

# ORCAS POWER AND LIGHT COOPERATIVE 2022 BUDGET REPORT

Image: Bailer Hill Microgrid Project Site





## MEMORANDUM

Date: November 12, 2021

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2022 Budget Presentation

Attached please find our 2022 Budget Presentation. Consistent with last year's projections, staff is recommending a 4% rate increase for the 2022 budget year and forecasting between 4%-6% over the following four years. Staff is recommending that our 2022 budget revenue increase from \$32.7M (projected 2021) to \$34.3M to meet our financial, operational and capital project commitments. The projected figures for years 2023 thru 2026 are for reference only, as future years will be reviewed annually during our normal budgeting process.

OPALCO is strategically positioned to address the future power needs of our membership and sustain our island communities through the escalating costs and challenges of the carbon-free economy. With Washington's Clean Energy Transformation Act (CETA), the clock is now ticking. OPALCO has the expertise in its Board, management and team to get the job done; and, thanks to the foresight of recent past boards, we have built the modern grid and communication infrastructure required to succeed. In 2021, OPALCO was awarded multiple grants from the Department of Commerce's Clean Energy Fund to begin designing projects that will become the foundation for local energy resilience and help usher in the new paradigm of electric transportation, renewable generation and a more transactive member experience with their power usage and production. The Island Way Campaign launched, telling the story of OPALCO's vision, bringing members into their part of the story and increasing participation in programs such as Switch it Up – on bill finance for efficiency measures.

There are very few discretionary expenses and we are constantly exploring ways to reduce costs to our membership. The Co-op budget is tightly constrained: one-third for power costs; one-third for labor (bargaining unit and competitive wage rates) and most of the final third in fixed costs such as plant, mortgage and operations; discretionary expenses are largely limited to member facing programs. After a year of austerity budgeting due to COVID including no retail rate increases for the membership in 2021, the 2022 budget starts to add member programs back in including the potential of an in-person annual meeting, the return of the youth scholarship program and more member meetings to continue building on the Island Way Campaign.

With the high cost of living in the islands and recent escalation of inflation, OPALCO is adding new resources to bill paying assistance for member households of low and fixed income through the Bailer Hill Microgrid Project. A \$1M grant through the Department of Commerce dedicates up to 45% of the production credits from that project to be channeled into Energy Assist, which will help raise the monthly bill credit to offset the rate increase. Project PAL continues to be administered through the three island family resource centers.

The 2022 budget continues to align our operations to the mission statement of providing safe, reliable, cost effective, and environmentally sensitive utility services. This budget prepares OPALCO to meet the marks set out in our energy road map:

TODAY: Make the most of our available resources. Reduce members' total energy bills through electrification of transportation and heating while continuing to modernize the grid to meet future needs. Leverage grants, state and federal programs to help members increase efficiency and position themselves for sustainability in the coming carbon economy.

TOMORROW: Increase local resilience. Bring more local renewables on, leveraging our dynamic grid and building emergency back-up power for emergency services. Prepare for grid parity when renewables (local and regional) will be less expensive than our mainland power provider.

FUTURE: Give members more control. In the coming “transactive” energy world, members will dynamically buy and sell local power, make decisions about their power usage in response to real time price signals and integrate energy storage (EVs, batteries...) into the Co-op grid. To give members access to this dynamic power world, OPALCO must begin to upgrade transformers and other equipment to provide the capacity necessary to manage the number of EVs, local distributed power generators and battery storage units that will be commonplace in member homes – as well as smart appliances and individual devices.

The 2022 budget includes the Bailer Hill Microgrid Project (on San Juan Island): OPALCO's second community solar project with energy storage. The Friday Harbor substation will be updated with a new transformer for greater capacity and to replace aging equipment. Operations will replace 15 miles of URD as well as routine replacement of distribution and transmission poles.

We curtailed expense in 2021 due to COVID impacts knowing the challenges it would present in future years. The rate increases forecast for the next four years must reposition the Co-op's equity for capital projects on the horizon including a major submarine cable replacement from Lopez to Orcas in 2030. The 2020 and 2021 budgets included \$200k for COVID assistance; the 2022 budget includes \$50k as pandemic recovery in San Juan County begins to wind down.

Staff recommends Board make a motion to approve the 2021 budget as submitted.

## BUDGET NARRATIVE

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### Mission:

OPALCO serves our members with safe, reliable, cost effective and environmentally sensitive utility services. Our mission drives our budget in the following ways:

✓ Safety – OPALCO has a rigorous safety program for all employees and provides safety information to members through classroom visits, demonstrations, field assistance and the website. The right-of-way (tree trimming and brush clearing) program is key for system reliability and fire safety. OPALCO depends on member cooperation to address right-of-way issues in a timely manner. The Co-op is committed to continually improving and fortifying our safety programs. OPALCO's grid is critical for the safety of our community and especially our crew members in the field. OPALCO's grid connects the County to real-world services for education, economic development and quality of life.

✓ Reliability – OPALCO's system provides power 99.8% of the time to its members. This is a reliability rating to be proud of. We continue to budget for replacement of the old unjacketed underground cable (referred to as URD) system wide. This trend will continue with prioritization of replacement targeted at the areas with higher failure rates. With each URD project, where needed, we include fiber and increase the reach of our fiber network and therefore the reach of our monitoring and control system. In 2022, we will engineer and begin the Bailer Hill Microgrid on San Juan Island which will be completed in 2023. With this project and the Decatur Microgrid, we are taking significant steps toward a local power supply in case of emergency.

✓ Cost Effective – Our capital construction plan is designed to maximize system efficiency and make best use of member resources. The continual expansion of our grid and fiber-connected devices on our system, helps to contain costs by putting control of the system in the hands of crew members wherever they are. The days of sending linemen out in a storm, in a boat, on a dark night, are going away. Equipment replacement scheduled for 2022 and beyond position the Co-op to benefit from local distributed power resources as we reach grid parity.

✓ Environmentally Sensitive – OPALCO has critical infrastructure installed throughout our beautiful and sometimes fragile island environs. Doing the right thing comes at a cost that is reflected in our cost of service and OPALCO is committed to good stewardship, working within the County's Critical Areas Ordinance, complying with all permitting requirements and keeping as low a profile as possible to maintain island character. In every project, OPALCO's vision of sustainable island communities keeps us focused on best practices and member education to protect ocean health and do our part to mitigate the effects of climate change. By year end 2022, the solar portion of the Bailer Hill Microgrid is expected to be complete, including the \$1M grant portion that will benefit low-income residents.

### Load Forecast:

The Load Forecast is the heart of the budget and the most precarious aspect of our forecasting. The forecasting drives our power cost which is one-third of our expenses and our energy (kWh) sales which is two-thirds of our revenue. The energy management team of PNGC (Pacific NW Generating Cooperative) assisted us with load forecasting for this budget. They bring valuable industry expertise and resources to our Co-op to help us navigate the rapidly evolving energy market.

Forecasting is challenging. Our team uses every available tool to gauge what impact the weather may have on our Cooperative; we incorporate analysis from various sources which include BPA's climatologist, the National Oceanic and Atmospheric Administration (NOAA), the Office of the Washington State Climatologist, and other Northwest climatologists. We also consider local weather and historical data, including air temperature, water temperature, wind speed and direction, and precipitation.

