

Board of Directors

Regular Meeting

Thursday, February 18, 2021

Virtual Meeting via Zoom

The OPALCO Board of Directors are following CDC guidelines for social distancing and all 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 pandemic. Board meetings will be conducted as scheduled via remote video conferencing until further notice.

Members may participate in the regular board meetings via Zoom. The first part of the meeting is reserved for member questions and comments. Use the chat feature on Zoom and staff will respond as soon as possible following the meeting. Please follow the protocols listed below:

- Mute yourself unless talking,
- Use your first and last name in your Zoom identity,
- Chat if you have a question/comment and the monitor will put you in the queue,
- OPALCO's Policy 17 - Member Participation at OPALCO Meetings decorum must be followed.

The Zoom link will be updated monthly and published in the board materials the Monday before each meeting. The link for February 18, 2021 is:

Meeting URL: <https://opalco.zoom.us/j/91560409899?pwd=d2JncVRRQnNxdlY0cUMxMWpvZWlxUT09>

Meeting ID: 915 6040 9899

Passcode: 380732

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



Board of Directors

Regular Board Meeting

February 18, 2021 8:30 A.M.*

Virtual Meeting via Zoom

**Time is approximate; if all Board members are present, the meeting may begin earlier or later than advertised. The Board President has the authority to modify the sequence of the agenda.*

WELCOME GUESTS/MEMBERS

Members 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 email communications@opalco.com for post-meeting follow-up.

Agenda

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EXECUTIVE SESSION (if required)	
Legal, Personnel, Competitive, Other	
ADJOURNMENT	



ACTION ITEMS

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 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 – January 2021

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

ASSOC OF LAGOON SHORES SENTINEL
BOLL, COLLEEN
BROOKS, LISA
BURKE, RYAN
CARLSHAGEN, DIANE
CARROLL, BRANDON
CARTER, PETRA & CARTER, DEAN
COBB, JENNIFER
CODE CRACKER EDUC, ATION LLC
CORNEILL, JOHN
FARRINGTON, CATHERINE & KRUSE, H. SCOTT
FRONTIER BUILDING, SUPPLY
HOCHBERG, GWYNNE & HOCHBERG, AARON
JONES, REID
KESSINGER, JANA
LEWIS, ROBERT & ADAMS, JACQUELINE
LONGWORTH, ELIZABETH
LYLES, BRENT & LYLES, SOPHIA
MCALLEN, ANN
MCCORMICK, JOSEPH
MCSHERRY, MIKE & MCSHERRY, KELLI
NKZL3 LLC
OLMOS, ERIK & ANGELINA, EDITH
PACE, ANNE & FRANGOLES, ROBERT
PARKIN, CYNTHIA & PARKIN, TONY
PAYNE, BRANDON
RONHAAR, THOMAS
SILVA, LYNN
SIMONS, KATHRYN & CARTER, STEPHEN
SUNDSTROM, DARLENE
WEST, ALISON
WILLIAMS, GREGG & BRATTIN, ALICIA
YABLONOVSKY, MARTIN & YABLONOVSKY, CARMEN

District 2 (Orcas, Armitage, Blakely, Obstruction, Double, Alegria, Fawn)

ALLEGRI, CHRIS

ANTONIA, MICHAEL
ARNONE, HARVEY & TROUT, JULIE
AUBUCHON, HARLAN & AUBUCHON, KELLE
BANNER BANK
BOYTE, KERRY & MAUNDER, MARK
CHRISTOPHERSON, BARRY
CLAIBORNE, ABE & STIX, BETTINA
CRUZ, GRISELDA
EDWARDS, ANTHONY
ELSEN, ANTONIA
GUERRA, PEDRO & BANDERAS, IRENE
HAFFNER, R POKE
HERZOG, RICK & HERZOG, VEE
IMSLAND, TOR
KAMP, AERIN
MEYER, AUSTIN
OSCAR ROMEO LLC
SPESARD, LISA
STIEHL, JOHN & STIEHL, JANE
WESTCOTT, EVAN

District 3 (Lopez, Center, Decatur, Charles)

BAILEY, AMANDA
BALTZER, NANCY
KNOX, AARYN
LOWE, GEORGE
MEHUS, SIRI & HEBERT, STEVEN
MILLER, MIKE
OSTERMAN, TOM
RIEDER, MARK & STEFFENS, BARBARA
SEIDEL, JILL & SEIDEL, ROBERT
VANDERMEY, TIMOTHY & VANDERMEY, CHRIS
WEIR, CLAIRE & WEIR, PETER

District 4 (Shaw, Crane, Canoe, Bell)

DIETRICH, SPENCER

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

February	
<u>Customer #</u>	<u>Amount</u>
69409	536.61
30780	457.66
69034	1,506.13
96556	47.18
68343	275.83
84164	717.74
79220	352.20
70046	1,422.87
62782	1,238.40
15070	275.74
Total	\$ 6,830.36

- RUS 219s Inventory of Work Orders of projects completed from the Construction Work Plan. These forms are submitted to RUS for approval of loan funds.

Inventory	Amount	RUS Description
202012	\$35,414.41	Transclosure and URD Replacements
AS2012	\$67,429.18	Minor Projects
Total	\$102,843.59	

Staff requests a motion to approve the Consent Agenda.



Orcas Power & Light Cooperative

Minutes of the Board of Directors Meeting

Thursday, January 21, 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; Head Accountant Travis Neal and Executive Assistant Kelly Koral (serving as recording secretary). Also present were Legal Counsel Joel Paisner, consultants Jay Kimball and Ryan Palmateer and Guest Speakers Roger Gray, Ashley Slater and Greg Mendonca from PNGC.

Member commentary session commenced at 8:30 a.m.

Members in attendance via Zoom:

Robert Dashiel

Rick Fant

Suzanne Olson provided a state of the Co-op update and invited anyone with questions to please post online. Reviewed today's agenda and the upcoming election for three Director positions this coming April.

Regular Session – 8:43 a.m.

Consent Agenda

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

Clean Energy Transformation Act (CETA) Update

Staff reviewed the CETA update in the materials. Introduced Ashley Slater and Greg Mendonca from Pacific Northwest Generating Cooperative (PNGC). Discussed PNGC's roll for Cooperatives and CETA, OPALCO's Resource Plan 2020.

- **MOTION** made to approve the Resource Plan compliance statement. Seconded and approved by voice vote.

Break at 10:07 a.m.

Back at 10:22 a.m.

Roger Gray with PNGC joined and presented an education session regarding RTO/ISO's.

Session ended 11:47 a.m.

Break 11:48 a.m.

Back at Noon

Long Range Plan 2020-2040

General Manager introduced the Long-Range Plan (LRP) clarifying that the plan is a requirement of RUS for obtaining government funding. OPALCO uses the LRP to direct each 4-year plan (Construction Work Plan).

Discussion was held.

- **Motion** was made to accept the Long-Range Plan. Seconded and passed by voice vote.

Policy 5 Investment of OPALCO Funds – Second read

Reviewed revisions made after our January board meeting.

- **Motion** was made to accept the revised Policy 5. Seconded and passed by voice vote.



Covid Update, General Manager's Report and Rock Island Snapshot
General Manager presented the reports.

There were no follow-up questions.

Meeting adjourned 2:00 p.m.

Vince Dauciunas, President

Brian Silverstein, Secretary/Treasurer



Orcas Power & Light Cooperative

Revision: 108664

01/25/2021 11:20:42 am	RUS Form 219 Inventory Of Work Orders	Page: 2
Period: DEC 2020		System Designation: WA 09

Inventory: 202012				Gross Funds Required		Deductions		Loan Funds		
Loan		Work Order		FdgT (3)	Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	Servlge Relating To New Construction Or Replacements (6)	Retirements Without Replacements (7)	Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
Project	Year	Construction (1)	Retirement (2)		Replacements (4)	Replacements (5)	Replacements (6)	Replacements (7)	Advances (8)	
601	2018 3571		3571	1	1,866.68	530.96	0.00	0.00	0.00	2,390.10
					1,866.68	530.96		AFUDC: 7.54	0.00	2,390.10
606	2018 3327		3327	1	33,616.37	0.00	0.00	0.00	0.00	33,024.31
					33,616.37	0.00	0.00	AFUDC: 592.06	0.00	33,024.31
Grand Totals:					\$ 35,483.05	\$ 530.96	\$ 0.00	\$ 0.00	\$ 0.00	\$ 35,414.41

01/25/2021 11:20:42 am RUS Form 219 Inventory Of Work Orders Page: 3
Period: DEC 2020 System Designation: WA O9

Inventory: AS2012

Project	Loan	Year	Work Order		Bdgt (3)	Gross Funds Required		Deductions		Contrib In Aid Of Constr and Previous Advances (8)	Loan Funds Subject To Advance By RUS (9)
			Construction (1)	Retirement (2)		Cost Of Construction: New Constr Or Replacements (4)	Cost Of Removal: New Constr Or Replacements (5)	New Construction Or Replacements (6)	Salvage Relating To Retirements Without Replacements (7)		
1600		2018	3183	3183	1	41,483.45	2,262.40	0.00	0.00	0.00	43,410.48
1600		2018	3421	3421	1	24,161.17	0.00	0.00	AFUDC: 335.37 AFUDC: 142.47	0.00	24,018.70
						65,644.62	2,262.40	0.00	0.00	0.00	67,429.18
Grand Totals:						\$ 65,644.62	\$ 2,262.40	\$ 0.00	\$ 0.00	\$ 0.00	\$ 67,429.18

Minor Construction Work Orders

Work Order: 3183 - REPLACE 1200' OF OH

Work Order: 3421 - Remove Transformer and meter base, replace primary cable with secondary

55009

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tneal

01/25/2021 11:20:42 am RUS Form 219 Inventory Of Work Orders Page: 6
Period: DEC 2020 System Designation: WA O9

Inventory : AS2012

Budget	Loan	Project	Amount
	1	1600	67,429.18
Total:			67,429.18

ENVIRONMENTAL CERTIFICATION

- ☐ WE CERTIFY THAT CONSTRUCTION REPORTED ON THE LISTED WORK ORDERS (EXCEPT CERTIFICATION "2" BELOW), IS A CATEGORICAL EXCLUSION OF A TYPE DESCRIBED IN 7 CFR 1970 WHICH NORMALLY DOES NOT REQUIRE PREPARATION OF A BORROWER'S ENVIRONMENTAL REPORT.
- ☐ WE CERTIFY THAT CONSTRUCTION REPORTED ON WORK ORDERS _____, IS A CATEGORICAL EXCLUSION OF A TYPE THAT NORMALLY REQUIRES A BORROWER'S ENVIRONMENTAL REPORT WHICH IS ATTACHED.

