

Board of Directors

Regular Meeting

Thursday, April 15, 2021

Virtual Meeting via Zoom

The OPALCO Board of Directors are following CDC and San Juan County 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 April 15, 2021 is:

Meeting URL: <https://opalco.zoom.us/j/92308906732>

Meeting ID: 923 0890 6732

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

April 15, 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.

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EXECUTIVE SESSION

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 – March 2021

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

ARMINTROUT, DOUG
AXLING, MATT
AYRES, KACIE & LANGER, STEPHANIE
BACON, KIMBERLY
BELDEN, KATHY
BRESLER, TAMELA
CB CRAFTWORKS LLC
CLARK, DANA
COLE, PHILIP
DAVIDSON, LIAM
GILLIGANS ISLAND STYLE E-BIKE R
GRAHAM, KATIE
HENDERSON, ALFRED & STRONG-HENDERSON, DELORES
HOKE, PAMELA
JAC 175 WEB SJ LL, C
MEYER, JOHN
NEWMAN, DENNIS & SCHATZ, CAROL
NUNEZ, DAYANA
PLANK, TARA
PURDUM, NATHAN & PURDUM, KAILA
REYNOLDS, JASON
RIDENOUR, KIMBERLEY & RIDENOUR, PAUL
ROSE, DUSTIN & LEHMAN, SIEGE
SAN JUAN KAYAK EX, PEDITIONS, INC

SEUS, JOHN & MOONEY-SEUS, MARJORIE
SHAW, GRETCHEN
SHEPPARD, FRANK & SHEPPARD, AMIE
WALDRON, NOAH
WILLIAMS, JOHN & WILLIAMS, KAREN

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

COHEN, REBECCA
CRUZ WINCHELL, HALEY
ESTRELLA, JULIANNA
KIMPLE, ALICIA
NEW EASTSOUND LIQ, UOR & WINE
NIMMO, KRISTEN
OAKIN, TOM & OAKIN, KELSEY
PATTY, RENA
PEACOCK, JERAMIE
QUINTERO, SOETH
RINGSTAD, NICHOLAS & RINGSTAD, JAMIE
ROBINSON, AUTUMN
ROSA, JOSEPH & ROSA, LOUISE
SAYLER, SUSAN
SCHEIBL, KAYLA
SHANKS, MICHAEL & SHANKS MORALES, GEANCARLA
SJC PUBLIC HOSPITAL DIST #3
SMITH, RALPH
SOBJACK, DON & SOBJACK, EILEEN



WIEGEL, DIANA & ROBSON, LISA
WONG, JENNY

MILLER, STEVEN
SPOOR, WILLIAM

District 3 (Lopez, Center, Decatur, Charles)
GANITKEVIC, JURIJ & CLIFTON,
ANN
GARFIELD, JEFF & GARFIELD,
WANDA

District 4 (Shaw, Crane, Canoe, Bell)
HOGUE, JONATHAN &
HOGUE, REBECCA
PRATT, THANE & PRATT,
LINDA

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

April	
Customer #	Amount
63915	771.98
25020	270.08
60002	1,078.58
65475	465.68
9820	368.94
Total	\$ 2,955.26

Staff requests a motion to approve the Consent Agenda.



Orcas Power & Light Cooperative

Minutes of the Board of Directors Meeting

Thursday, March 18, 2021

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, Alan Smith, Executive Vice President of Rock Island Communications and consultant Jay Kimball.

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

Members in attendance:

Steve Bernheim

Sue Bauer

Wayne Rankin

Krista Bouchey greeted everyone and invited member questions and comments. Reviewed today's agenda, the upcoming election, annual meeting and noted the video tour of the Decatur Micro Grid project is available on the OPALCO website. Other items covered were the town hall sessions that will be held after the annual meeting, ductless heat pumps, electric vehicles, the Island Way Campaign and the new EV Happy Deal.

Regular Session – 8:35 a.m.

President Vince Dauciunas opened the meeting, reviewed the agenda noticing the GM Review will be done AFTER the Rock Island Communications session.

Consent Agenda

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

CONSTRUCTION WORK PLAN

GM reviewed OPALCO Construction Work Plan (CWP). The plan is linked to our guiding documents including the Integrated Resource Plan (IRP) which feeds the Long-Range Plan. The CWP is then broken down in to increments – in our case they are 4- or 5-year plans. President Dauciunas asked which CWP will include electrification of the ferries? GM explained the CWP is actually for obtaining loans to fund projects. It is not likely the ferry electrification will be in this CWP. The next step is to submit the CWP to RUS and get ready to submit a loan application.

- **MOTION** was made to accept Resolution 1-2021 Construction Work Plan 2021-2025. Motion was seconded and passed by voice vote.

Break 9:55 a.m.

Back 10:07 a.m.

BOARD MEETING PROCEDURES – Policy 1

First read only. Counsel outlined the thought behind the changes in the policy. The Bylaws adopted Robert's Rules of Order for Member meetings. These were not for Board meetings. Adopting small meetings rules is the goal here. GM requested if any adjustments to please submit and revisions will be brought to the next meeting.

2020 YEAR IN REVIEW

GM presented the 2020 Year in Review.

2020 YEAR END UNAUDITED FINANCIAL REPORT

GM reviewed the financial report.

**COVID-19 UPDATE**

GM reviewed the OPALCO and Rock Island Communications COVID information.

GENERAL MANAGERS REPORT

General Manager presented the General Manager report.

MEMBER COMMENTS OR QUESTIONS

No member comments or questions.

Meeting adjourned 12:09 p.m.

Vince Dauciunas, President

Brian Silverstein, Secretary/Treasurer

ACTION ITEMS

Extension of the 2020-2021 PAL Season

As the disruption of the pandemic continues, OPALCO members are being impacted through illness, loss of wages, and school and business closures.

Staff has spoken with the administrators of the PAL program; the community resource centers and has received recommendations from the teams for the proposed extension (two written communications are below) and if needed an allowance of a second award up to \$100.

Staff has also analyzed the PAL Program current funding and believe that the ability to extend the program which would normally end on April 30th has the funding available in the 2021 Budget for member assistance to continue to June 30th. This extension request was also authorized by the Board in 2020, which allowed the season extension as well as a second award up to \$100.

The goal is to provide as much support as we can to help members pay their power bills during these challenging times while maintaining the viability of our member-owned co-op.

Staff requests a motion to authorize the extension of the 2020-2021 PAL season from April 30th, 2021 to June 30, 2021 and allow a second award of up to \$100 as approved by the community resource centers.

From: Jana Webb

Sent: Wednesday, March 31, 2021 9:02 AM

To: Joseph Wyckoff

Subject: Re: Project PAL Season 2020/2021

Extending would be lovely. To allow those that have applied already this season to apply one more time, would be amazing.

Allowing those that are normally over income but financially impacted due to COVID or have experienced loss of wages due to medical treatment, etc. to apply for one Pal award would be amazing. There is a lot of funding out there for COVID relief, but folks that have lost wages due to chronic illness, cancer, etc. don't qualify for any of those programs.

There are a handful of seniors that are accustomed to earning extra income to supplement their social security income who haven't been able to work for the extra income due to COVID and are not eligible for unemployment benefits as many others are.

Our experience is that everyone could benefit from assistance with their power bill whenever it is offered.

Jana L. Daniel-Webb, MEd
Programs Director/Case Manager
Orcas Community Resource Center
374A North Beach Road
PO Box 931
Eastsound, WA 98245

(360) 376-3184



April 5, 2021

The Lopez FRC have really enjoyed this new system working together with OPALCO for PAL Awards and EAC Applications. Thank you for checking on as we near the end of the 2020-21 Season.

Households are starting to experience extenuating circumstances that I can see a need for an extended PAL season! Right now, we are seeing a second wave of request for support and circumstances of worthy need. For example, we are still working with the county to communicate with Households that are in quarantine unable to work for up to 20 days. Loss of wages will be a challenging to recover from quickly and maintain good standing on all the utilities.

We can expect to be in this situation for another few months, if not even into the summer months. Another area of Project Pal to consider is base award amounts increase from \$150 to \$200. I see most households benefit with an award of \$200 to \$250.

What I find stellar is the quick readiness to work together with clients on a needs basis. From my experience, the OPALCO Team treats individuals with kindness, understanding, and respect around the barriers to making payments on time. Working together with clients has resulted in a tangible plan that fits what is reasonable for each situation. Many clients say they feel so shameful for needing assistance or asking for extra help, but the relief to know that aid is coming has made such a world of difference.

Thank you for the continued support of the FRC's to manage such a vital community program.

Best,

A handwritten signature in black ink that reads "Contessa D".

Contessa Downey

Director of Community Supports

LISD School Advocate

Pronouns: She/Her/Hers



Policy 1 - Function of the Board of Directors (Second Read)

At the March Board meeting, the Board reviewed the updates to Policy 1 related to meeting efficiency and decorum. These revisions reflect the “small board meetings” (12 individuals or less) portion of “Robert’s Rules of Order.” We are only obligated to follow “Robert’s Rules of Order” during the annual meeting. The formality isn’t required for our monthly meetings.

Staff requests a motion to approve the updates to Policy 1 *Function of the Board of Directors* as attached.



ORCAS POWER & LIGHT COOPERATIVE
POLICY 1
FUNCTIONS OF THE BOARD OF DIRECTORS

Preamble

This policy is the responsibility of the Board and it may only be changed or amended by the Board. Board Governance policies are intended to define the Governance activities of the Board of Directors and their functioning within the Organization.

Board-authorized documents such as Mission and Values Statements and Strategic Directives will provide further guidance and instructions to the Organization.

1.1. BOARD ETHICAL STANDARDS

The Board may neither cause nor allow any Organizational practice or event that is imprudent or unethical, or that could damage the short-term or long-term viability of OPALCO.

1.2. CONFIDENTIALITY

Directors are entitled to reasonable access to Organizational data and information.

Directors are required to keep confidential all matters involving the cooperative that have not been disclosed to the public. Information received by a director shall not be disclosed to any other persons unless the director reasonably believes that he or she must do so to fulfill his fiduciary duty.