Weather drives heating load. OPALCO's load peaks in the winter, in large part due to increased heating load. Predicting the weather for a year ahead is fraught with uncertainty due to variations of temperature, wind and humidity and yet we depend on weather forecasting to meet our

budgetary commitments. In 2022, the forecast is a weak La Niña weather pattern (in between El Niño and La Niña) with projected kilowatt hour purchases of 220M kWh. As a point of reference, OPALCO's load has averaged 215M kWh, ranging between 204M (2015) – 229M (2017) kWh. While predicting the weather beyond a few days or weeks with any certainty is not possible, we can use trends to forecast likely scenarios.

Based on the predicted weather pattern, we estimate our load to be 220M kWh. With that information, we set rates accordingly – to generate the revenue to pay for the expenses. The science of forecasting is imperfect: if it ends up being colder than we forecast, member bills are higher than budgeted and we end up with more money than needed to cover co-op expenses; if weather was warmer than forecast, member bills are lower than budgeted and we end up with less money than needed to cover expenses. To combat this unavoidable situation, the Energy Charge Adjustment (ECA) works well to partially offset weather volatility.

## **BUDGET ASSUMPTIONS**

### **GENERAL:**

- **General Inflation Rate:**

The general annual inflation rate has been projected at 5% for years 2022 through 2026. We use the US Department of Labor, Bureau of Statistics, Seattle-Tacoma-Bellevue consumer price index as the baseline for inflation.

- **2022-26 Budget Basis:**

The 2022-2026 budgetary figures have been forecast with the use of actual activity from January through September 2021 and adjusted 4<sup>th</sup> quarter 2021 projections.

- **Power Cost Projections:**

- ~90% of the power resource we depend on are sourced from our Federal Hydro System via PNGC.
- BPA operates on a two-year rate cycle. 2022 is the first year of their current rate case. In 2022 we are budgeting for an overall rate increase in BPA kWh charges of approximately 1.0% over 2021, resulting in approximately 0.7% in the total cost increase. The BPA rate also includes fish spill & oversupply surcharges, potential power cost recovery adjustment clause (CRAC) increase, demand charge volatility, and residential exchange charges. OPALCO works closely with PNGC to identify these cost increases.
- From 2023 through 2026, we have maintained a 5% BPA cost increase for each year, with specific adjustments in years for known increases. Market indicators are showing that power costs will be escalating.
- We will be closely monitoring load growth which is expected to be about 1% for 2022-2026.

- **Labor:**

- Staffing levels will remain at 49 full-time OPALCO employees from 2022 through 2026 (see organization chart).
- The general wage increase is in accordance with the current Collective Bargaining Agreement.
- The benefit growth assumptions are in accordance with 2022 NRECA and LineCo rate projections based on the changes to the benefits package.

- **Capital Projects:**
  - The 2022 capital projects are based on the 2021 – 2025 RUS Construction Work Plan (CWP). The CWP is derived from outage analysis, system monitoring and system modeling based on load growth projections along with current system loading. The goals are to continue to achieve our Strategic Directives including: safety, voltage stability, greater system reliability and overall system efficiency.
  - Planning – Engineering completed the 20-year Long Range Plan and 2021-2025 Construction Work Plan (CWP) in early 2021 with the supporting Environmental Report for the CWP for submittal to USDA RUS. These plans follow growth and planning projections for renewable resources as anticipated in the IRP to ensure our system is built to handle electric vehicle integration, electrification of the ferries, fuel switching and remains stable with the integration of distributed resources (batteries, roof-top solar, etc.) and utility resources to include community solar, utility scale solar, utility scale battery systems, tidal generation, etc.
  - Renewable Tidal Generation Investigation (\$150k in 2022) – As OPALCO waits for costs to come down with greater adoption of renewable technologies. OPALCO is laying the groundwork to prepare for grant funding opportunities in coming years.
  - Distribution System:
    - New Services continue to trend upward since the lows of the recession (2008-13). For 2022, \$650k is budgeted with an average of \$700k per year projected in future years. Please note, contributions in aid of construction (CIAC) offset new member construction expense.
    - Underground Residential Distribution (URD) replacement will continue based on the following criteria: age, cable type, neutral degradation and, most importantly, outage frequency and outage duration. There is approximately 105 miles of unjacketed URD to replace system-wide over time with problem areas mapped for priority scheduling. In 2022, 15 miles of URD is slated for replacement at a budgeted cost of \$1.9 M. Staff expect an average annual spending of ~\$2M for the foreseeable future for replacement of unjacketed URD.
    - Conversions, Line Changes and Tie Lines - ~\$1.6M is budgeted in 2022 for conversion to large conductors: upgrading lines to carry greater capacity and increased ability to reroute power, in addition to the replacement of the Center Island submarine cable.
    - Sectionalizing Equipment expenses will be to automated switches on our system improve reliability and give us greater visibility into our system.
    - SCADA spending includes new SCADA software in 2022 (\$220k) allowing better access to system data and the foundation for the automation of switching events to minimize outages.

- Grid Control Communications Infrastructure (fiber) expansion for 2021 (\$287k) is budgeted to install conduits for future fiber jointly with other projects, expanding the original fiber backbone and maintenance of active sites.
- Transmission System – Projects include the routine replacement of transmission poles and upgrades to submarine cable monitoring.
- Substation/Community Solar
  - Energy Storage System (ESS) – The 2022 budget includes the San Juan Microgrid (\$1.9M) with offsetting funds from a WA DOE grant (50% matching funds). This storage system will be twice the size of the Decatur Microgrid Project and will provide four complementary functions that enhance grid reliability and operation, and community solar array performance, while increasing storage system “capacity factor” and saving money on our power bill from BPA.
  - Community Solar Project – The 2022 budget includes our next project on San Juan Island. This project will have offsets from member contributions in addition to the WA Department of Commerce CEF3 Solar grant funding of \$1M for the allocation of the output to OPALCOs low-income fund.
  - Friday Harbor Substation – Redesign of this substation is essential as it has reached capacity. The substation transformer will be replaced. The existing transformer will be fully tested for relocation to another substation to ensure redundancy.
- **Energy Savings:**
  - OPALCO continues to offer RESP funds for the on-bill financing program. Member participation was slightly less than budgeted in 2020 & 2021 due to the COVID-19 restrictions on residential construction. The 2022 budget assumes getting back on track with projected projects in early-mid 2022, depending on pandemic conditions.
  - A new Community Solar project will be available for member purchase in 2022.
  - BPA/PNGC pass-through rebates will continue for ductless heat pumps, weatherization, commercial lighting, and appliances. Members can apply for rebates online.
  - Beneficial electrification (fuel-switching) rebates are offered again in 2022. More self-funded incentives for ductless heat pumps (55) and EV charging stations (50) will be available. These conversions bring new load (kWh usage) and revenue, and help members breach the cost barrier for these appliances. Switch it Up participants will also receive beneficial electrification incentive (30 available) off the principle of their projects.
  - Renewable program alternatives.
- **Increasing Support for Local Renewable Projects:**
  - a. Low-Income Access to Solar Benefits
    - OPALCO will establish a new conduit for voluntary member donations in support of local solar energy production through community solar projects. The long-term goal is to provide a voluntary funding mechanism to enable the Energy Assistance Program (EAP) program to become fully sustainable through community solar investments dedicated to the low-income program.