SIGNATURE (MANAGER)

DATE

BORROWER CERTIFICATION

WE CERTIFY THAT THE COSTS OF CONSTRUCTION SHOWN ARE THE ACTUAL COSTS AND ARE REFLECTED IN THE GENERAL ACCOUNTING RECORDS. WE FURTHER CERTIFY THAT FUNDS REPRESENTED BY ADVANCES REQUESTED HAVE BEEN EXPENDED IN ACCORDANCE WITH THE PURPOSES ON THE LOAN. THE PROVISIONS OF THE LOAN CONTRACT AND MORTGAGE, RUS BULLETINS, AND THE CODE OF FEDERAL REGULATIONS RELATIVE TO THE ADVANCE OF FUNDS FOR WORK ORDER PURPOSES. WE CERTIFY THAT NO FUNDS ARE BEING REQUESTED FOR REIMBURSEMENT OF CONSTRUCTION WORK IN A CBRA AREA.

SIGNATURE (MANAGER)

DATE

SIGNATURE (BOARD APPROVAL)

DATE

ENGINEERING CERTIFICATION

I HEREBY CERTIFY THAT SUFFICIENT INSPECTION HAS BEEN MADE OF THE CONSTRUCTION REPORTED BY THIS INVENTORY TO GIVE ME REASONABLE ASSURANCE THAT THE CONSTRUCTION COMPLIES WITH APPLICABLE SPECIFICATIONS AND STANDARDS AND MEETS APPROPRIATE CODE REQUIREMENTS AS TO STRENGTH AND SAFETY. THIS CERTIFICATION IS IN ACCORDANCE WITH ACCEPTABLE ENGINEERING PRACTICE.

INSPECTION PERFORMED BY

FIRM

LICENSE NUMBER

DATE

SIGNATURE OF LICENSED ENGINEER

55009

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tneal

DISCUSSION ITEMS

COVID-19 Update

OPALCO had three positive cases of COVID-19 within the staff in February. All of these employees and their family members did well and all are expected to be back to work with extra precautions in place by the end of the week. OPALCO is working with Dr. Frank James and Mark Tompkins with San Juan County Department of Health to ensure that our protocols and planning documents include best current practices specific to COVID-19. OPALCO put a pandemic plan in place on March 13, 2020 utilizing the best information and practice available at that time. As we have learned from the pandemic and as the science and best practices have evolved, we have updated our plan accordingly. With advice from our County health department and our experience having an outbreak in our ranks, we used the opportunity to incorporate lessons learned and ensure we meet the highest safety standards.

OPALCO's 2020 Pandemic Plan gave the management team the tools they needed to quickly get employees isolated, follow up with potential contacts and cooperate with the County health department. The COVID-19 Daily Intake Form worked as planned and gave managers a clear picture of potential exposures. An emergency staffing plan was quickly updated to track the availability and health status of line crew members and coverage was put in place. A daily email was sent out to update staff on the COVID-19 status and a media release went out to the community on 2/8/21 (<https://www.opalco.com/opalco-response-to-covid-19-cases-on-lopez/2021/02/>). The following are some lesson learned that are addressed in our updated COVID-19 plan (OPALCO COVID-19 Preparedness Plan and Response Guide):

1. Reinforce the importance and mandate of mask wearing in the workplace and in the field. An all-staff email was sent to clarify the mandate for masks and staff were directed to wear them at all times in the workplace except when at their distanced workplace – or working alone in the field. All employees have and will continue to receive masks from OPALCO appropriate to their work situation and disposable masks are readily available in each office.
2. Update the COVID-19 plan with specific language for COVID-19 response and workplace protocols. OPALCO instituted a Pandemic Response Plan in March of 2020. Under the advice of Dr. Frank James of the San Juan County Health Department, that plan was updated and revised to be COVID-19 specific and to include more detailed language about OPALCO's wellness precautions and response protocols. The updated plan includes specific language taken directly from CDC guidelines in accordance with county health guidelines. OPALCO reviewed plans from other electric utilities and BPA's Return to Work plan for examples of specific language for the electric industry.
3. Quarantine restrictions – Currently working with the County health department to determine how balance power restoration priorities within County quarantine requirements. The updated COVID-19 Preparedness Plan includes detailed language about staffing plans and safe return to work protocols.



As we move through this situation, we will continue to work closely with the County to ensure all the appropriate steps are followed to protect the safety of employees and the general public.

Our revised COVID-19 package will be posted on the website following Board review. Staff is continually improving the tracking methods and reporting systems to ensure timely indicators.

OPALCO has suspended any collection and disconnect activity since the beginning of March 2020 consistent with state and federal mandates. We are seeing ~300 members who we have not disconnected or charged penalties and are in the 90 days past due period of billing.

As seen in the following charts and figures, we are seeing ~400 community members taking advantage of our assistance measures through EAP, EAP-C, and PAL. Of this number, ~180 members are continuing to receive the EAP/EAP-C monthly assistance until the board approved funding has been exhausted.

We continue to watch the data points to make sound decisions as we continue to move through this pandemic and understand the different ways each organization needs to operate to meet the needs of the membership while remaining a viable business.

For current information from San Juan County Health please use the link below:

<https://www.sanjuanco.com/1668/2019-Novel-Coronavirus>



OPALCO COVID-19 Update (Figures are reported from March 20th, 2020 to the date of transmittal, unless otherwise stated)

COVID Assistance

	# of Accounts	Amount (\$)	Board Approved Funding (\$)	Remaining Budget (\$)
Energy Assist (EAP-C) Commercial COVID	107	79,891	100,000	20,309
Energy Assist (EAP) Residential COVID	90	23,170	50,000	26,830
Extend Project PAL Benefits - COVID	131	15,000	15,000	0
Grand Total	303	117,862	165,000	47,138

Fee Assistance (Lost Revenue)

(Based on variance from collections comparing 2019 to 2020 for the period April 1st to Date)

Penalties	95,493
Reconnection Fees	6,932

Measures

Energy Assist (EAP-C) Commercial COVID
 Energy Assist (EAP) Residential COVID
 Extend Project PAL Benefits COVID
 Penalties
 Reconnection Fees

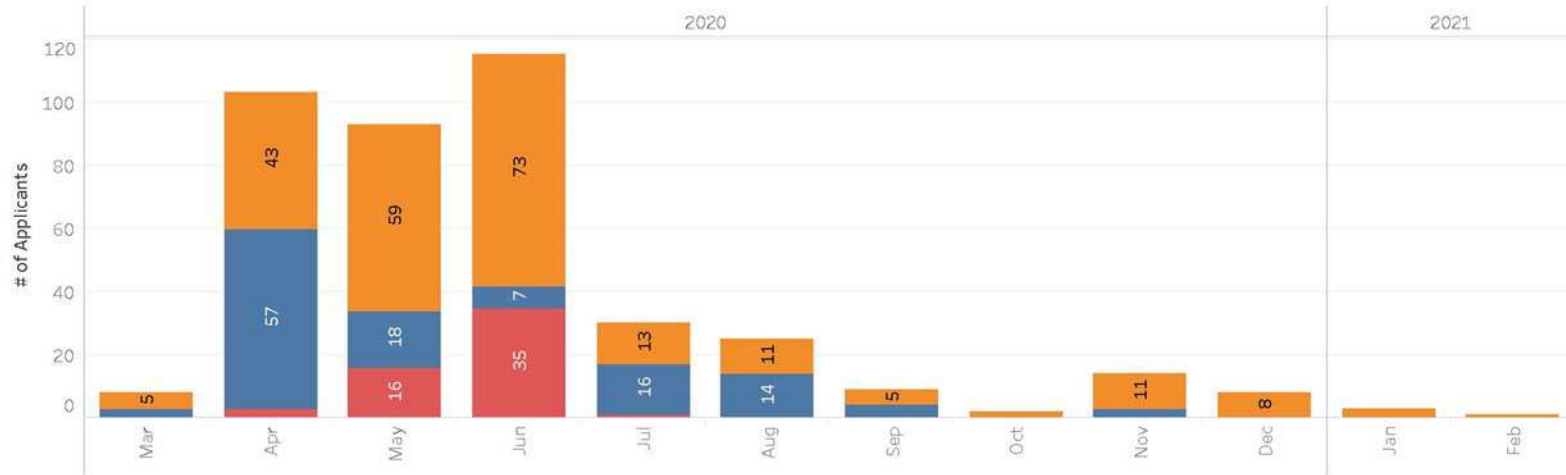
Benefit

\$67.57 per mo., based on number of meters on a commercial rate
 Assistance ranges from \$31.41 to \$61.41, based on number of permanent household occupants
 \$100
 Waiving of late penalties (Normal penalties are 5% of the total balance post-due date)
 Waiving of reconnect fees (Normal reconnect fee is \$50 per instance of reconnecting after a disconnect for non-payment)

