUDC: 35.83		
						6,798.23	0.00	0.00	0.00	0.00	6,762.40
Grand Totals:						\$ 6,798.23	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6,762.40

05/21/2020 1:26:08 pm

Page: 4

RUS Form 219 Inventory Of Work Orders

Period: APR 2020

System Designation: WA O9

Inventory : 202004

Budget			Amount
Loan	Project		
1	601		6,762.40
Total:			6,762.40

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

June 12, 2020

TO: Board of Directors
FROM: Foster Hildreth, General Manager
RE: COVID-19 Update

Our current assistance payouts are within the Board approved relief fund. We will be ratifying the Special Meeting at the June Board meeting (under separate cover) on extending COVID-19 relief funds through August 31st for EAP and EAP-C. We will continue to waive fees and not disconnect members for non-pay through August 31st. The PAL extension will end on June 30th.

Staff continues to monitor how COVID-19 is affecting OPALCO and Rock Island's business and how members are responding to the relief measures. Watching the different data points will enable to the Board to make sound decisions for the next 60-day period as we continue to move through this pandemic and understand the different ways the co-op needs to operate to meet the needs of the membership while remaining a viable business.

OPALCO COVID-19 Update

Member Donations to COVID-19 Relief Efforts

Staff continue to communicate with members regarding the COVID-19 relief measures, including a request for donations. Member donations to our low-income programs have shown an uptick since the pandemic began and there was a great initial response from community solar participants: to date 19 members have donated 194 community solar units (~23% of all Decatur Community Solar) to our COVID relief measures. Staff continues to encourage members to donate to our PAL program.

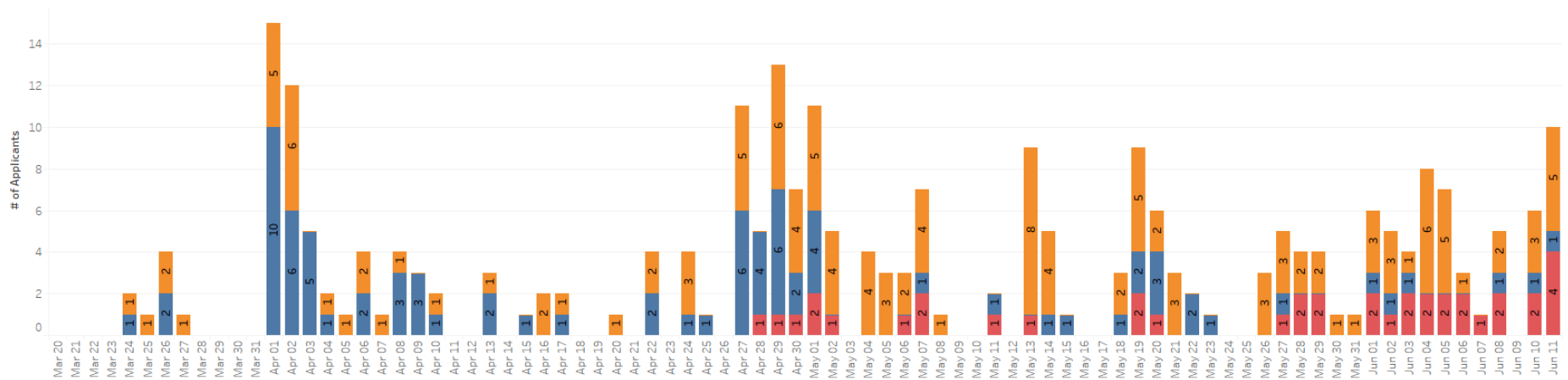
Member Assistance Measures *03/20/2020 through 06/11/2020

Measure	Description	Benefit	# of Accounts	Cost to Date (\$)	Comment
Waive Fees	No member action required – automatic.	Varies	4,238	\$40,456.34 (Estimated)	Considered lost revenue. Typically, these fees range ~\$135k to ~\$145k per year. Average is \$95.66.
No Disconnection for Non-payment	No member action required – automatic.	Varies	674	\$75,189.43 (Estimated)	Considered lost revenue. Typically, our reconnect fees range ~\$15k to ~\$20k per year.
Payment Plans	Every account in arrears is essentially on a payment plan.	Varies	56	\$32,906.16	Payment Arrangements in the system. Expected to receive a majority of these funds.
Extend Project PAL Benefits	COVID PAL grants through June 30 th .	\$100	110	\$11,000.00	Apply at your Family Resource Center or online: www.opalco.com .
Energy Assist (EAP) COVID-qualified	Members qualify by checking COVID box. Assistance ranges from \$31.41 to \$61.41 (depending on household size) through June 30 th .	Varies, 2 mos.	67	\$2,533.65	The existing program participants were 153 for \$5,765.73 in addition to these numbers. All EAP participants are also eligible for a \$25 bill credit on their Rock Island bill (show Rock Island your OPALCO bill credit). Board approved amount OPALCO \$50K and RIC \$15K.
EAP-C Commercial Assistance	Monthly bill credit equal to service access charge for up to two billing periods through June 30 th .	\$67.57 per mo.	104	\$11,013.91	Requires a payment plan if account has unpaid balances. All EAP participants are also eligible for a \$25 bill credit on their Rock Island bill (show Rock Island your OPALCO bill credit). Board approved amount \$100K.
Switch it Up payment deferrals	Participants in the Switch it Up program can defer their on-bill finance payments for up to six months.	Varies	1	\$962.71	Payment deferral only. Note, current deferral is for one large commercial account.
Community Solar donations	Decatur Community Solar Project participants may donate their production credits to benefit the EAP.	Varies	19	\$169.18 (donated credits)	Solar production will pick up in the summer months. Anticipating ~\$1,200 for the year.
Total			5,266	\$174,231.38	Accounts in multiple programs will be double counted.

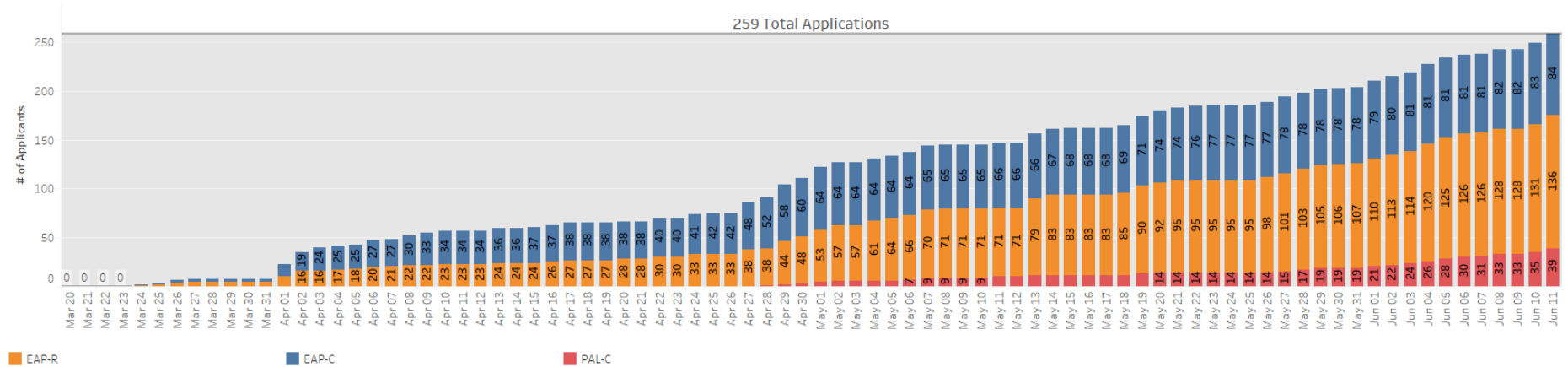
Relief measure applications from March 20th through June 11th:

- 84 applications for EAP-C (COVID-19)
- 136 applications for EAP Residential (COVID-19 related)
- 39 PAL COVID-19
- 259 total COVID-19 related applications received

COVID-19 Assistance Applications Daily



COVID-19 Assistance Applications Cumulative

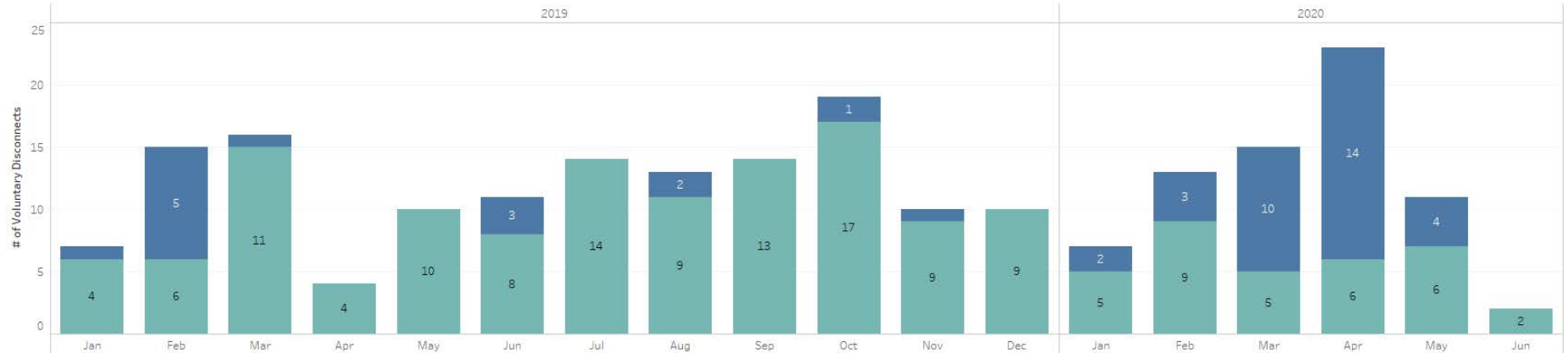


Voluntary Disconnects:

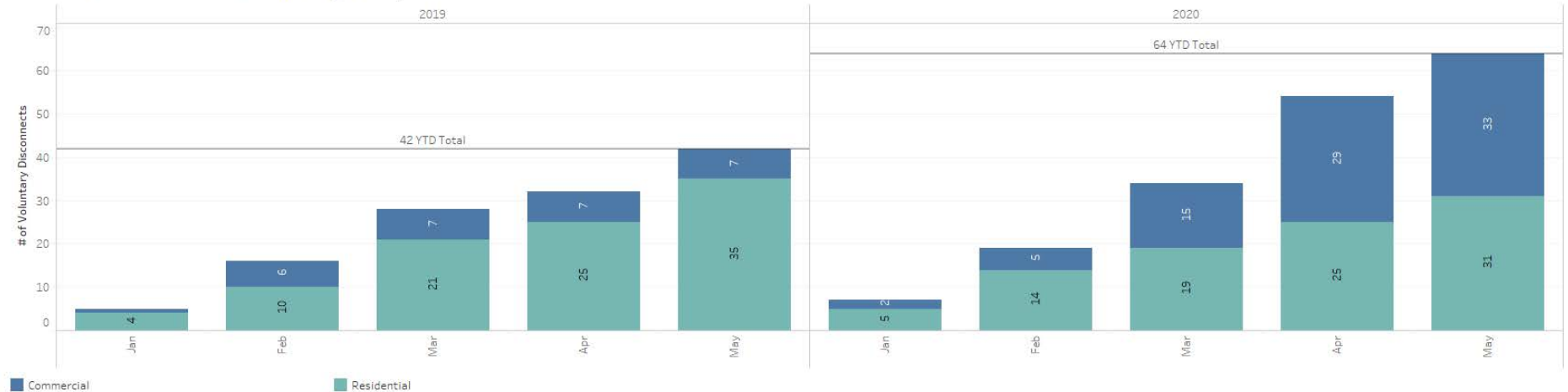
April 1st though June 11th:

- 18 commercial accounts
- 14 residential accounts

Voluntary Disconnects (Meters)



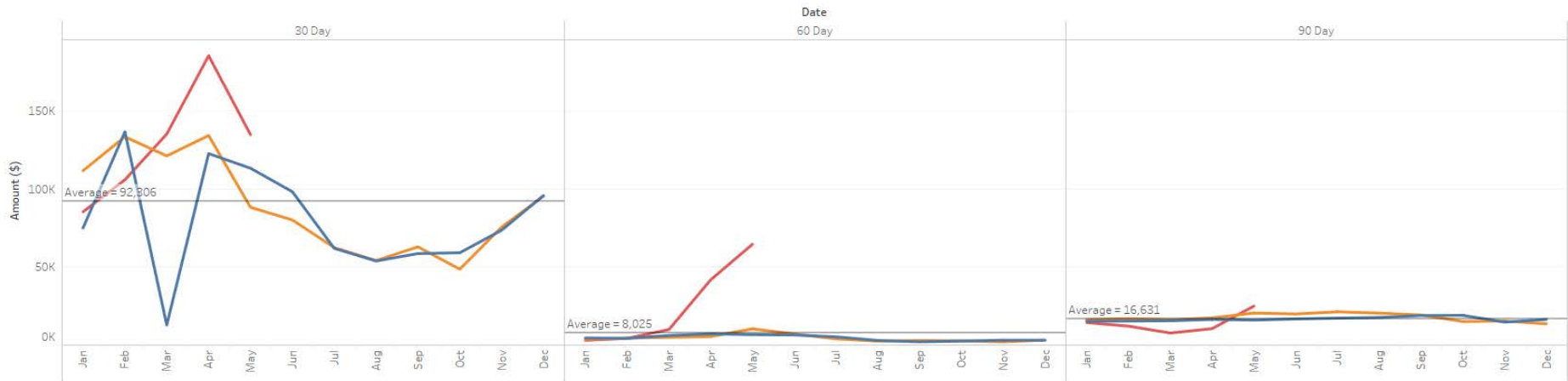
Voluntary Disconnects Cumulative (Meters)



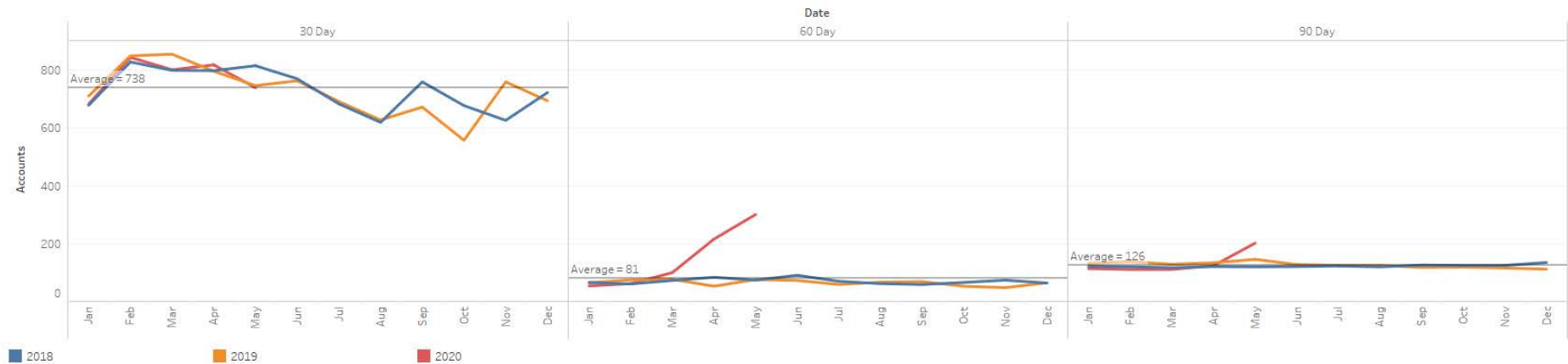
Accounts Receivable (A/R) (Next change after June 30th billing):

- 30-day A/R is trending slightly higher at \$135K (740 accounts) - the three-year average in A/R for the month of May \$112K (768 accounts). It should be noted the number of accounts usually trends downward for the month of April and this month it is trending upward.
- 60-day A/R is notably higher at \$65K (301 accounts) - the three-year average is 8K (75 accounts) for month of May
- 90-day A/R notably higher at \$25K (202 accounts) - the three-year average is 16K (125 accounts) for month of May
- We are seeing an uptick on the 60-day accounts receivable but still too early to tell how much this is truly impacting the co-op finances. Staff is tracking closely but does not have any conclusions or recommendations at this time.

Long Term AR (\$)



Long Term AR (Count)



Usage (Average hourly usage for each Month)

March:

- Commercial curve changes in final weeks as Stay Home, Stay Healthy Order enacted.
- Residential increased compared to prior years with slightly colder temperatures

April:

- Commercial decreased by 12%
- Residential increased by a little more than 1%

May:

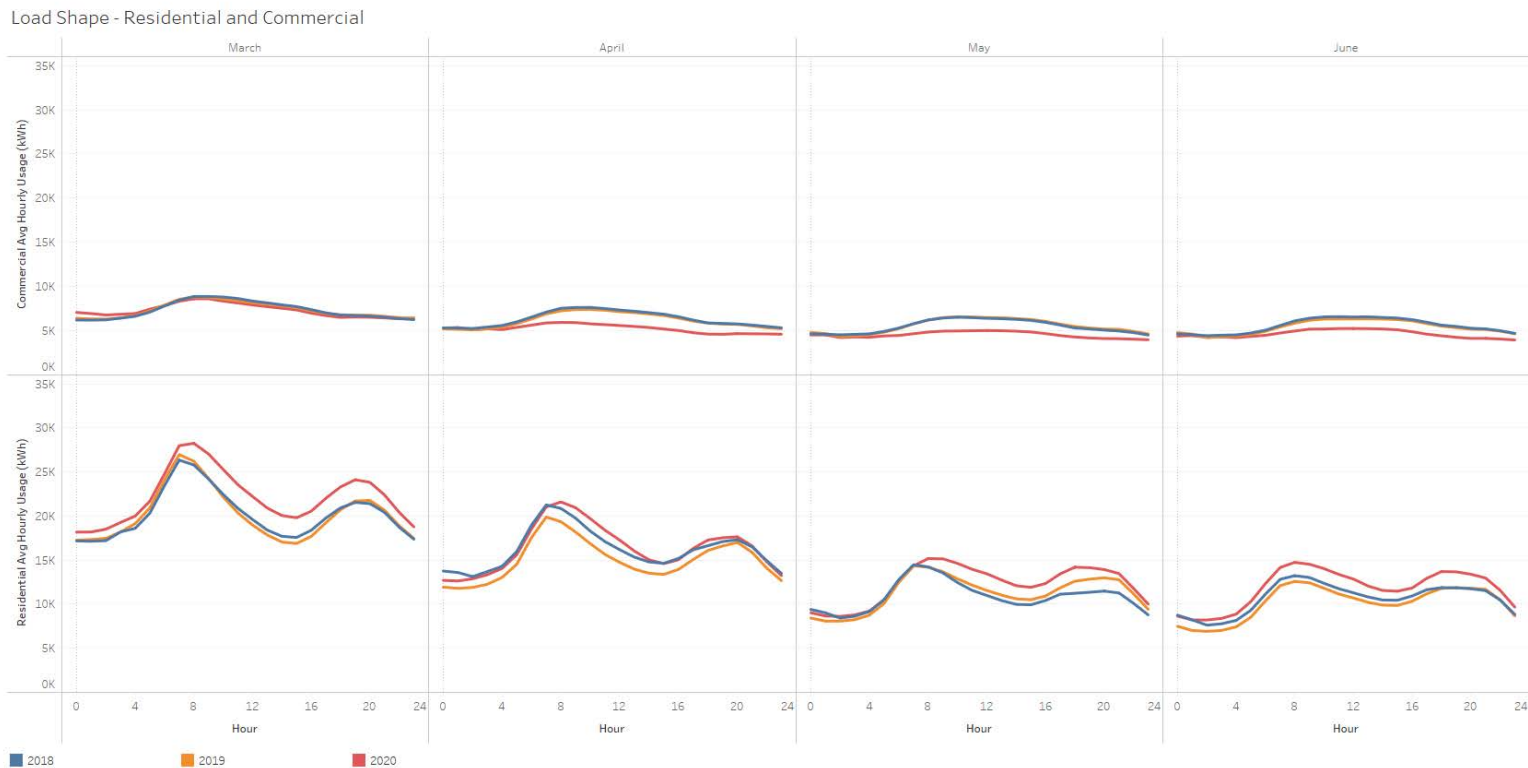
- Commercial continued at a 12% decline
- Residential continued at a 1% increase

June:

- Commercial continues to have significant decrease
- Residential increased and will approach the normal average as end of month nears and warms

General:

- We are seeing decreased usage in commercial and small increased usage in residential. The difference of overall kWh usage is within the normal margin of error.



Next steps

Staff will continue to track closely the above data points as well as several more we are developing as the pandemic continues to show any impacts on the cooperative. We need to be patient as we continue to monitor this data to ensure we are making the best decisions for the co-op throughout this year of pandemic and, likely, going forward into 2021.

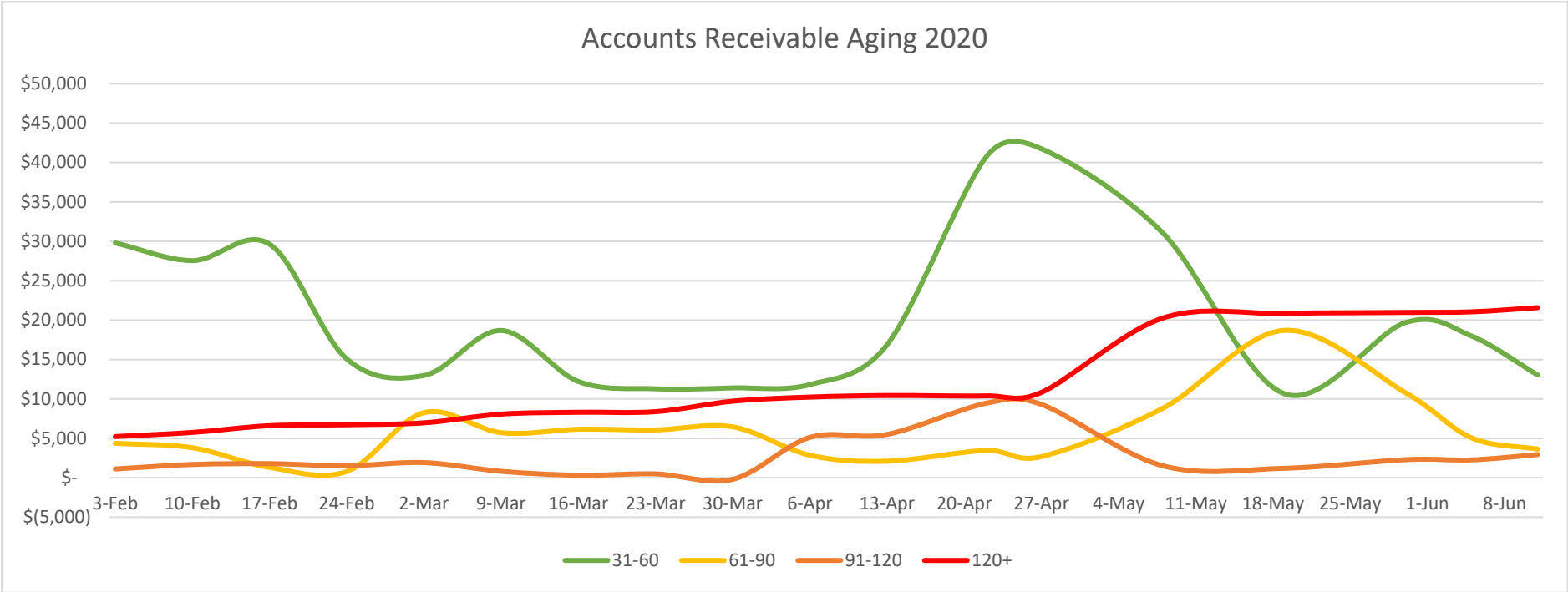
Rock Island COVID-19 Update

General

Rock Island continues to maintain a steady impact due to COVID-19. With demand at an all-time high for residential service, we continue to shore up the network by proceeding with the Phase 2 LTE upgrades. We continue to roll out new spectrum including 600MHz to assist with the demand. May is the most impacted month to date for in home installations. Given business closures in our community, we are still experiencing lower revenue than planned. We will monitor the trend closely for onboarding as things begin to cautiously open back up.

