



BOARD OF DIRECTORS REGULAR MEETING

**Thursday, August 13, 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

August 13, 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
- Donation Request for Lopez Taxi
- OPALCO Policy 13 *Drug and Alcohol Testing* revisions – Second Read
- COVID-19 Relief Continuation
- PNGC Director Nomination and Member Representative

DISCUSSION ITEMS

- COVID-19 Update

REPORTS

- 2020 Q2 Financial Report
- General Manager
- Rock Island Snapshot

APPENDICES

- Member Communications

EXECUTIVE SESSION

Legal, Personnel, Competitive, Other

ADJOURNMENT

MEMORANDUM

August 7, 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 – June & July 2020

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

1. Althoff, Laura & Judson
2. Boa, Liang & Vogias, Justin
3. Batson, Richard N & Flanagan, Jean E
4. Bell, Becky
5. Bone, Mary Pat
6. Cadwell, Brandon
7. Catlin, Lysa & Griffith, Troy
8. Caudill, Earl M & Karlaine C
9. Christison, Makena
10. Clark, Robert & Matthews, Melanie
11. Cohen, Barney
12. Davis, Lisa
13. Davis, Sarah
14. Dittmer, Caitlin & Leeds, L Gordon
15. Engel, Molly & William
16. Engman, Jessica & Judah, Jeremy
17. Foster, Katy & James J
18. Fuglvog, Arne & Eckerman, Celes
19. Giovanni, Guistina

20. Goosman, Kate & Jesse
21. Grandsaert, John & Voithoffer, Ladell
22. GTB Farms, LLC
23. Hitt Jr, Danny L
24. Island Wheels, LLC
25. Jarvis, Scott
26. Jones, Travis
27. Keese, Cherie
28. Kirby, Shanon
29. Kleeberger, Terry M & Kathleen
30. Kotik, Chloe
31. Lanros, Justin
32. Leonard, Sierra & Pate, Jack
33. Leslie, Trini & Contreras, Kimberly
34. Leuque, Steve
35. Lichty, John A
36. Mattox, Matthew & Dena
37. Martinez, Enrique
38. McCormick, James M & Mikkelborg, Sondra
39. McEntee, Shanley & Loss, Eric

40. Meier, Krstin & Paul
41. Mercado, Jason & Blackketter, Nicole
42. MM Property of Washington
43. Moe, Stephanie
44. Moffett Family LLC
45. Monjazez, Al
46. Morton, James J
47. Murray, Katherine & James C
48. Nelson, Judy & Peter
49. Obrad, Kimberly & Neil
50. Ogle, Jon
51. Prout, Steven & Louise
52. Radden, Dylan
53. Reyes-Sosa, Maria Elena
54. Rodden, Patrick
55. Sato, Kirk
56. Scallan, Mark
57. Sheck, Steve
58. Shields, William E
59. Sloan, Neal & Wright, Elaine
60. Spragg, Melinda
61. Stewart, William
62. Stobbe, Gary & Mari
63. Stoner, Elizabeth L & John
64. Ter Harr, Ann & Frans
65. The CP Trust
66. Tobe, Perry
67. Van Deventer, Peter & April
68. Vogel, Jody
69. Waite, Sarah & Samuel
70. Wylde, River & Donna

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

71. Ahearn, Tom & Stillger, Nancy
72. Ainslie, Alexander
73. Blow LLC
74. Breen, Michael & Floyd, Gwendolyn
75. DeCouteau, Chelsea
76. Depietro, Joseph
77. Driscoll, Michael
78. Ewing, Eric & Redman, Bruce

79. Gabrielson, Marti & Baranowski, Tom
80. Garcia, Adria N
81. Garcia, Jessica
82. Giesting, Christopher
83. Givler, David
84. Griswold, Eric
85. Johns, Michael
86. Kidde, Andrew
87. Kogen, Laura & Palunas, Neris
88. Leber, Todd & Christina
89. Lee, William F & Taylor, Debra D
90. Marinov, Nikolay
91. Mcdonald, Alice A
92. Mehta, Amit & Rebecca
93. Munson, Mark
94. Murphy, Bayard & Dichari, Karen
95. Nunez, Mindy & Marquez-Nunez, Juan
96. Ostle, Marjorie
97. Remala, Rao & Satya K
98. Ross, Jordan
99. Salierno, Mark & Michele
100. Sechter, Geoffrey
101. Shuman, Maxamillion & Hamilton, Chloe
102. Soth, Michelle & Joshua
103. Taylor, Sophia
104. Willis, Toni
105. Woods, Gregory & Burman-Woods, Cynthia
106. Wurster, Douglas & Conway, Vance

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

107. Alva, Aaron & Rachel
108. Berglund, Christopher
109. Berleman, Rosemary L
110. Brown, Ryan & Laura
111. Bucy, Rhodona
112. Carter, Gary & Hauge, Tom
113. Catlin, Wil & Shaw, BT
114. Cohen, Anna & Larry

- 115. Coleman, Geraldine
- 116. Dickison, Scott
- 117. Gilman, Jamie & Brock
- 118. Good, Matthew & LeBoutillier Good, Gretchen
- 119. Hatchel, Bryttani
- 120. Haugland, Cheryl
- 121. Hodge, Jillian & Batway, Buck
- 122. Jackins, Denise
- 123. Johnson, Allen L & Holly G
- 124. King, Sami
- 125. Krutt, Valerie & Michael
- 126. Maag, Peter
- 127. Miller, Sean
- 128. Mowers, David
- 129. Necco Properties LLC
- 130. Pearson, Karen & Holmes, Howard
- 131. Peterson, Michaela & Haarald
- 132. Plath, Brianne & Daniel
- 133. Samuel, Lilibeth A
- 134. Sanders, Peter L
- 135. Snapp, Lissa
- 136. Storck, Pascal
- 137. Strand, Gabe
- District 4** (Shaw, Crane, Canoe, Bell)
- 138. Renberg, Stephen & Donna

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

August	
<u>Customer #</u>	<u>Amount</u>
89195	2,332.88
89448	224.89
35840	2,818.14
33626	400.63
66306	2,278.67
40019	516.73
Total	\$ 8,571.94

Staff requests a motion to approve the Consent Agenda.

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, June 18, 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; Head Accountant Travis Neal; 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 Alan Smith, Executive Vice President, Rock Island Communications.

Members present were Curt Van Hying and Bruce Nyden.

Facebook Live session commenced at 8:30 a.m.

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

Facebook Live session ended at 8:45 a.m., entered regular session at 8:56 a.m.

Discussion about a T-Mobile outage in the county was discussed and ways for Rock Island to inform customers about outages that affect their connectivity in the future.

Consent Agenda

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

COVID-19 UPDATE

General Manager reviewed the updated information, pointing out the EAP and EAC measures being extended in duration. Weekly updates are routed to the Directors every Friday. Discussion was held about possible ways to keep revenue coming in.

SPECIAL MEETING

The Special Meeting held June 5, 2020 was memorialized.

RESOLUTION 4-2020

The proposed Resolution 4-2020 – Grant Funds for both OPALCO and RIC 501(c)(3) to assist members. Counsel explained the process to be undertaken once established including policies, bylaws, bank account etc.

- **MOTION** was made to approve Resolution 4-2020. Passed by voice vote.

LOPEZ TAXI SERVICE

Mr. Van Hying reviewed his request for a donation of an electric vehicle from OPALCO and the taxi service program with the Directors. Discussion was held, no decision made.

Break 9:55

Back in Session 10:05

POLICY 13 – General Manager reviewed the proposed changes to the Policy. This was first read only.

GENERAL MANAGER REPORT

Hildreth reviewed the General Manager’s report. Topics of discussion were the battery project and the submarine cable to one of the County’s private islands.

MEMBER CORRESPONDENCE

A request from a member to pay their full capital credits was discussed. No action at this time.

Entered Executive Session 11:08 a.m.

Regular Session 11:55 a.m.

- **MOTION** was made to engage Moss Adams for the audit for the upcoming year. Second. Passed by voice vote.

Board meeting adjourned 12:00

The following is to memorialize in these minutes a Special Meeting that was held July 9, 2020 via Zoom.

Attendees were as follows:

Jay Kimball	Nancy Loomis
Foster Hildreth	Russell Guerry
Krista Bouchey	Jeff Struthers
Vince Dauciunas	Brian Silverstein
Joel Paisner	Jerry Whitfield
Mark Madsen	Rick Christmas

Discussion was held via Zoom to discuss the the creation and scope of establishing a non-profit 501(c)(3).

Vince Dauciunas, President

Brian Silverstein, Secretary/Treasurer

MEMORANDUM

August 7, 2020

TO: Board of Directors

FROM: Foster Hildreth

RE: Request for Donation to Lopez Taxi

An OPALCO director has requested that the Board consider a donation of \$3,000 to the Lopez Taxi Service. To date, the Lopez Taxi project has already received \$9,000 from three other Lopez Island organizations. See attached for letters of support and the San Juan Islands Transit mission statement.

OPALCO is in the process of establishing a 501(c)(3) organization for the purpose of making charitable donations. Once the non-profit entity is established, with written criteria for charitable giving, staff and the Board will have clear direction with which to consider proposals such as this one. It may take months to establish the charitable organization; the Board may wish to consider this proposal in the interim.

Staff requests that the board review and discuss this proposal and determine a grant amount, if any.



Lopez Island Family
RESOURCE CENTER
Serving the entire community at every stage of life

July 27, 2020

Curt VanHyning, Chair
San Juan Islands Shuttle System
P.O. Box 781
Lopez Island, WA 98261

Dear Curt,

On behalf of the Board of Directors of the Lopez Island Family Resource Center, I am pleased to share there was unanimous approval to grant \$3,000 to the San Juan Islands Shuttle System to enable the purchase of an electric vehicle to expand door-to-door ride service to Lopez Island.

We greatly appreciate all of your hard work to bring this much needed service to the Lopez community. Up to 100 LIFRC clients do not have a car, or struggle with transportation which makes it difficult to get to the medical clinic, pharmacy, counseling appointments, LIFRC appointments, grocery store, and more.

This ride service fills a vital need that supports the health and well-being of all of our neighbors, and assures that we have fair and equitable access to services for everyone. We urge other organizations to join LIFRC in supporting this effort. We believe this collaborative project among several different groups will have a lasting impact on many lives.