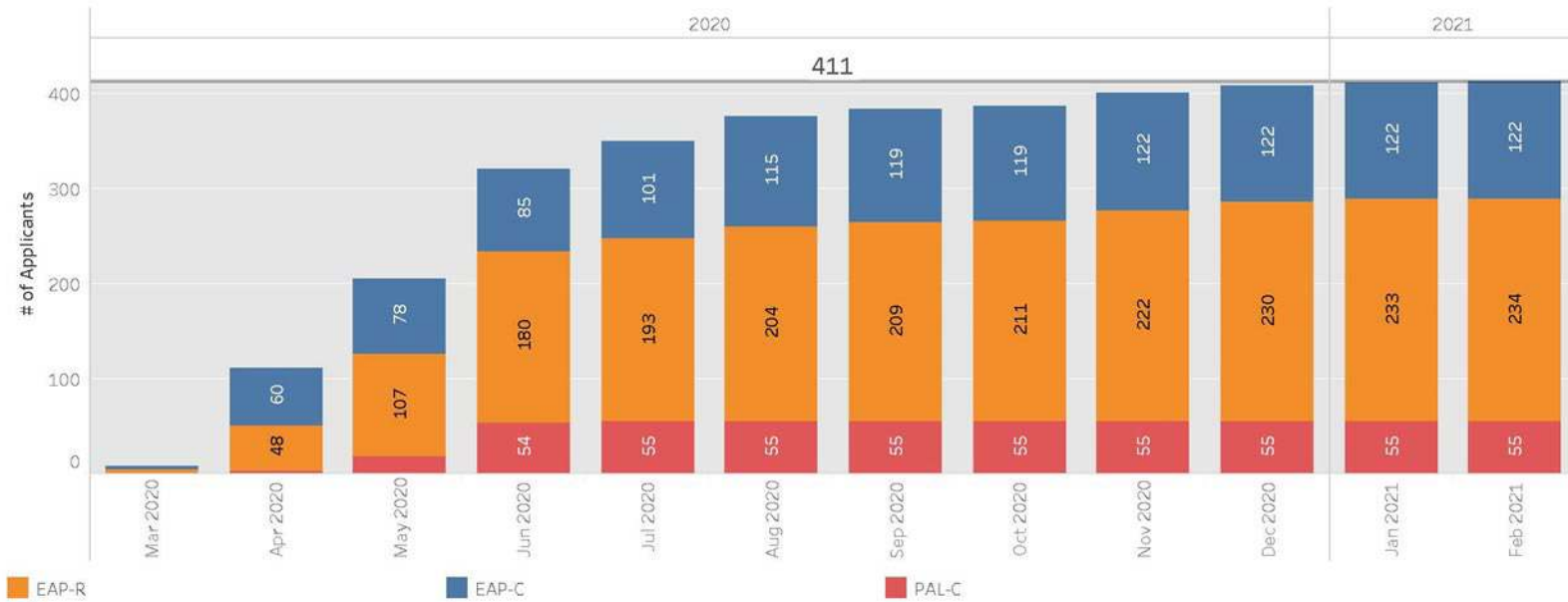
Member Donations to COVID-19 Relief Efforts

Staff will 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.

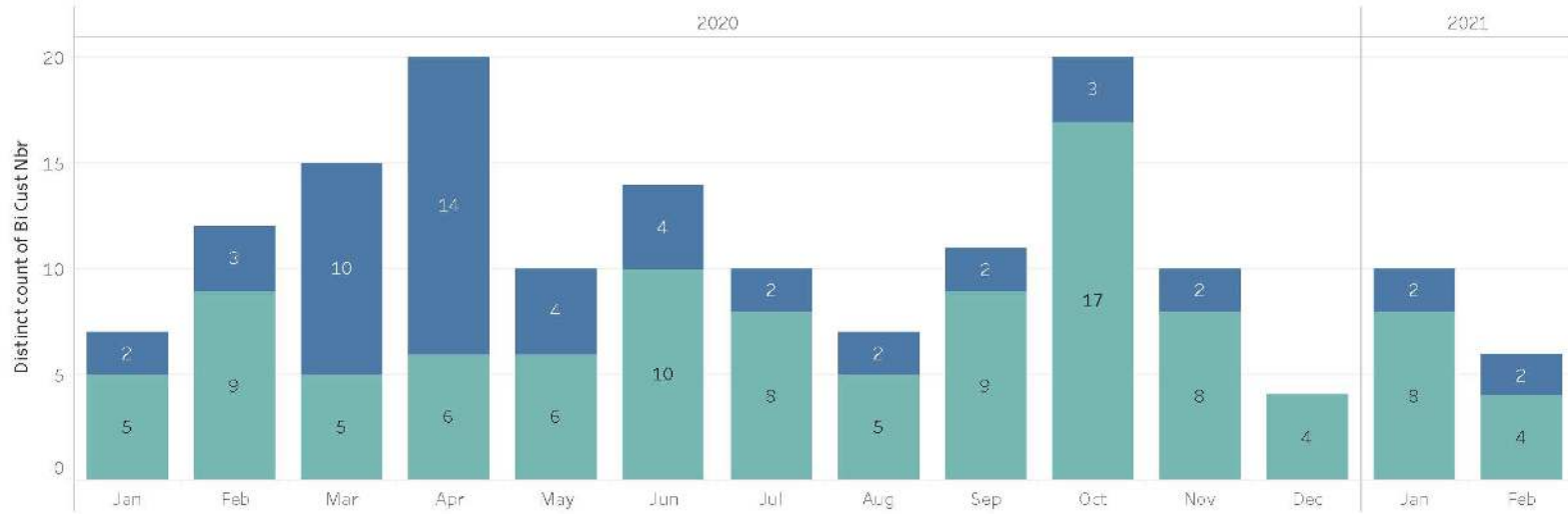
COVID-19 Assistance Applications



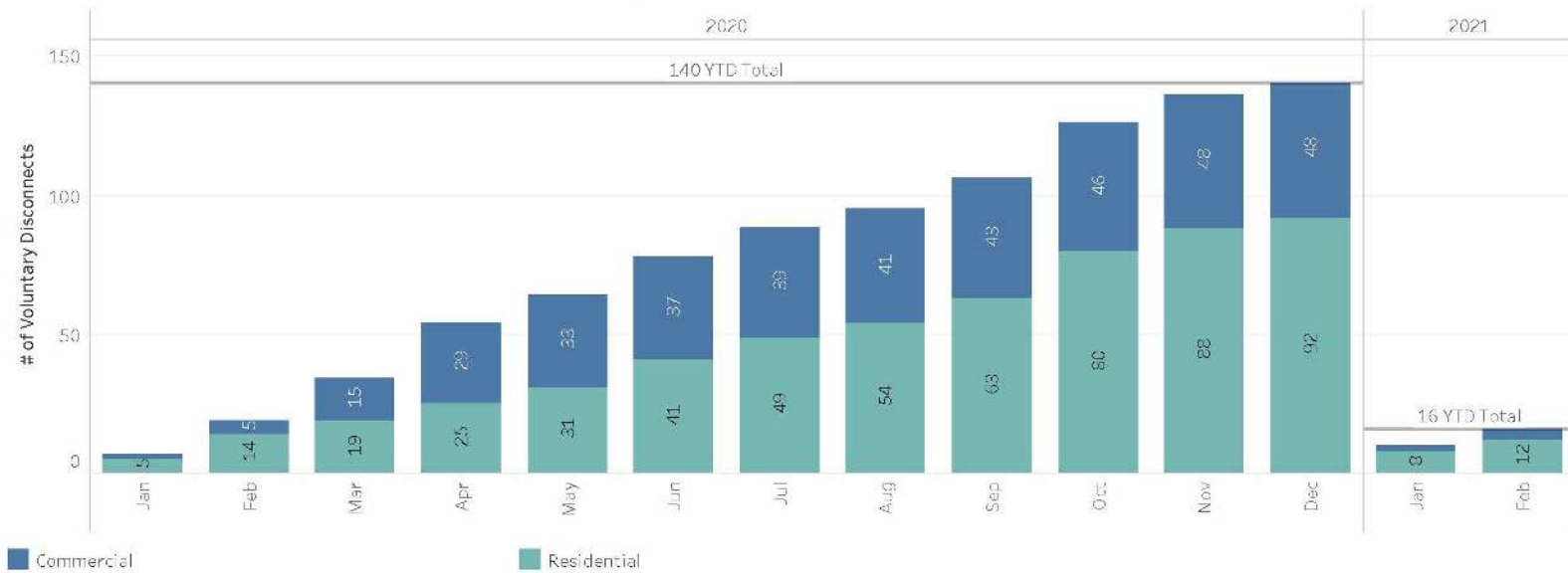
COVID-19 Assistance Applications Cumulative



Voluntary Disconnects (Meters)



Voluntary Disconnects Cummulative (Meters)



A/R 30-60-90

- 30-day A/R is trending slightly higher.
- 60-day A/R is notably higher and stabilizing.
- 90-day A/R notably higher and stabilizing.
- 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.