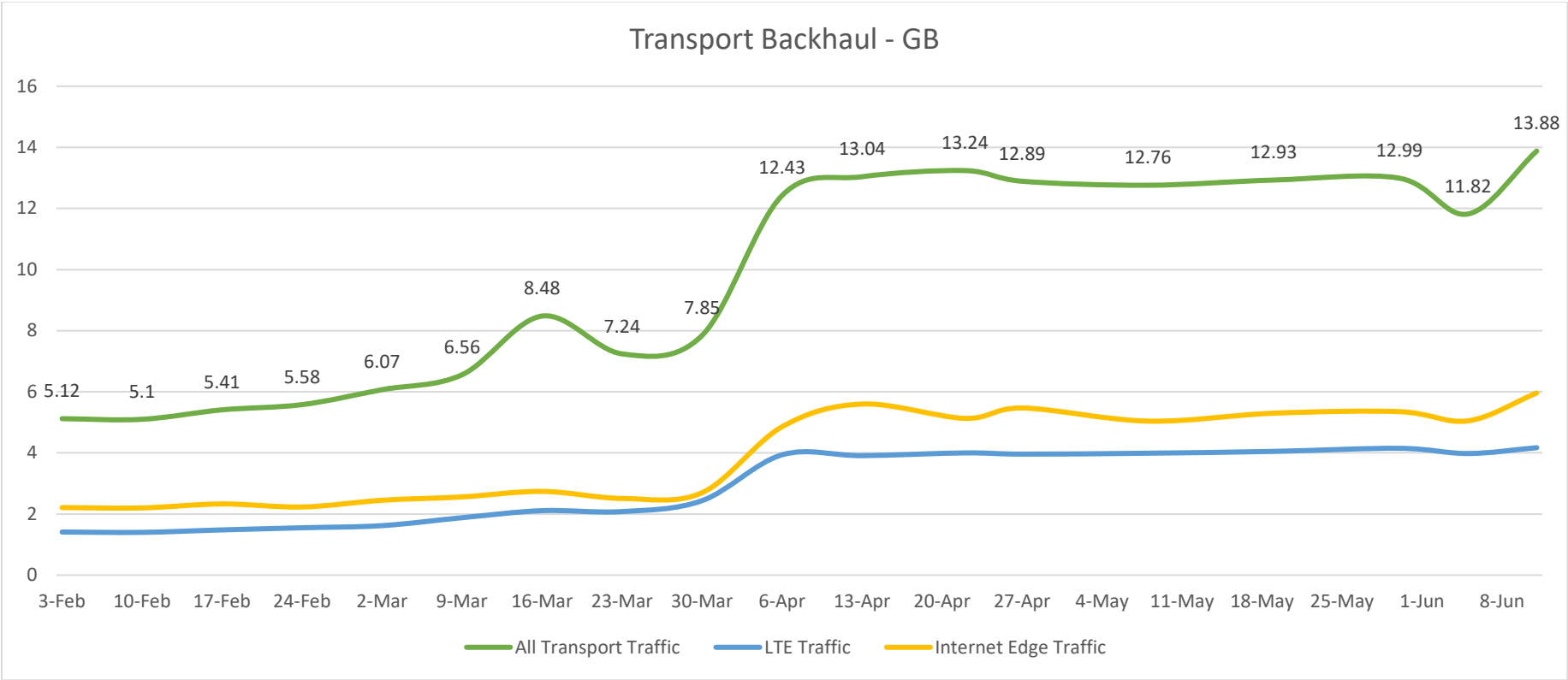
30-60-90 Accounts Receivable Trends

We continue to see a consistent trend in the receivables for accounting. Long term debt (120 days +) is maintained by the same primary accounts as the previous report. The large influencers in this category are large business accounts who were in a project deployment when COVID hit. This has caused delays in payments for non-recurring work for systems the business support team stood up.



Transport Network

This last week marked a small percentage of growth in overall transport primarily in the fiber related connections. Rock Island still maintains a healthy headroom of transport capacity.



MEMORANDUM

DATE: June 12, 2020

FROM: Foster Hildreth

TO: OPALCO Board of Directors

RE: Special Meeting of the Board – June 5, 2020

Due to the COVID-19 pandemic, OPALCO initially created assistance programs for its members for a two month period (two billing credits), expiring on June 30, 2020, as staff closely monitored the need and available funding. The need for continuing support for these programs is evident and, for this reason, staff sent the attached email (June 5, 2020) 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 to extend the Energy Assistance Programs (EAP & EAP-C) by an additional two billing credits (through August 2020).

Please note, staff is not requesting an increase in funds previously approved by Board, only an extension of duration by 60 days.

All seven members responded via email:

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

Item 2. Approved to extend the assistance programs through August 2020, utilizing the funds currently available.
Passed by unanimous decision.

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

SPECIAL MEETING via EMAIL to Board June 5, 2020

Dear Board,

In April, the Board approved an assistance package to support residential and commercial members during the economic collapse resulting from the COVID-19 pandemic in the amounts of \$50,000 for EAP and \$100,000 for EAP-C. Staff is continuing to receive applications from members seeking assistance, though the overall number of applications is lower than anticipated. Staff intention is to continue with member assistance until the Board approved EAP amounts. At this point staff recommends extending the EAP and EAP-C funds through August 31st.

The table below shows overall program participation:

Program	Number of unique participants (as of May 31st)	Number of credits (cumulative)	Award Value (cumulative March through May)	May 31st Remaining Funds Available	Board Approved EAP COVID-19 Relief Funds
Energy Assist (COVID-qualified)	33	52	\$2,017.32	\$47,982.68	\$50,000
EAP-C (commercial qualified)	45	86	\$8,986.81	\$91,023.26	\$100,000

While many COVID restrictions are beginning to lift, our membership is now facing a new round of challenges as they get back to work – in many cases at a reduced capacity – and their federal COVID relief benefits come to an end. For example, the Federal Pandemic Unemployment Compensation program (an extra \$600/week) ends on July 25th and general Pandemic Emergency Unemployment Compensation / Pandemic Unemployment Assistance benefits will end for those who return to work – even at less than full time or capacity. We anticipate another peak of member demand as individuals and businesses adjust to this new normal (however long it lasts before recovery or another quarantine period). Also, many businesses who plan their revenue spread for the peak summer season will now feel the pinch as their capacities (lodging, restaurants, bars) are constrained and their summer revenues fail to hit budgeted targets. We will also continue to waive fees and not disconnect members for non-pay through August 31st. In short: it's not over.

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 June 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 to extend the assistance programs for through August 2020, utilizing the remaining funds available.

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

MEMORANDUM

June 15, 2020

TO: Board of Directors

FROM: Foster Hildreth

RE: Resolution 4-2020: *Bank Authorization for Non-Profit Entity*

As part of the incorporation and establishment process for the new OPALCO and RIC charitable 501c3 entity, staff is requesting the that Board approve Resolution 4-2020: *Bank Authorization for Non-Profit Entity* to provide permission to the General Manager to open a new bank account and determine the signatories for the account in the legal name of the new charitable entity, "Orcas Power & Light + Rock Island Assistance Program."

The new entity's name may evolve to a more public facing "doing business as" title to help promote the marketing of the charitable programs. For now, the legal name will suffice as a clear descriptor.

Legal Counsel will be in attendance at the June meeting to guide the process.

ORCAS POWER & LIGHT COOPERATIVE

A Touchstone Energy Co-op



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BOARD OF DIRECTORS RESOLUTION 4-2020 BANK AUTHORIZATION FOR NON-PROFIT ENTITY

WHEREAS, the Board of Directors for Orcas Power and Light Cooperative (hereinafter called the "Cooperative"); met on June 18, 2020; at a duly and regularly called meeting and held in accordance with the articles and bylaws of the Cooperative; and

WHEREAS, the Board of Directors discussed and authorized the formation of a non-profit corporation to assist its members, and also customers of its wholly-owned subsidiary Island Network LLC d/b/a Rock Island Communication through a variety of programs including, but not limited to grants, bill support, and other community assistance programs; and

WHEREAS, in order to complete the formation of the non-profit entity, the Board of Directors of the Cooperative hereby names J. Foster Hildreth, the executive director of the non-profit corporation and to serve as the executive director until removed by the Board of Directors.

RESOLVED, J. Foster Hildreth, General Manager of the Cooperative, is hereby authorized to open one or more savings and/or checking accounts on behalf of the non-profit corporation to be formed by the Cooperative with such banks or savings institutions as the General Manager shall determine;

RESOLVED FURTHER, that the General Manager is hereby authorized to take all steps necessary to form the non-profit corporation including executing all necessary documents, forms and agreements.

RESOLVED FURTHER that the General Manager is hereby authorized to act on behalf of the non-profit corporation and this Resolution 4-2020 shall remain in full force and effect until revoked by written notification to the bank by the Cooperative.

Secretary



MEMORANDUM

June 12, 2020

TO: Board of Directors

FROM: Foster Hildreth, General Manager

RE: Request for Donation of Electric Vehicle for Lopez Taxi Service

OPALCO has been approached by Curt Van Hying, who runs the non-profit free electric taxi service on San Juan and who is hoping to expand the service Lopez to assist low-income and vulnerable community members. Mr. Van Hying has asked OPALCO to donate an electric vehicle that will be used for this purpose (see attached).

Currently, OPALCO has two new EV's within our fleet (one 6-month-old EV and one 18-month-old EV). These vehicles are not scheduled for retirement or replacement anytime soon. As these vehicles approach retirement, OPALCO can revisit this conversation.

OPALCO is committed to supporting EVs through incentives for EV chargers including Switch It Up! and rebates. We look forward to working with Mr. Van Hying as we build out EV charging infrastructure in the islands.

While Mr. Van Hying's request is for a good program and in line with our commitment to electrification of transportation, we do not have funding in the 2020 budget available to go beyond the EV program benefits already provided. This request would require the Board to allocate additional funding.

From: Curt Van Hying >
Date: May 22, 2020 at 10:58:56 AM PDT
To: Brian Silverstein >
Cc: Barbara Schultheiss <

Subject: Re: E-Introduction Electric Taxi Service for Lopez

Brian,

It would be great if OPALCO could support affordable shuttle service on the islands by donating a used electric vehicle as a method of promoting its own branding and zero-emission objectives. As the only county in the state without publicly funded transportation our non-profit model has been the only option for the neediest of our neighbors. Small token rider donations are augmented by local grants, direct-mail campaigns, service clubs and payments by health providers and grocery stores. Now we need to raise funding for stipends for Lopez drivers as well as the vehicle and charging station.