1.3. DIRECTOR CONDUCT

Regardless of any personal differences, directors are required to:

- 1.3.1. Foster an environment where expression of individual experience, expertise and point of view shall be encouraged where relevant to the discussion at hand.
- 1.3.2. Demonstrate mutual respect and allow opportunity for every other director to be heard on any matter being considered by the Board.
- 1.3.3. Publicly support decisions of the Board except in extraordinary circumstances where the director can demonstrate that a decision or action will bring harm to the cooperative or threaten the cooperative's survival.
- 1.3.4. Refrain from revealing to persons other than directors, the General Manager, or the cooperative's attorney any differences of opinion among directors on matters considered and acted upon by the Board. (This standard does not preclude fair and accurate publication of such differences to the cooperative's members in relation to contests for director elections or other matters to be voted upon by the members. Nor does it impinge upon a director's right to dissent and to have his dissenting vote recorded in the minutes.)
- 1.3.5. Recognize that personal notes taken during meetings are legally discoverable unless intended to be and identified as Attorney/Client Privileged communications.
- 1.3.6. Directors shall not create a hostile environment in which to perform their duties. Directors are committed to helping management provide a workplace free from discrimination in all forms, and providing an atmosphere at board meetings that are free of harassment in any way.

1.4. CONFLICT OF INTEREST DISCLOSURE

Board members are required to disclose any potential conflict of interest with regard to ongoing or specific transactions on any matters before the Board and shall attest that they have no material undisclosed conflict of interest situations in writing annually, consistent with the Bylaws and all policies related to conflicts of interest. The Board has established conflict of interest policies in Policy 23.

1.5. BOARD MEMBER QUALIFICATIONS

Board Member Qualifications are defined in Bylaws Article III: Directors, Section 2: Qualifications. Additionally, and consistent with the Bylaws, OPALCO strives to cultivate a diverse and well-rounded board of directors and with members who bring expertise in any of the following industries: engineering, utilities, legal, insurance, technology and communications, environmental, financial, outreach and education, community development, natural resources, human resources and construction, among others.

1.6. BOARD MEMBER DUTIES AND RESPONSIBILITIES

Board service requires a significant commitment of time during and outside of monthly board meetings.

1.6.1. Board members shall be competent to sign legal contracts and shall exercise their best business judgment in performing their duties as Directors.

1.6.2. Board members are required to attend Board meetings as specified in other governing documents and to travel and perform other reasonably required duties in a safe and competent manner.

1.6.3. Board members are expected to dedicate time outside of board meetings to review board materials on a monthly basis.

1.6.4. Board members are required to complete an initial orientation conducted by the Board President and General Manager within 45 days and are encouraged to achieve NRECA Credentialed Cooperative Director status or equivalent within 24 months of first election to the Board.

1.6.5. Board members are required to complete one or more relevant educational sessions during each additional three years of tenure.

1.6.6. Board members are encouraged to attend conferences and other activities designed to improve their skills and knowledge. The expenses of enrollment and attendance at Board training programs are paid by the cooperative. Board training programs shall be conducted within the confines of an annual budget established by the Board of Directors for this purpose.

1.7. BOARD POLICIES AND STRATEGIC DIRECTIVES

1.7.1. The Board shall whenever possible formally and explicitly express the Board's expectations and standards regarding General Manager, Board, and Organizational performance.

1.7.2. Board Policies shall address matters that are expected to be permanent and pervasive in nature and define the limitations imposed on the General Manager and the Cooperative.

- 1.7.3. Board Strategic Directives shall address matters that may be impermanent in nature, address specific circumstances, may terminate when complete or rendered obsolete by changing circumstance and provide guidance in addressing the goals and objectives of the Cooperative.
- 1.7.4. Any Board member may propose a new policy or amendment to a current policy.
- 1.7.5. All Board Policies and Strategic Directives shall be maintained up to date in a format that is available to every Board member,
- 1.7.6. The Board shall review its own Policies and Strategic Directives for relevance, appropriateness and benefit to OPALCO at least annually.

1.8. STRATEGIC PLANNING

The Board shall set the Cooperative's mission and purposes, engage in strategic planning on a regular basis and produce Strategic Directives, to be reviewed and updated at least annually.

1.9. OVERSIGHT

The Board shall provide oversight including the adoption of policies and monitoring for compliance with legal and regulatory requirements as well as the adequacy of internal controls, primarily through appropriate use of Auditors and Legal Counsel. The Board shall also oversee any subsidiaries of the Cooperative. Such oversight shall include regular updates from the General Manager, financial performance review, business plan and strategy review, review and approve debt increases, and consistency with overall Strategic Directives.

1.10. BOARD INTERACTION WITH AUDITORS

The Board shall approve an engagement agreement for annual audit services to be provided to the cooperative that:

- 1.10.1. Requires pre-approval by the Board for all services to be provided by the audit firm.
- 1.10.2. Sets out the scope of the audit, its objective and purposes, and deadlines for work to be performed.
- 1.10.3. Specifies all fees to be paid for all audit, audit-related and tax work provided by the audit firm.
- 1.10.4. If a multi-year agreement, provides for regular rotation of the lead audit partner.
- 1.10.5. Complies with all RUS Policies and/or other applicable regulatory standards on Audits.

1.11. BOARD INTERACTION WITH LEGAL COUNSEL

The Board shall:

- 1.11.1. Make all decisions regarding retaining, employing, and discharging attorneys for the cooperative.
- 1.11.2. Reaffirm that the attorney represents the cooperative and does not represent individual directors, officers, employees, or members or affiliated entities of the cooperative, unless the Board consents to such representation and the attorney has complied with applicable conflict of interest requirements.
- 1.11.3. Require the attorney to keep the Board and the General Manager informed of matters for which the attorney is providing legal services.
- 1.11.4. Require the attorney to report evidence of any actual or intended material violation of law or material breach of duty that would likely cause substantial harm.
- 1.11.5. Oversee the election process on behalf of the Board of Directors consistent with the Bylaws, Policies and adopted Guidelines, and assist management, and the Election

Governance Committee as necessary to ensure a full and fair election for board positions and any proposals offered by the membership or otherwise.

1.12. BOARD NOMINATIONS AND THE ELECTIONS & GOVERNANCE COMMITTEE

Nominating the best qualified Directors is essential to OPALCO and its members. To oversee the recruitment of strong Director candidates, the Bylaws have established an independent Elections & Governance Committee (EGC). The EGC serves to independently identify, interview and recommend to the Cooperative's membership high quality candidates to run for election to the Board of Directors. The Bylaws require that the EGC is made up of a representative group of members, preferably three from each of three districts as defined by the San Juan County Council. To foster independence, no current Director or Officer of the Cooperative may serve on the EGC, nor may any current employee of the Cooperative or its subsidiary serve on the EGC. The Board of Directors shall use its best efforts to ensure that the EGC has a full membership each year. This policy does not supersede any requirement in OPALCO Bylaws or Articles of Incorporation, or other applicable state or federal requirements.

Elections & Governance Committee Purpose

To facilitate the ability of the membership to elect board members who are most qualified and appropriate to serve in the best interests of OPALCO as a member-owned non-profit cooperative. The EGC will:

- 1.11.1 Actively cultivate qualified candidates on an ongoing basis to fill upcoming board positions.
- 1.11.2 Review candidate qualifications based on the ideal collective criteria for the Board as a whole and consistent with the bylaws.
- 1.11.3. From time to time, at Board's request, make recommendations to update elections, Board compensation and governance policy.
- 1.11.4. Work with the General Counsel to determine whether Candidate Applicants satisfy the qualifications to be eligible for election as a director, as established by the Bylaws.
- 1.11.5. Recommend a slate of Qualified Candidate Applicants
- 1.11.6. Announce the election results at the Annual Meeting

1.13. GENERAL MANAGER

The Board selects the General Manager, and regularly evaluates performance, and sets his compensation.

1.13.1. Board Interaction with General Manager

- 1.13.1.1. The Board will direct the General Manager to achieve specific results within the restraint of specific limitations. He is authorized to make all further decisions, take all actions, and establish all practices to achieve these specified results that do not transgress the limitations imposed.
- 1.13.1.2. The Board may change its policies and thus the expectations or limitations imposed on the General Manager. So long as any particular delegation is in place, the Board members will respect and support the General Manager's choices.

1.13.1.3. All Board authority, that is delegable, is delegated through the General Manager. The General Manager is to be considered the only employee of the Board.

1.13.1.4. Only decisions of the Board acting as a body are binding upon the General Manager.

1.13.1.5. Decisions or instructions of individual Board members, officers, or committees are not binding on the General Manager except in circumstances where the Board has specifically authorized such exercise of authority.

1.13.1.6. In the case of Board members requesting information or assistance without Board authorization, the General Manager can refuse such requests that require in his judgment a material amount of staff time or funds or are disruptive.

1.13.2. General Manager Relationship Review

The Board shall ensure that the General Manager knows and understands the expectations and limitations it has placed on discretionary decision making. These expectations and limitations shall be identified in approved policies or directives. Such policies and directives shall be used as the foundation for the annual appraisal of the General Manager's performance.

1.14. BOARD SELF-EVALUATION

The Board shall complete an annual self-evaluation of its performance and accomplishments in relation to the goals and mission of OPALCO, to confirm its compliance with all relevant policies and procedures, and to review its working methods and contribution to OPALCO.

1.15. BOARD SUBCOMMITTEES

Due to the size and nature of the Board as stated in the bylaws, subcommittees are to be minimally used.

1.15.1. Board subcommittees will be formed, defined, controlled, and dissolved by action of the Board;

1.15.2. Authority of any subcommittee will be limited to reporting findings to the Board, unless specifically authorized by the Board. No action may be taken by a subcommittee unless authorized specifically or in general by the Board;

1.15.3. Board member participation in any subcommittee will be determined and controlled by the Board. There will be no more than three Board members on any subcommittee;

1.15.4. Employee involvement with a subcommittee will only be with the agreement of the General Manager;

1.15.5. The General Manager shall be kept informed of the work of the subcommittee;

1.15.6. Communications with employees will be copied to the General Manager.

1.15.7. Purpose may include a review of methods, plans, or results, propose solutions, strategic directives;

1.15.8. Duration of the subcommittee shall be at the pleasure of the Board.

1.16. REMOVAL OF DIRECTORS AND OFFICERS

1.16.1. The Bylaws provide for a process whereby a Board member may be removed in Article III, Section 6(b). The Board may adopt procedures that provide for a fair hearing and review of any allegations brought against a director, as long as such procedures are consistent with the Bylaws.