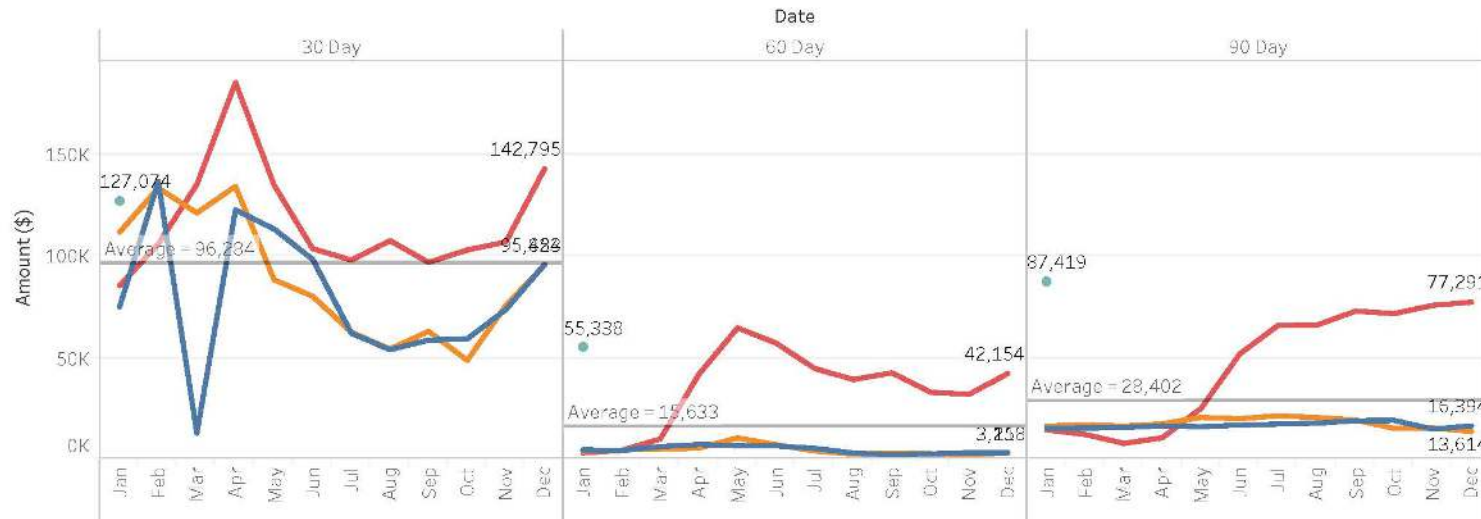
Long Term AR Comparisons - 30/60 Day

	30 Day			30 Day % Difference			60 Day			60 Day % Difference		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Jan	111,730	85,379	127,074	-23.58%	48.84%		3,837	3,101	55,338	-19.18%	1,684.60%	
Feb	133,447	105,886		-20.65%			4,511	4,333		-3.93%		
Mar	121,185	135,225		11.59%			4,962	9,976		101.04%		
Apr	134,240	185,370		38.09%			5,479	41,845		663.72%		
May	88,272	134,798		52.71%			10,457	64,616		517.89%		
Jun	80,172	103,575		29.19%			7,126	57,091		701.17%		
Jul	62,481	97,956		56.78%			4,004	44,576		1,013.19%		
Aug	54,135	107,577		98.50%			2,543	39,191		1,441.27%		
Sep	62,931	96,832		53.87%			3,010	42,513		1,312.26%		
Oct	48,634	102,980		111.75%			2,725	32,868		1,106.30%		
Nov	75,636	105,860		41.28%			2,078	31,986		1,439.43%		
Dec	95,454	142,795		49.60%			3,218	42,154		1,209.94%		

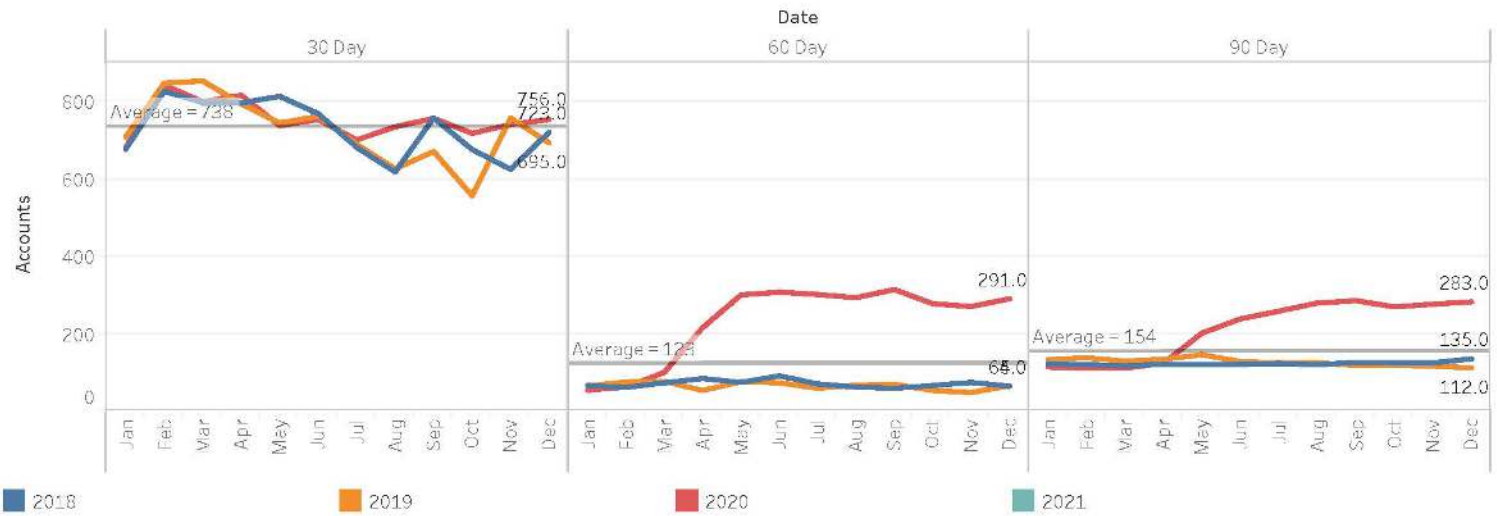
Long Term AR Comparisons - 90 Day

	90 Day			90 Day % Difference		
	2019	2020	2021	2019	2020	2021
Jan	16,243	14,427	87,419	-11.21%	505.95%	
Feb	16,995	12,166		-28.42%		
Mar	16,257	7,752		-52.25%		
Apr	17,451	10,546		-39.57%		
May	20,553	25,016		21.72%		
Jun	19,925	51,746		159.70%		
Jul	21,349	65,931		208.82%		
Aug	20,486	66,002		222.19%		
Sep	19,305	72,854		277.39%		
Oct	15,115	71,660		374.08%		
Nov	15,429	75,673		390.47%		
Dec	13,614	77,291		467.75%		

Long Term AR (\$)

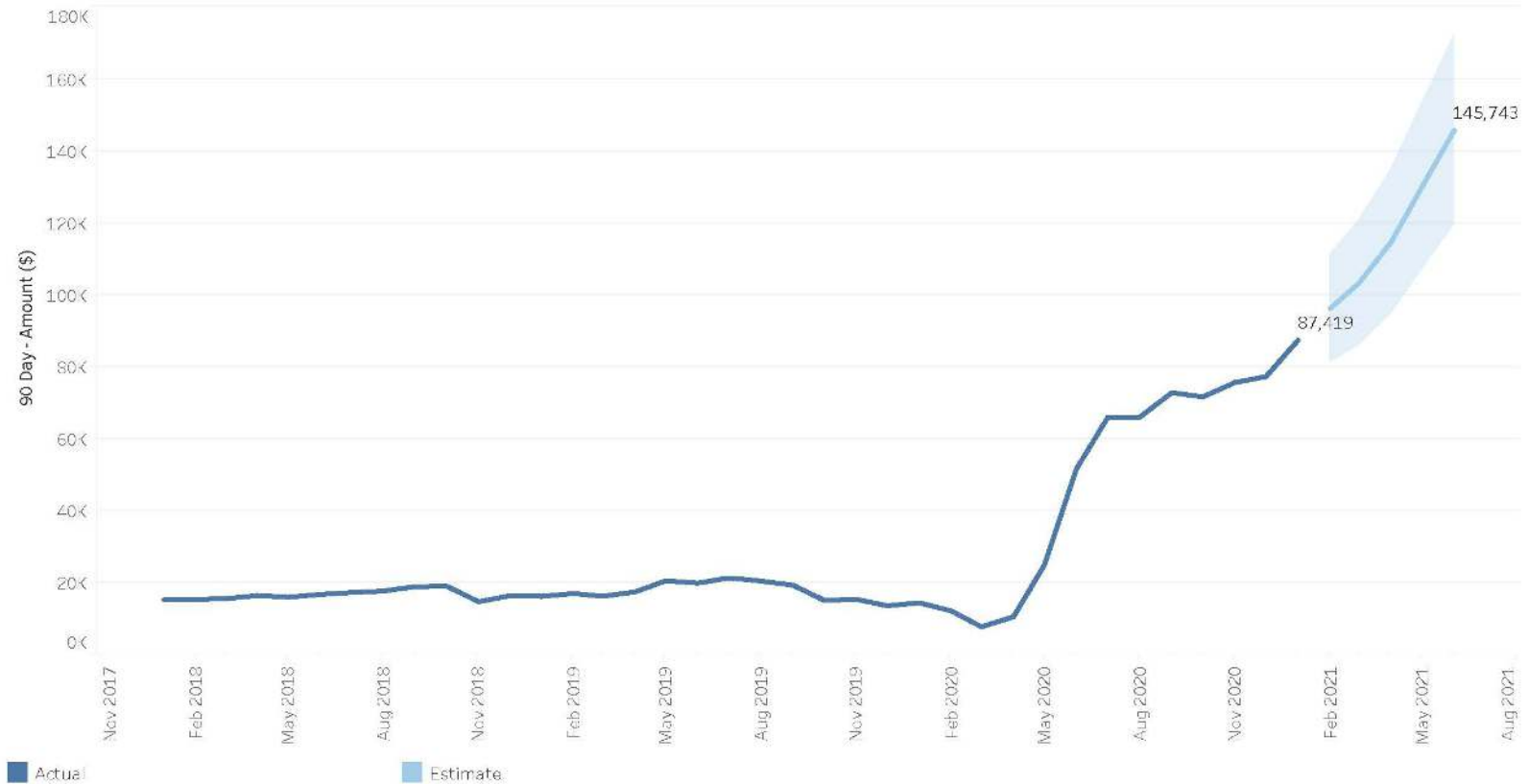


Long Term AR (Count)



AR - 90 Day with 5 month Forecast (\$)

The forecast (seen in the light blue with a shaded prediction confidence bands) ratched down due to the plateau.



Forecast Details (All forecasts were computed using exponential smoothing.)