- Members will be able to opt-in to add their support as a line-item on the bill in blocks of local renewable power at \$10 each.
- All member contributions will direct OPALCO-owned community solar production credits into the Energy Assist program to assist low-income members and provide access to the benefits of solar.
- OPALCO will continue to pursue grant funding to provide access to the benefits of solar for low-income members.
- b. Rooftop Solar
  - Pending RUS and Board approval, OPALCO will offer on-bill financing for solar installations and energy (battery) storage projects through the Switch it Up! Program. Terms and financing amount per meter to be determined.
  - OPALCO will offer a member workshop on rooftop solar as part of the Island Way campaign activities in 2022.
- c. Commercial Solar
  - OPALCO will work with Sustainable Connections to provide incentives, technical assistance and access to federal grants for commercial solar projects.
  - OPALCO will pursue grant funding to offer solar workshops tailored to business/commercial members.
- **Billing**
  - Starting with the January 2022 billing period, all member payments made via credit card will be charged a \$2 per transaction fee. This will save the cooperative \$95k on average annually.
- **Capital Credits**
  - Capital credits pay out cash planning is based on an average 25 year pay back cycle (remaining 1997 capital credits in 2022) plus an additional “smoothing” payout amount (~60% portion of 1998 in 2022). \$1.4M in capital credits are expected to be retired in 2022 and 2023, going up to \$1.5M in 2024 through 2026. The goal is to smooth out the low and high year payouts by using an average rather than strict year total.
- **Energy Assistance Program:**
  - The 2022 Budget includes a continuation of ~\$163k for low-income monthly bill credits, which range from \$32.67 (single person household) to \$63.87 (six-or-more-person household) per month, and not to exceed the total bill amount. The Energy Assistance Program is funded as a line item on all member bills (approximately \$0.79 on the average residential bill). Outreach continues to encourage participation.
- **Communications**
  - Island Way Campaign – the primary activity of the Communications budget in 2022 is an acceleration of the multi-year Island Way Campaign which includes promotion of member investment in the Bailer Hill Microgrid Project, encouraging greater participation in



the Switch it Up on-bill financing program and other beneficial electrification and efficiency projects (EVs, rebates, etc.), support for local solar programs and facilitating opportunities for member education and discussion.

- Member Engagement – Energy Round Table discussions highlighting rate complexities, competing constraints, environmental safeguards and possible equitable alternatives for revenue collection. A multi-layered campaign focusing on local, renewable power, climate change solutions and regional power issues to include resource adequacy.
- Website – the OPALCO website will be updated to support these efforts and bring the existing three websites into one unified site for cost savings and greater backend access for staff to manage content.
- Member Survey – an all-member survey is planned for 2022 to gather member input on rates, programs and communication preferences.
- Annual Meeting – the annual meeting is planned in person for the first time since 2019 with alternative plans in place to pivot if necessary for COVID safety.
- Grant Funding – sourcing federal, state and local grant funding opportunities to support the goals outlined in our Integrated Resource Plan and Long-Range Capital Plan. The 2022 Budget includes \$130k for grant writing assistance to be prepared for a variety of grant funding opportunities expected in the coming years.

## **OVERALL SUMMARIZATION:**

### **1. Revenue:**

For 2022, staff recommends a rate increase of 4.0%, equating to a total revenue increase of ~4.9% as we continue to monitor uncertain weather patterns, especially in Q4. The Energy Charge Adjustment (ECA) will continue to be in place to alleviate the impact of uncertain weather patterns on rates.

### **2. Operating Margins:**

Per Staff recommendation, projected operating margins are as follows: \$ 2.6M in 2021 (projected), \$3.1M in 2022 (budget), \$2.7M in 2023 (forecast), \$2.3M in 2024 (forecast), \$2.4M in 2025 (forecast), and \$2.4M in 2026 (forecast).

### **3. TIER & OTIER:**

Per Staff recommendation, TIER is as follows: 3.33 in 2021 (projected), 2.64 in 2022 (budget), 2.36 in 2023, 2.07 in 2024 (forecast), 2.08 in 2025 (forecast), and 1.98 in 2026 (forecast). OTIER is as follows: 2.31 in 2021 (projected), 2.50 in 2022 (budget), 2.23 in 2023, 1.95 in 2024 (forecast), 1.96 in 2025 (forecast), and 1.87 in 2026 (forecast).

### **4. Equity % of Total Capitalization (OPALCO):**

Per Staff recommendation, Equity % of Total Capitalization is as follows: 38.7% in 2021 (projected), 39.9% in 2022 (budget), 40.9% in 2023 (forecast), 41.8% in 2024 (forecast), 42.9% in 2025 (forecast), and 44.0% in 2026 (forecast).

### **5. Debt:**

Due to historically low interest rates OPALCO accelerated borrowings in 2020. This eliminated the need to borrow from RUS Federal Financing Bank (FFB) in 2021 and will continue to reduce 2022 borrowings by ~\$2.1M. We anticipate borrowing from the RUS-FFB \$3.6M in 2022, \$5.4M in 2023 & 2024, \$5.5M in 2025 and \$5.6M in 2026 for capital projects. This assumes that capital project funding in 2022-26 is approximately 55% through RUS-FFB and 45% through member rates. We anticipate using our approved RUS (FFB) loan funds and have estimated interest rates at 5% for 2022 through 2026. RUS Rural Energy Savings Program (RESP) funds will be borrowed at 0% over a 10-year period as member demand defines, to provide on-bill financing to members for efficiency / fuel switching measures. RESP borrowing has been projected between \$1M - \$750k for 2022-2026. \$18.8M in RESP funds are still available at year end 2021.



6. Rate Detail:

- The chart below details the impact on average residential members Energy Assistance Program and PAL recipients.

Residential			Present Rates	Recommended Even 4% increase to all components	All Facility/Demand	All Energy
Service Access Charge (\$/Service/Month)			\$48.41	<b>\$50.35</b>	\$54.60	\$48.41
Energy Assistance Program (\$/kWh)			\$0.00076	<b>\$0.00079</b>	\$0.00079	\$0.00079
Energy Rates (\$/kWh)						
Block 1	Summer < 2,000 kWh	Winter < 4,000 kWh	\$0.1089	<b>\$0.1133</b>	\$0.1089	\$0.1152

	Average Residential User		Average EAP Recipients	Average PAL Recipients
Number of Services (Meter Points)	12,785		284	421
Average Months of Usage	12		12	12
Average Usage (kWh) per month	1,045		917	1,038
	Average Monthly Bill			
Existing Rate	163.02		148.98	162.24
Recommended Rate - 4% Increase Split evenly between all components	169.58		154.98	168.79
4% Revenue Increase to Service Access Charge only	169.24		155.20	168.47
4% Revenue Increase to Energy Charges only	169.63		154.78	168.82

Notes: 1) Data period from October 2020 to October 2021.  
2) PAL and EAP accounts based on those in database who received assistance during data period.