- 1.16.2. The Board of Directors may adopt a process that will allow a full and fair discussion of any motion made to remove a sitting director based upon disorderly conduct, harassment of any kind toward other directors, Cooperative staff or members, or actions that will inhibit the orderly conduct of Cooperative business. This process may include adoption of relevant rules from Robert's Rules of Order that the Board may deem applicable, or any other similar process rules that serve to implement the Bylaws as well as provide a fair hearing on the motion to remove.

1.17. BOARD MEETING RULES AND CONDUCT

The Board recognizes the importance of utilizing its time in a manner that is conducive to carrying out the responsibilities entrusted to it by the membership. In order to provide a respectful environment, and be able to effectively conduct business, the Board adopts and incorporate the following procedures adapted from Robert's Rules of Order 11th Edition "Procedures in Small Boards." These procedures are meant to facilitate open, fair and respectful discussion of all matters coming before it.

- 1.17.1. The President of the Board of Directors shall preside as Board Chair at all meeting of the Board of Directors. In the President's absence, the Vice President shall preside at the meeting of the Board of Directors.
- 1.17.2. Before speaking on any topic coming before the Board of Directors, the Board Chair shall recognize the Board member seeking to speak or make a motion.
- 1.17.3. All motions must be seconded.
- 1.17.4. At the discretion of the Board Chair, a time limit may be set for each Board member to speak to a motion. Upon expiration of the time, the Board Chair will announce said expiration, and recognize other Board members seeking to speak. The Board Chair may declare a total amount of time for discussion of a motion. Motions to close or limit discussion and proceed to a vote will be entertained.
- 1.17.5. The Board may engage in informal discussion even while no motion is pending before it. The Board Chair may declare a total amount of time for the discussion of a topic. Board members may choose to make a motion to extend discussion time if so desired.
- 1.17.6. In order to facilitate discussion, the Board Chair shall refrain from speaking to a motion until other Board members have spoken. In addition, the Board Chair shall vote last on any motion before the Board and shall refrain from offering any motions.

Foster Hildreth, General Manager

Revision Date: April 15, 2021

DISCUSSION ITEMS

COVID-19 Update

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.

OPALCO continues to watch the data points to make sound decisions as they 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

Board Approved Funding includes all funding allocated for 2020 and 2021

	# of Accounts	Amount (\$)	Board Approved Funding (\$)	Remaining Budget (\$)
Energy Assist (EAP-C) Commercial COVID	107	96,786	200,000	103,214
Energy Assist (EAP) Residential COVID	90	29,330	100,000	70,670
Extend Project PAL Benefits - COVID	131	15,000	70,000	55,000
Grand Total	303	141,116	370,000	228,884

Fee Assistance (Lost Revenue)

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

Penalties	95,493
Reconnection Fess	6,932

Measures

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

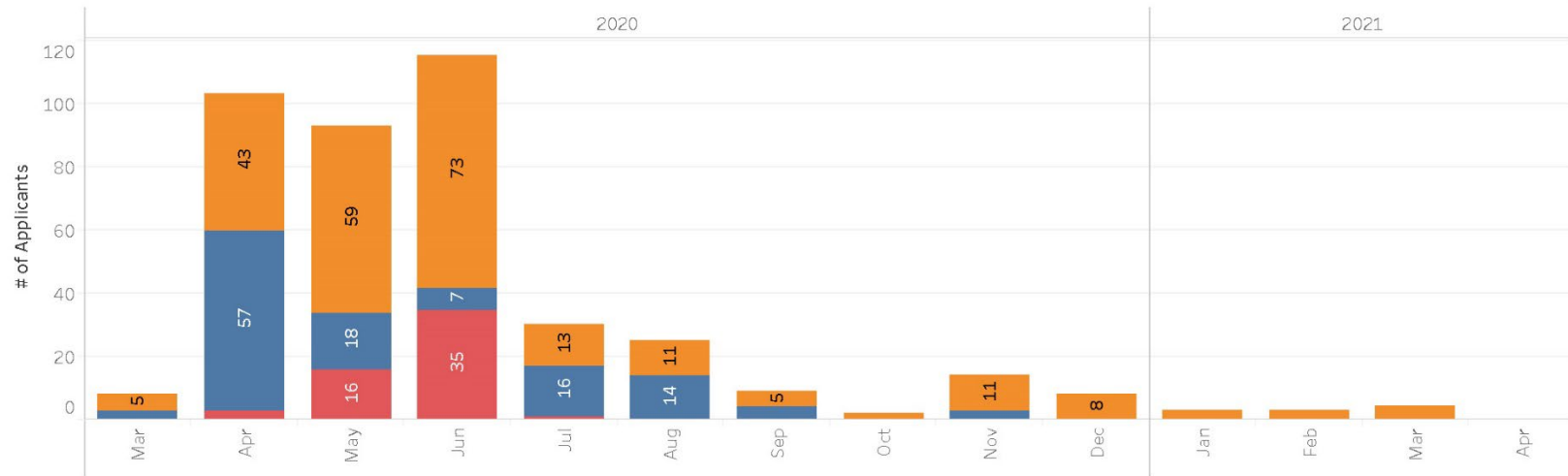
Benefit

\$67.57 per mo., based on number of 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)

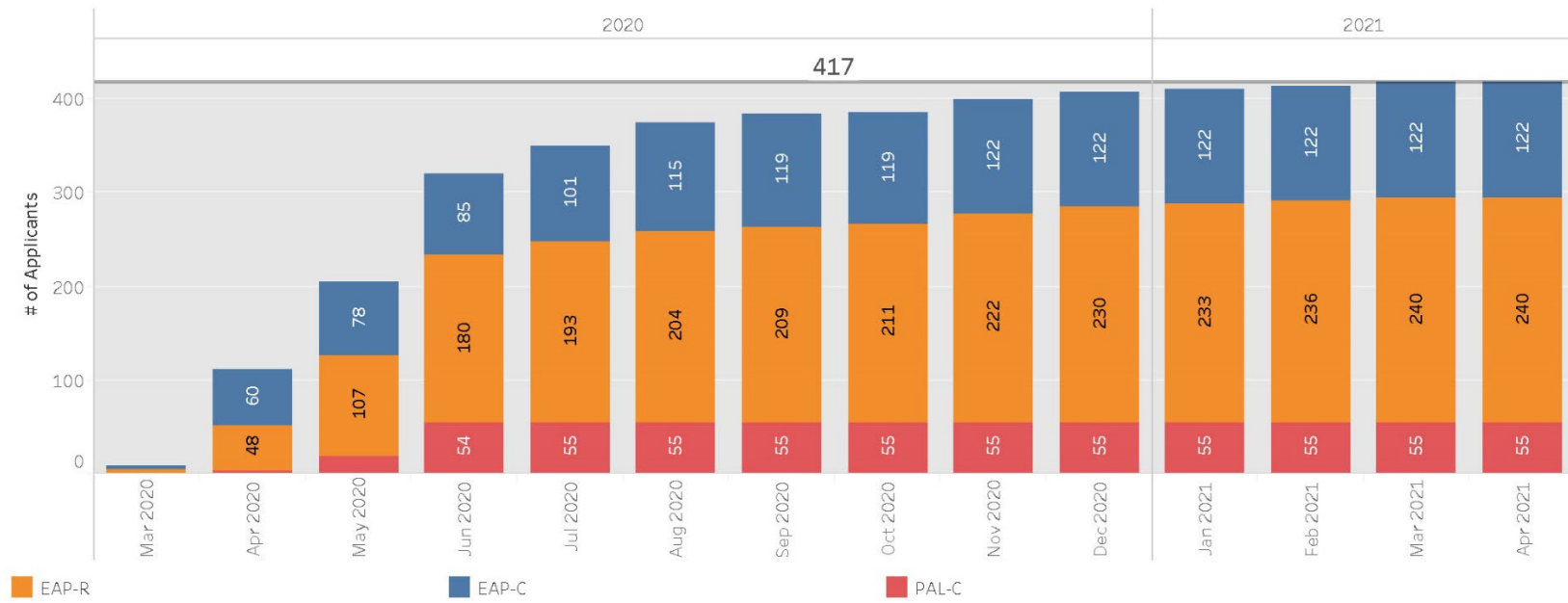
Member Donations to COVID-19 Relief Efforts

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.