Forecast forward: 5 months (Feb 2020 - Jun 2021)

Forecast based on: Jan 2018 - Jan 2021

Initial Forecast Value: 96,226 ± 14,948

Change From Initial: 49,516

Quality: Poor

Model Details

Level: Additive

Trend: Additive

Quality Metrics

RMSE: 9,088

MAE: 4,927

MASE: 1.52

MAPE: 20.5%

AIC: 708

Smoothing Coefficients

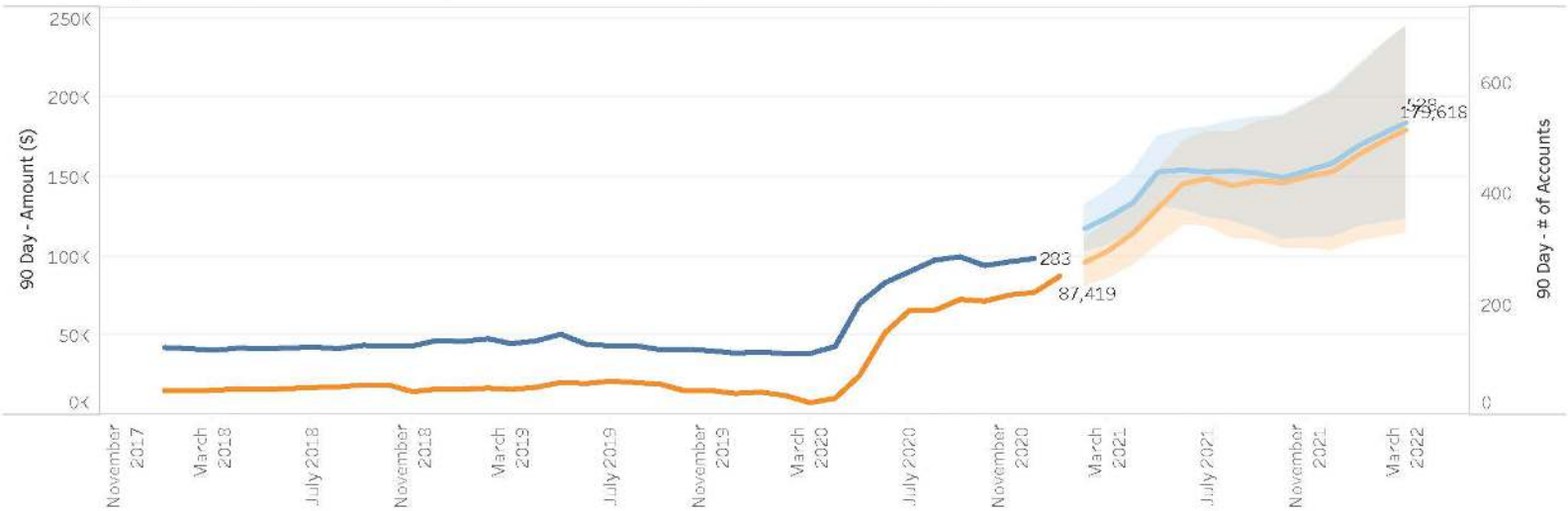
Alpha: 0.500

Beta: 0.172

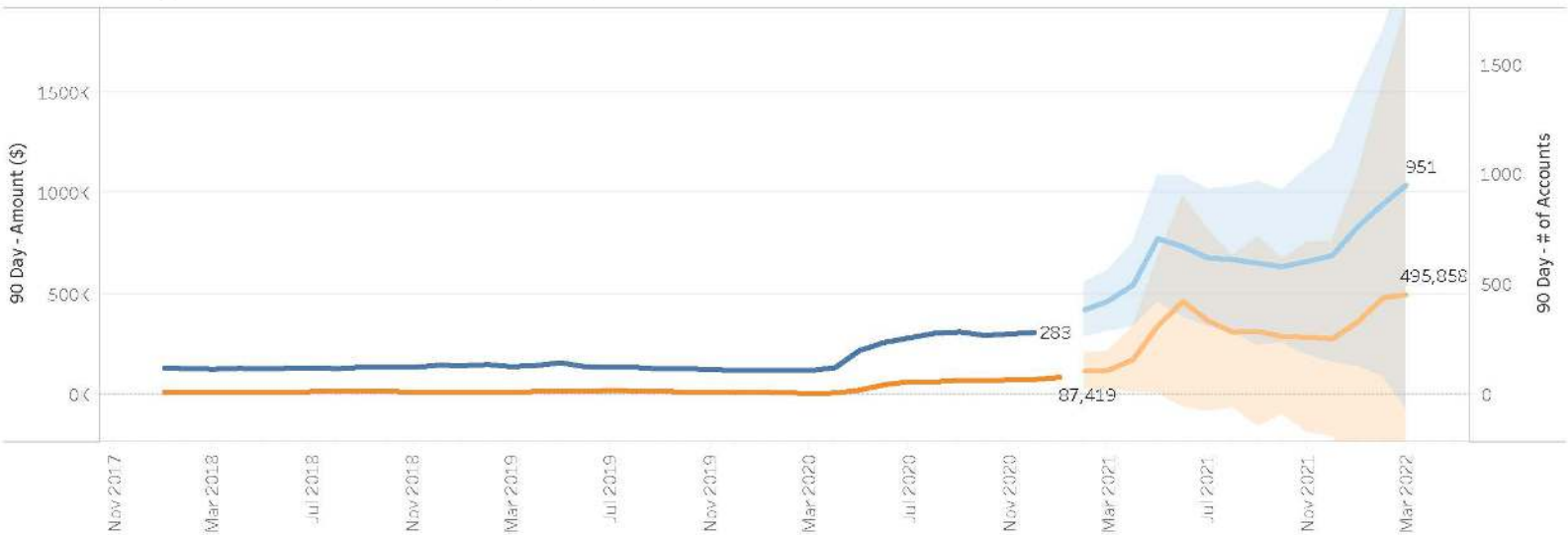
Gamma: 0.500

AR - 90+ Day with YE2021 Forecast (\$) - Assumed

The forecast (seen in the light blue with a shaded prediction confidence bands) flattened down due to the plateau.