We have much gratitude for you making donation-ride service possible on Lopez.

Sincerely,

Barbara Schultheiss
Executive Director



San Juan County Public Hospital District #2

262 Weeks Rd/P.O. Box 976
Lopez Island, WA 98261
360.622.2729
www.lopezislandhd.org

Dear Community Members,

At the June meeting of the LIHD, we heard a presentation from Curt VanHying, Chair of the San Juan Islands Shuttle System (SJISS). SJISS was formed seven years ago as a 501(c)(3) non-profit organization on San Juan Island. The mission of SJISS continues to be to “provide free or affordable transportation for senior citizens, people with disabilities, and the general public in the rural area of San Juan Islands. Assets and income shall only be used to promote this Mission.”

Following a recent survey and needs assessment, the County’s Vulnerable Population Work Group began discussing transportation needs on Lopez. The survey data revealed as many as 100 Lopez households may not have a car or be able to drive themselves to appointments or other services. The LIHD was interested to hear that the experience on San Juan Island has shown that almost half of the rides were for health and/or therapy appointments. In addition, survey data reported concerns from children of seniors on San Juan who felt before the shuttle service their elderly parents stayed home alone rather than ask for assistance.

Following success of the program on San Juan island, the non-profit is looking to expand to members of the Lopez community. The SJISS is governed by a volunteer Board that has representation from all islands. In addition to Curt, who moved to Lopez Island four years ago, Lopez is represented by Barbara Schultheiss and Roni Wilkie.

The Motion for the District to express support of this effort was unanimously approved following the presentation. There was consensus among all Commissioners that establishing this much-needed transportation service will add value to those who are most vulnerable in the community, and it will complement existing services provided by the Senior Center. The SJISS is supported by tax-deductible donations, and we encourage anyone interested in learning more and/or donating to the effort to contact Curt VanHying at 360.317.8399.

We appreciate the efforts of the SJISS Board and wish them much continued success.

Sincerely,

DocuSigned by:
Iris Graville
BA949B2231B645C...
Iris Graville, LIHD President

DocuSigned by:
James Orcutt
2683B5A30954400...
James Orcutt, Commissioner

DocuSigned by:
Albert Berger
542574B888D24DE...
Albert Berger, LIHD Secretary

DocuSigned by:
Steven Greenstein
Steven Greenstein, Commissioner

DocuSigned by:
Christa Campbell
76D742545EDD473...
Christa Campbell, Commissioner

Mission Statement
San Juan Islands Shuttle System

San Juan Islands Shuttle System's mission is to provide free or affordable transportation for senior citizens, people with disabilities and the rural general public in the San Juan Islands. The assets and income of the organization shall only be used to promote the corporate mission.

MEMORANDUM

August 7, 2020

TO: Board of Directors

FROM: Foster Hildreth

RE: OPALCO Policy 13 *Drug and Alcohol Testing* revisions – Second 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.

This is the second read.

Staff recommends Board make a motion to approve the revisions to Policy 13 as attached.

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.
- 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 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 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 greater than 0.00 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 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 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 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 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 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 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.

<hr/> <p>Foster Hildreth, General Manager</p>	<p>Effective Date: _____</p>
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MEMORANDUM

August 7, 2020

TO: Board of Directors

FROM: Foster Hildreth

RE: COVID-19 Relief Measures

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. At the June 5, 2020 Special Meeting these measures were extended through August 31, 2020. As of today, we have 89% of EAP COVID-related residential assistance and 81% of the EAP-C Board approved funds that are currently available.

Staff recommends extending the duration of the EAP and EAP-C relief measures as long as the Board approved funding amounts are available.

MEMORANDUM

August 7, 2020

TO: Board of Directors
FROM: Foster Hildreth
RE: PNGC Board Representation

The PNGC Board is made up of directors representing their electric co-op membership. Currently, Foster Hildreth serves as PNGC Director and Member Representative, with Russell Guerry as an alternate. The election will be held (virtually) on October 6, 2020.

Staff recommends the Board make a motion to present the same slate forward for the 2020 election.

MEMORANDUM

August 7, 2020

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

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 OPALCO and Rock Island 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.

All indicators lead staff to prepare for a worsening of our members' situations as unemployment and stimulus payments shrink or disappear. Local restaurants have announced extended closures this fall/winter, some businesses will close permanently, parents are facing a remote school year (at least the fall) and many will not be able to work.

Governor Inslee has extended the utility disconnection moratorium until October 15, 2020. This includes both electric and telecommunication utilities. Proclamation No. 20-23.7. OPALCO and Rock Island have suspended any collection and disconnect activity since the beginning of March 2020 consistent with state and federal mandates.

Collections

In March 2020, OPALCO put disconnects and penalties on hold as part of a COVID-19 relief package for members during a difficult time. Part of the requirements to receive assistance for businesses was to make a payment arrangement toward their balance. Of those members that made a payment arrangement for assistance credits, about half are struggling with the payment plan by either paying later than committed to or by paying less than the agreed amount. Also, about half of the members who have made a payment arrangement are still past due.

Staff has a thorough process to address members who are in arrears to collect past due funds including, written notices, direct and automated phone calls and door hangers. The goal is to get members back on track for their current bill while chipping away at past due amounts.

Due to the increasing number of 60-90-day delinquent accounts (see chart below) staff is concerned about the difficulty to help members catch up. Staff recommends a phased approach to resume collection activities, still understanding that each situation is unique. The process would resume as follows:

Step 1: soft collection calls via automated calling to reach as many members as possible.

Step 2: send out notices highlighting account arrears balance.

Step 3: attach door hangers to physical properties to alert members of the serious situation.

Note that none of these steps would charge a fee to the members account until the Board directs to stop waiving them automatically, but is intended to alert members to the issue, remind them that the balances must eventually be paid and, hopefully, avoid large balances.

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. Staff continues to encourage members to donate to our PAL program.

Member Assistance Measures *03/20/2020 through 08/06/2020

Measure	Description	Benefit	# of Accounts	Cost to Date (\$)	Comment
Waive Fees¹	No member action required – automatic.	Varies	8,556	\$82,006.59 (Estimated)	Considered lost revenue. Typically, these fees range ~\$135k to ~\$145k per year. Average is \$95.66. No change from last week.
No Disconnection for Non-payment²	No member action required – automatic.	Varies	1,001	\$50,050.00	Only counts \$50 reconnect fees, not AR balance. No change from last week.
Payment Plans	Every account in arrears is essentially on a payment plan.	Varies	62	\$30,744.49	Payment Arrangements in the system. Expected to receive a majority of these funds. Note that some are now for inactive accounts.
Extend Project PAL Benefits	COVID PAL grants through June 30 th .	\$100	150	\$15,000	All allocated funds distributed.
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.	148	\$5,615.04	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.	229	\$18,987.17	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	\$2,888.13	Payment deferral only. Note, current deferral is for one large commercial account. No change from last week.
Community Solar donations	Decatur Community Solar Project participants may donate their production credits to benefit the EAP.	Varies	19	\$585.07 (donated credits)	No change from last week.
Total			10,166	\$205,876.49	Accounts in multiple programs will be double counted.

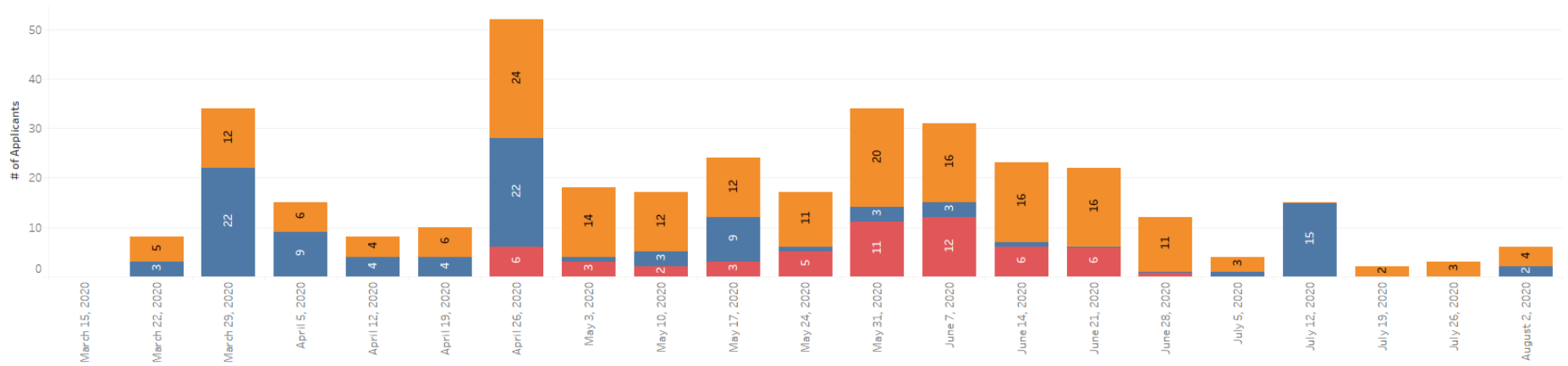
¹ Estimated fees are comprised of **virtual** penalties and disconnect notice fees that are run through a test environment. Note that the process applies a 5% penalty to the total balance post-due date; however, the total balances on accounts are at an all-time high, as we are not charging penalties and have been very flexible on due dates during the pandemic. Accounts with a payment arrangement in the system are not included in this estimate.

²Includes \$50 reconnect fees that would have been charged. This number *ignores* any accounts with a payment arrangement in place.