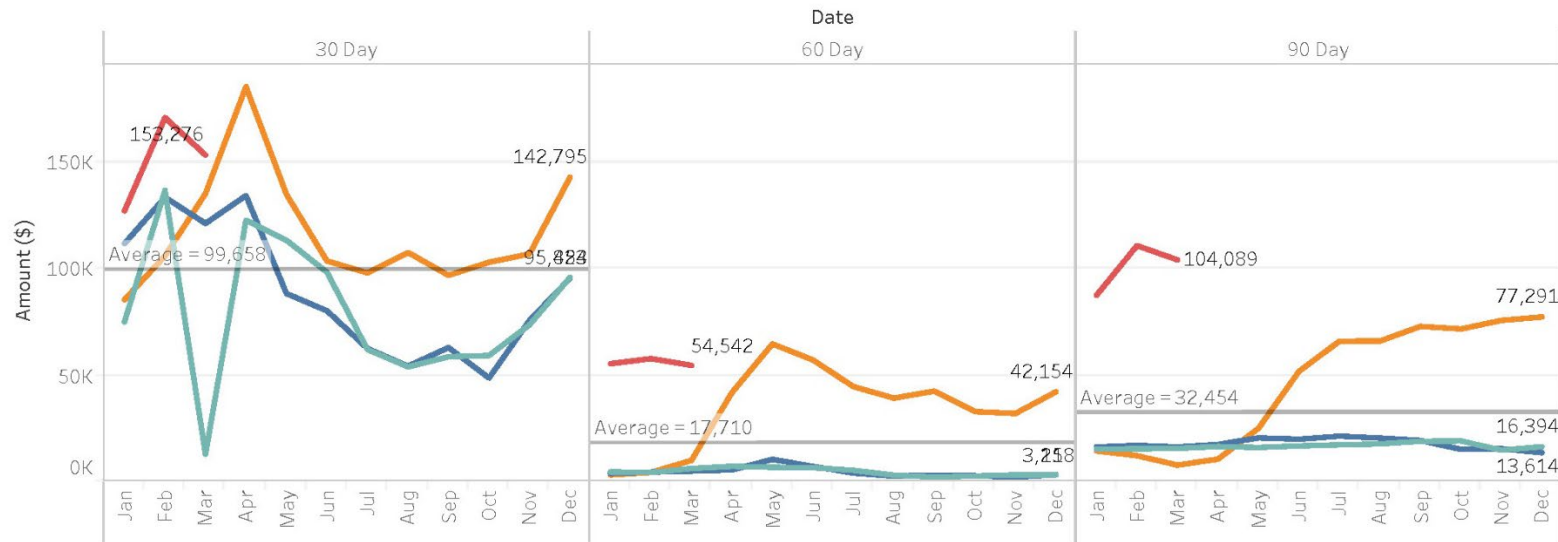
Long Term AR Comparisons - 30/60 Day

	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	170,874	-20.65%	61.37%		4,511	4,333	57,736	-3.93%	1,232.33%	
Mar	121,185	135,225	153,276	11.59%	13.35%		4,962	9,976	54,542	101.04%	446.76%	
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	54,195	107,577		98.50%			2,543	39,191		1,441.27%		
Sep	62,931	96,832		53.87%			3,010	42,513		1,312.28%		
Oct	48,634	102,980		111.75%			2,725	32,868		1,106.30%		
Nov	75,636	106,860		41.23%			2,078	31,986		1,439.43%		
Dec	95,454	142,795		49.60%			3,218	42,154		1,209.94%		

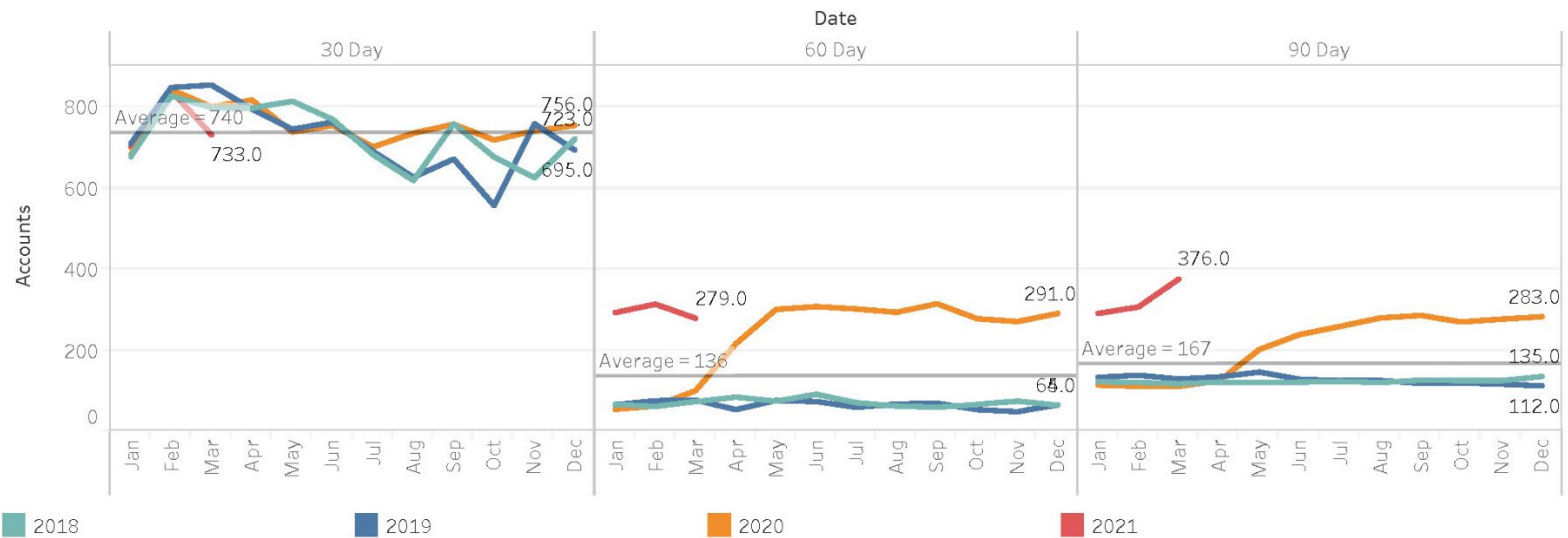
Long Term AR Comparisons - 90 Day

	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	110,764	-28.42%	810.45%	
Mar	16,257	7,762	104,039	-52.25%	1,241.04%	
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 (\$)

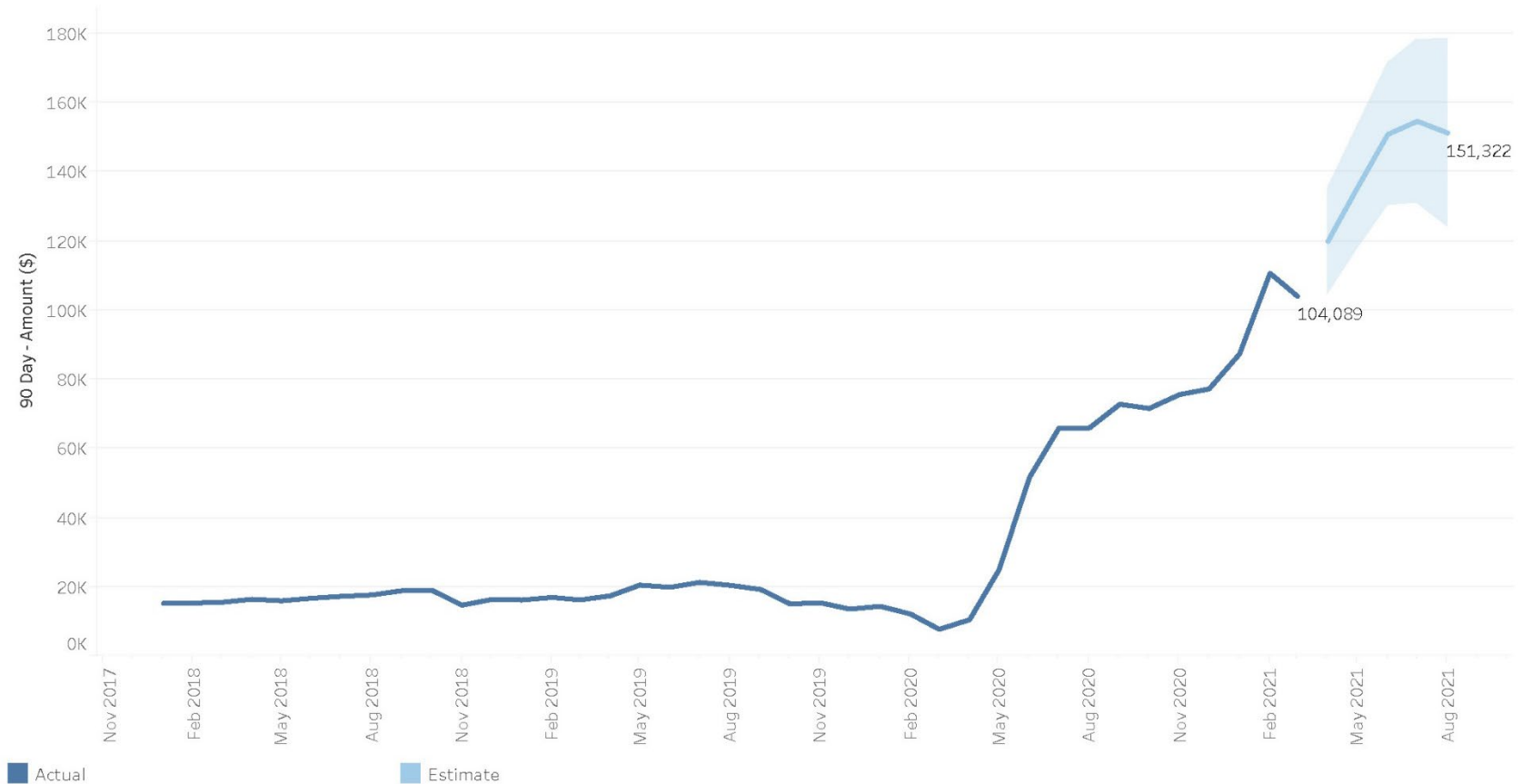


Long Term AR (Count)



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 (Apr 2020 – Aug 2021)