# 2022 Budget: Weather Trends



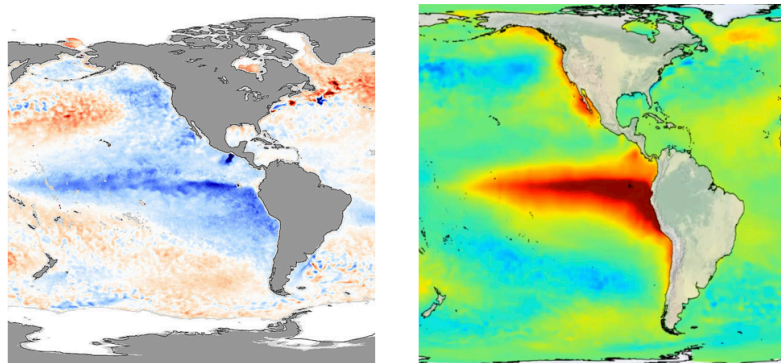
# 2022 Load Forecast (1 of 2)

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## Global Weather Perspective: Oceanic Niño Index (ONI)

Our winds prevail from the south, and the air temperature is influenced by *southern* hemisphere El Niño and La Niña cycles

### Southern Hemisphere Pacific



La Niña  
(cooler winters)

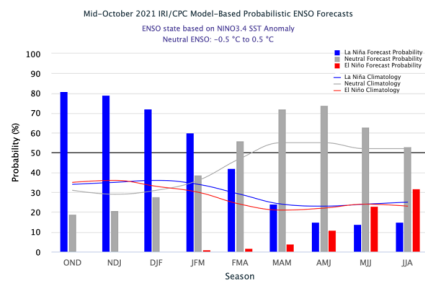
El Niño  
(warmer winters)

Source: NOAA

2

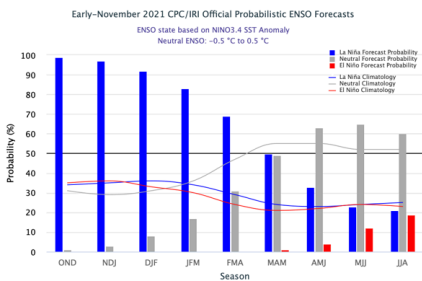
## Global Weather Perspective: Oceanic Niño Index (ONI) Forecast

### Last Month Forecast



La Niña during Oct-Dec and persisting until Jan-Mar, with a return to ENSO-neutral conditions for rest of the forecast period

### November Forecast



La Niña event continuing until Jan-Mar, with a return to ENSO-neutral conditions with high probabilities for rest of the forecast period

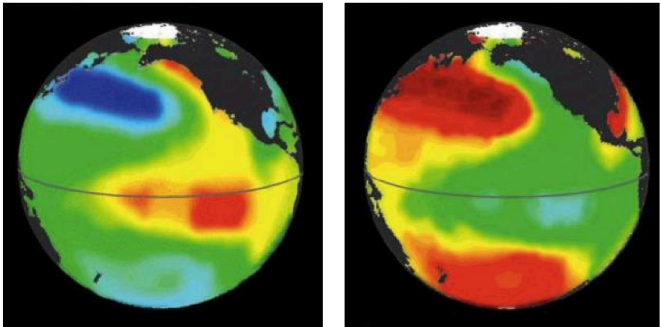
Source: NOAA

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## NW Weather Perspective: Pacific Decadal Oscillation (PDO)

Our air temperature is also influenced by *northern* hemisphere PDO which effects nearby ocean temperatures

### Northern Hemisphere Pacific



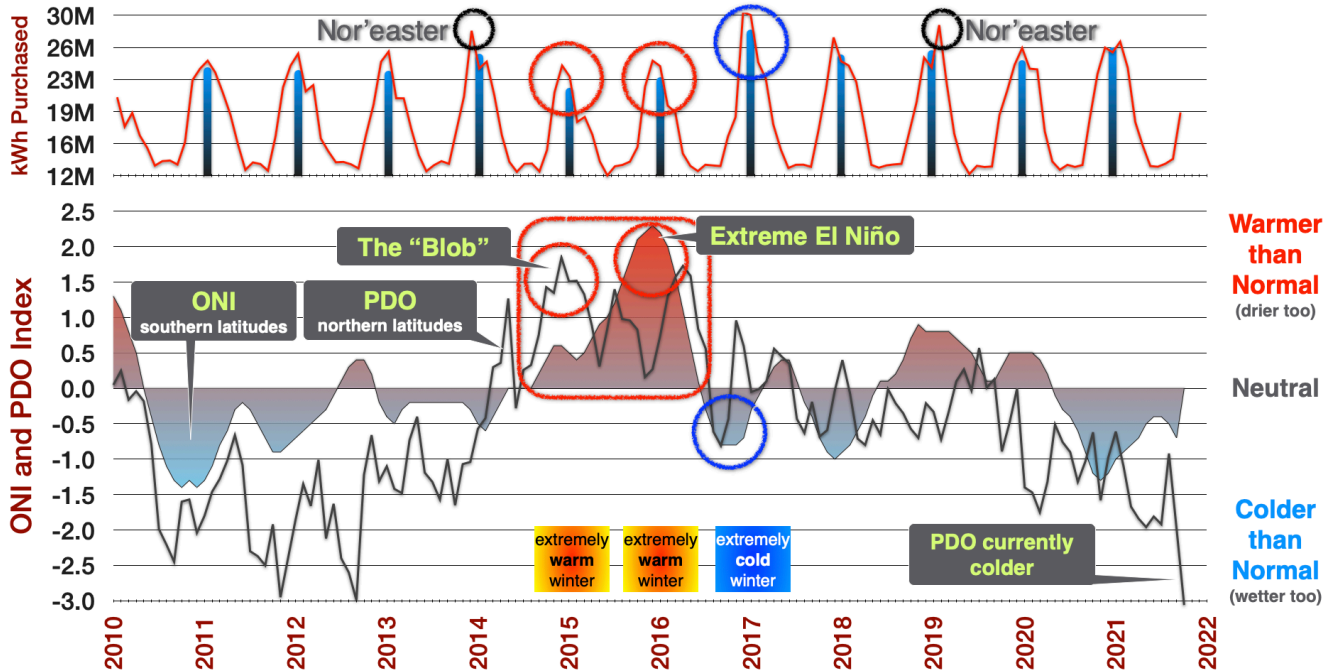
Cold PDO

Warm PDO  
(The "Blob" 2016)

Source: NOAA

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## Energy Purchased, ONI and PDO: Monthly kWh and Average Winter kWh (Dec, Jan, Feb)



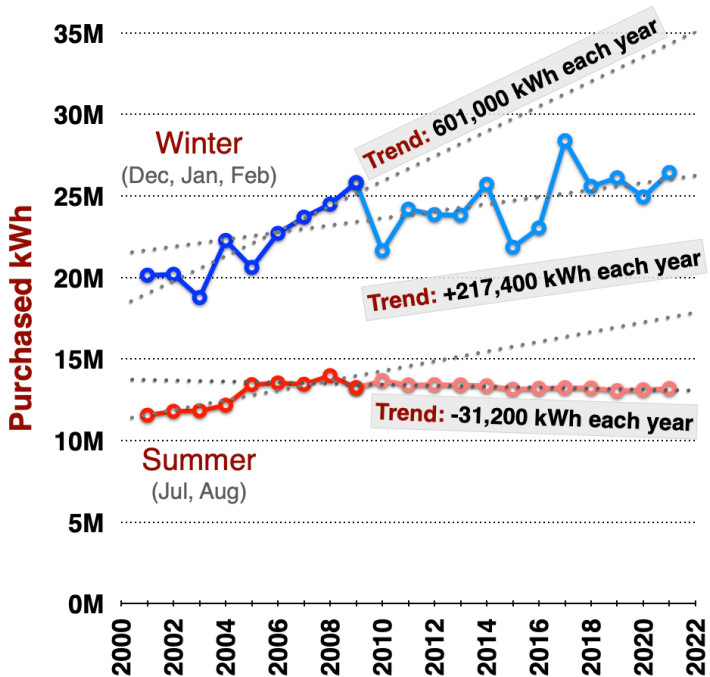
Source: NOAA

# 2022 Load Forecast (2 of 2)

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## Seasonal Load Trends: Summer, Winter

Efficiency moderating growth now.  
EVs, eFerries, and telecommuters will lift growth in coming decade.