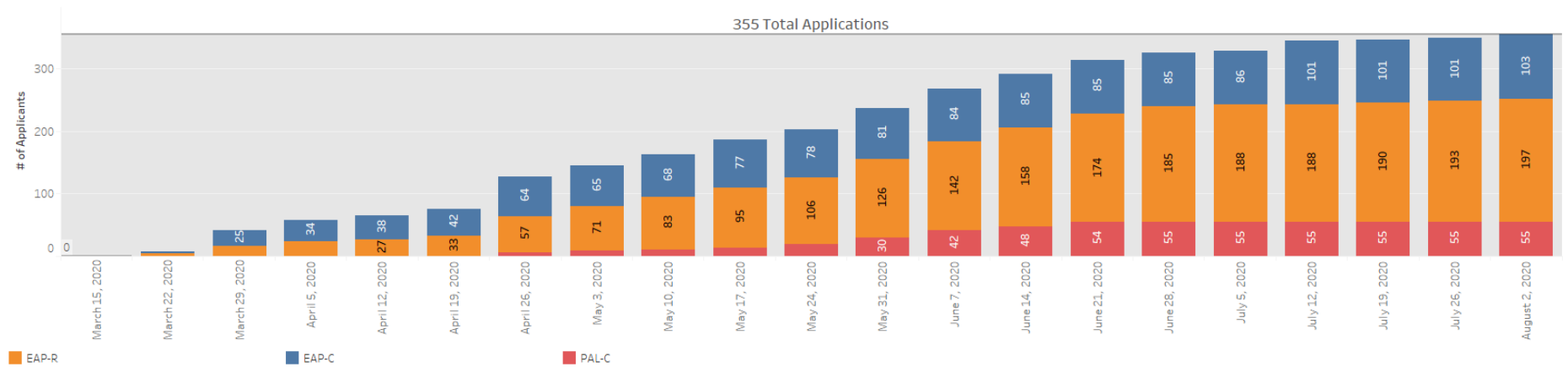
Relief measure applications from March 20th through August 6th by week:

- 103 applications for EAP-C (COVID-19)
- 197 applications for EAP Residential (COVID-19 related)
- 55 PAL COVID-19
- 355 total COVID-19 related applications received

COVID-19 Assistance Applications (Week)



COVID-19 Assistance Applications Cumulative (by Week)

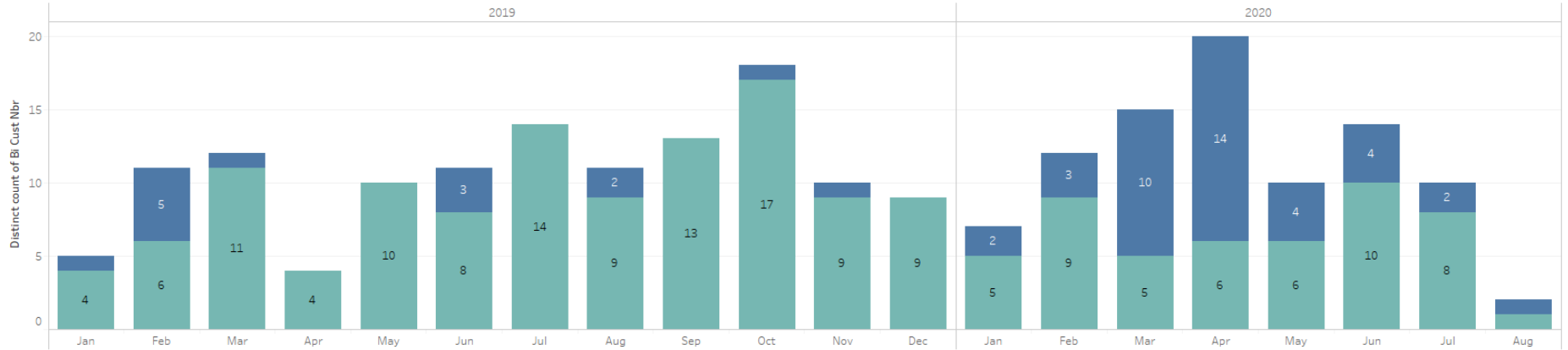


Voluntary Disconnects:

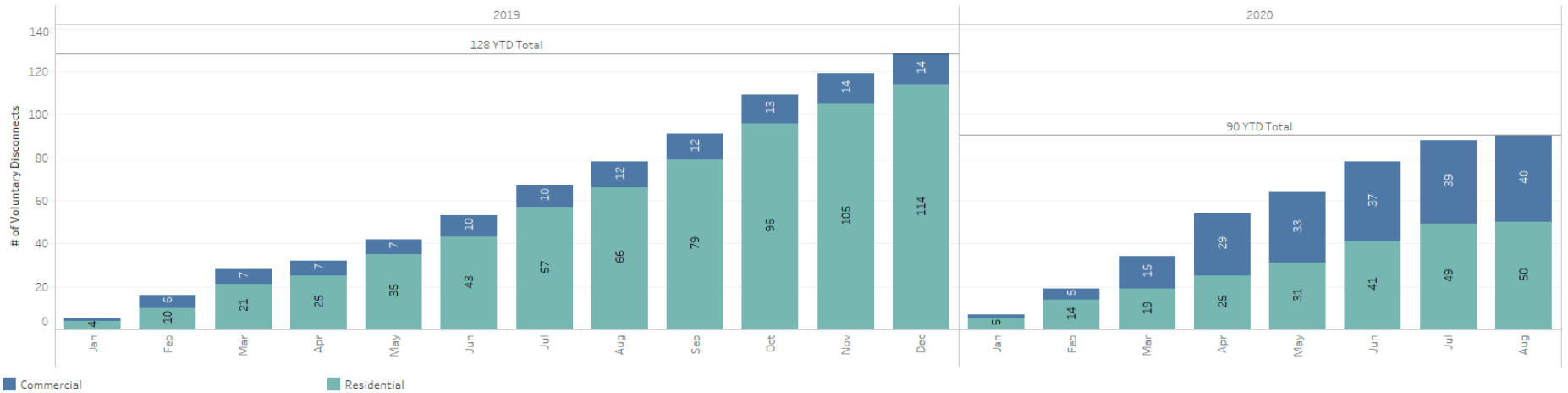
April 1st though August 6th:

- 25 commercial accounts
- 31 residential accounts

Voluntary Disconnects (Meters)



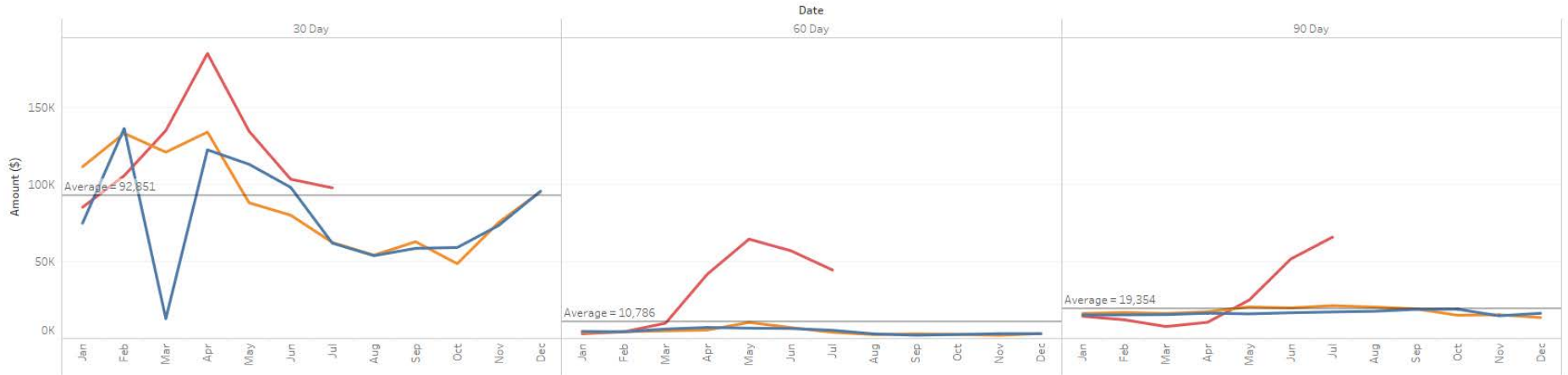
Voluntary Disconnects Cumulative (Meters)



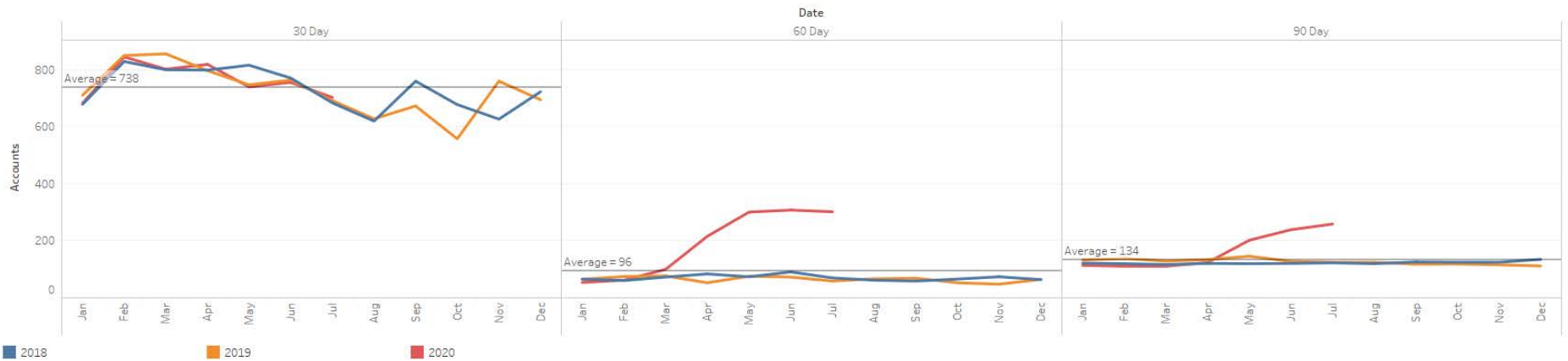
Accounts Receivable (A/R) (Next change after August 31st billing):

- 30-day A/R is trending slightly higher at \$103K (756 accounts) - the three-year average in A/R for the month of June \$91K (768 accounts).
- 60-day A/R is notably higher at \$57K (308 accounts) - the three-year average is 8K (75 accounts) for month of June
- 90-day A/R notably higher at \$51K (239 accounts) - the three-year average is 16K (125 accounts) for month of June
- We are seeing a flow through into the 90-day with a notable uptick on the 90-day accounts receivable. The lower usage profiles of the summer will aid in moderating this yet will become dramatic in the late fall. At this stage staff feels this is manageable through the summer and will revisit at the Q3.