Forecast based on: Jan 2018 – Mar 2021

Initial Forecast Value: 119,980 ± 15,188

Change From Initial: 31,342

Quality: Poor

Model Details

Level: Additive

Trend: Additive

Quality Metrics

RMSE: 9,234

MAE: 5,310

MASE: 1.38

MAPE: 20.1%

AIC: 746

Smoothing Coefficients

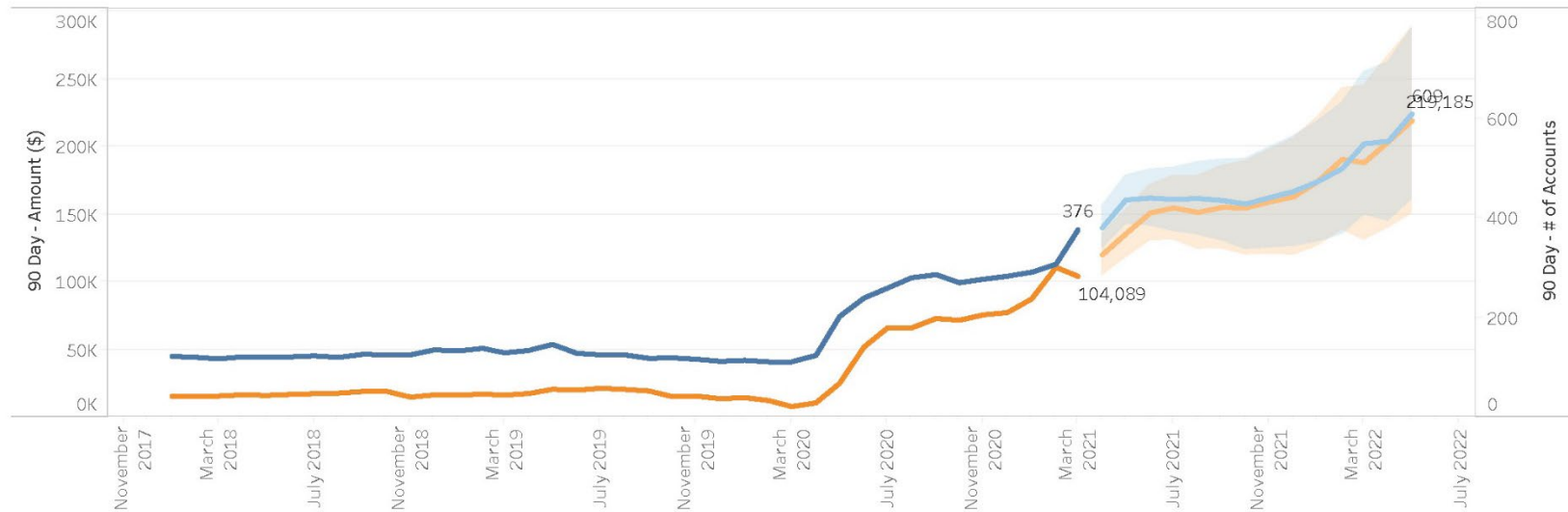
Alpha: 0.500

Beta: 0.185

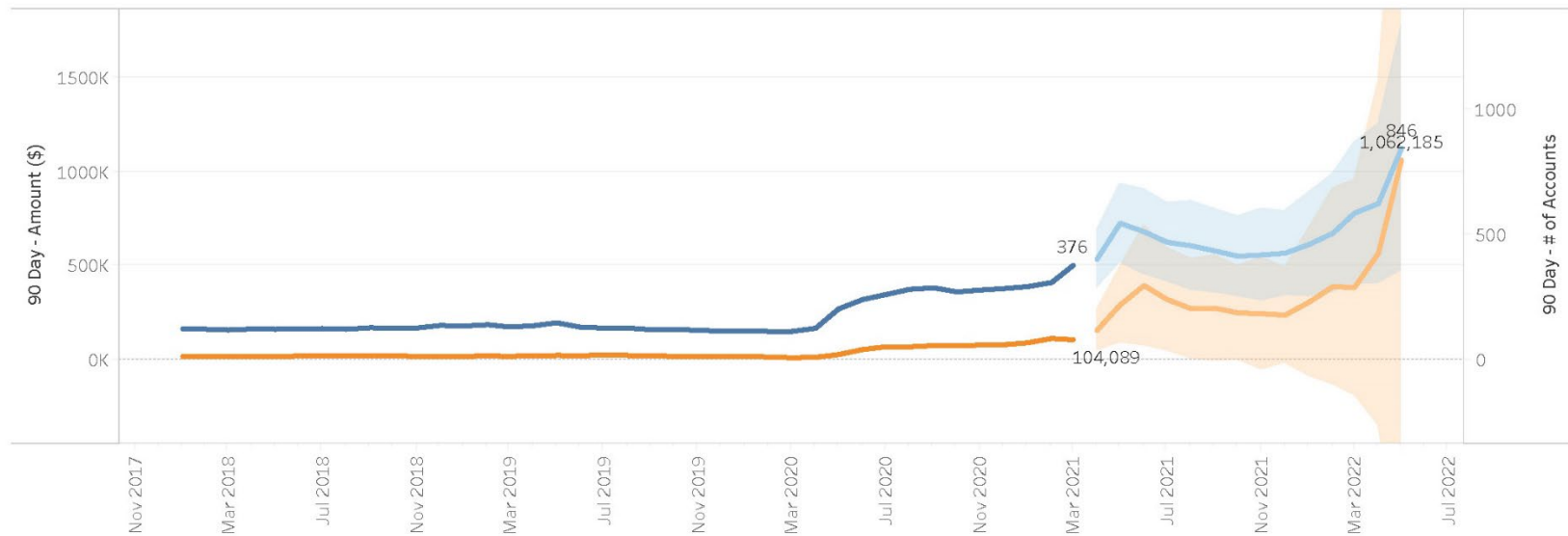
Gamma: 0.468

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

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



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



30/60/90 Day AR Per Account Totals

30 Day - # of Accounts

560

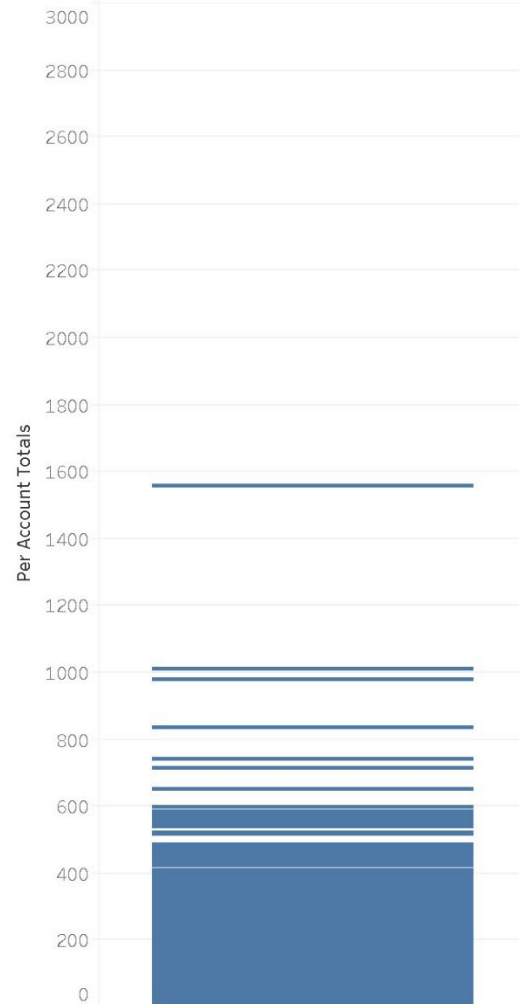
60 Day - # of Accounts

250

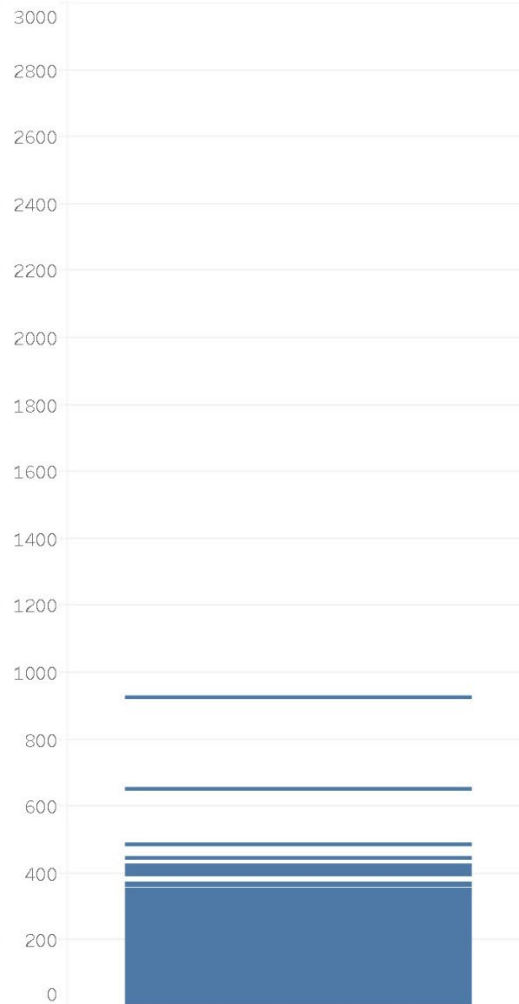
90 Day - # of Accounts

264

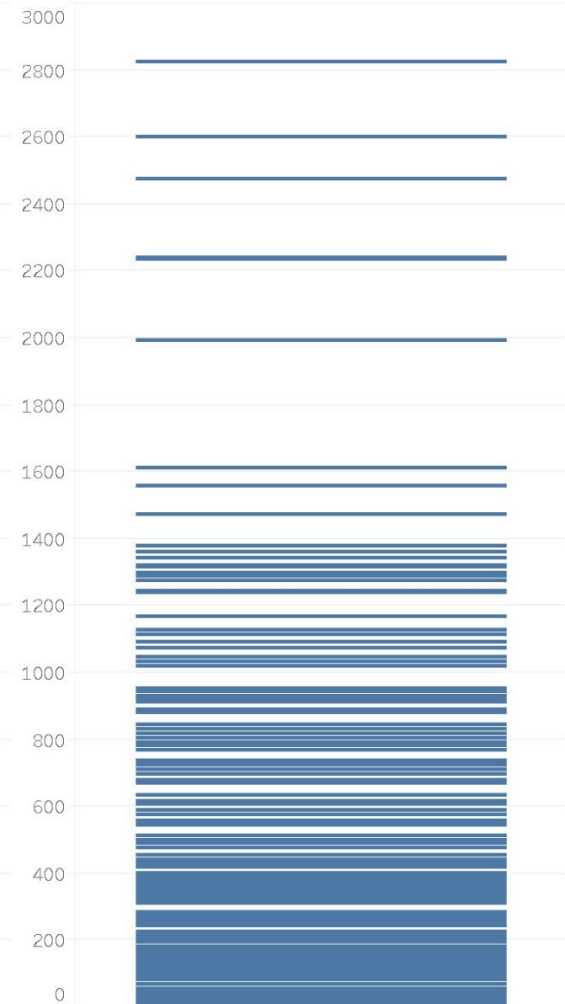
30 Day - per Account Totals



60 Day - per Account Totals



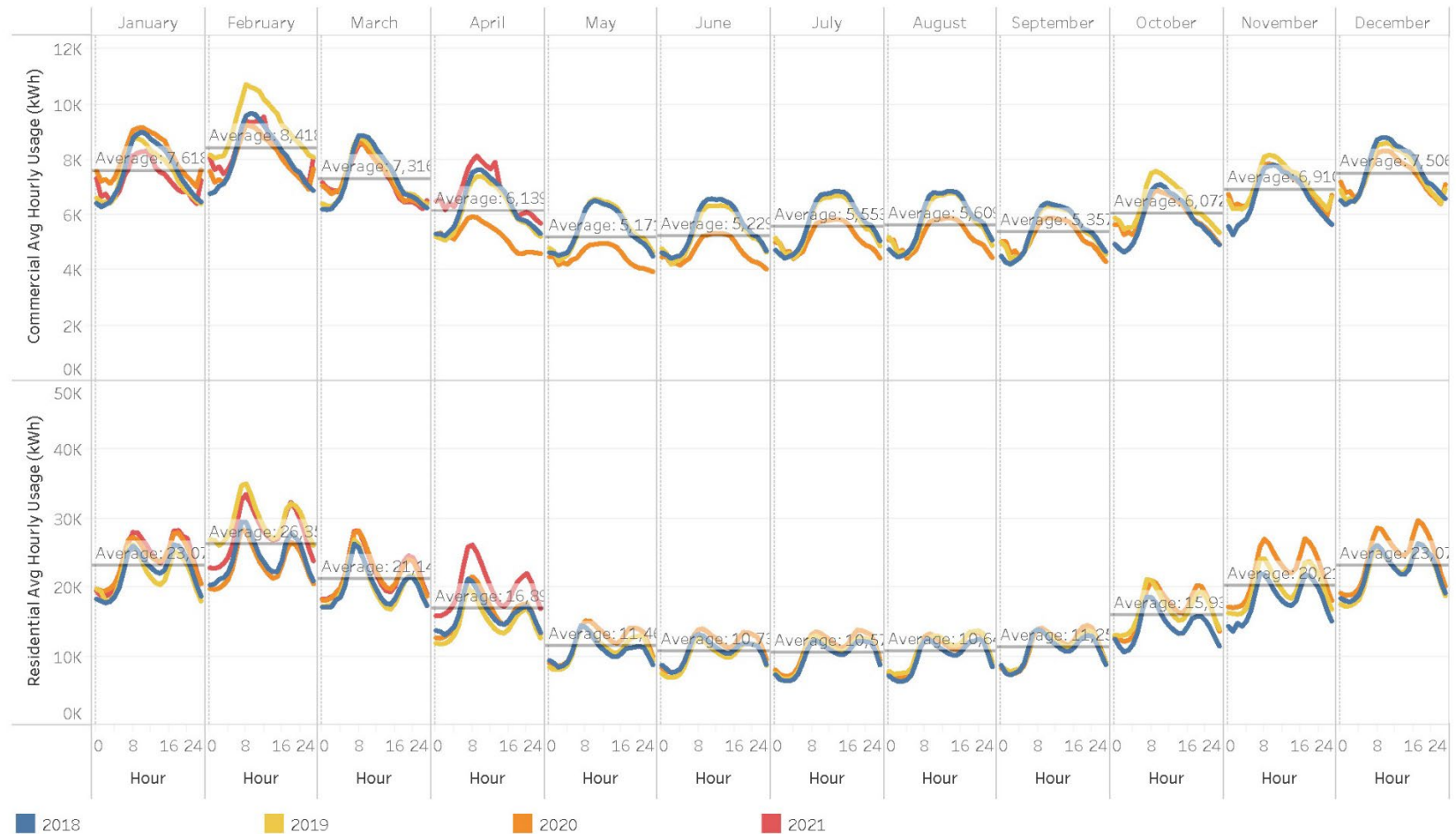
90 Day - per Account Totals



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.

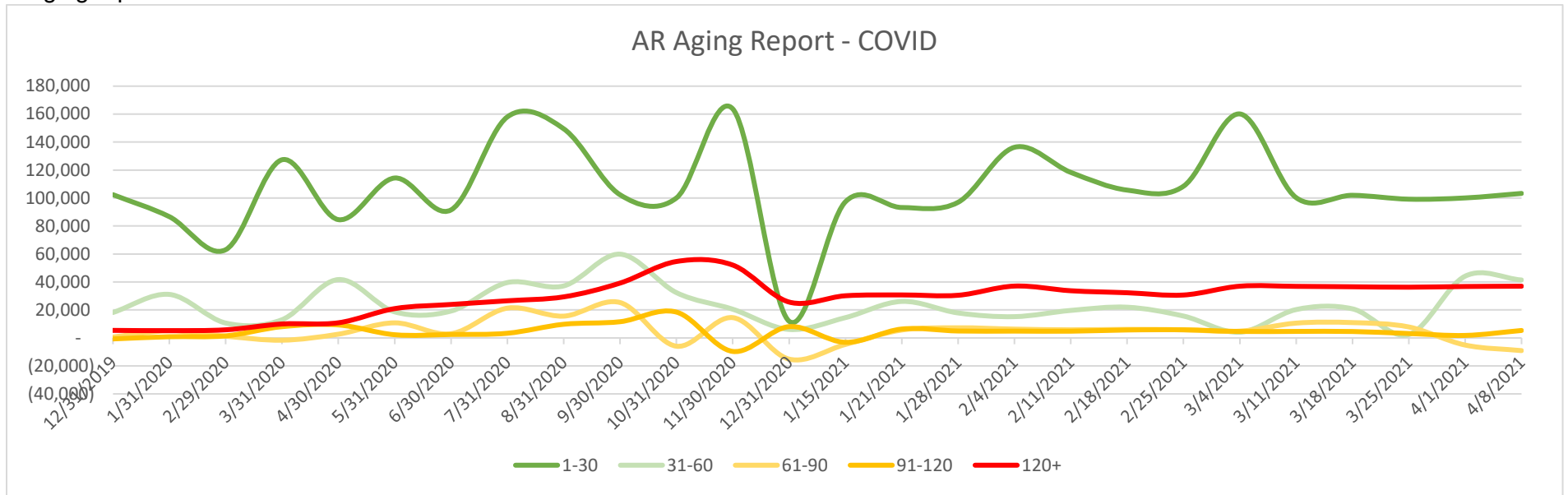


Next steps: Staff will continue to track closely the above data points as well as several more we are developing as the pandemic continues to show any impacts on the cooperative. We need to be patient as we continue to monitor this data to ensure we are making the best decisions for the co-op throughout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

Rock Island COVID-19 Update

30-60-90 Accounts Receivable Trends

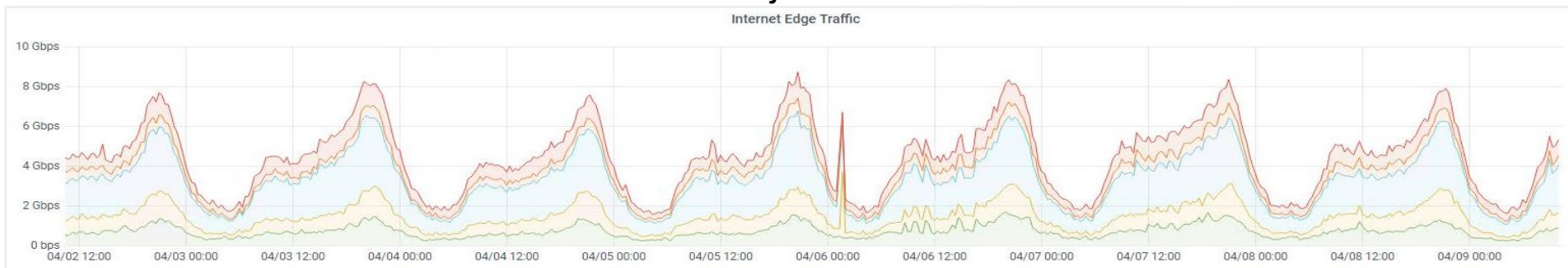
All aging reports within normal fluctuations for business.



Transport Network