Despite HDD warming trend, **winter load** has slowly increased as members shift to electric heating which is lower cost compared to propane.

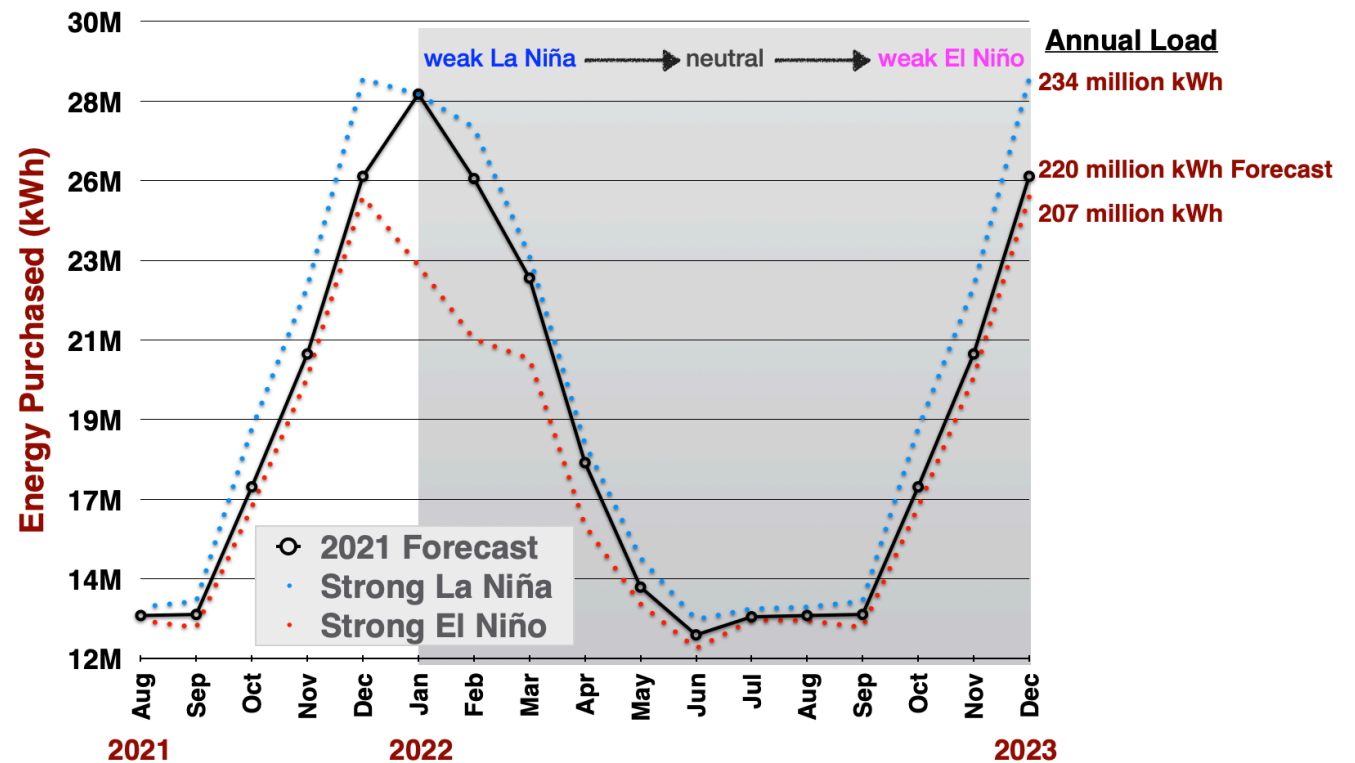
**Summer load** is trending down with energy efficiency improvements and local solar generation.

We may see a slight trend up as air conditioning, telecommuters and EVs increase.

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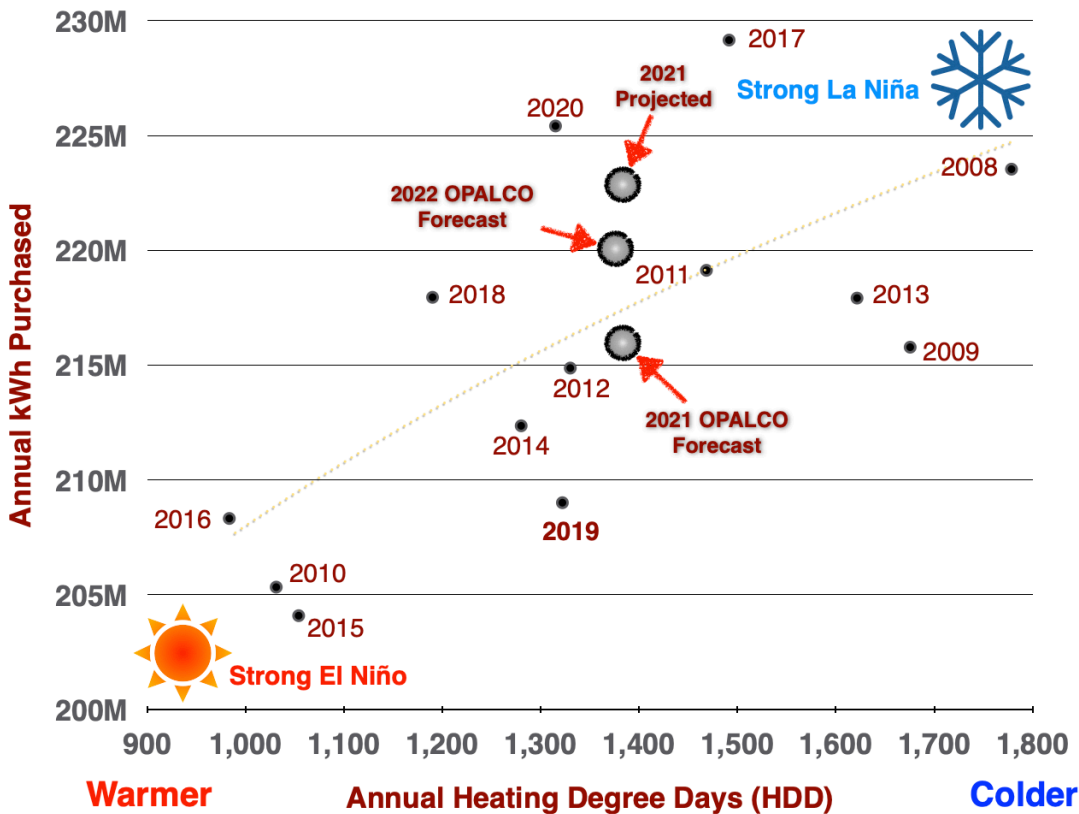
## Monthly Energy Forecast: With El Niño, La Niña Historic Boundaries

Weak La Niña, driven by cooler ONI and PDO, possibly transitioning to warmer weak El Niño next winter.