AR - 90+ Day with YE2021 Forecast (\$) - High



30/60/90 Day AR Per Account Totals

30 Day - # of Accounts

470

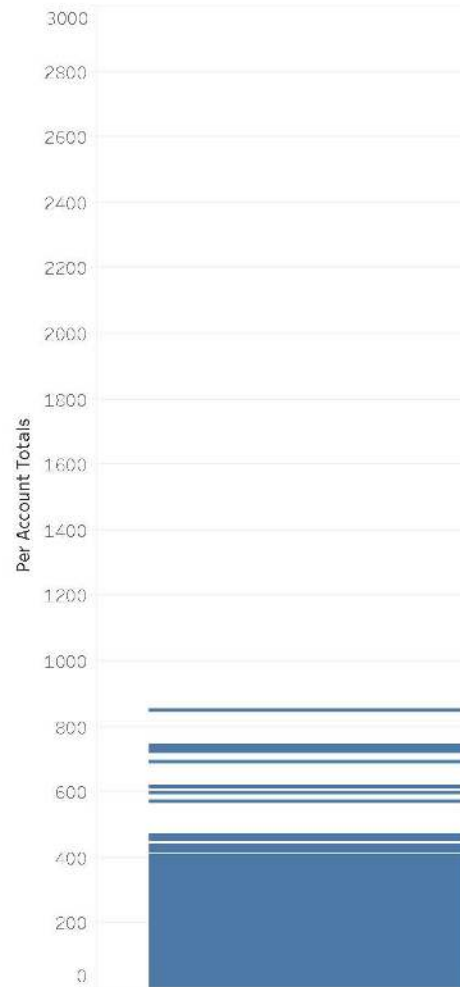
60 Day - # of Accounts

238

90 Day - # of Accounts

265

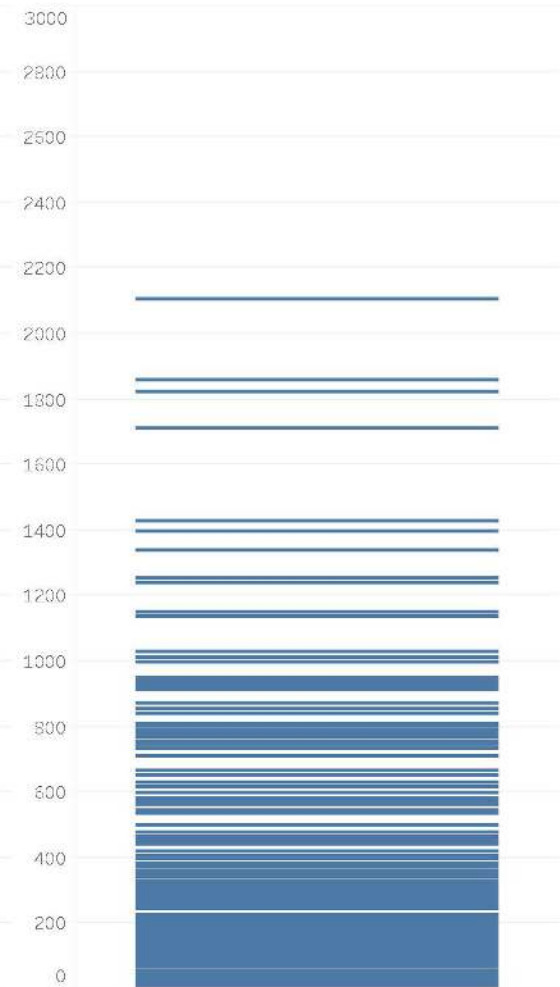
30 Day - per Account Totals



60 Day - per Account Totals



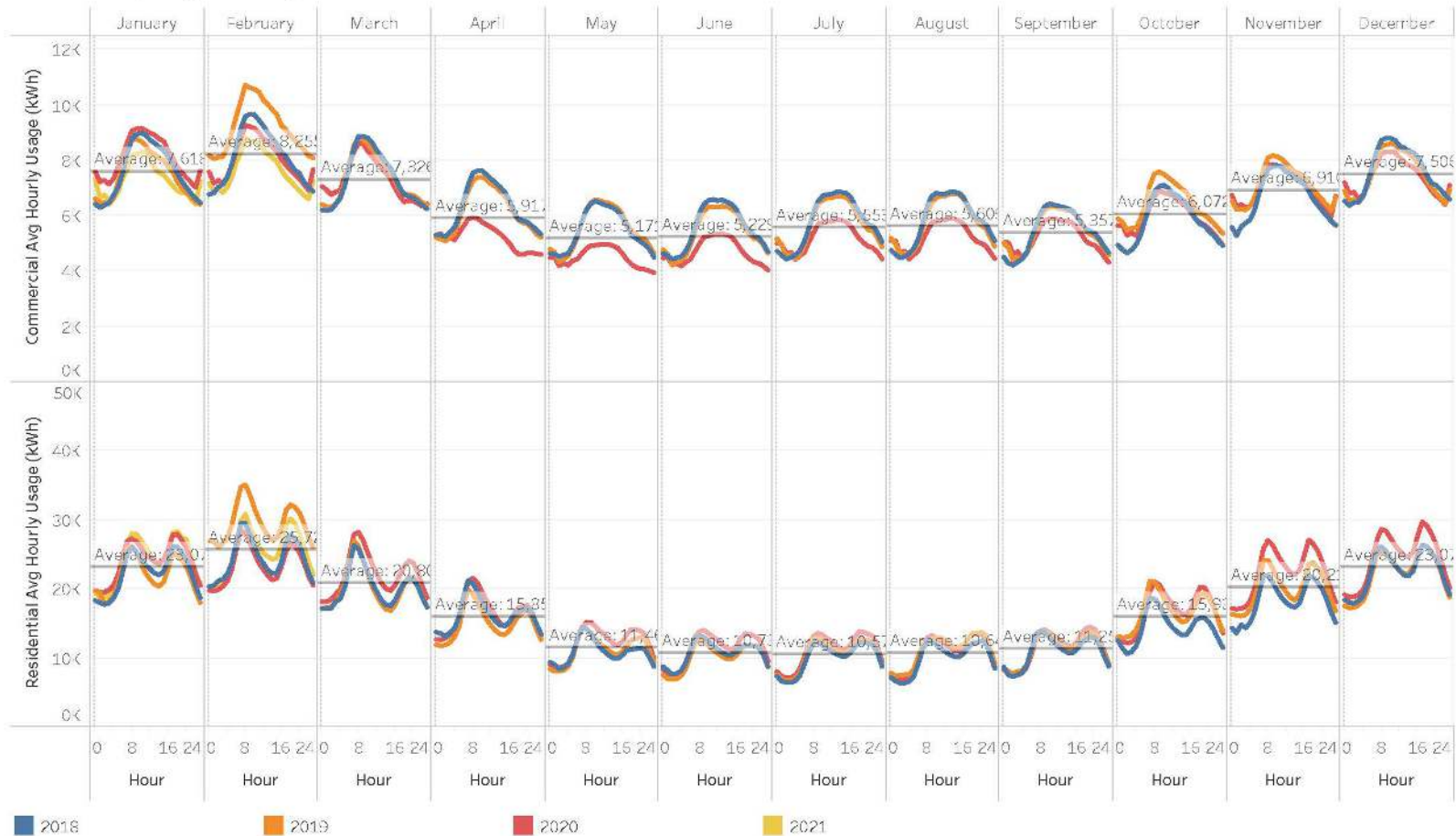
90 Day - per Account Totals



Load Shape - Residential and Commercial

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 over the summer of 2020.
- Overall estimated increase of >1% in residential usage since April 1st.
- Current reporting month is a partial data set.

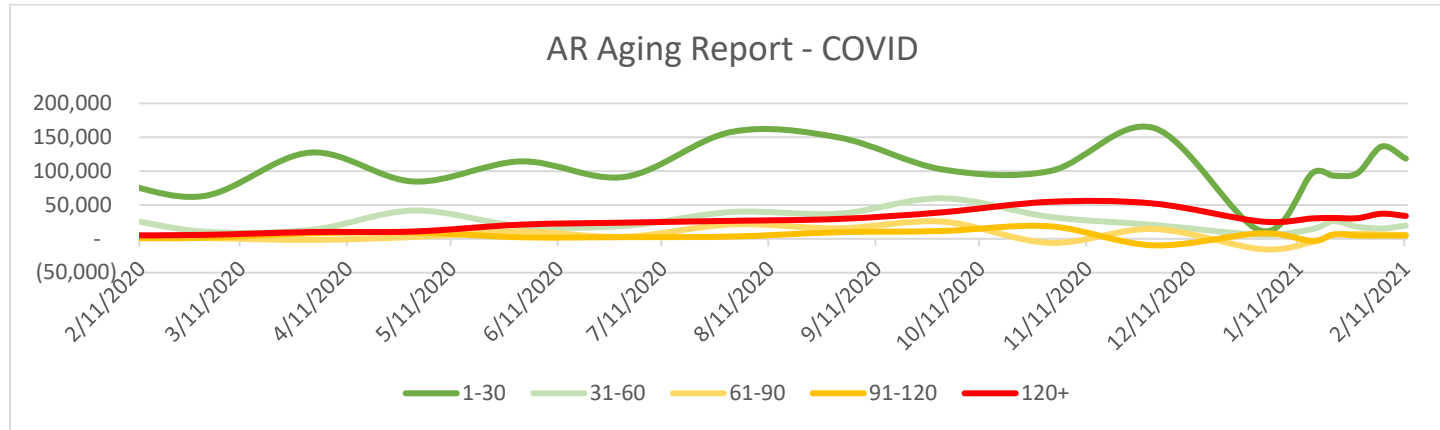


Next steps: Staff will continue to track closely the above data points as well as several more we are developing as the pandemic continues to show any impacts on the cooperative. We need to be patient as we continue to monitor this data to ensure we are making the best decisions for the co-op throughout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

Rock Island COVID-19 Update

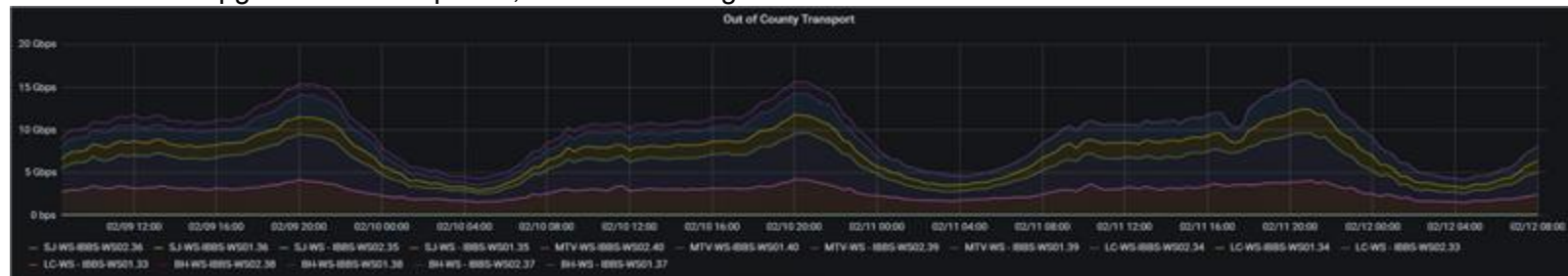
30-60-90 Accounts Receivable Trends

No changes to AR Aging trends for RIC services to report.



Transport Network

Our current peak for transport out of county hovers right at 16GB. Mid deployment of the transport upgrades has our off-island capacity at 40%. As the final upgrades are completed, we will be taking that utilization down to 12%.



COVID Readiness

Rock Island has used recent increases in the COVID spread within San Juan County to update and discuss our current COVID Action Plan. Staff has weekly meetings to discuss escalations and adoption of standards by staff. RIC has made safety around the pandemic part of its culture and have complete support for the effort from staff. A copy of the Action Plan can be obtained upon request.



BPA – John Hairston, Administrator and CEO

We are fortunate to have the newly appointed Administrator and CEO for BPA join us for a discussion of PNW power issues. John Hairston, who has been acting in this role since September 2020, is the 16th Administrator in BPA's 83-year history. John has served in many different capacities all across the agency during his almost 30-year tenure at BPA and, as such, brings a unique perspective to the job. His biography is available at this [link](#). Please join us in congratulating John in his new role and thanking him for taking the time to visit with OPALCO.

REPORTS

General Manager

DASHBOARDS

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

Finance	Member Services	Outage
Budget Variance	Disconnects	Historical SAIDI - Graph
TIER/Margin	Uncollectable Revenue	Historical SAIDI - Figures
Expense	PAL	Outage Stats – Rolling 12 Mo
Cash	EAP	Outage Stats – Monthly
Power Cost	Service Additions	SAIDI by Category
Purchased Power	Annual Service Additions	Outage Summary
Annual Power Metrics	Revenue Dist. By Rate	
Capital		
Debt/Equity		
WIP		
Income Statement Trends		

ENGINEERING, OPERATIONS, AND INFORMATION TECHNOLOGIES

Pacific Northwest Power Resources

Below is a link for continuing education concerning the PNW Power Resources discussion on the Washington State 2021 Energy Strategy from WA Department of Commerce. For discussion at the meeting.

<https://www.commerce.wa.gov/wp-content/uploads/2020/12/Washington-State-2021-Energy-Strategy-Second-Draft-12-02-2020.pdf>

WIP

As of February 12, 2021, there are 417 work orders open totaling \$7.0M. Decatur Energy Storage System is \$1.5M of the balance. Operations has completed construction on 143 work orders, totaling \$2.0M.

Safety

John Spain of Northwest Safety Service conducted electrical back feed training for all staff via Zoom and in person in multiple districts. The total current hours worked without a loss time accident 67,242 hours.

Tidal

As a part of staff's ongoing conversations on tidal power, Orbital Marine and PNNL have been engaged to aid in environmental/regulatory investigations for deployment requirements. Staff is scoping tidal flow investigation and working toward execution of a memorandum of understanding between organizations.

Grid Modernization Projects

- Decatur Battery Energy Storage System (ESS) – WA DOC CEF2 Grid Modernization (~\$1M Grant) – Commissioning has been completed. PNNL testing and analysis postponed due to hardware replacements in progress.
- Microgrid – WA DOC CEF3 Grid Modernization (Grant \$ Amount TBD) – Site layout and design is projected for completion by end of Q1 2021. Staff is in negotiations with PNNL to contract for testing and analysis.

FINANCE

2020 Budget Tracking

Energy (kWh) purchases and sales were higher than budgeted for January 2021. Overall, gross revenue surpassed budget by ~\$175k, largely driven by increased kWh sales. This amount was curtailed by the ECA in the amount of \$210k resulting in a net sales revenue variance of -\$39k for the month.