Who at OPALCO could make a gift to the Lopez community and will you help us each out to them?

Sincerely,
Curt Van Hying

Lopez Island Transport Service Vulnerable Population Workgroup

Mission/Vision

Rename and expand the affordable/free San Juan Islands Shuttle System dba/*RoundTowner* to Lopez Island to provide daily transportation to low-income seniors, disabled and rural residents who do not drive. Recent surveys indicate as many as 100 Lopez households may have no vehicle or choose not to drive. A \$3 fare will be posted, but everyone who calls is served without regard to payment.

Brief History

RoundTowner regularly serves about 125 clients on SJI with up to 40 trips daily before the pandemic and less than 10 trips per day since the “stay home” edict. Over 25,000 rides have been provided during our seven-year operation by volunteer drivers and Board Members. The service is well established and trusted by civic groups, businesses, government and, most importantly, the riding public.

How the Service Works

SJISS has a website and email but each ride request is called or texted to a cellphone carried by the driver of the day. We self-direct and dispatch in the most efficient manner to meet each caller’s schedule or appointment time. The driver logs each trip with rider’s name, origin, destination, time and collected donation, if any. That data is later entered in a database so we can track and report the demographics and finances of the program.

Community Need Being Met

Up to 100 low-income individuals on Lopez Island do not have a vehicle or do not drive and must now stay home or rely on neighbors, friends or family to do shopping, get to medical appointments or fill prescriptions. Middle-aged kids of seniors on San Juan say before the shuttle service their elderly parents stayed home alone rather than ask for assistance. The *donation or free* shuttle will meet those daily needs with a green, electric vehicle reducing environmental impact for everyone.

Statistics on Services Provided

The shuttle averaged 14.25 trips per day for a total of 5,335 in 2019 on SJI. We started slowly in 2013 with a 501©3, a donated Honda, a talented veteran driver and three-person retired social worker Board. Until this year’s pandemic, ride volume has risen every year to surpass the 25,000 mark in total. 2019 was our most successful fund-raising year to date.

Annual Budget

Lopez 2020

Revenues	Amount
Grants	10,000
Fees-businesses	2,500
Donations- farebox	2,500
Other-direct mail	5,000
Total Revenues	20,000

Expenses	Amount
Personnel	12,000
Auto Insurance	1,500
Liability Insurance	300
Vehicle Maintenance	500
Cellphone	1,200
Total Expenses	15,500

Start-Up Costs Needed

As a viable non-profit, Lopez Island start-up costs are limited to a used electric vehicle (\$15,000) and either volunteer drivers or driver wages or stipends. SJISS is prepared to pay one year of cellphone, vehicle and officer/director insurance and maintenance. About \$500 will be needed for posters, business cards and social media publicity.

How Ongoing Operations are Supported

The Executive Director receives a monthly stipend to maintain rider statistics and financial statements presented to quarterly Board meetings. He will also provide personal training to new-recruits to maintain their safety and that of passengers. Each potential driver will be screened for criminal history. Ridership and farebox collections are reported daily.

Curt VanHying, Board Chair
San Juan Islands Shuttle System
cvanhyning@gmail.com
360.317.8399
www.sjiss.org

May 26, 2020

MEMORANDUM

June 15, 2020

TO: Board of Directors

FROM: Foster Hildreth

RE: OPALCO Policy 13 *Drug and Alcohol Testing* revisions – First Read

OPALCO Policy 13 *Drug and Alcohol Testing* is an OPALCO policy established to meet the U.S. Department of Transportation drug and alcohol use and testing regulations that govern employees who are required to maintain a commercial motor vehicle driver license.

Based on a recent attorney review of OPALCO Policy 13 *Drug and Alcohol Testing*, minor revisions to the OPALCO policy were suggested to be consistent with the Employee Handbook.

The proposed changes are highlighted and relate to further clarification of a “controlled substance” in light of Washington State’s legalization of marijuana (which is currently illegal at the Federal level) and to also reduce the permissible level of alcohol in an employee’s system from 0.02 (which is the Federal standard) to 0.00.

Please note that since this is an OPALCO policy change, which requires two readings before becoming effective, no further action from the Board is required at this time.

ORCAS POWER AND LIGHT COOPERATIVE
OPALCO POLICY 13
DRUG AND ALCOHOL TESTING

13.1 GOALS AND OBJECTIVES

To meet the requirements of U.S. Department of Transportation drug and alcohol use and testing regulations.

13.2 INTRODUCTION AND OVERVIEW

13.2.1 The U.S. Department of Transportation ("DOT") has issued regulations (DOT Regulations) that govern the use of drugs and alcohol by commercial motor vehicle drivers, and that also require ORCAS POWER AND LIGHT COOPERATIVE "Cooperative) to conduct mandatory drug and alcohol testing of drivers at the times and under the conditions described in these policies and procedures ("Policy").

13.2.2 It is the Cooperative's intention to comply fully with DOT Regulations governing drug and alcohol use and testing, and the requirements of such DOT Regulations have been incorporated into this Policy. In the event DOT Regulations are amended, this Policy and the applicable term(s), condition(s) and/or requirement(s) of this Policy shall be deemed to have been amended automatically at that time, without the need for redrafting, in order to reflect and be consistent with DOT Regulations. In such case, the Cooperative reserves the right to apply the amended requirements immediately, and without giving prior notice to drivers and/or applicants, unless such notice is required by DOT or another applicable law. It is also the Cooperative's intention to comply with any applicable state requirements governing drug and/or alcohol testing that are not preempted by DOT regulations.

13.2.3 Under the Cooperative Policy, drug and alcohol testing will be conducted on any current and/or prospective driver who may be required to operate a commercial motor vehicle, as defined below.

13.2.4 All applicants for positions with the Cooperative as a driver will be notified of the Cooperative's drug and alcohol use and testing policy at the time they apply for a driver position with the Cooperative.

13.3 DEFINITIONS OF TERMS USED IN THIS POLICY

13.3.1 For the purposes of the Policy, the term "commercial motor vehicle" means a motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle:

13.3.1.1 Has a gross combination weight rating of 26,001 or more pounds;

13.3.1.2 Has a gross vehicle weight rating of 26,001 or more pounds;

13.3.1.3 Is designed to transport 16 or more passengers, including driver;

- 13.3.1.4 is of any size and is used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act and which require the motor vehicle to be placarded under DOT Hazardous Materials Regulations (49 FR part 172, subpart F).
- 13.3.2 For the purposes of this Policy, the term "driver" means any person who operates a commercial motor vehicle.
- 13.3.3 For purposes of pre-employment/pre-duty testing only, the term driver includes a person applying to the Cooperative to drive a commercial motor vehicle.
- 13.3.4 For purposes of this Policy, "safety-sensitive function" means any of the following:
 - 13.3.4.1 Driving a commercial motor vehicle;
 - 13.3.4.2 All time spent waiting to be dispatched, at a carrier's or shipper's terminal, plant, facility or other property, unless the driver has been relieved from duty;
 - 13.3.4.3 Inspecting, servicing or conditioning a commercial motor vehicle or related equipment;
 - 13.3.4.4 Being in or on a commercial motor vehicle (except resting in the sleeper berth);
 - 13.3.4.5 Loading or unloading a commercial motor vehicle, including supervising or assisting in loading or unloading; attending a commercial motor vehicle being loaded or unloaded, remaining in readiness to operate the vehicle or giving or receiving receipts for a shipment being loaded or unloaded; and
 - 13.3.4.6 Repairing, obtaining assistance for, or attending a disabled commercial motor vehicle.
- 13.3.5 A driver is considered to be performing a safety-sensitive function during any period in which he or she is actually performing, ready to perform or immediately available to perform any safety-sensitive function.
- 13.3.6 For purposes of this Policy, "refusing to be tested" means any of the following:
 - 13.3.6.1 Failing to provide an adequate urine specimen for a drug test without a valid medical explanation;
 - 13.3.6.2 Failing to provide adequate breath for an alcohol test without a valid medical explanation;
 - 13.3.6.3 Failing to submit to a test as directed; or
 - 13.3.6.4 Engaging in any conduct which clearly obstructs the testing process.

13.3.7 For purposes of this Policy, an alcohol test will be considered "positive" when the alcohol concentration level registers **greater than 0.00** ~~0.02 or greater.~~

13.3.8 For purposes of this policy, a "controlled substance" includes any use of marijuana or any of its derivatives (oils, tinctures, etc.) and is considered to be the prohibited use of illegal drugs by OPALCO. Prescriptions for marijuana or any of its derivatives (oils, tinctures, etc.) is not recognized by OPALCO due to its prohibition under federal law.

13.4 PROHIBITED DRUG AND ALCOHOL USE AND ACTIVITIES

The goals of the Cooperative Policy and the testing of drivers is to ensure a drug and alcohol-free transportation and work environment, and to reduce and help eliminate drug and alcohol related accidents, injuries, fatalities, and damage to property.

13.4.1 Prohibitions under the DOT Regulations. The conduct specified in Section 13.4 is prohibited by DOT Regulations.

13.4.1.1 No driver shall report for duty or remain on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of ~~0.02 or~~ **greater than 0.00.**

13.4.1.2 No driver shall be on duty or operate a commercial motor vehicle while the driver possesses alcohol, unless the alcohol is manifested and transported as part of the shipment.

13.4.1.3 No driver shall use alcohol while performing safety-sensitive functions.

13.4.1.4 No driver shall perform safety-sensitive functions within four hours after using alcohol.

13.4.1.5 No driver required to take a post-accident alcohol test shall use alcohol for eight hours following the accident, or until he or she undergoes a post-accident alcohol test, whichever occurs first.

13.4.1.6 No driver shall refuse to submit to any post-accident, random, reasonable suspicion or follow-up test for alcohol or controlled substances required by DOT Regulations.

13.4.1.7 No driver shall report for duty or remain on duty requiring the performance of safety-sensitive functions when the driver uses any controlled substance, except when the use is pursuant to the instructions of a physician who has advised the driver that the substance does not adversely affect the driver's ability to safely operate a commercial motor vehicle.

13.4.1.8 No driver shall report for duty, remain on duty or perform a safety-sensitive function, if the driver tests positive for controlled substances.

13.4.1.9 No driver shall return to duty requiring performance of a safety-sensitive function after engaging in conduct specified as prohibited

under this section III until the driver has undergone either a return-to-duty alcohol test with a result indicating an alcohol concentration of ~~less than 0.02~~ 0.00 (if the prohibited conduct involved alcohol) or a return-to-duty controlled substances test with a result indicating a verified negative result for controlled substances use (if the prohibited conduct involved controlled substances).

13.4.2 Consequences of Prohibited Conduct:

13.4.2.1 Any driver found to have violated any of the prohibitions listed in Section 13.4 shall be removed immediately from safety-sensitive functions.

13.4.2.2 No driver who is found to have an alcohol concentration of ~~0.02 or greater~~ ~~than 0.00~~ but less than 0.04 shall perform or continue to perform safety-sensitive functions, until the start of the driver's next regularly scheduled duty period, but no less than twenty-four (24) hours following administration of the test.