Long Term AR (\$)



Long Term AR (Count)



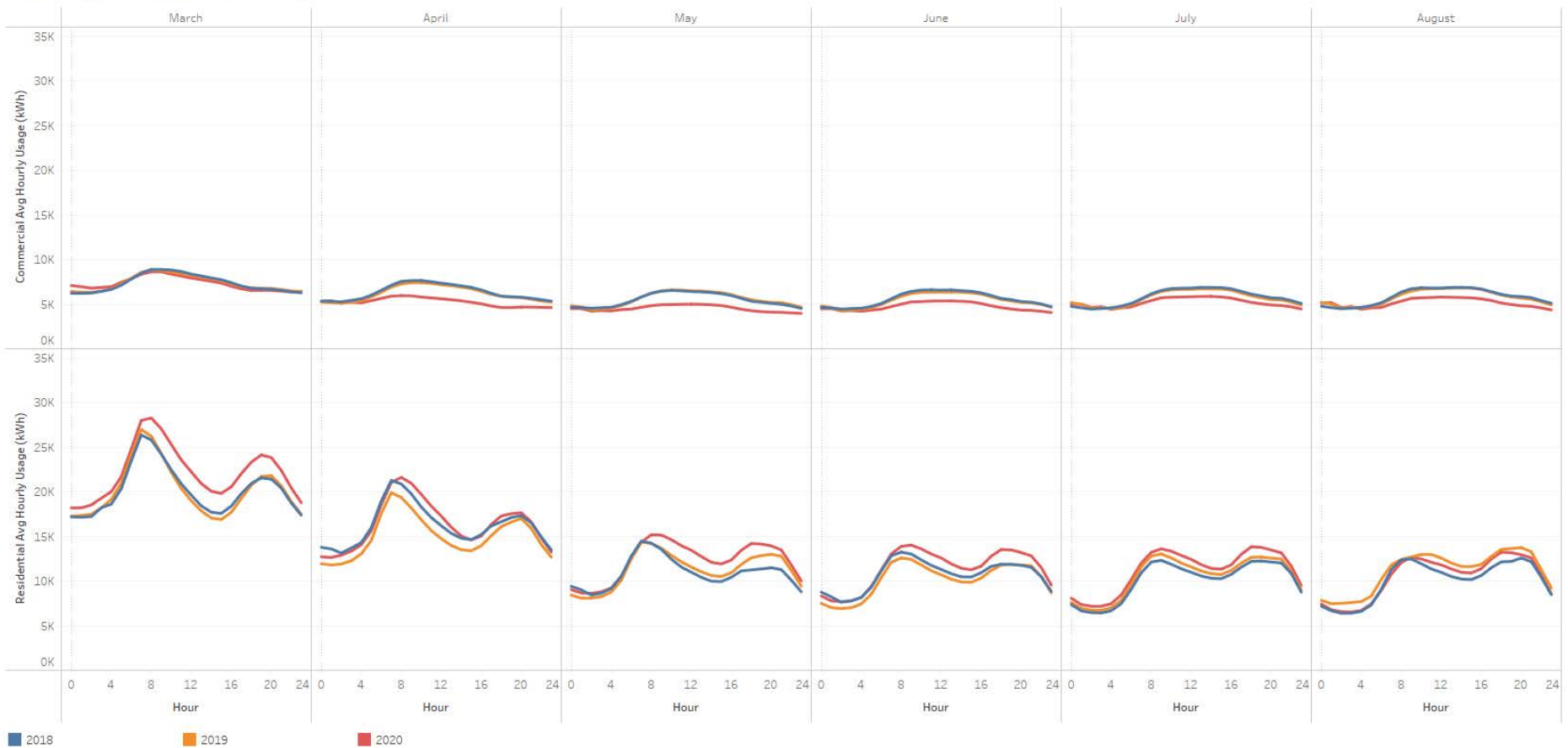
■ 2018 ■ 2019 ■ 2020

Usage (Average hourly usage for each Month)

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.
- Overall estimated decrease of 12% in commercial usage since April 1st.
- Overall estimated increase of 1% in residential usage since April 1st.

Load Shape - Residential and Commercial



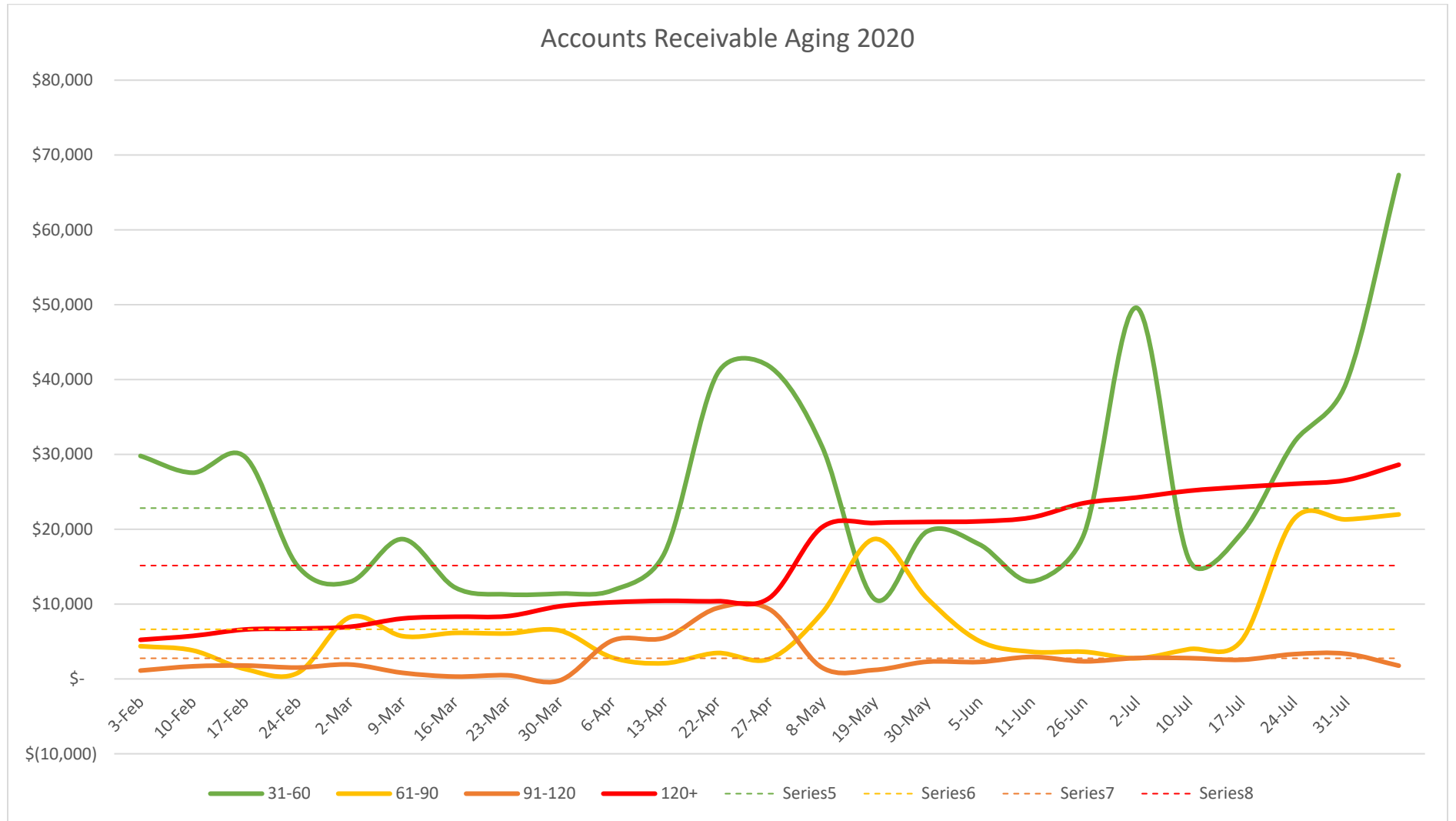
Next steps

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

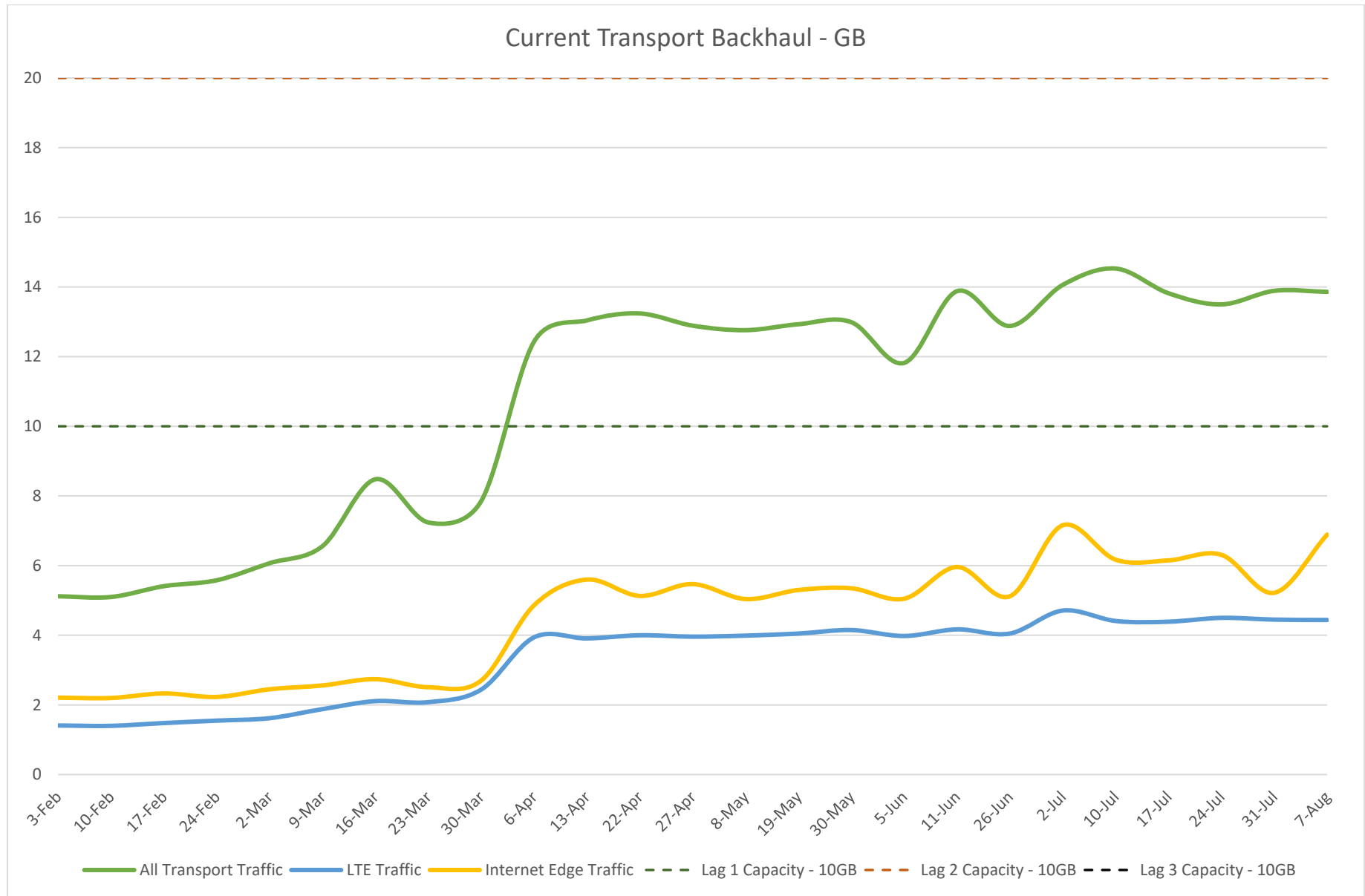
30-60-90 Accounts Receivable Trends

Timing of invoicing is driving the increase in 31-60 and 61-90 statistics. This is normal flux for our operations.