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## Load Forecast: Weak La Niña

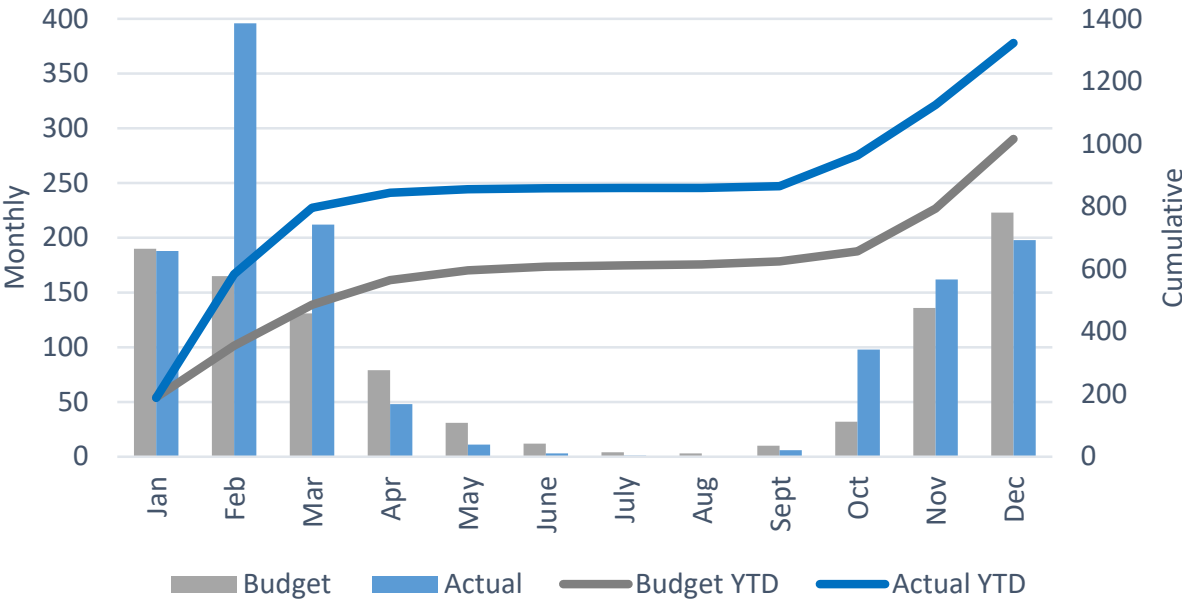


**Note:**  
The Load Forecast actuals can vary widely due to unpredictable weather conditions, particularly winter nor'easters, which bring in very cold arctic air, in contrast to the prevailing warmer winter southerlies.