13.4.2.3 No driver who has engaged in conduct prohibited under Section 13.4 shall perform safety-sensitive functions unless the following requirements are satisfied:

13.4.2.3.1 The Cooperative has advised the driver of the resources available to the driver in evaluation and resolving problems associated with the misuse of alcohol and the use of controlled substances, including the names, addresses and telephone numbers of substance abuse professionals and counseling and treatment programs;

13.4.2.3.2 The driver shall have been evaluated by a substance abuse professional who shall determine what assistance, if any, the driver needs in resolving problems associated with alcohol misuse and controlled substances use;

13.4.2.3.3 The driver has undergone a return-to-duty alcohol test with a result indicating an alcohol concentration of ~~less than 0.02~~ 0.00 if the conduct involved alcohol, or a controlled substances test with a verified negative result if the conduct involved a controlled substance; and

13.4.2.3.4 If the driver is identified as needing assistance in resolving problems associated with alcohol misuse or controlled substances use, the driver shall be evaluated by a substance abuse professional to determine that the driver has properly followed any rehabilitation program prescribed in 13.4.2, and the driver shall also be subject to unannounced follow-up

alcohol and controlled substances tests administered by the Cooperative following the driver's return to duty, in accordance with section 13.4.2.3.3.

- 13.4.2.4 Requirements with respect to referral, evaluation and rehabilitation do not apply to applicants who refuse to submit to a pre-employment alcohol or controlled substances test or who have a pre-employment alcohol test with a result indicating an alcohol concentration of **greater than 0.00** ~~0.02 or greater~~ or a controlled substances test with a verified positive test result.
- 13.4.2.5 Employees whose job requires the performance of any safety sensitive function but have been disqualified under D.O.T. regulations from performing safety sensitive duties, will be given one year in which to regain their qualification.
- 13.4.2.6 Situations where requalification has not been achieved within a one year period will be considered on a case by case basis by the manager. Every effort will be made to try to accommodate employees and to maintain their employment. However, the Cooperative reserves the right concerning employees without the qualifications to perform any safety sensitive function and who are working in positions where this qualification is required to the following options:
 - 13.4.2.6.1 Accommodate the employee by restricting them from driving vehicles requiring a CDL for a period not to exceed ninety (90) days.
 - 13.4.2.6.2 Place the employee on leave without pay status until CDL is reacquired (not to exceed six months).
 - 13.4.2.6.3 Terminate the employee if they are unable to acquire the license in the allotted period of time.

13.5 TESTS REQUIRED

The Cooperative is required by DOT Regulations to conduct tests under the following conditions or times:

- 13.5.1 Before a driver-applicant is hired, and before an existing employee performs safety-sensitive functions ("pre-employment/pre-duty" testing);
- 13.5.2 For reasonable suspicion;
- 13.5.3 Following certain accidents ("post-accident" testing); and
- 13.5.4 On a random basis.
- 13.5.5 In addition, DOT Regulations require the Cooperative to conduct a "return-to-duty" test on any driver who engages in any activity prohibited by Section 13.4, as one condition of being able to return to work.

13.5.6 DOT Regulations also require that the Cooperative conduct unannounced tests on a driver who is determined to have a drug or alcohol-related problem as one condition of the driver continuing to work for the Cooperative ("follow-up" testing). The Cooperative procedures and requirements for each test are discussed below.

13.5.7 Pre-Employment/Pre-Duty Testing

This test is required before any driver-applicant will be hired. This test is also required before any existing employee in a non-driver position will be assigned, transferred or otherwise permitted to operate a commercial motor vehicle on behalf of the Cooperative for the first time. For purposes of the Cooperative policy concerning pre-employment/pre-duty testing procedures, requirements and discipline, applicants and existing employees who are applying for a driver position are collectively referred to in section IV as "applicants"

13.5.7.1 Prior to taking a pre-employment/pre-duty drug test, the applicant will be given forms notifying the applicant to report for a drug and an alcohol test, which include instructions and an explanation of the collection procedures for each test. The applicant will also be asked to execute a general consent and release to be tested for drugs, and a general consent and release to be tested for alcohol.

13.5.7.2 All offers by the Cooperative to hire an applicant for, or to assign or transfer an applicant to, a driver position are conditioned upon the applicant: (i) executing the Cooperative's general consent and release to be tested for drugs and alcohol forms; (ii) taking a drug and alcohol test as directed by the Cooperative and passing both tests; (iii) executing the Cooperative's authorization to obtain past drug and alcohol test results form (which authorizes the Cooperative to obtain all of the applicant's past drug and alcohol test results, including any refusals to test, from each company for whom the driver either worked, or took or refused to take a pre-employment/pre-duty test during the previous two years and the results of those tests including any refusals); (iv) passing the DOT-required physical exam required for driver positions; and (v) complying with any other conditions or requirements of the Cooperative.

13.5.7.3 Any applicant who refuses or fails to execute the Cooperative general consent and release to be drug and alcohol tested forms, who refuses or fails to execute the Cooperative authorization form to obtain past drug and alcohol test results, who refuses or fails to submit to a pre-employment/pre-duty drug and alcohol test as directed, or whose result is positive for either test, will not be considered eligible to work for the Cooperative. Existing employees who test positive will not be considered qualified for the position for which they are applying.

13.5.7.4 A new applicant will only be notified of the results of his/her tests

if they present a written request to the Cooperative for their results within sixty (60) days of being notified by the Cooperative of its hiring decision. Existing employees will be notified only in the event of a positive test.

13.5.7.5 Post-Accident Drug Testing

A driver who is performing a safety-sensitive function must submit to a post-accident drug and a post-accident alcohol test as soon as possible after the occurrence of any accident that meets the description contained in either 13.5.7.5.1 or 13.5.7.5.2 of this section. For purposes of the policy, an accident that meets the description contained in either 13.5.7.5.1 or 13.5.7.5.2 of this section is referred to as a "DOT accident."

13.5.7.5.1 A driver must always submit to a post-accident test as soon as possible after an accident that involves the death of a human being.

13.5.7.5.2 A driver must submit to a post-accident test as soon as possible after any accident in which the driver receives a citation for a moving violation involving the accident.

It is possible that a driver will be directed to submit to a drug and/or alcohol test at the accident scene by a federal, state, or local law enforcement officer. Whenever a test is conducted by a law enforcement officer, the driver is required to contact the driver's general foreman or another Cooperative official immediately to report this and to provide the Cooperative with the name of the law enforcement officer who conducted the test.

Whenever a driver is involved in a DOT accident and is not tested for drugs and alcohol by a law enforcement official, the driver is required to immediately report the accident to his or her general foreman or other Cooperative official and remain available for immediate drug and alcohol testing.

Nothing in this Policy shall require the driver to delay medical treatment when necessary.

A driver who is required to take a post-accident drug and/or alcohol test will, at the Cooperative's discretion, either be assigned to a non-safety-sensitive function, or placed on non-disciplinary suspension with pay, while awaiting the post-accident test results.

13.5.7.6 Random Testing

The Cooperative is required to test drivers on a random basis, and all such tests will be unannounced ahead of time.

Under the Cooperative random selection process, every driver will have an equal chance of being selected each and every time the

selection is conducted. Appropriate safeguards are also present to ensure that the identity of individual drivers cannot be determined prior to or at the time of their selection.

Whenever a driver is randomly selected to be tested, he or she will be notified of this in writing and instructed to report to the collection site immediately.

A driver who tests positive or who refuses to submit to a test is medically unqualified to drive and/or perform any other safety-sensitive function.

In addition to the penalties imposed by DOT, a driver who refuses to submit to a random test, who fails to report for the test as directed, or who tests positive, will be subject to disciplinary action, up to and including termination.

13.5.7.7 Reasonable Suspicion Testing

Each driver is required to submit to a drug and/or alcohol test whenever the Cooperative has reasonable suspicion to believe that the driver has used drugs and/or alcohol in violation of DOT Regulations and/or this Policy.

Reasonable suspicion will exist when a driver's appearance, behavior, speech or body odors indicate drug or alcohol use, or the chronic and withdrawal effects of drugs. Such observations must be personally observed and documented by at least one Cooperative official who has received training covering the physical, behavioral, speech, and performance indicators of probable drug and alcohol use.

Whenever a driver is notified that there is reasonable suspicion to be tested, the driver will be escorted to the test site immediately to be tested.

The Cooperative will also attempt to contact the driver's spouse, another member of the family, or another person designated by the driver, in order to make arrangements for transporting the driver to his or her home after the test is completed. In the event that the Cooperative is unable to contact the driver's spouse, family member or another designated person, the Cooperative will make arrangements for transporting the driver home by cab or other suitable means.

13.5.7.8 Return-to-Duty Testing

Before a driver returns to duty requiring the performance of a safety-sensitive function after engaging in any prohibited conduct concerning alcohol, the driver shall undergo a return-to-duty alcohol test with a result indicating an alcohol concentration of less than 0.02 **0.00**.

Before a driver returns to duty requiring the performance of a safety-sensitive function after engaging in any prohibited conduct concerning controlled substances, the driver shall undergo a return-to-duty controlled substances test with a result indicating a verified negative result for controlled substances use, and may also be required to execute a "last chance" agreement and/or be evaluated by a substance abuse professional and submit to any follow-up testing that the substance abuse professional determines is required.

13.5.7.9 Follow-Up Testing

A driver who violates any prohibition concerning alcohol or controlled substances and who is determined to have a drug or alcohol-related problem by a substance abuse professional, such driver shall be required to submit to unannounced follow-up testing.

At a minimum, the driver will be required to submit to at least six (6) tests during the first twelve (12) months following the driver's return to duty. All such tests will be conducted at random and without prior notice being given to the driver.

13.6 TESTING METHODOLOGY AND INTEGRITY

13.6.1 To ensure the integrity and accuracy of each test, all specimen collection, analysis, and laboratory procedures shall be conducted in accordance with DOT's procedural protocols and safeguards set forth in Part 40 of Title 49 of the Federal Code of Regulations. This includes, among other things:

- 13.6.1.1 Procedures to ensure correct identity of each driver at the time of testing;
- 13.6.1.2 A strict chain-of-custody procedure to ensure that the driver's specimen is not tampered with by the Cooperative;
- 13.6.1.3 The use of a trained breath alcohol technician and DOT-approved testing devices for conducting alcohol tests;
- 13.6.1.4 The use of a laboratory which has been certified by the National Institute for Drug Abuse;
- 13.6.1.5 The confirmation of an initial positive drug screen by a second analysis using gas chromatography/ mass spectrometry;
- 13.6.1.6 The confirmation of an initial positive alcohol screen by a second analysis; and
- 13.6.1.7 The Cooperative's appointment of a qualified Medical Review Officer ("MRO") to review drug test results before they are reported to the Cooperative's designated representative.

To further facilitate the integrity and accuracy of each test, the Cooperative

will provide drivers with written and/or oral instructions regarding the conduct of the specific test before each testing event, and all such instructions are part of this Policy.

13.6.2 For All Drug Tests

All drug tests conducted under this Policy require that the driver must provide a specimen of his or her urine.

Urine specimens will be analyzed for the presence of the following drugs: marijuana, cocaine, opiates, amphetamines and phencyclidine. In the event that DOT expands the list of drugs for which testing is or may be required, the Cooperative reserves the right to begin testing immediately for those drugs without prior notice to drivers or applicants, unless notice is required by DOT or another applicable law.

In general, drivers will be permitted to give a urine specimen in privacy and without being observed by collection site personnel. However, a driver forfeits this right whenever there is reason to believe that he or she may alter or substitute a specimen.

All drug tests will be administered using the split sample methodology required by DOT. Under this methodology, the driver must provide at least forty-five (45) milliliters in a specimen container. The specimen will then be divided into two specimen bottles by the collector. Thirty (30) milliliters will be poured into one bottle and fifteen (15) milliliters into a second bottle. Both bottles will be sent to the laboratory. The bottle containing thirty (30) milliliters will be analyzed as the driver's primary specimen. The second bottle will be held by the laboratory, to be sent to another lab at the driver's request in the event that the primary specimen is verified as positive. In the event the primary specimen is verified as positive, the driver will be notified either by the Cooperative MRO or by the Cooperative of the positive test and given the option to have the second bottle sent to a different laboratory for analysis. To exercise this option, the driver must advise the Cooperative MRO within seventy-two (72) hours of being told that the primary specimen was positive.