Transport Network

No changes to the transport loads since early April.



MEMORANDUM

August 7, 2020

To: Board of Directors
 From: Foster Hildreth, General Manager
 Re: 2020 Second Quarter Financial Report

Please see attached the full 2020 2nd quarter financial report. Included in the report package are the Statement of Revenues and Margins (along with a notable driver analysis), Balance Sheet, Statement of Cash Flows (GAAP), and capital projects budget tracking.

Second quarter financials remain positive primarily due to colder weather pattern during the summer and higher sales (prior to ECA adjustment) than budgeted. The impacts from COVID-19 did start to influence kWh sales / revenue beginning with the last two weeks of March. Commercial kWh sales have reported lower in the last part of March and into Q2 which was partially offset by an increase in residential sales.

The energy charge adjustment (ECA) returned \$530k (\$300k in January based on December 2019 calculation) to the membership through Q2, which is the primary driver of the decreased sales of 2.8% or \$460k. The impact of COVID-19 on our commercial members through Q2 is also notable as commercial revenue was below budget by ~\$606k. All factors combined resulted in a decrease in the margin of \$386k as compared to budget.

Income Statement Summary (in thousands)	Q2 2020		
	Budget	Actual	Variance
Gross Revenue	\$ 17,239	\$ 17,368	\$ 129
ECA Surcharge / (Credit)**	-	(530)	(530)
Revenue	17,239	16,838	(401)
Expenses			
Cost of Power	5,113	5,137	24
Transmission & Distribution Expense	3,499	3,444	(55)
General & Administrative Expense	2,760	2,813	53
Depreciation, Tax, Interest & Other	4,316	4,279	(37)
Total Expenses	15,688	15,673	(15)
Margin	\$ 1,551	\$ 1,165	\$ (386)
TIER	2.56	2.19	(0.37)
HDD	841	863	22
kWh Purchases	113,844	117,559	3,715
kWh Sales	106,825	111,381	4,556

** The ECA returned \$530k to members in the form of bill credits in 2020

For more detail, please note the following key points:

- Through Q2, YTD Heating Degree Days (HDD) were up ~2.6% above normal budgeted levels (actual of 863 vs. budget of 841). Actual kWh sales were 4.6M kWh above budget (111.4M vs. budget of 106.8M). We budgeted year end 2020 to have above average temperatures for the region, with a Q4 2020 temperature probability of above average. The latest NOAA predictions are indicating a probability of higher temperatures in the region. Yet, NOAA ENSO (El Niño Southern Oscillation) is indicating a trend to a weak La Niña condition. Given OPALCO's sales influence by oceanic conditions, we may tilt toward a slightly cooler condition which may yield increased energy sales.
- Q2 YTD power purchases were up \$19k due to slightly higher kWh consumption. Actual kWh purchases were 3.7M kWh above budget (117.6M vs. budget of 113.9M).
- Excluding purchased power, Q2 YTD operating expenses were approximately \$87k under budgeted amounts.
- The YTD ECA through June billing period was a credit to members (and reduction to operating revenue) of \$529,687, or \$21.15 for a member using 1000 kWh/month. Due to meter reading and billing lag from December to January, ~\$300k of the ECA was derived from 2019.
- Borrowings were accelerated in 2020, primarily due to concerns surrounding the COVID-19 pandemic and uncertainty of funds. OPALCO borrowed the 2020 budgeted amount of \$3.1M to ensure funding in case the pandemic impacts continued throughout the year along. OPALCO borrowed an additional \$6.4M in restricted funding which was approved by the Board during the May meeting in order to take advantage of lower interest rates to save member funds in the future.
- As another measure to offset the economic uncertainty of the COVID-19 pandemic, OPALCO applied for and received late April ~\$1.79M as part of the CARES Act - Payroll Protection Program (PPP). The funds are currently included as part of other long-term debt, until an application for loan forgiveness is completed in Q4, which is when the Small Business Administration will begin accepting forgiveness applications. Applying for the PPP was an act of precaution to protect the 50 jobs we provide in an atmosphere of uncertainty.
- Rock Island Communications Q2 Financials included in separate packet.

OPALCO 2020 Q2 Financial Package under separate cover.

GENERAL MANAGER'S REPORT August 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 August 5, 2020, there are 384 work orders open totaling \$6.2M. Decatur Energy Storage System is \$1.63M of the balance. Operations has completed construction on 113 work orders, totaling \$932k.

Safety

John Spain of Northwest Safety Service conducted Pole Top Rescue Training and Certification for Operations staff via Zoom and in person in multiple districts. The total current hours worked without a loss time accident: 25,286 hours.

Grid Modernization Projects

- **Decatur Battery Energy Storage System (ESS) – WA DOC CEF2 Grid Modernization (~\$1M Grant)** – Commissioning is in progress and the contractor is in progress of updates to the control system for “Black Start” mode. Pacific Northwest National Laboratory (PNNL) is scheduled to begin testing and analysis once the contractor testing is complete.
- **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. Staff is expecting to complete contracting in Q3.

BPA Cost Recovery

- **Oversupply Credits** – BPA has notified us that Oversupply credits were issued to generators that were displaced in June Oversupply events on their July Transmission invoice. Now in August, Transmission calculated the charges to recover those credits. Our estimated amount is \$4,552.21 which will be included in our August billing.

FINANCE

2020 Budget Tracking

Energy (kWh) purchases & sales were slightly higher than budgeted through Q2 2020. July kWh sales came in just under budget by 2.8% for the month. July meter data for kWh purchases & corresponding power cost was not available from our power supplier at the time of this report. As indicated in the weather forecast section below, NOAA is indicating a slightly cooler weather pattern as 2020 marches on.

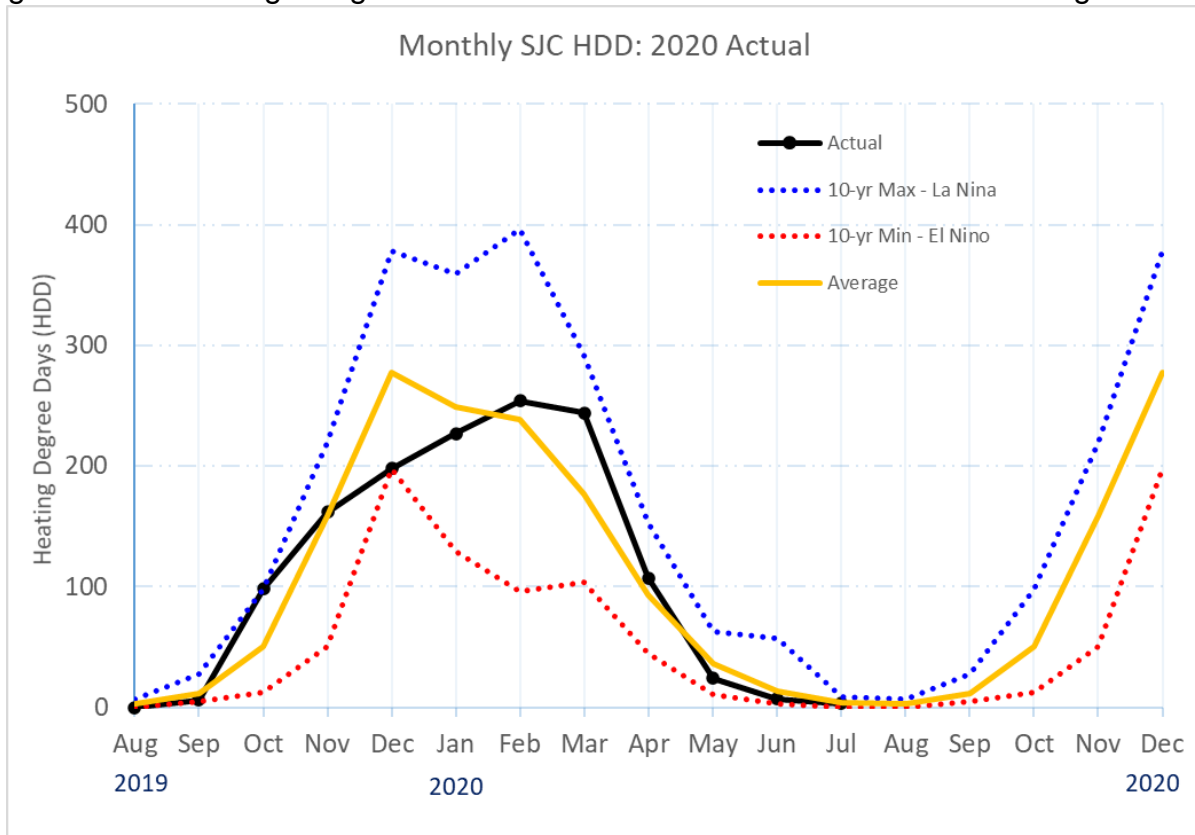
Income Statement Summary (in thousands)	July YTD 2020		
	Budget	Actual	Variance
Gross Revenue	\$ 19,327	\$ 19,565	\$ 238
ECA Surcharge / (Credit)**	-	(455)	(455)
Revenue	19,327	19,110	(217)

Monthly ECA

The calculated amount for the July ECA was a bill surcharge of \$.006165 per kWh which charged an additional \$74,506, or \$8.01 per 1,000 kWh. Through July 2020, the ECA has returned \$455k to members. The August billing period ECA will be calculated after receipt of our July power bill from PNGC.