Transport traffic continues at the average peak rate of 16GB on a daily pattern, with a peak at 16.5GB last week.

7 Day Trend



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

Budget Variance
TIER/Margin
Expense
Cash
Power Cost
Purchased Power
Annual Power Metrics
Capital
Debt/Equity
WIP
Income Statement Trends

Member Services

Disconnects
Uncollectable Revenue
PAL
EAP
Service Additions
Annual Service Additions
Revenue Dist. By Rate

Outage

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



ENGINEERING, OPERATIONS, AND INFORMATION TECHNOLOGIES

WIP

As of April 9, 2021, there are 418 work orders open totaling \$7.3M. Decatur Energy Storage System is \$1.5M of the balance. Operations has completed construction on 133 work orders, totaling \$2.2M.

Safety

John Spain of Northwest Safety Service conducted Hazard Communication training for all staff via Zoom and in person in multiple districts. The total current hours worked without a loss time accident 80,699 hours.

Tidal

As a part of staff's ongoing conversations on tidal power, Orbital Marine, PNNL, and OPALCO met to kick off the process for regulator investigations, placement, and grant submittals.

Grid Modernization Projects

- Decatur Battery Energy Storage System (ESS) – System handoff to PNNL for analysis has begun with an anticipated completion by end of Q3.
- San Juan Microgrid – WA DOC CEF3 Grid Modernization (Grant \$2.4M) – Staff has received preliminary site layout and permit strategy.
- Staff is preparing for a WA DOC CEF4 Grid Modernization grant submittal due in May of 2021.