Income Statement Summary (in thousands)		January 2021 projection		
		Budget	Actual	Variance
	Gross Revenue	\$ 3,501	\$ 3,676	\$ 175
	ECA Surcharge / (Credit)*	-	(210)	(210)
	Revenue	3,501	3,466	(35)
Expenses				
	Cost of Power	1,062	1,066	4
	Revenue (net of Power Cost)	2,439	2,400	(39)
HDD		227	209	(18)
kWh Purchases		23,760	25,850	2,090
kWh Sales		22,359	25,458	3,099

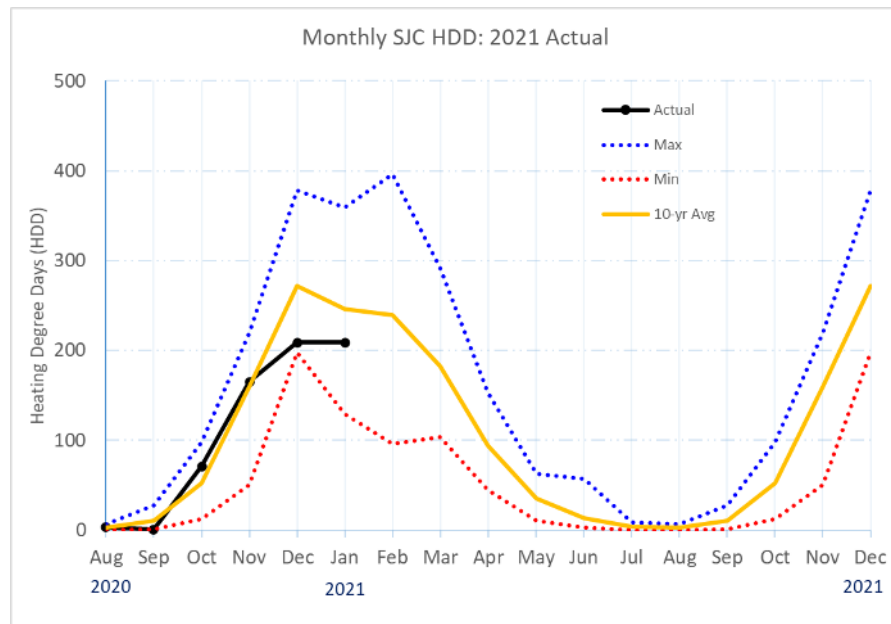
*The ECA has returned \$210k to members in the form of bill credits in January

Monthly ECA

The calculated amount for the January ECA was a bill credit of -\$0.008810 per kWh which returned \$210,606 to members, or \$15.58 per 1,000 kWh. Note that the ECA current month calculation has a one-month lag using December power purchase figures. The February billing period ECA will be a credit of \$(.006008) per kWh.

Heating Degree Days (HDD)

Last winter's HDD's were volatile as compared to historical averages. For 2020, Q3 settled back to around the historic average with the exception of December which trended towards an El Niño pattern. This pattern continued into January 2021 as HDDs came in below historical averages.

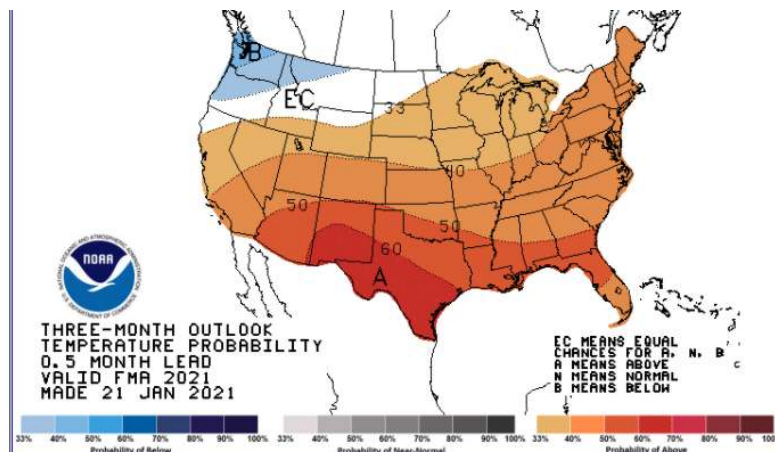


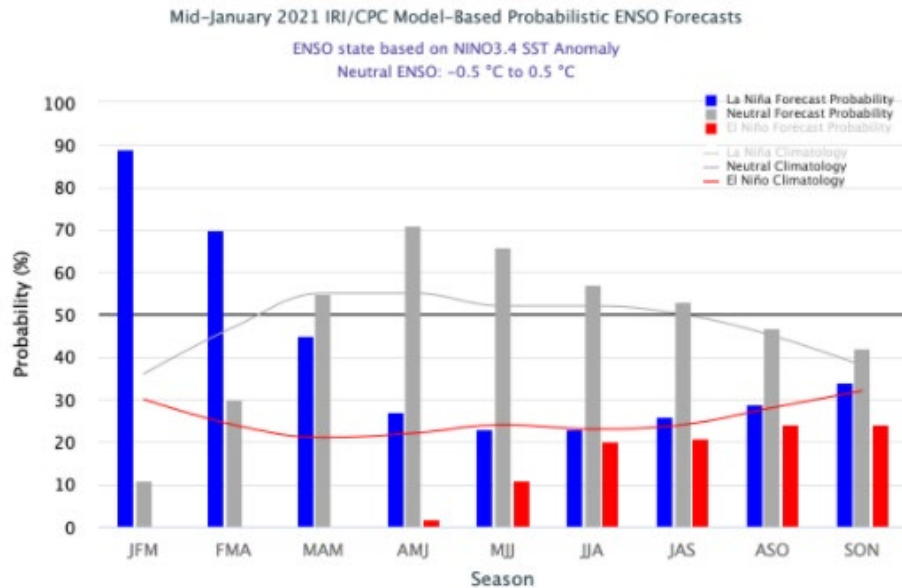
*10-year max, min, avg is 2010-2020

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. This played out as anticipated as seen above with December HDDs and has continued into January 2021. For the second half of the winter, the latest NOAA predictions are indicating a probability of higher La Niña temperature condition in the region. The trend to a La Niña condition appears to be present as we begin February and will likely continue through the Northern Hemisphere this winter (~50-60% chance). Given OPALCO's sales influence by oceanic conditions, we may tilt toward a slightly cooler condition which may yield increased energy consumption.

2021 Feb-Mar-Apr Outlook





MEMBER SERVICES

Energy Assistance

EAP: During January 2021, 427 members received ~\$15.9k from the low-income Energy Assist program, compared to 368 members receiving ~\$12.9k in January 2020.

Project PAL: During January 2021, 86 members received ~\$13.2k in Community/Family Resource Center Awards.

LIHEAP award notifications and funds are starting to arrive; members' accounts are being credited.

Switch it Up!

There are now 161 projects complete and billing for a total of \$1.3M outstanding. There are another 41 projects in various stages of the process. Four members have opted to pay off their financing early. Some projects have been delayed as residential contractors have been limited by COVID-19.

Energy Savings

In January, there were 17 rebates paid out to members totaling ~\$14.5k. This includes one fuel switching ductless heat pump rebate and two EV charging station rebates.

Solar Interconnects

There were 10 new interconnect applications submitted in January, and two members were interconnected with solar. There are an additional 22 pending connections.

Community Solar

During the January 2021 billing cycles, the [Decatur Community Solar](#) array produced 5,600 kWh. A total of ~\$674 was distributed to 264 accounts.

COMMUNICATIONS

Election 2021

Nominations by Elections and Governance committee closed January 27th. The following were nominated by a vote of the committee:

- District 2 (two positions open): Rick Christmas, Joseph Cohen, Rick Fant and Jeffrey Struthers
- District 3 (one position open): Eric Beckman and Peter Garlock

Nominations by petition are due on February 19, 2021 at 12:00 PT (noon). A single candidate forum is scheduled for March 17th via Zoom.



Decatur Island Microgrid Celebration: February 24

Staff are working with the Department of Commerce to host a virtual celebration of the project completion, scheduled for February 24, 2021 at 12 – 1 pm on Zoom. Governor Inslee will make opening remarks and the event will feature a video showcase of the project and give OPALCO an opportunity to thank our partners and grantors. Here is the one-minute version of the tour:

<https://www.youtube.com/watch?v=beFwE106VZI&feature=youtu.be> (we will be showing the full eight-minute version at the event). Below is the agenda for the event:

- Welcome and Meeting Information – Suzanne Olson, OPALCO Public Relations Administrator
- Introductions – Foster Hildreth, OPALCO General Manager
- Opening Remarks – Governor Jay Inslee
- Commerce Remarks – Lisa Brown, Director of Commerce
- Project Overview Panel – OPALCO & Commerce staff
- Tour of Project (film)
- Q&A
- Closing Remarks – Vince Dauciunas, OPALCO Board President and Foster Hildreth, OPALCO General Manager

Island Way Campaign

Staff held a Co-op Stewards onboarding event on January 27th with the goal of deputizing engaged members to help spread the word about the Island Way campaign. More than forty members attended, listened to a big picture overview of OPALCO's plan and asked great questions. Staff will continue working with these engaged members with good information and ways to get involved. A new Stewards FaceBook page is up and running with articles and information relevant to the Island Way campaign.

Outage Recap

Wind events and tree issues caused a spattering of power outages in early February. With six crew members completing their quarantine periods, the remaining crews managed coverage for all three districts and restored power quickly with a crew member traveling to another district overnight. We were fortunate that the outages were confined to the Orcas district, who were down only one lineman. Outage communication was effective and member comments were mostly positive. There was a glitch with the social media feed on the outage page, which has been resolved. We saw a higher than usual number of members who reported their outage using SmartHub, which OPALCO has been encouraging. The following summarizes each outage.

FEB 8 – A tree fell into the transmission line on Shaw Island during ROW clearing work. The outage lasted about 3.5 hours and affecting all of Shaw and Orcas. The Eastsound village core was restored after about 30 minutes by rerouting power through the Decatur feed. Operations reviewed the incident to ensure all safety protocols are followed by outside contractors.