Heating Degree Days (HDD)

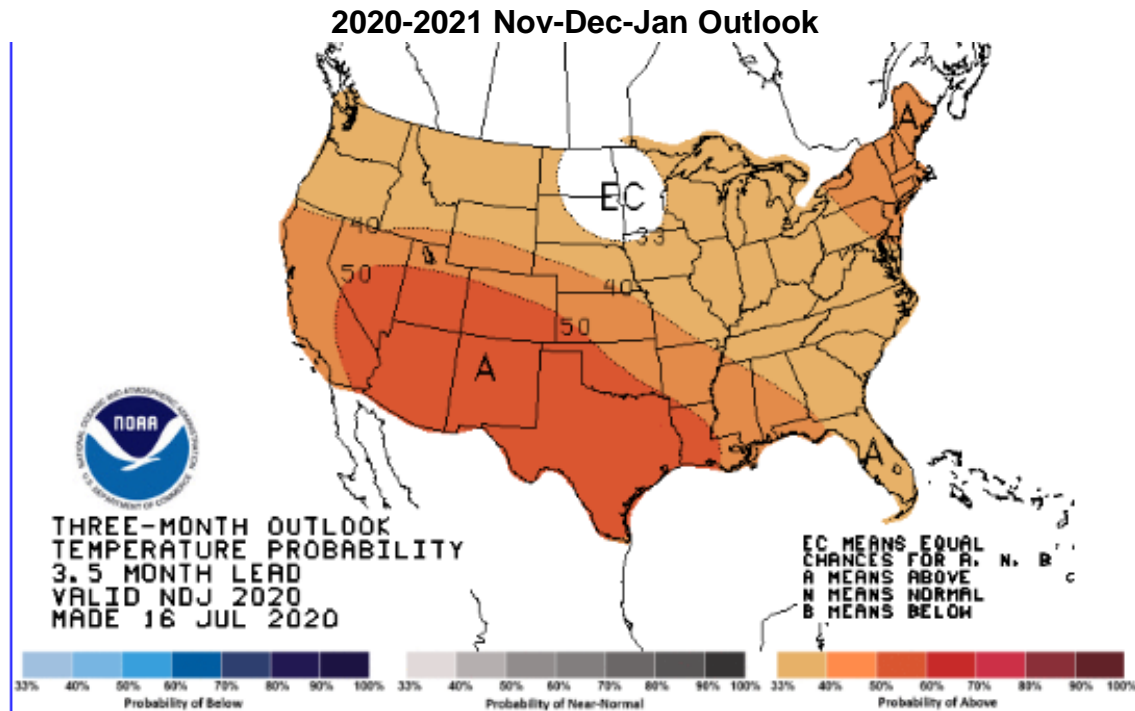
Last winter's HDD's were volatile as compared to historical averages. For 2020, Q1 HDD settled just around the 10-year average except for March which was much colder than its historical average. Q2 and the beginning of Q3 have settled back around the historic average.



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

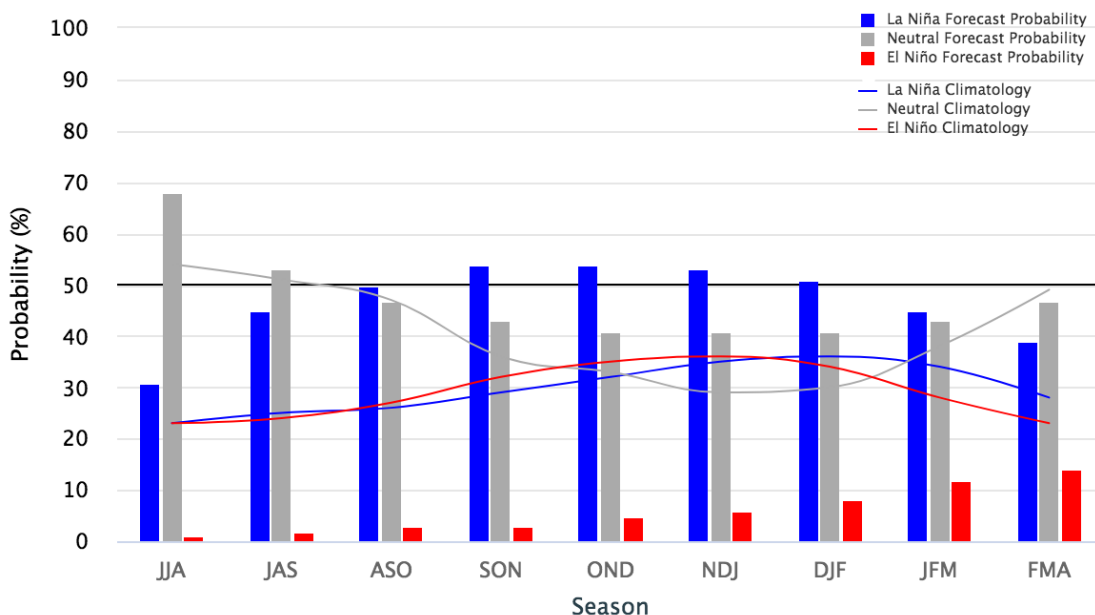
Weather Forecast

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 higher temperatures in the region. Yet, NOAA ENSO (El Niño Southern Oscillation) is indicating a trend to a weak La Niña condition. Given OPALCO's sales influence by oceanic conditions, we may tilt toward a slightly cooler condition which may yield increased energy sales.



Early-July 2020 CPC/IRI Official Probabilistic ENSO Forecasts

ENSO state based on NINO3.4 SST Anomaly
Neutral ENSO: -0.5 °C to 0.5 °C



Source: NOAA National Weather Service

Paycheck Protection Program (PPP)

As first reported in the April, General Manager report, OPALCO applied for and was deemed eligible to receive a PPP loan from the Small Business Administration (SBA) as part of the CARES Act in the amount of ~\$1.79M. OPALCO took this action as a precaution due to the atmosphere of uncertainty around the duration and economic impact of the COVID-19 pandemic. The loan has been used as prescribed by the federal program, with most of the loan to fund payroll with the intention of employee retention. The original program detailed a covered period of eight weeks, which was extended to 24 weeks. The SBA program guidelines are still in development and evolving; they are not currently accepting loan forgiveness applications (expected Q4).

MEMBER SERVICES

Energy Assistance (COVID EAP Assistance Tracked Separately)

EAP: During June 2020, 309 members received ~\$11.4k from the low-income Energy Assist program, compared to 294 members receiving \$~10.1k in June 2019. In July 2020, 318 members received ~\$11.8k compared to 310 members receiving ~\$10.7k in 2019.

PAL: 8 members were awarded \$850 in assistance through the PAL program that were from applications approved in April, but not communicated to OPALCO until June. There were 55 accounts and \$5.5k awarded from the residential extension for COVID-19 relief by the local Family and Community Resource Centers. There were 72 commercial accounts awarded credits for the EAP-C program totaling ~\$6.4k, and 73 residential accounts for the COVID-qualified Energy Assist program totaling \$2.6k.

Switch it Up!

There are now 119 projects complete and billing for a total of \$976k outstanding. There are another 46 projects in various stages of the process. Some projects have been delayed as residential contractors have been limited by COVID-19.

Energy Savings

In June 2020, there were 25 rebates paid to members totaling ~\$38.2k. This includes eight self-funded fuel switching DHP and EV charging station rebates totaling \$9k. Rebate and Switch it Up! applications are continuing to be submitted. In July 2020 there were 30 rebates paid to members totaling ~\$31.7k, which includes ten fuel-switching rebates totaling ~\$12k. One member also donated a portion of their rebate to PAL.

Also note that the fuel-switching ductless heat pump rebates have all been allocated for 2020. Staff has informed local contractors and stakeholders, and two members are waitlisted pending approval for the 2021 budget.

Residential Solar

There have been 14 new solar interconnect applications submitted, and 7 members interconnected in June and July.

Community Solar

During the June and July 2020 billing cycles, the Decatur Community Solar array produced 133,680 kWh, and 10 kWh per solar unit per month was credited to member participants. A total

of ~\$13,512 was distributed to 257 accounts, including an additional ~\$1,805 for the PAL and Energy Assist programs.

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

COMMUNICATIONS

Member Outreach

A series of four Quick Facts were added to our library in July – all under the header: Climate Impact and Our Energy Future: <https://www.opalco.com/newsroom/quick-facts/>. *This Electric Life*, our energy savings blog, posted three articles in July including stories about: a Switch it Up! member profile, electric garden tools and one on climate impact and our energy future – tied to the new Quick Facts. In local newspapers and blogs, a midsummer COVID-19 update was published, a Rock Island story with member testimonials and a rebuttal to an opinion piece by a Shaw member. On social media, the member opinion piece drew comments from 12 members, 6 had positive things to say about OPALCO including this quote from Terry Moran-Hodge: *“I’m glad we had forward thinking leadership at OPALCO and Rock Island. Sheltering in place would have been quite different without the reliable power and internet structure. The members’ ability to video conference, add solar power to the grid and (most importantly) stream video would have been difficult without the leadership of Foster Hildreth (and Gerry Lawlor).”* Others asked questions about compensation, primarily, and were directed to the 2019 Quick Fact on compensation: <https://www.opalco.com/wp-content/uploads/2019/06/quickfact-compensation-2019-v3.pdf>.

The screenshot shows the OPALCO Energy Savings website. At the top left, the OPALCO logo is followed by 'ENERGY SAVINGS' and navigation links: 'Go Electric', 'Go Renewable', 'Measure Energy Use', 'Rebates', and 'News + Resources'. A purple banner on the right contains the text 'Lower my bill toolkit' and a sub-header: 'Making your home more energy efficient is a great first step to reducing energy costs. OPALCO offers programs and smart tips to start saving energy and money NOW'. Below this, the 'OPALCO Energy Savings' section features the text 'Earn Rewards for your energy savings now, and help the Islands stay sustainable for years to come.' and three icons: a piggy bank for 'Save Money', a document for 'Get Forms', and a lightning bolt for 'Go Electric'. To the right, a grid of six icons represents the 'Lower my bill toolkit': a calculator for 'Understand my energy use', a dollar sign with a circular arrow for 'Get rebates and save \$\$', a lightning bolt for 'Go electric', a thermometer with arrows for 'DIY projects', a heart with a dollar sign for 'Income-qualified assistance', and a question mark for 'Get help'.