Except for the use of methadone, marijuana and any of its derivatives (oils, tinctures, etc.) and medications containing alcohol, nothing in this Policy prohibits a driver's use of a medication legally prescribed by a licensed physician (i) who is familiar with the driver's medical history and specific safety-sensitive duties, and (ii) who has advised the driver that the prescribed medication will not adversely affect the driver's ability to operate a motor vehicle safely. Medications prescribed for someone other than the driver, however, will not be considered lawfully used when taken by the driver under any circumstances.

Before being tested for drugs, drivers will be given an opportunity to list, on their copy of the chain-of-custody form, any prescription and non-prescription medications being lawfully used by that driver at that time. A "positive" drug test may be declared "negative" by the Cooperative MRO if the driver can prove with clear and convincing evidence that the drug which was used was

prescribed by a licensed physician who is familiar with the driver's medical history and specific duties. The determination of this will be made by the Cooperative's MRO.

13.6.3 For All Alcohol Tests

Except for an initial test, all alcohol tests conducted under this Policy require that the driver must provide a breath specimen for any confirmatory test conducted by, or on behalf of, the Cooperative. In the case of an initial alcohol test, the Cooperative may test the driver using DOT-approved method. In the case of an alcohol test conducted by a federal, state, or local law enforcement officer following an accident, the driver must provide either a breath or blood specimen, as directed by the law enforcement officer.

Alcohol tests will be administered by a trained breath alcohol technician or screening test technician using an approved testing device, except in cases of on-scene post-accident testing conducted by federal, state, or local officials.

Before being tested by the Cooperative, each driver will be required to (i) present his or her personal identification, and (ii) execute a DOT Breath Alcohol Test Form provided by the technician. A driver who refuses to provide his or her identification; provides a false identification; refuses to execute the DOT Breath Alcohol Test Form; or who otherwise refuses or fails to cooperate will be treated as though he or she had tested positive.

Prior to each alcohol test conducted by the Cooperative, the technician will instruct the driver on how the test will be performed.

To protect each driver, the technician will open the testing device in the driver's view. In the case of a breath test, the driver will then be directed to blow forcefully into the breath testing device until an adequate amount of breath has been maintained.

In the event that a driver is unable to provide an adequate amount of breath for the initial or confirmatory test after several attempts to do so, the driver will be required to submit to an evaluation by a licensed medical physician to determine whether a valid medical condition exists. If the physician determines that a valid medical condition does exist, the test result will be reported to the Cooperative as "negative." If the physician determines that a valid medical condition does not exist, the test result will be reported to the Cooperative as a "confirmed positive."

13.7 TEST RESULTS

13.7.1 For Drug Tests

In the event that the test result of a driver's primary specimen is positive, the driver will be notified by the Cooperative or its MRO and advised that he or she has seventy-two (72) hours to request that the MRO send his or her secondary specimen to a second, Cooperative approved laboratory for analysis. Pending the outcome of this additional analysis, the driver will be prohibited from performing safety-sensitive functions.

Before a driver's test result will be confirmed positive for drugs, the driver will be given the opportunity to speak with Cooperative's MRO and demonstrate that there was a legitimate medical explanation for the positive test result. If the MRO determines that a lawful medical reason does exist, the test result will be reported to the Cooperative as "negative." If the MRO determines that a lawful medical reason does not exist, the test result will be reported to the Cooperative as a "confirmed positive."

Except concerning pre-employment and pre-duty tests, a driver whose test result is confirmed positive for drugs will be considered unqualified to perform or continue performing his or her functions safely and will be subject to discipline up to and including termination. In addition, a driver whose test result is confirmed positive for drugs will also be subject to civil and criminal penalties imposed by DOT.

13.7.2 For Alcohol Tests

In the event that the driver provides an adequate breath specimen and the initial test registers an alcohol concentration level that is ~~less than 0.02~~ 0.00, the test result will be reported as a "negative" and no additional test will be required at that time.

In the event that the driver provides an adequate breath specimen and the initial test registers an alcohol concentration level of ~~0.02 or greater~~ ~~than~~ 0.00, a second, confirmatory test will be performed. In the event that the driver provides an adequate breath specimen and the confirmatory test registers ~~less than 0.02~~ 0.00, the test result will be reported to the Cooperative as "negative."

13.8 DRUG AND ALCOHOL INFORMATION

The Cooperative is required to provide educational materials for all drivers, explaining the DOT's requirements. In addition to this policy, the Cooperative will provide drivers with information concerning: (i) the effects of drugs and alcohol on an individual's health, work, and personal life; (ii) the signs and symptoms of a drug or alcohol problem; and (iii) the available methods of intervention when a problem does exist.

Each driver is required to certify that he or she has been given a copy of this Policy and other drug and alcohol information by the Cooperative. Applicants are required to execute the certification as a condition of being hired. An applicant who refuses to do so will not be hired. Existing drivers who refuse to execute this required certification will be subject to Cooperative discipline, up to and including termination.

Any existing driver who engages in any conduct prohibited under this Policy will be provided with information concerning the resources available to evaluate and resolve a drug or alcohol problem, and the names, addresses and telephone numbers of substance abuse professional, counseling and treatment programs.

13.9 PAYMENT OF TESTS

The Cooperative shall pay the costs for all tests which the Cooperative is required to conduct on drivers under DOT regulations.

Drivers are responsible for paying the costs for any test or tests conducted which the Cooperative does not require, unless otherwise prohibited by applicable law.

Drivers are responsible for paying the costs of the analysis of any secondary urine specimen which they request under Section 13.6 of this Policy, except as otherwise required by applicable law.

13.10 CONFIDENTIALITY

The results of all individual drug and alcohol tests will be kept in a secure location with controlled access.

All individual test results will be considered confidential. The release of an individual driver's results will only occur in accordance with an individual driver's written authorization, or as is otherwise required by DOT regulations or by applicable law.

<div data-bbox="211 1841 976 1881" data-label="Text"><p>_____ Randy J. Cornelius-Foster Hildreth, General Manager</p></div> <div data-bbox="971 1803 1435 1843" data-label="Text"><p>Effective Date: <u>July 15, 2010</u></p></div>

GENERAL MANAGER'S REPORT

June 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 June 11, 2020, there are 368 work orders open totaling \$5.9M. Decatur Energy Storage System is \$1.63M of the balance. Operations has completed construction on 96 work orders, totaling \$862kM.

Submarine Cables

Staff is working with island owners for replacement of the distribution cables to Fawn, Double, Alegria, Canoe, and Center Islands. Permitting is in process for all crossings with anticipation for installation in 2021.

Safety

John Spain of Northwest Safety Service conducted Underground Work Safety for Operations staff via Zoom. The total current hours worked without a loss time accident: 3,159 hours.

Grid Modernization Projects

- **Decatur Battery Energy Storage System (ESS) – WA DOC CEF2 Grid Modernization (~\$1M Grant)** – Commissioning is in progress and will continue through the week of June 22nd. Pacific Northwest National Laboratory (PNNL) is scheduled to begin testing and analysis in July.



- **Microgrid – WA DOC CEF3 Grid Modernization (Grant \$ Amount TBD)** – WA DOC has awarded the grant funds and staff is in progress with WA DOC on the scope of work for the contract.

FINANCE

2020 Budget Tracking

Energy (kWh) purchases & sales were slightly higher than budgeted through May 2020. As indicated in the weather forecast section below, NOAA is indicating a transition to an El Niño as 2020 marches on.

Income Statement Summary (in thousands)		YTD		
		Budget	Actual	Variance
	Gross Revenue	\$ 15,155	\$ 15,338	\$ 183
	ECA Surcharge / (Credit)**	-	(629)	(629)
	Revenue	15,155	14,709	(446)
Expenses	Cost of Power	4,490	4,529	39
	Revenue (net of Power Cost)	10,665	10,180	(485)
Margin		\$ 1,716	\$ 1,858	\$ 142
TIER		3.06	3.30	0.24
HDD		827	856	29
kWh Purchases		100,064	104,883	4,819
kWh Sales		93,895	100,240	6,345

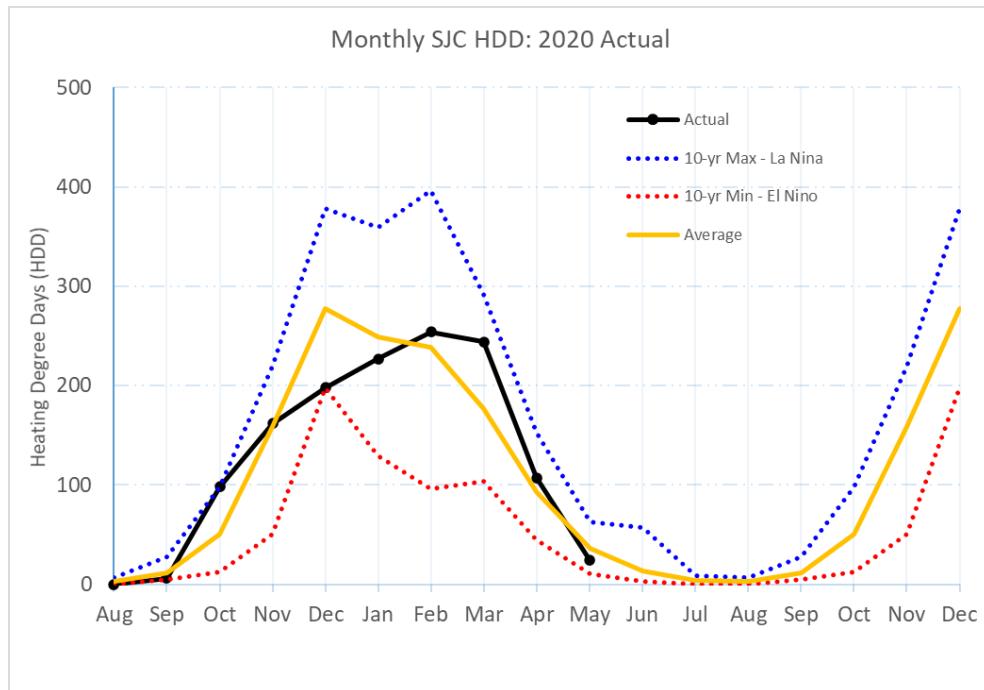
** The ECA returned \$341k to members in the form of bill credits in 2019

Monthly ECA

The calculated amount for the May ECA was a bill credit of (\$.003033) per kWh which returned \$40,347, or \$3.03 per 1,000 kWh. Through May 2020, the ECA has returned \$629k to members. The June billing period ECA will be a bill surcharge of \$.008006 per kWh.