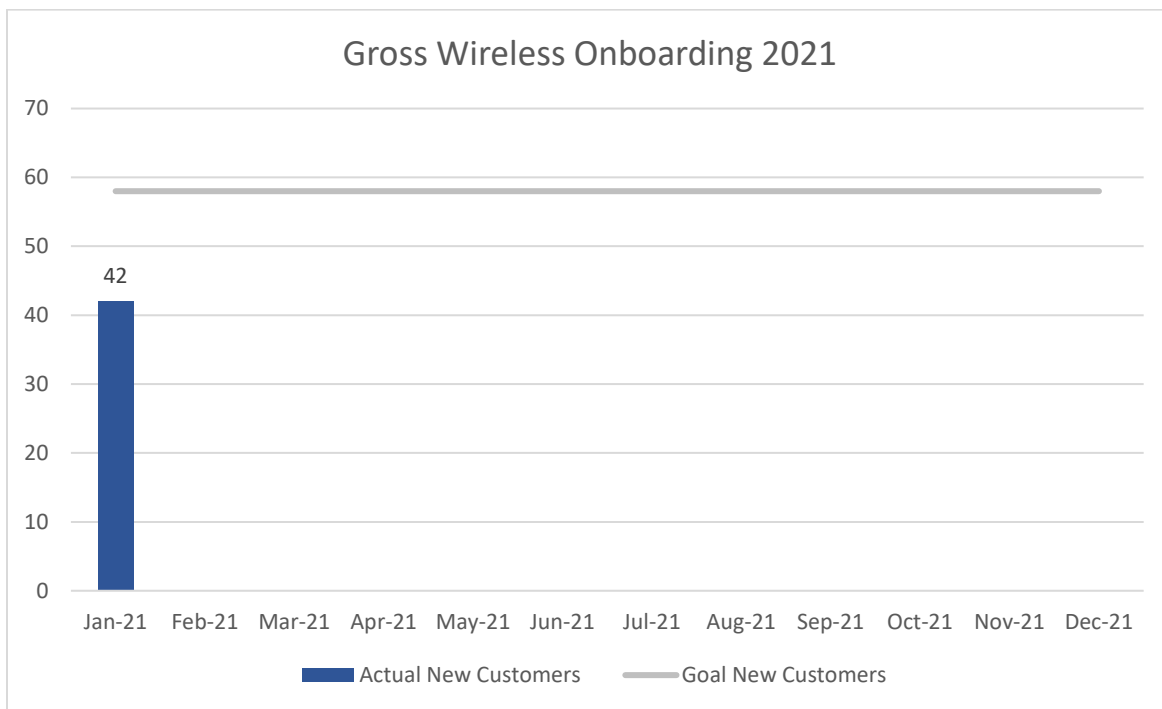
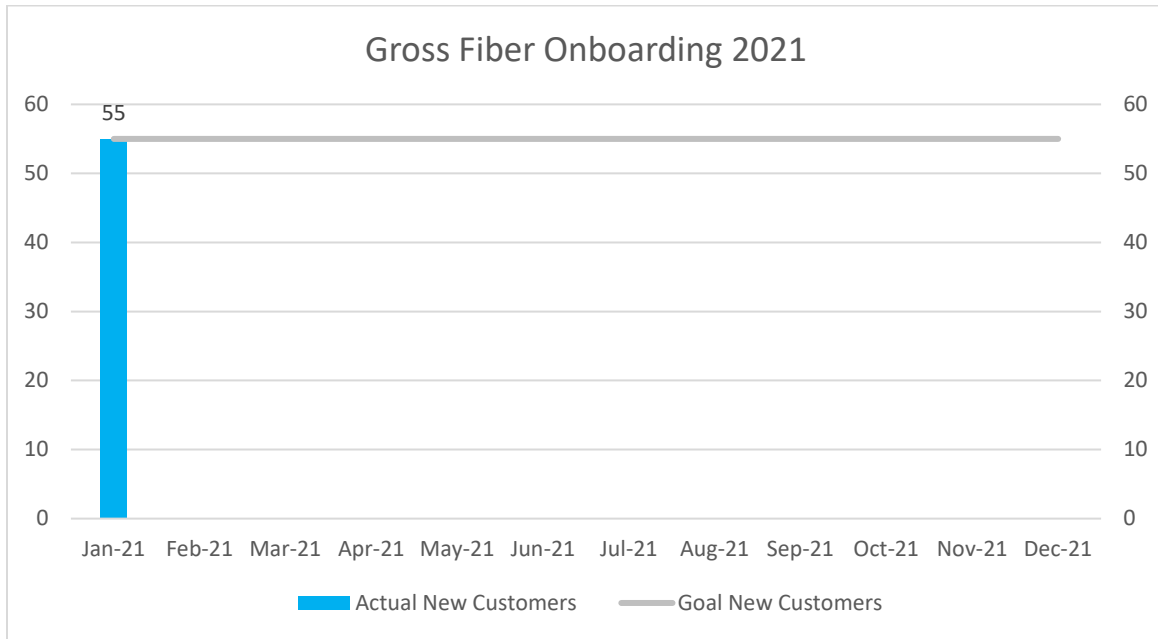
FEB 11– A Nor'easter wind event, which typically impacts Orcas island the hardest, caused three separate, short duration outages on Orcas Island due to branches in the lines from the high winds. The Deer Harbor area was out for less than an hour in the morning – and then the crew hurried to the east side of the island to resolve another branch in the lines near Olga that shut the power off from Olga to the base of Flaherty's Hill. In the late afternoon, a member reported a branch on the line near McNallie Road, and members on the west side of Orcas were out of power for about an hour.

It's important for OPALCO and the County health department to collaborate closely to develop protocols appropriate to critical infrastructure workers. We have a responsibility to strike a balance between the timely restoration of power for public safety while meeting County COVID-19 safety requirements.

For example, a Nor'easter wind event can take a big toll on Orcas Island and the Orcas crew was needed in district. Fortunately, in this case, there were crew members available from another district to assist with Lopez coverage during this wind event. OPALCO's SCADA system provides a valuable tool for outage management and quick restoration, yet qualified personnel are still required to manage the system safely.

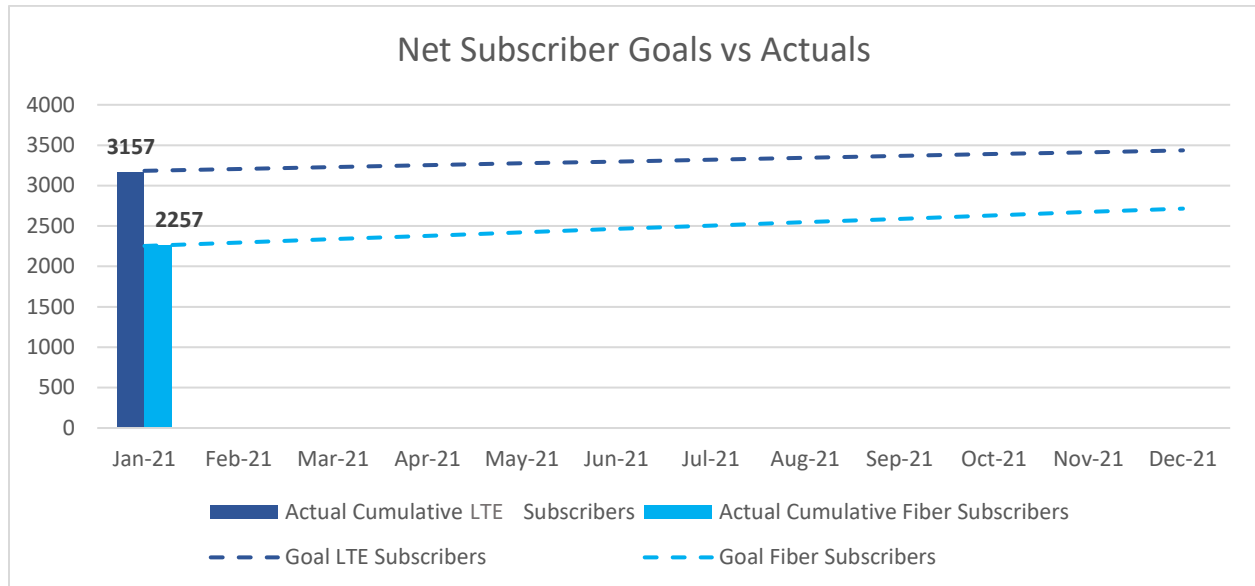
Rock Island Snapshot

Gross Subscriber Monthly Onboarding 2021

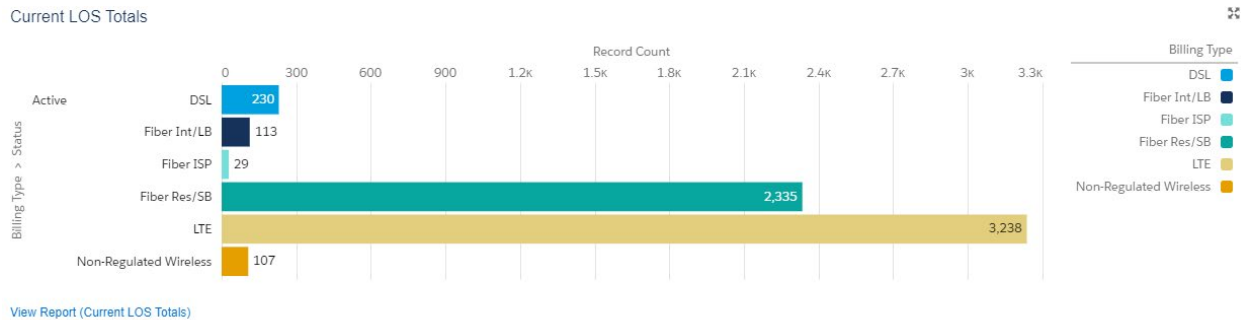


ROCKISLAND

Net Subscribers 2020



Subscriber numbers are adjusted to reflect the Access EDU services. The no cost education services are not being counted in the net total of Fiber and LTE.



Total Active Customers

6,052

ROCKISLAND

Revenues



❖ January revenues are projected and not closed final numbers are subject to change.