FINANCE

2021 Budget Tracking

Energy (kWh) purchases and sales were higher than budgeted through March 2021. Overall, gross revenue surpassed budget by ~\$880k, largely driven by increased kWh sales. This amount was curtailed by the ECA in the amount of \$349k (\$210k related to December 2020, one month billing lag) resulting in a net sales revenue variance of +\$531k for the first quarter. Power cost is \$68k under budget for the quarter. Complete Q1 results will be presented at the May regular meeting.

Income Statement Summary (in thousands)		Q1 2021 -Projection		
		Budget	Actual	Variance
Gross Revenue	\$	10,096	\$ 10,976	\$ 880
ECA Surcharge / (Credit)*		-	(349)	(349)
Revenue		10,096	10,627	531
Expenses				
Cost of Power		3,064	2,996	(68)
Revenue (net of Power Cost)		7,032	7,631	599
HDD		771	702	(69)
kWh Purchases		68,472	77,030	8,558
kWh Sales		64,434	75,732	11,298

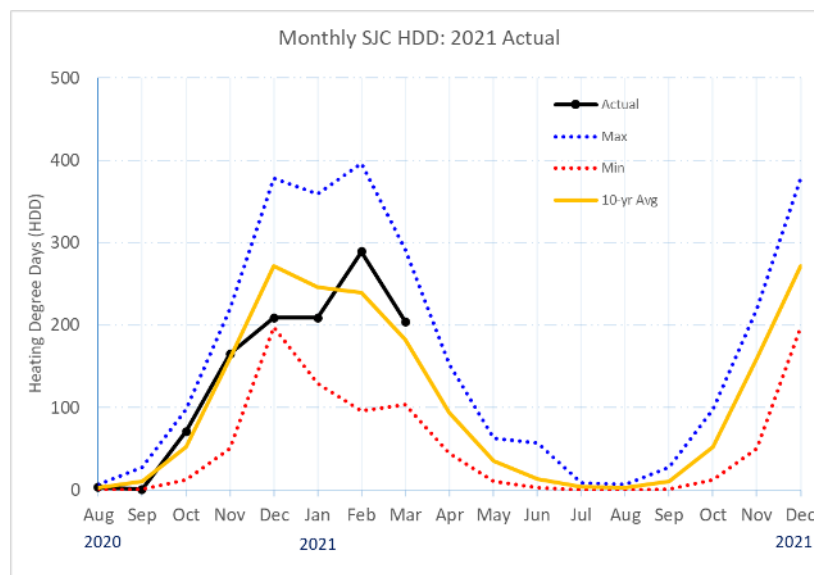
* The ECA returned \$349k to members in the form of bill credits through March 2021

Monthly ECA

The calculated amount for the March ECA was a bill surcharge of \$.000714 per kWh which collected \$17,013 from members, or \$0.71 per 1,000 kWh. The April billing period ECA will be a bill credit of \$.013731 per kWh.

Heating Degree Days (HDD)

The fall of 2020 began to settle back to around historic averages. Then December and January began trending more towards an El Niño pattern. This pattern flipped in February and March 2021 as HDDs came in above historical averages for the months.

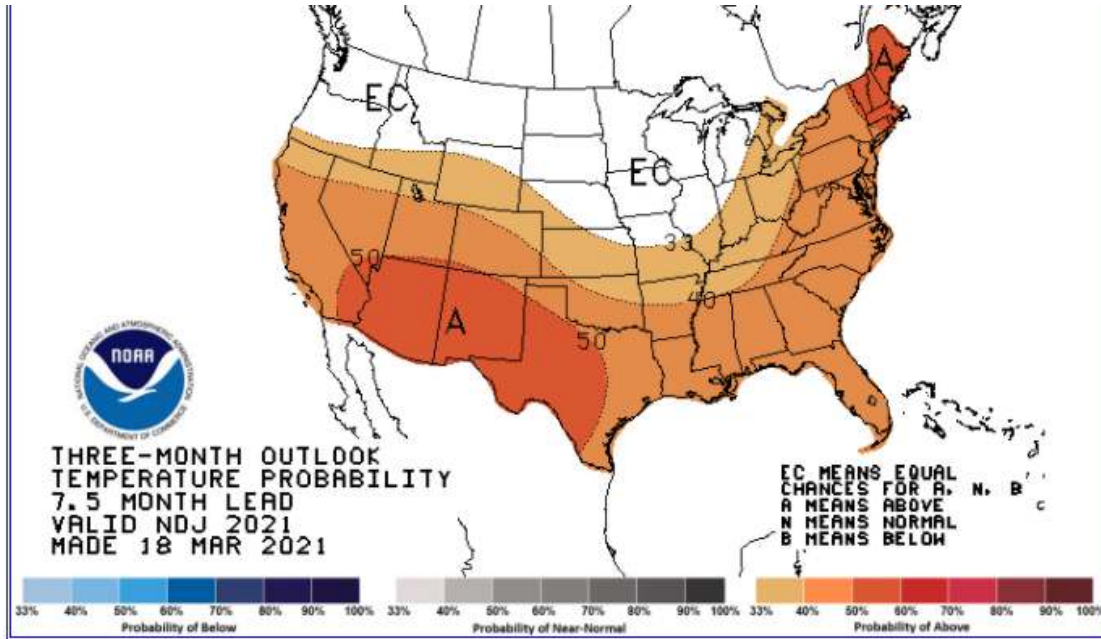


*10-year max, min, avg is 2010-2020

Weather Forecast

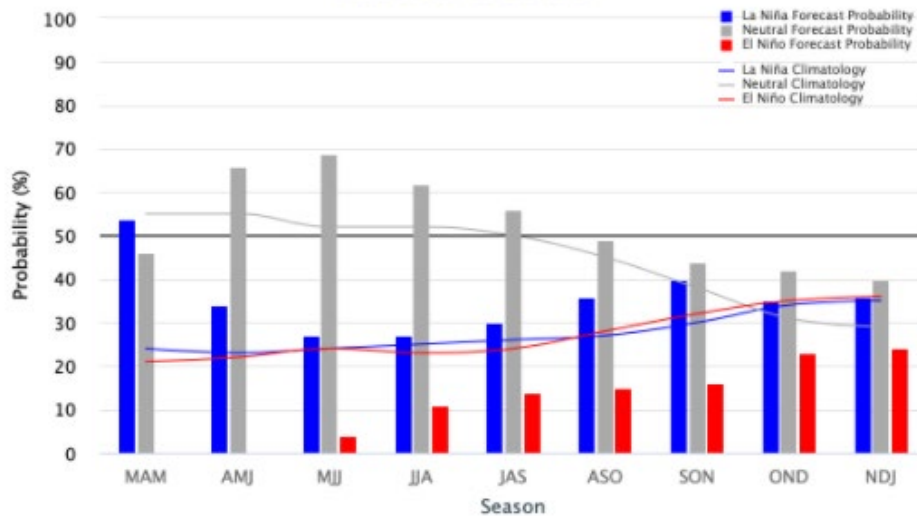
Looking ahead to the NOAA '3-month outlook temperature probability' for Nov-Dec-Jan 2020 - 2021 there is uncertainty in next winters weather outlook showing 'equal chances (EC)' of above/normal/below temperatures in our region for the winter. We continue to monitor these predictors on a monthly basis.

2021-22 Nov-Dec-Jan Outlook



Mid-March 2021 IRI/CPC Model-Based 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



Moss Adams Audit

Moss Adams conducted the remote fieldwork portion of the consolidated year-end 2020 audit during the week of March 29th-April 2nd. They are in the process of finalizing their review and will present the results of the audit at the May regular meeting. Note the audit is on a consolidated basis (OPALCO and Island Network LLC dba Rock Island Communications).

2020 RUS Form 7

The 2020 RUS Form 7: Financial and Operating Report Electrical Distribution was filed at the end of March and now appears on the OPALCO website.

MEMBER SERVICES

Energy Assistance

EAP: During March 2021, 443 members received ~ \$16.6K from the low-income Energy Assist program, compared to 399 members who received ~ \$14.4k in assistance in March 2020.

Project PAL: During March 2021, 26 Members received ~ \$7.4K in Community/Family Resource Center Awards.

Two Community Partners one on Orcas and another on Lopez (see Board Action Item) have recommended the extension of the Project PAL program for an additional two months past April 30th and to allow for those members in need to receive an additional award of \$100.

LIHEAP: Notifications continue to arrive and member accounts are being credited.

Switch it Up!

There are now 170 projects complete and billing for a total of \$1.36M outstanding. There are another 38 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 February, there were 13 rebates paid out to members totaling ~\$11.6k. This includes two fuel switching ductless heat pump rebates and four EV charging station rebates.

Solar Interconnects

There were nine new interconnect applications submitted in March five members were interconnected with solar for a total of 428 (<https://energysavings.opalco.com/member-generated-power/>). There are an additional 21 pending connections.

Community Solar

During the March 2021 billing cycles, the [Decatur Community Solar](#) array produced 22,640 kWh. A total of ~\$2,022 was distributed to 264 accounts.

COMMUNICATIONS

Election 2021

As of April 9th, approximately 8% of members had voted, towards a quorum of 10%. The election closes at 10am PDT on April 21, 2021. All election materials are available online:

<https://www.opalco.com/resource-library/#rlfelectionsandgovernanceelections2021>.



Members of Orcas Rant and Rave on FaceBook posted a lively discussion on diversity, equity and inclusion regarding the 2021 election slate and nominations process. There was a call to action for greater diversity on the OPALCO Board. Staff engaged with the author of the post and fielded calls from members who shared their concern. The following was posted in response:

Some OPALCO members have questioned the Co-op's commitment to equity and inclusion in its nomination process for board candidates. A volunteer member-run Elections and Governance Committee (EGC) is responsible for cultivating qualified candidates for board elections; OPALCO staff and leadership are purposefully removed from the nominations process to keep it member-centric. There are openings on the EGC and OPALCO welcomes additional member volunteers who are willing to help in our efforts and, especially, those who can help to increase our reach to seek and encourage qualified candidates of all stripes.