Heating Degree Days (HDD)

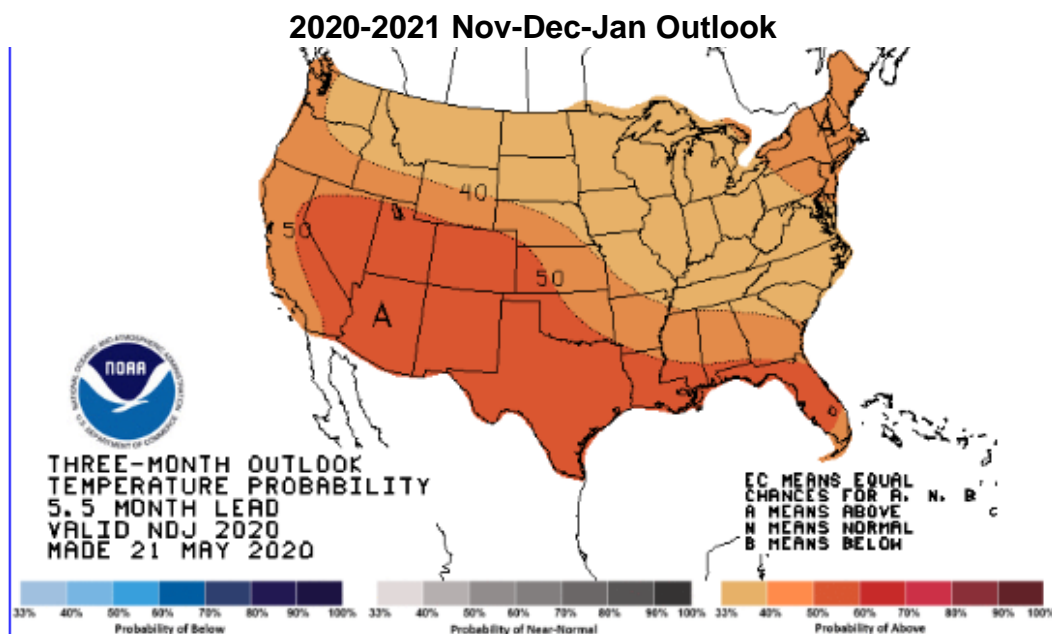
Last winter's HDD's were very volatile as compared to historical averages. For 2020, Q1 HDD settled just around the 10-year average except for March which was much colder than its historical average. Starting out Q2, April & May have settled back around the historic average for these months.



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

Weather Forecast

We budgeted year end 2020 to have above average temperatures for the region, with a Q4 2020 with a temperature probability of above average. The latest NOAA predictions are indicating a probability of lower temperatures in the region.



Source: NOAA National Weather Service

Additional Restricted Fund Borrowings

At the May Board meeting we received Board approval to accelerate planned borrowings in the amount of \$6.4M to take advantage of the lower interest rates to save member funds in the future. As discussed during the May Board meeting, staff secured amended equity loan covenants from CoBank over the next five years. The RUS loan draw interest rate was 1.435%, which is the lowest interest rate for the Cooperative in the current loan portfolio. Staff has invested the board restricted funds with CoBank. Our expectation is future investment interest rates will increase above the stated loan rate.

MEMBER SERVICES

Energy Assistance (COVID EAP Assistance Tracked Separately)

EAP: During May 2020, 256 members received \$~9.6k from the low-income Energy Assist program, compared to 270 members receiving \$~9.4k in May 2019. There was another significant drop in participation after the annual renewal period. Staff continues to work with the Family Resource Centers and member outreach channels to encourage members to reapply. Note that this is separate from the COVID-qualified and EAP-C participants.

PAL: 75 members were awarded \$7.5k in assistance through the PAL program extension for COVID-19 relief by the local Family and Community Resource Centers. There were 76 commercial accounts awarded credits for the EAP-C program totaling \$~8.3k, and 48 residential accounts for the COVID-qualified Energy Assist program totaling \$1.8k.

Switch it Up!

There are now 112 projects complete and billing for a total of \$949k outstanding. There are another 44 projects in various stages of the process. Projects are delayed as residential contractors have been limited by COVID-19.

Energy Savings

In May 2020, there were 12 rebates paid to members totaling ~\$8.4k. This includes three self-funded fuel switching DHP and EV charging station rebates totaling \$2.5k. Rebate and Switch it Up! applications are continuing to be submitted.

Residential Solar

There have been 2 new solar interconnect applications submitted, and 6 members interconnected in May.

Community Solar

During the May 2020 billing cycle, the Decatur Community Solar array produced 66,320 kWh, and 10 kWh per solar unit was credited to member participants. A total of ~\$6,756 was distributed to 257 accounts, including an additional ~\$894 for the PAL and Energy Assist programs.

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

COMMUNICATIONS

Member Outreach

Staff held a tailgate member event at the south Turtleback trailhead to talk with members about our line improvement project there (www.opalco.com/land-bank-and-opalco-collaborate-on-turtleback-powerline-improvements/2020/05/). This was a successful experiment in how to hold member meetings while keeping a safe distance. A few members came by to talk with staff from OPALCO and the Land Bank, we gave away some bottled water and Co-op hats. We will continue looking for opportunities to tailgate at other events – such as planned outages and construction projects.



With operations crew conducting inspections during the pandemic disruption, staff have been working with members where equipment is inaccessible and/or trees and shrubs are encroaching on our system. This has resulted in a higher personal touch with members, which has worked well to resolve issues, answer questions and build trust with the Co-op.

Member Satisfaction Survey

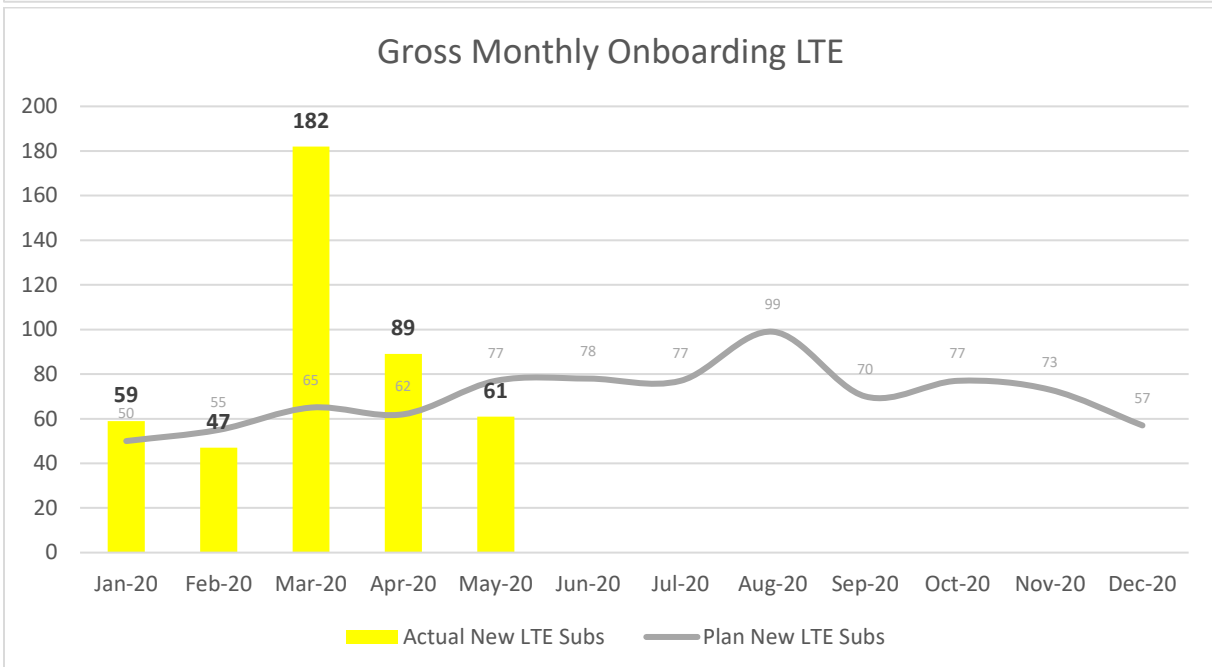
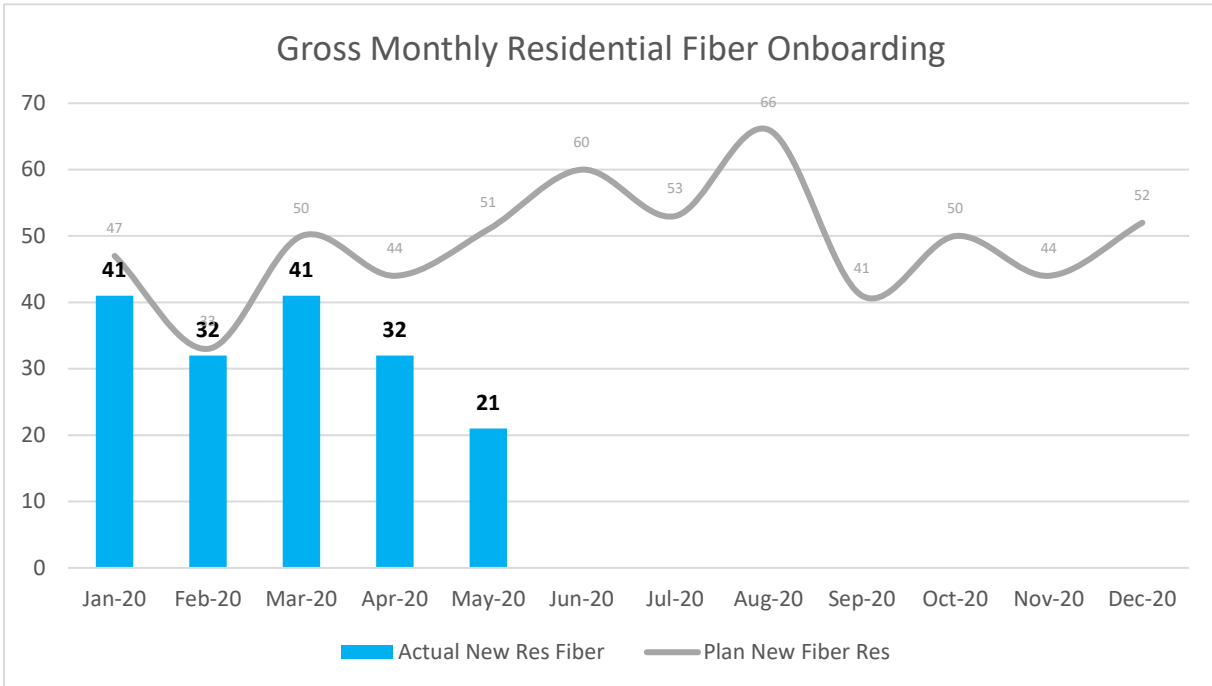
The member satisfaction survey results will be presented in August. Initial findings show overall satisfaction with OPALCO is very good, with a mean rating of 8.88/10. This is somewhat higher than the Co-op Norms mean rating of 8.81. The full report and detail will be available in August and posted in OPALCO's Document Library. Staff made personal follow-up calls to all members who provided narrative comments. Again, the high personal touch brought value in satisfaction and relationship building.