Website Updates

The new Energy Savings site launched in late July: <https://energysavings.opalco.com/>. Improvements were driven by the high traffic to the rebates page and feature a cleaner, more icon-friendly navigation. Rebate forms are now fully integrated online for a much faster completion and response. A new “Lower My Bill Toolkit” was added to help members understand their energy use and easily access DIY tools for savings. *Please note: you may have to do a deep refresh to see the new site – your computer may have the older site cached.*

In addition, the annual Google Analytics review was completed. The data for 2020 is consistent with the situation: fewer outages (fewer peak traffic moments), more job openings (more traffic to careers) and COVID factors such as more members doing business online (membership applications and bill paying). Rebates, Outages and Careers continue to drive the most traffic to the site and the Document Library continues to be among the top viewed content with members and staff. Site speed on the outage center page has slowed, likely due to the third-party applications (NISC-map, Twitter-real time updates) and the fact that when traffic is highest (during outages), most members are accessing through mobile devices, which are slower to load. Staff will explore solutions to improve site speed and consider updates to the Careers page, which received a significant share of the traffic in 2020.

NRECA Member Satisfaction Survey

OPALCO worked with NRECA on a member satisfaction survey that was conducted in May. NRECA gathered data through email and phone interviews with 449 members. The last comprehensive member satisfaction survey through NRECA was in 2009*, and these findings make comparisons to that data set as well as how OPALCO compares to its co-op peers. Findings show overall satisfaction with OPALCO is very good, with a mean rating of 8.88/10 (slightly higher than co-op peers at 8.81) and a Loyalty Index rating of 78, which NRECA ranks as “healthy.” Some takeaways, in brief:

- Strongest driver of satisfaction is Member Service and OPALCO scored high: an average of 4.5/5 on 17 performance quality attributes. The highest ranking (4.71) came in for “the courtesy, understanding and helpfulness of employees to inquiries or problems.”
- Second strongest driver is electric cost. Members rate OPALCO in the good range (4.03/5) for delivering value for the money. • Final two drivers are Electric Service (4.59/5 reliability, 4.65/5 restoration of power after outage) and Payments and Bills (4.5/5). Both areas rated high in the very good to excellent range.
- About half (49%) of respondents give a rating of 4 or 5 for how actively OPALCO is addressing energy conservation/efficiency; however there is ample room for improvement in member ratings for how OPALCO is addressing the transition away from fossil fuels and electrification of transportation (only an average of about 30% give OPALCO a 4 or 5). Will be a good benchmark to measure again after our vision campaign.
- 78% of members use OPALCO’s website, compared to 28% in 2009. The email newsletter and website are top channels used by members for OPALCO information, although 34% still use phone for outage information.
- High awareness of key programs: 85% SmartHub, 70% PAL, 62% Rebates, 57% Community Solar, 53% Energy Assist. However, only 34% were aware of Switch it Up! and awareness of OPALCO events (Green Home Tours, Board Meetings, Town Hall Meetings, etc.) was very low.
- Members most strongly agree that “they have a good relationship with OPALCO, and they think of OPALCO as a long-time ally for energy needs.”
- The vast majority are aware that the Board is made up of members and that they can vote to elect the Board, however only 5% say they have or would consider running. Additional questions drew out reasons and what it would take to consider running for the board. As a result, staff are planning a “Why Run for the Board” campaign this fall to educate and engage potential Board candidates.

The survey invited narrative responses to some questions (energy efficiency, board service) and an opportunity for “other comments” at the end (verbatim responses included in full survey results). The majority of the comments were positive, and staff personally followed up with more

than 50 members who left comments and/or asked for a follow-up call. The personal calls took place in June, during a period of social isolation due to the pandemic, and members spent up to an hour on the line discussing their area/s of interest or concern. In most cases, member understanding shifted and, even when the needle did not move on a specific issue, good progress was made on relationship building and trust. In every case, members were very appreciative of the staff time and personal touch.

The full survey results, and all of OPALCO's member survey results, are archived online in the Document Library: <https://www.opalco.com/resource-library/#rlfmemberinfoandbillingsmembersurveys>.

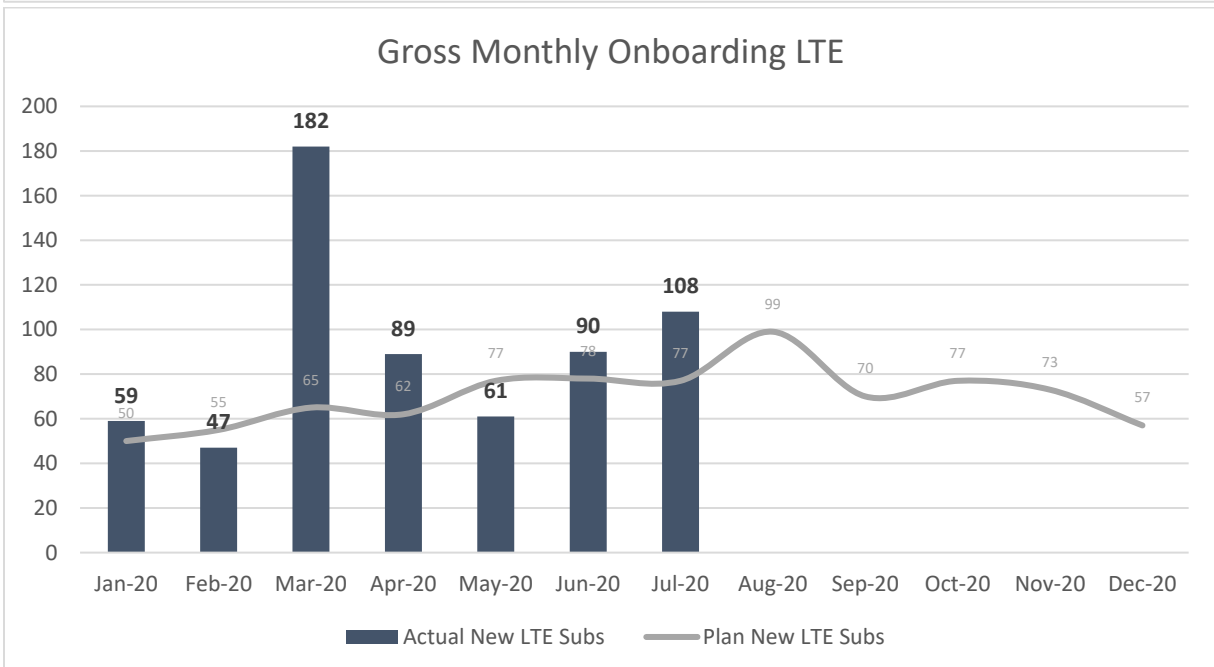
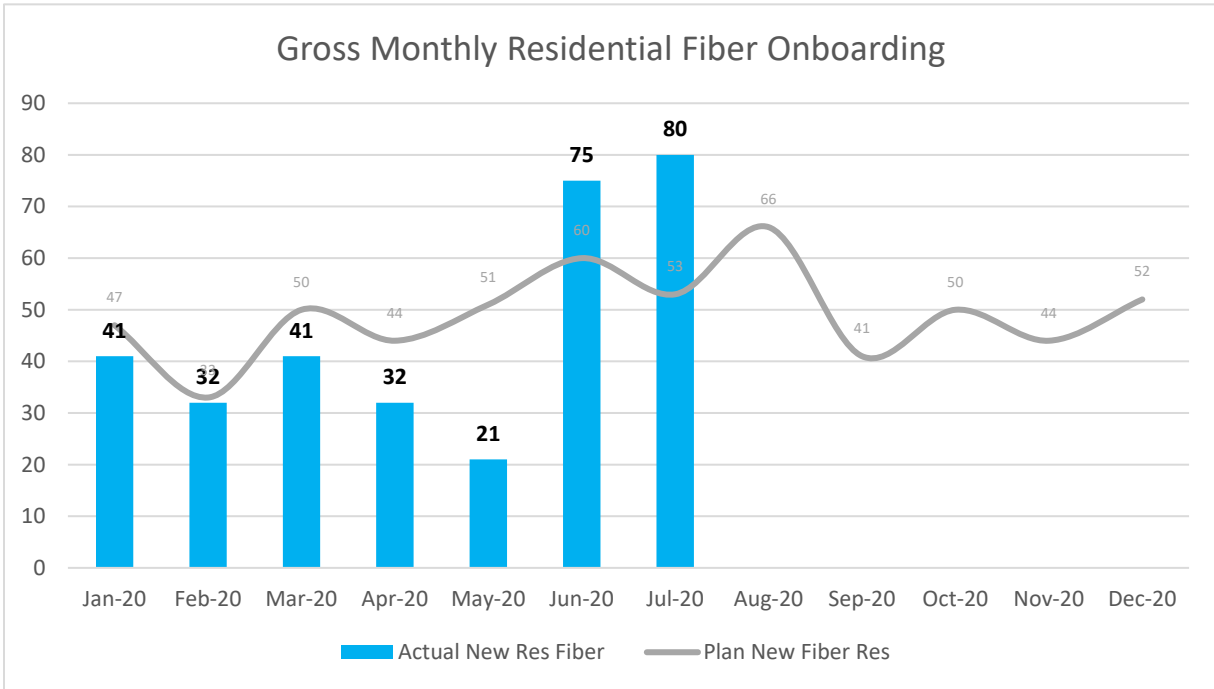
**Independent member satisfaction surveys were completed in 2014 and 2018, but comparable data must reflect back to 2009.*

County Fair

Check out the safety demo videos that will be part of the virtual County Fair this year: https://www.youtube.com/watch?v=LrSJKaCmJ5I&feature=emb_logo