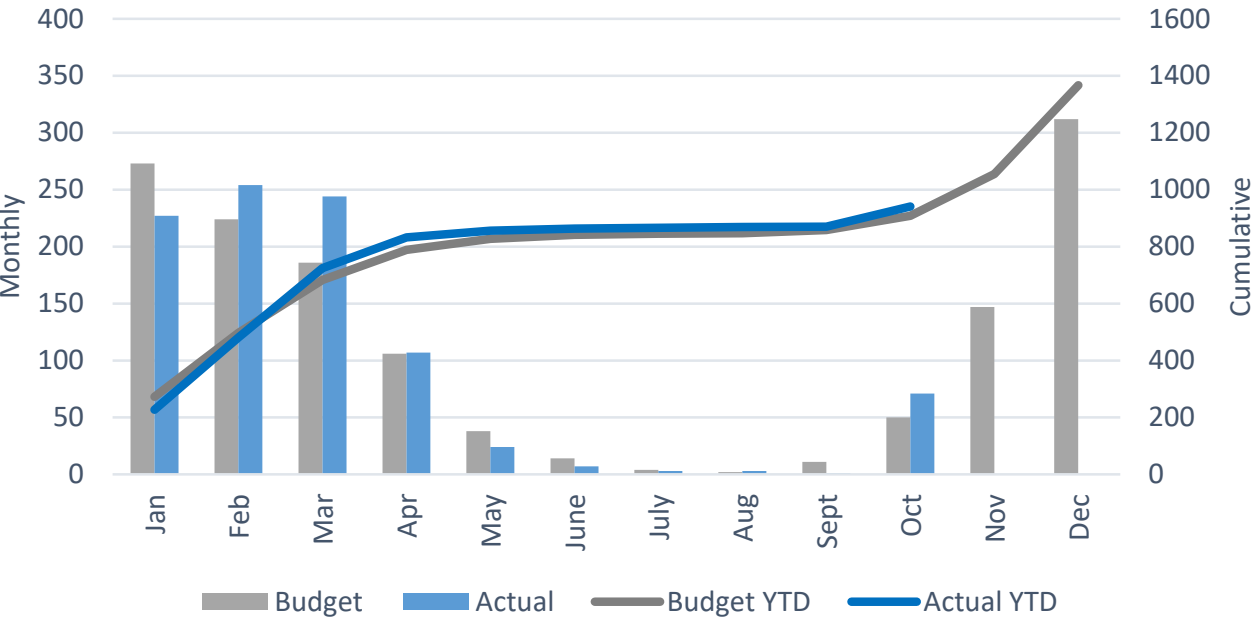


# 2022 Budget: Heating Degree Days

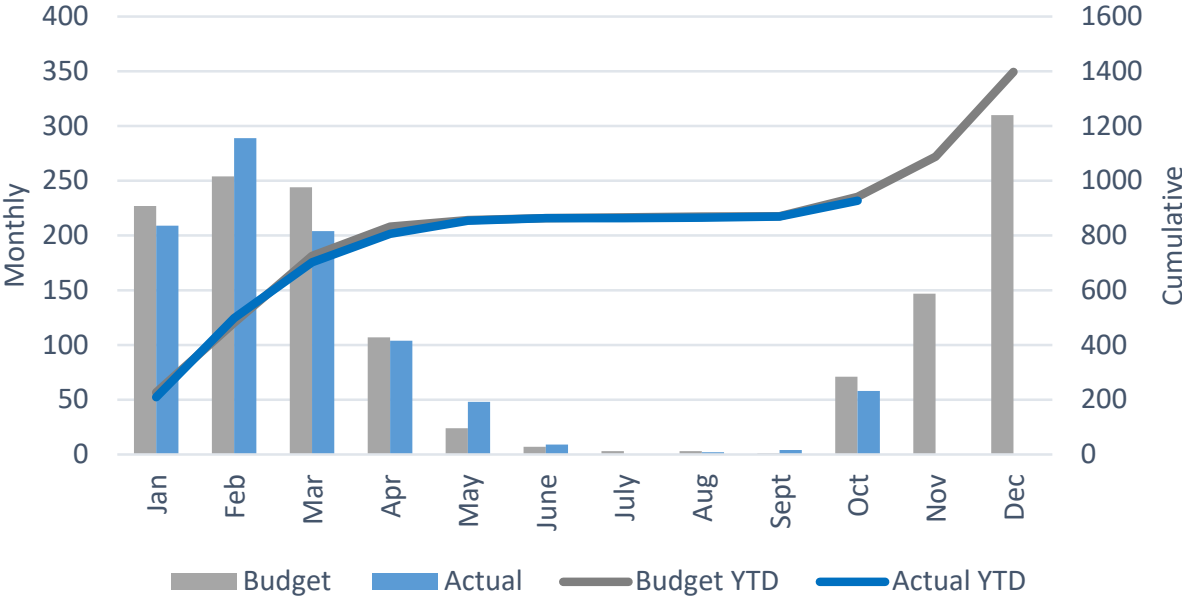
## 2019 HDD's



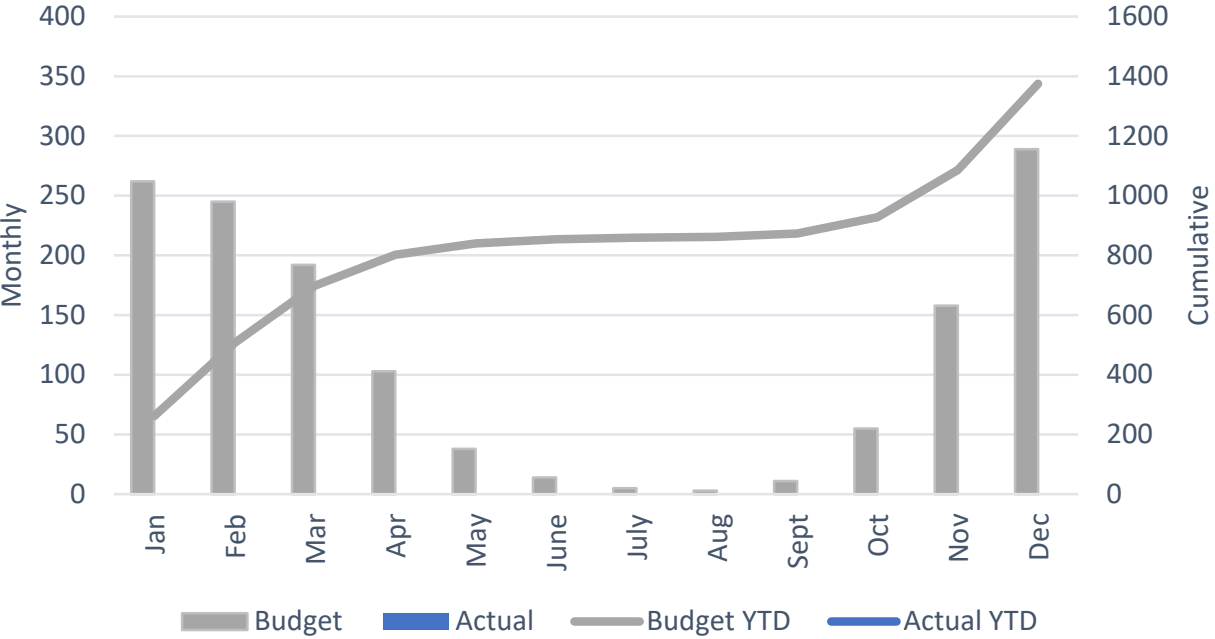
## 2020 HDD's



## 2021 HDD's



## 2022 HDD's

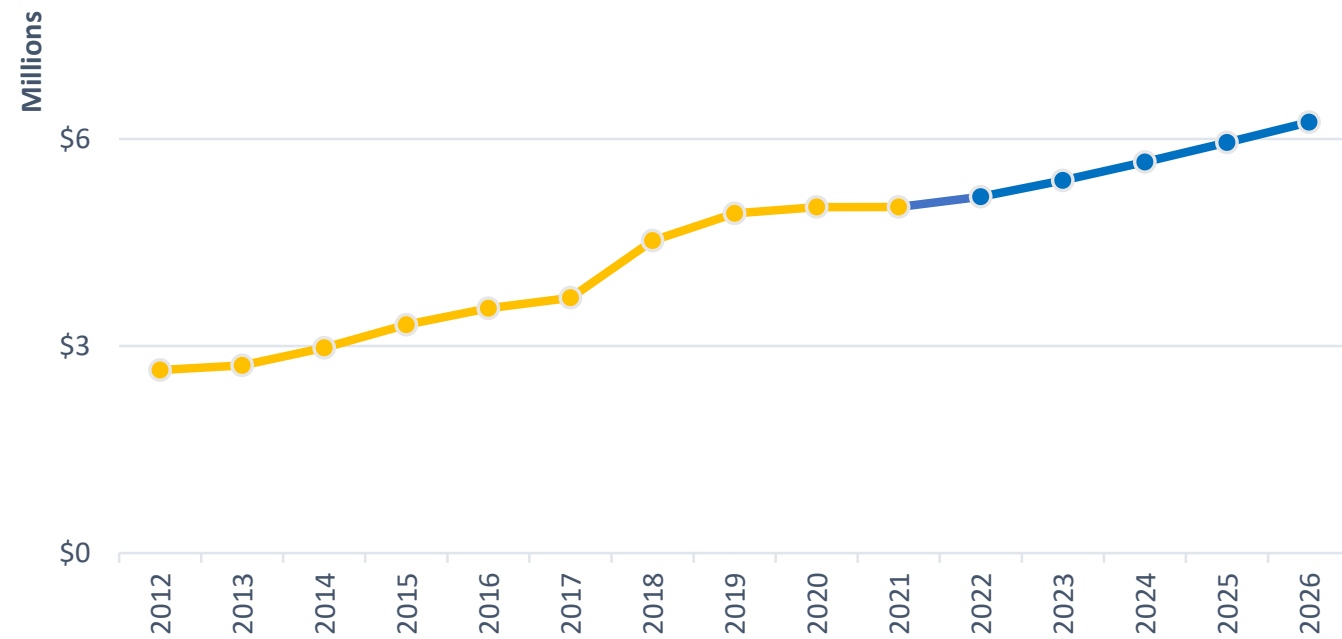