OPALCO is an equal opportunity employer and works to maintain an organization that is welcoming to all. Diversity can include many different visible and invisible qualities beyond race and gender to include: age, culture, nationality, color, disability, sex, gender identity (including gender expression), veterans, religion, sexual orientation, marital status, family/parental status, income, language, and values/beliefs. We are listening and evaluating how we could improve in this area and are committed to participating in county-wide discussions about equity and inclusion in order to improve representation throughout our island communities.

Virtual Annual Meeting

Everything is in place for the Annual Meeting on Saturday, April 24th beginning at 9am. The meeting will take place via Zoom, in listening mode – using the Zoom webinar platform. Members will be able to ask questions and make comments using the Q&A feature in Zoom. Staff will be actively monitoring for member input and will bring it forward during the Q&A session. Board members will receive a meeting invitation from Zoom to participate as panelists. Members can register for the annual meeting using this link: https://opalco.zoom.us/webinar/register/WN_FiN6djQ_TYWi_-q7580dUw.

Outreach to members is ongoing using all channels, vendors and partners have donated funding for prizes and prizes have been procured. See the latest media release: <https://www.opalco.com/opalco-virtual-annual-meeting-saturday-april-24th-9-am/2021/04/>.

The meeting is scheduled to last two hours; the agenda is:

- Welcome and introductions – Krista Bouchey
- Message from the Board President – Vince Dauciunas
- State of the Co-op – Foster Hildreth
 - Financial picture for OPALCO and Rock Island
 - Safety and Reliability
 - OPALCO's Plan for our Energy Future – the Big Picture
 - The Island Way Campaign
- Election Results – EGC
- Q&A – Leadership Team
- Prize Drawings
- Adjournment



OPALCO is also holding a series of Island Way workshop sessions following the Annual Meeting to help members prepare their homes and businesses to meet the challenges of the transition away from fossil fuels. Dates for workshop sessions:

- May 5th @ 5 pm: Solar Town Hall #1 – Virtual
- May 27th @ 5 pm: The Island Way – Virtual
- June 1st @ 5 pm: Get the most out your Ductless Heat Pump – Virtual
- June 14th @ 12 pm: Switch It Up! – Virtual
- August 5th @ 4:30 pm: Electric Vehicle Fair – OPALCO Eastsound Parking Lot
- August 26th @ 12 pm: How to use SmartHub – Virtual
- September 20th @ 5pm: Solar Town Hall #2 – Virtual

The Annual Meeting and Island Way workshops include a raffle drawing to win a Greenworks electric lawnmower or ten shares of the 2021 Community Solar project. Each time a member attends a session (beginning with the annual meeting), they will get another entry into the raffle drawing. Raffle results will be announced October 1, 2021.

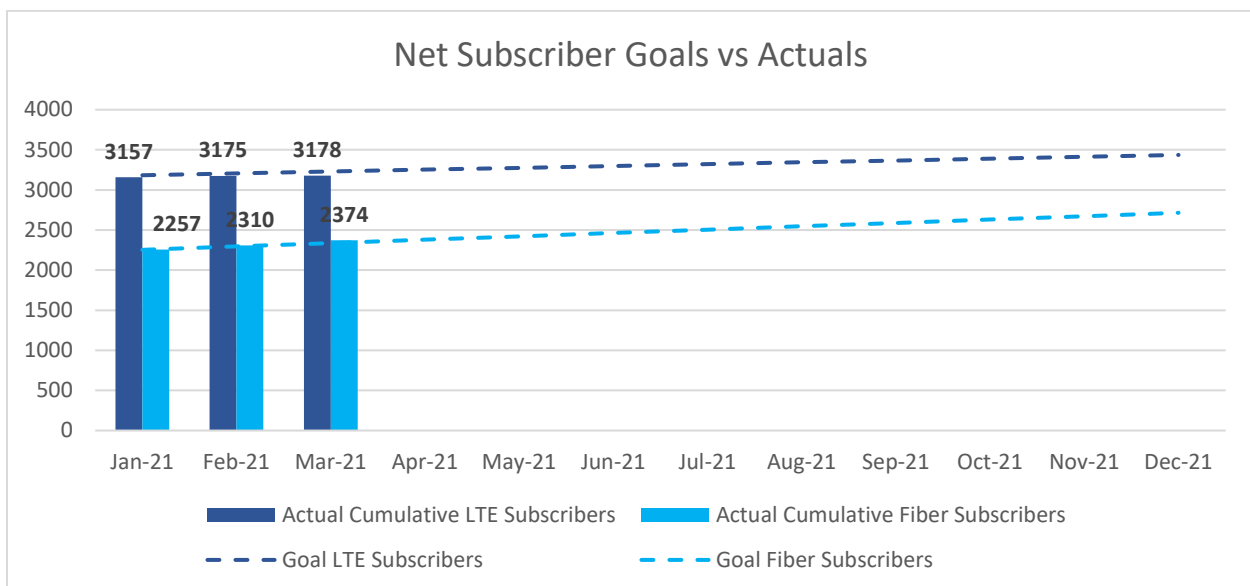
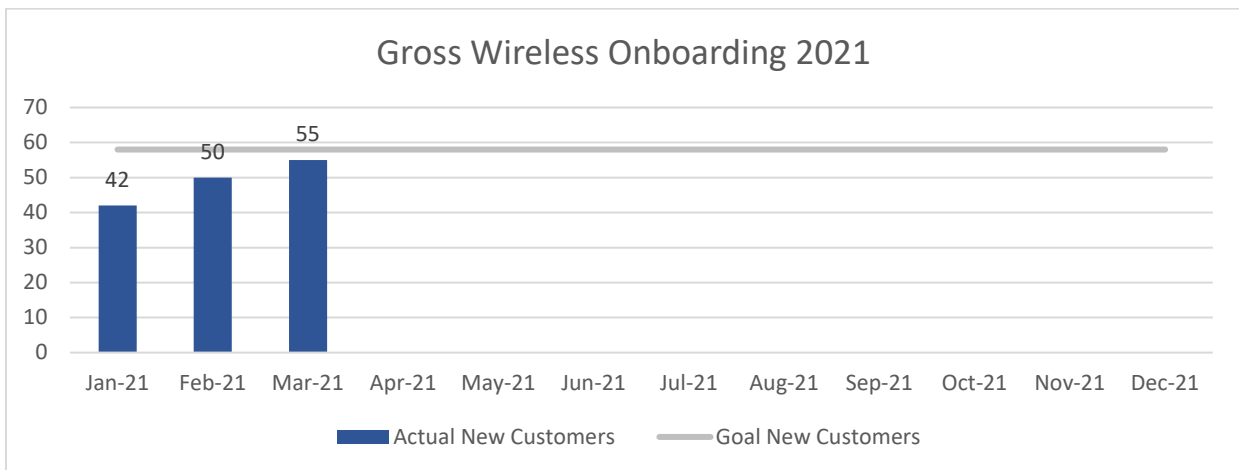
EV Happy Deal

Member response to the EV Happy Deal has been great: as of April 9th, 10 members have purchased a used EV from Island eCars. The grant from the Bonneville Environmental Foundation provides members who buy a used EV with a Smart Home EV Charger, installation cost of charger, tab fees, sales tax (WA \$16K + OPALCO), and 12 months of home charging for qualified members. Supplies are limited. Available funds will cover about 30 member “happy deals.”

David Griffin of Island eCars thanked OPALCO and said “I’m selling the cars before they even arrive now... People are scrambling to get in on the ‘happy deal’.”

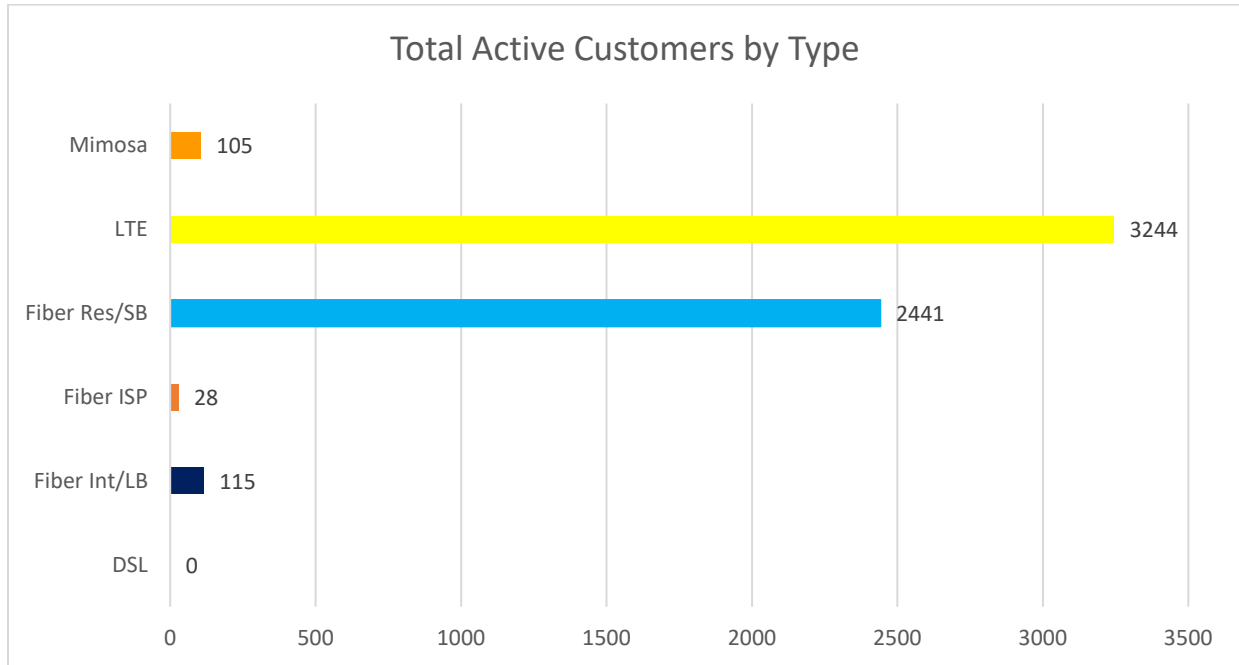
ROCKISLAND

Rock Island Snapshot



ROCKISLAND

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.



6,062 Internet Service Customers