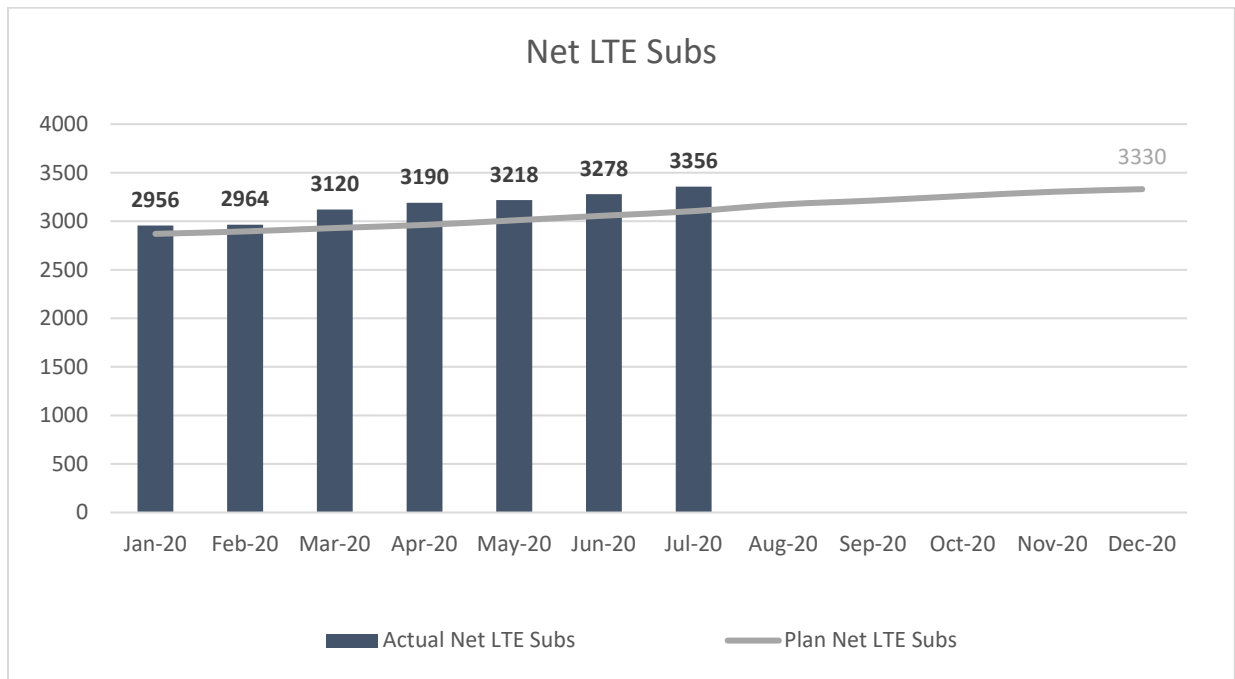
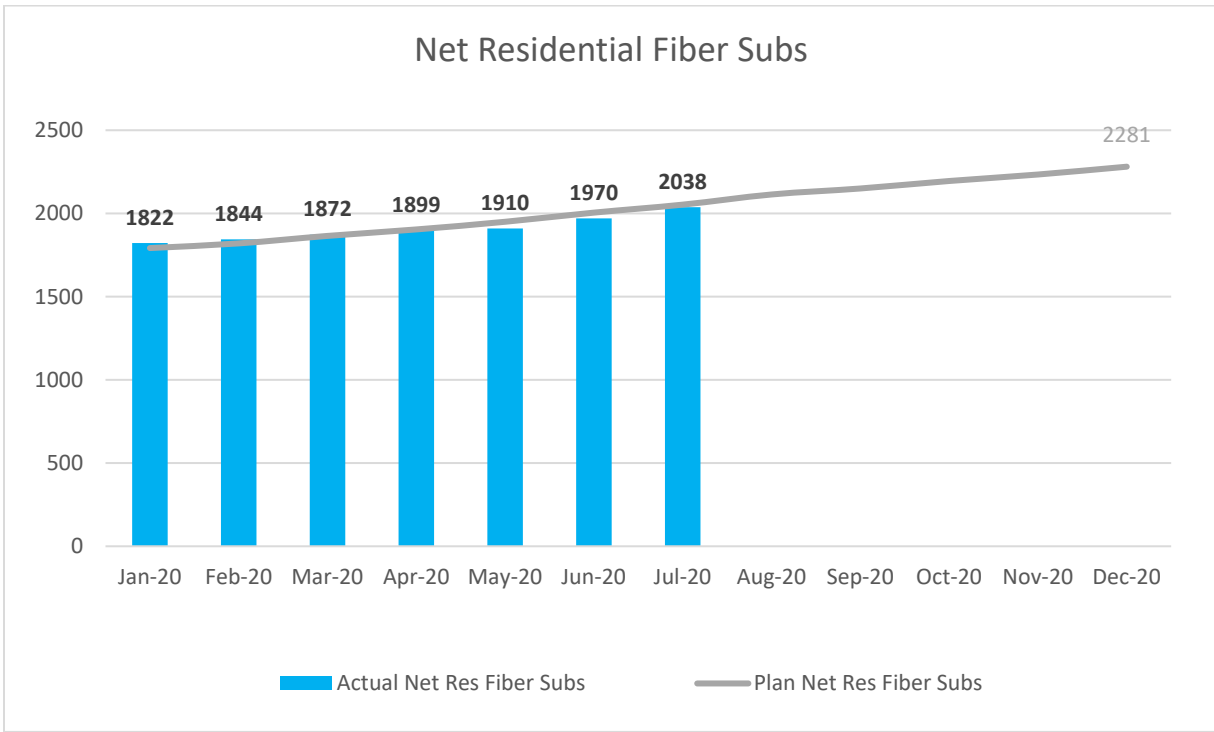
RIC Snapshot Aug 2020 Board Meeting

Gross Subscriber Onboarding 2020

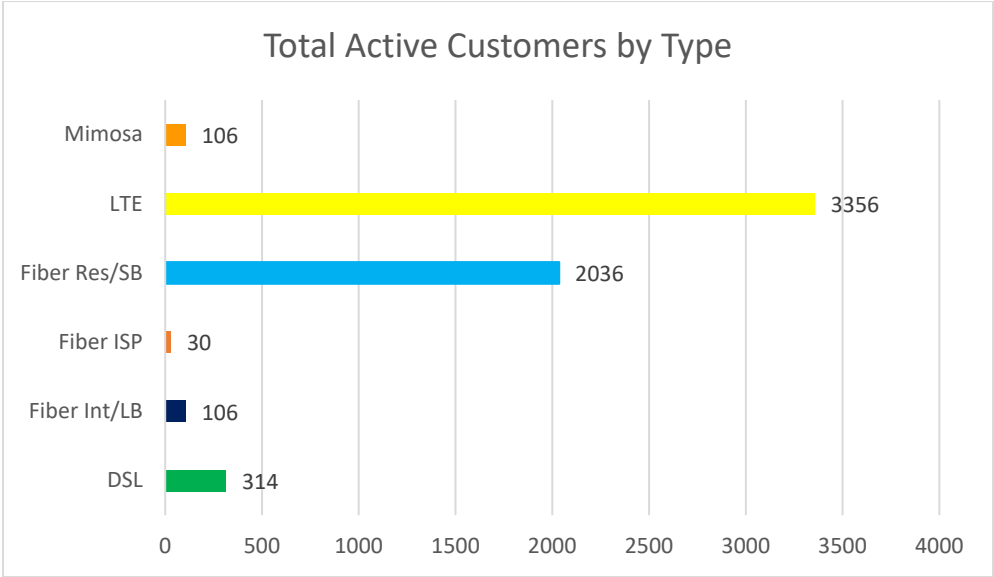


ROCKISLAND

Net Subscribers 2020



Active Customers as of July 31st, 2020

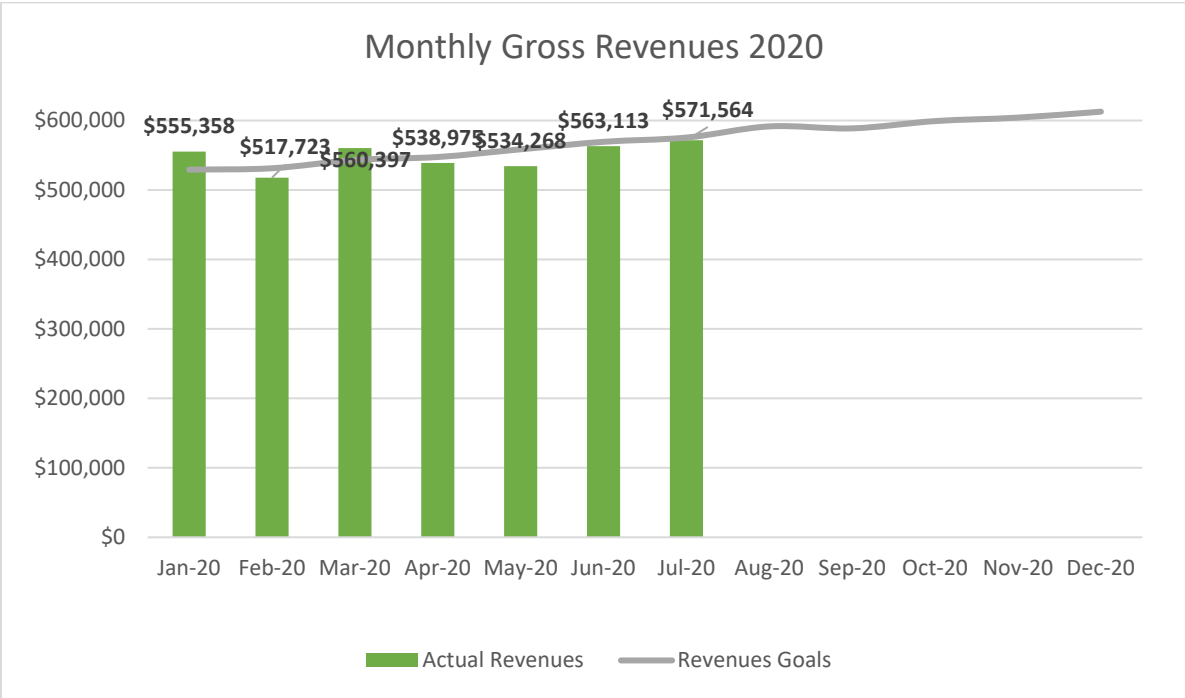


Total

5,948

ROCKISLAND

Revenues



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

Member Communication
July 27, 2020

Name	Nancy
Email Address	_____
Phone No.	
Comment	Thank you for making accessible the Snapshot Energy Assessment! Doug Poole came last week and his knowledge was so valuable. This program is very worthwhile even in a "newer" home.....ours is 20 years old, but technology has brought about many changes. Thank you.