County Fair

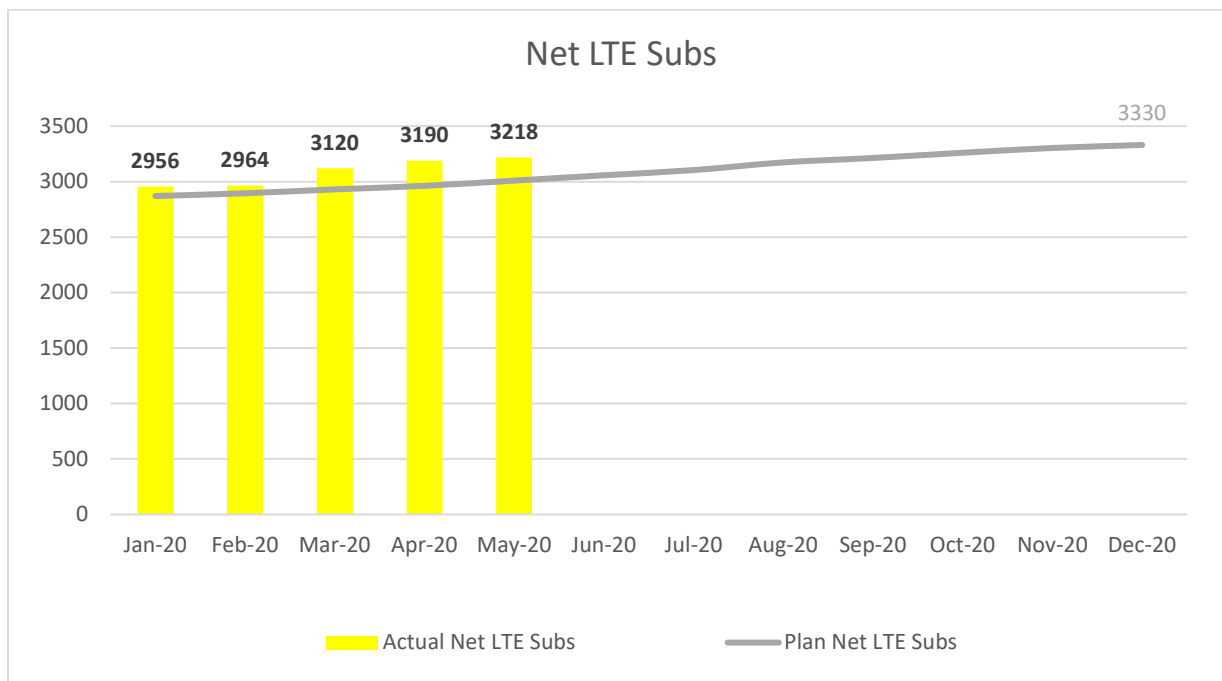
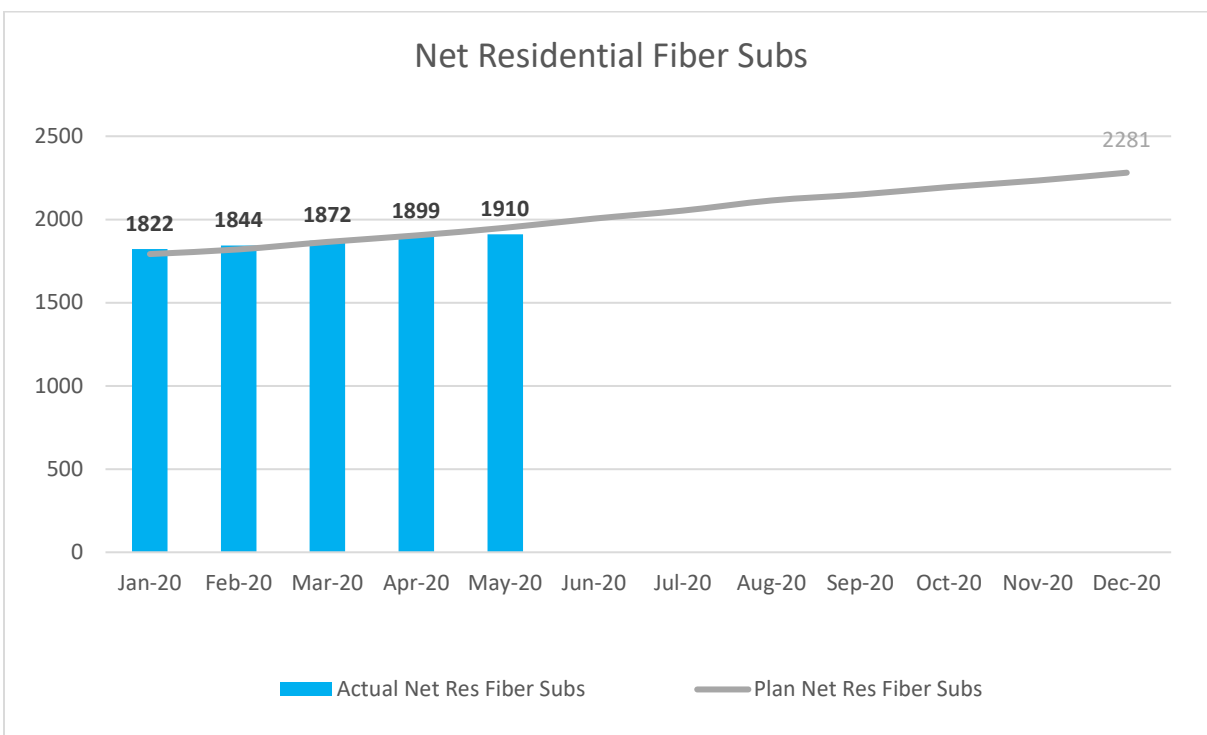
OPALCO will have an online presence at the 2020 San Juan County Fair, which will be a virtual experience this year. Staff are working on a video safety demonstration to post on the Fair website. The cost to participate in the virtual fair is nominal (\$40).

RIC Snapshot June 2020 Board Meeting

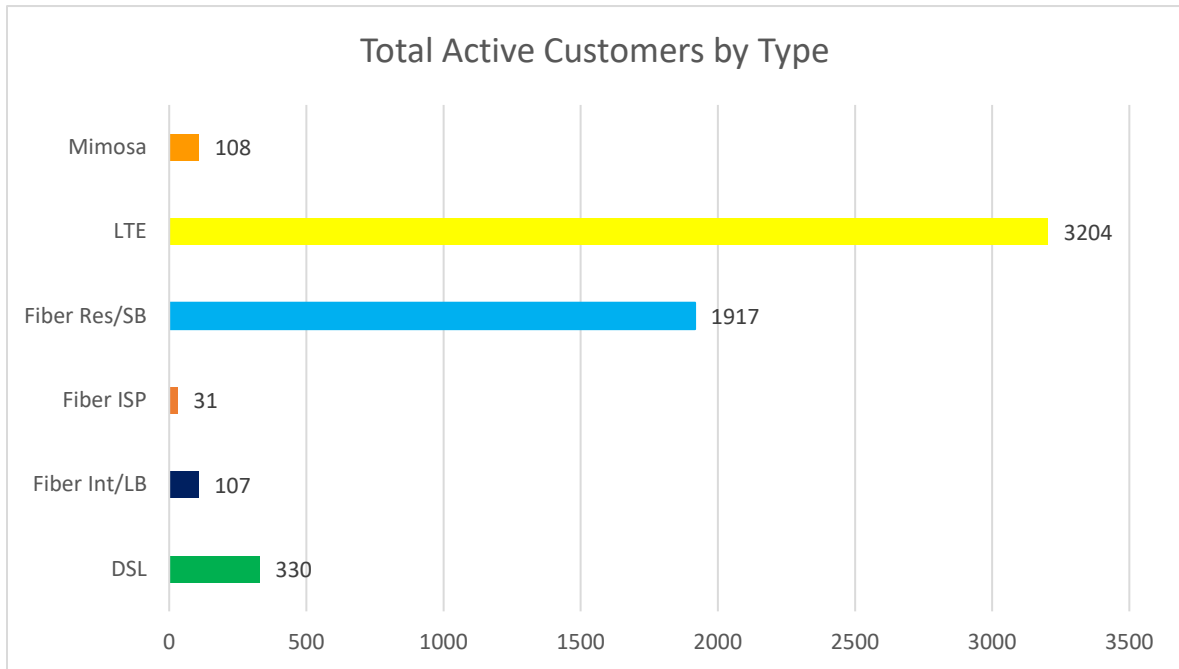
Gross Subscriber Onboarding 2020



Net Subscribers 2020



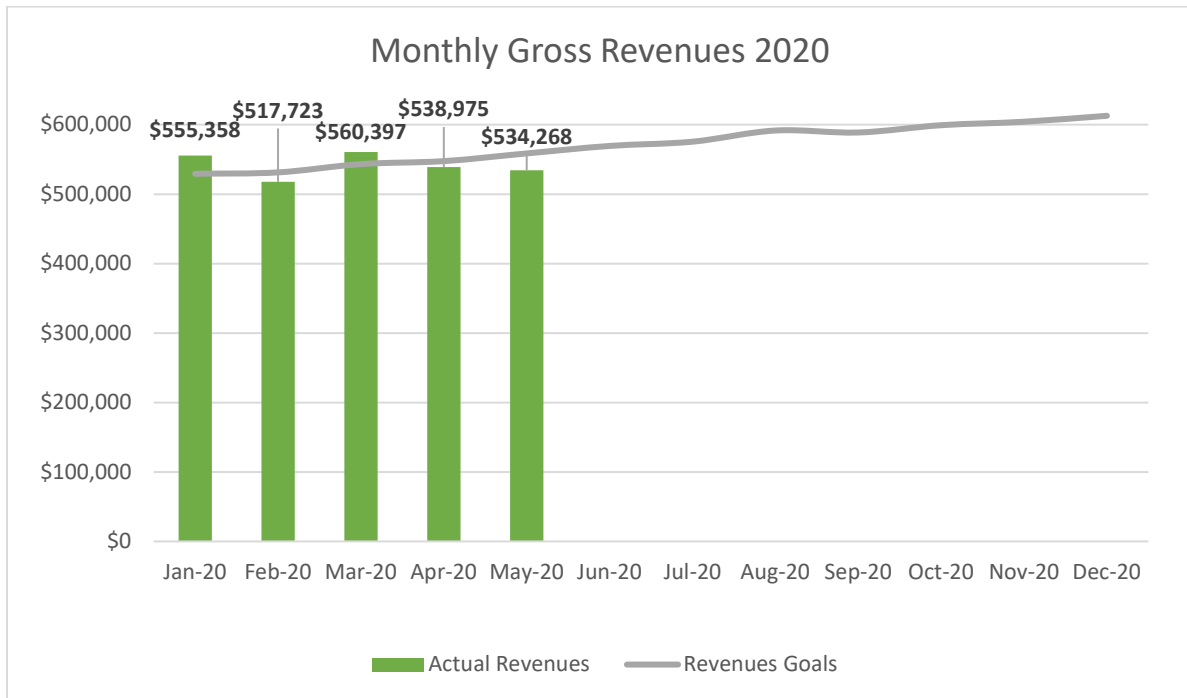
Active Customers as of June 12th, 2020



Total

5,697

Revenues



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

MEMORANDUM

June 12, 2020

TO: Board of Directors

FROM: Foster Hildreth, General Manager

RE: Member Correspondence: Capital Credits

Staff received a letter from Member Deb Darner inquiring about early distribution of capital credits due to the hardship caused by COVID-19. Staff responded to her directly and explained the capital credit process. Member Services worked with the member to explain all COVID-19 assistance available.

Please note, pursuant to RUS accounting methodology, capital credits are treated as equity. This equity is used to maintain loan covenants with our lenders. The cooperative carries a small fraction of cash to pay back capital credits (equity) on a 25-year cycle. According to Member Service Policy 11 – *Capital Credits*, special retirements are limited to deceased members, dissolved corporation, and bad debt. OPALCO's policy is to ensure all members are treated equally.

Per Policy 11, capital credits are being allocated this month (members will see allocation on bills) and the actual cash distribution of capital credits is determined at year end based on the Co-op's financial position and at the Board's discretion.

Any change to [Policy 11 - Capital Credits](#) requires Board approval. Staff recommends no action at this time.

6/8/20

Christa Boucher / OPAICO
183 Mt. Baker Rd.
Eastsound, WA. 98245
360-376-4188

Dear Christa;

Thank you for your help of late. I am continuing to request the allocation of my Capital Credits in total. See letters previous to OPAICO. I believe you have received a phone call from SIC Councilman Rick Hughes, supporting me in this request.

Thank you for clearing this through. The funds will be used to pay utility & local bills. Please call me as I can pick up this check at OPAICO. The mail is undependable right now.

Sincerely;
Deborah B. Danner
POB 635
Eastsound, WA. 98245
360-376-4188