# 2022 Budget: Financial Highlights

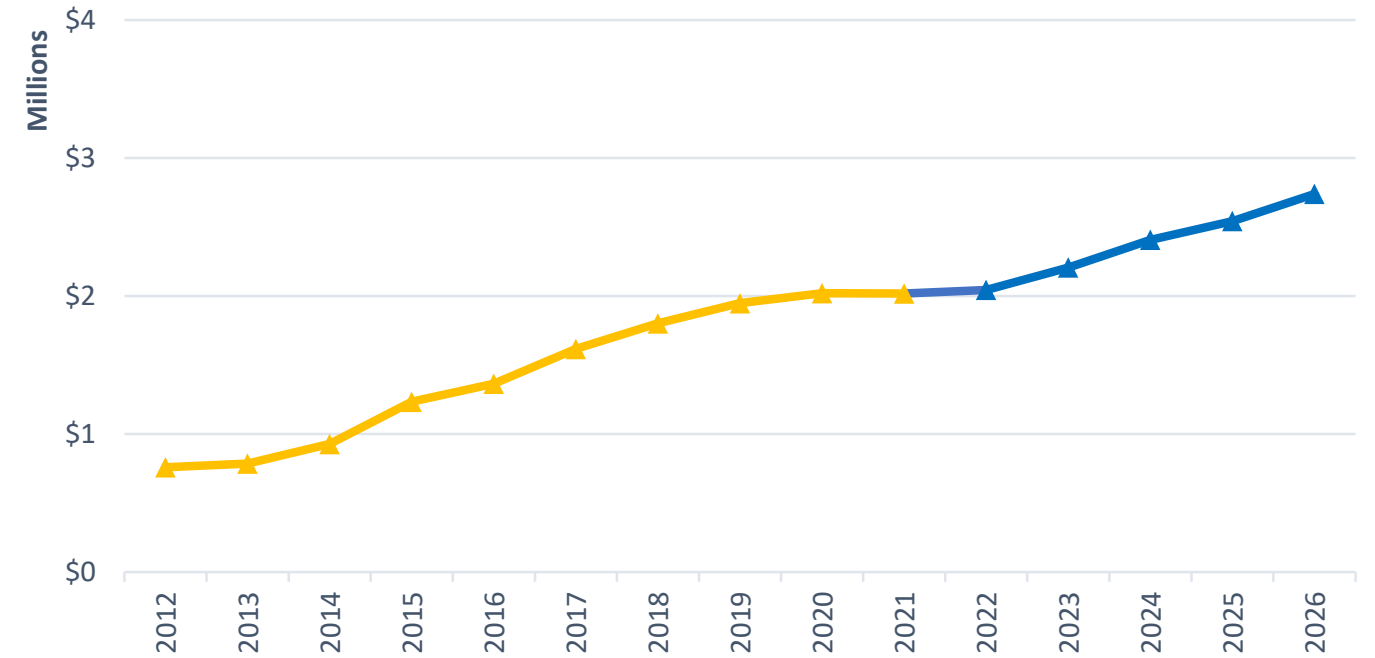


# 2022 Budget: Financial Metrics

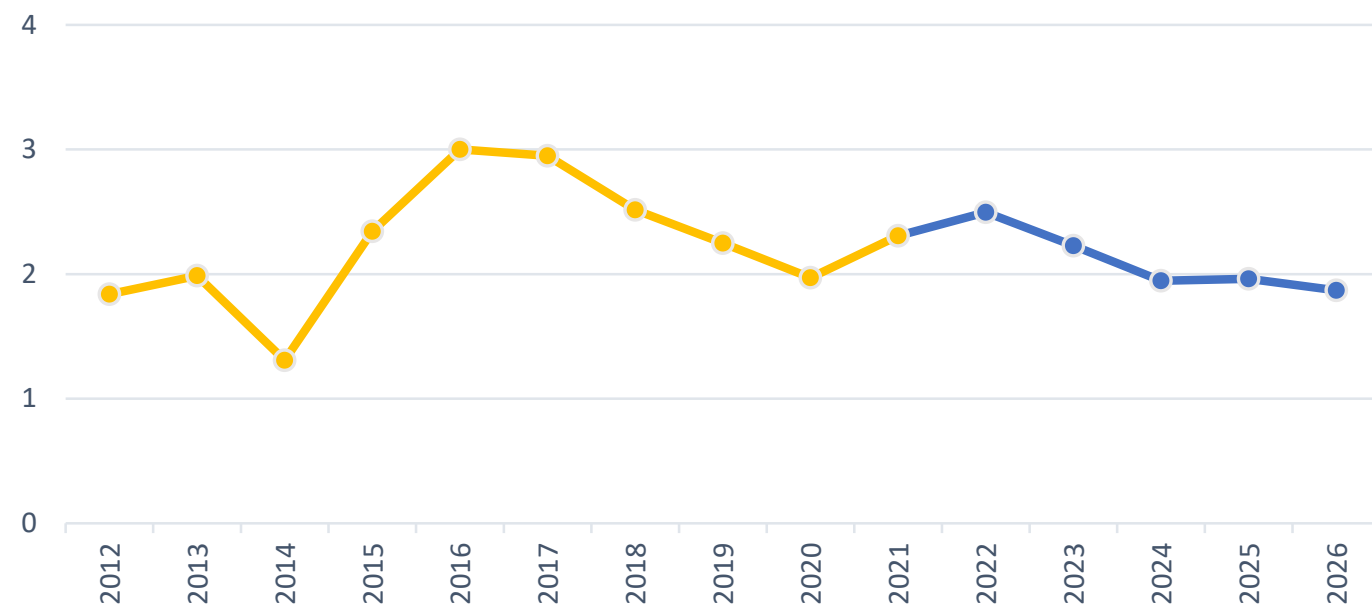
## Depreciation & Amortization



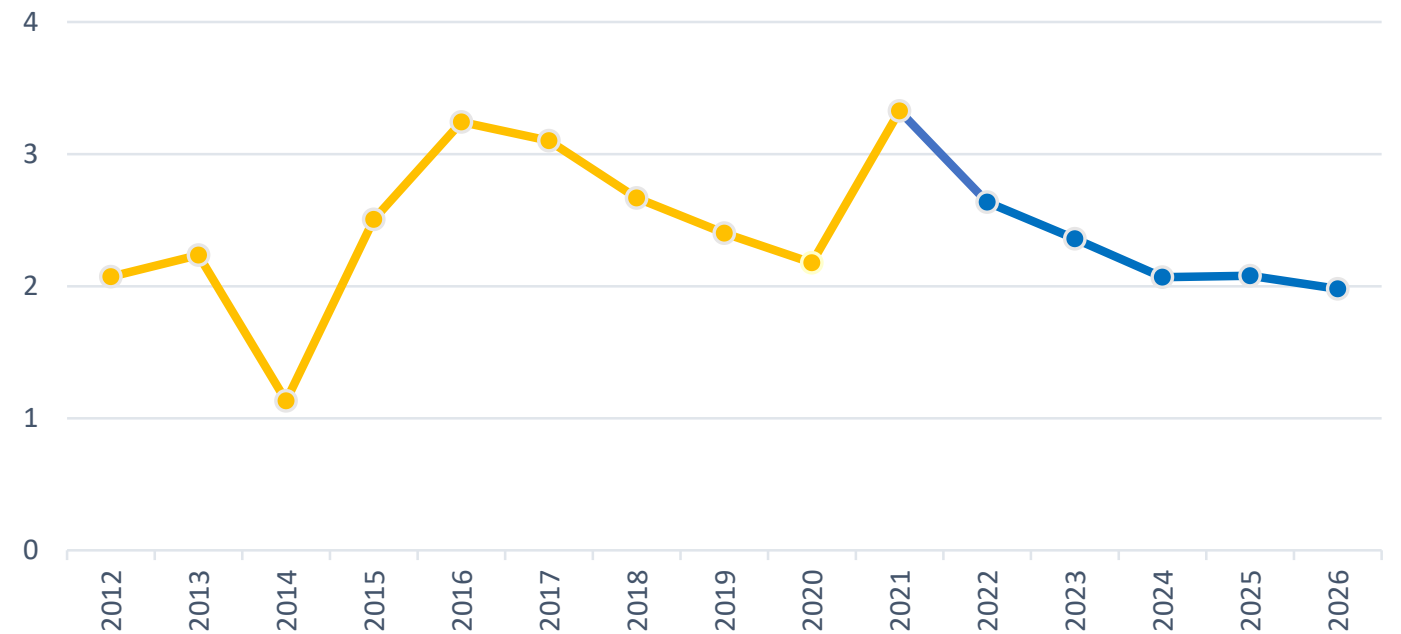
## Interest



## OTIER

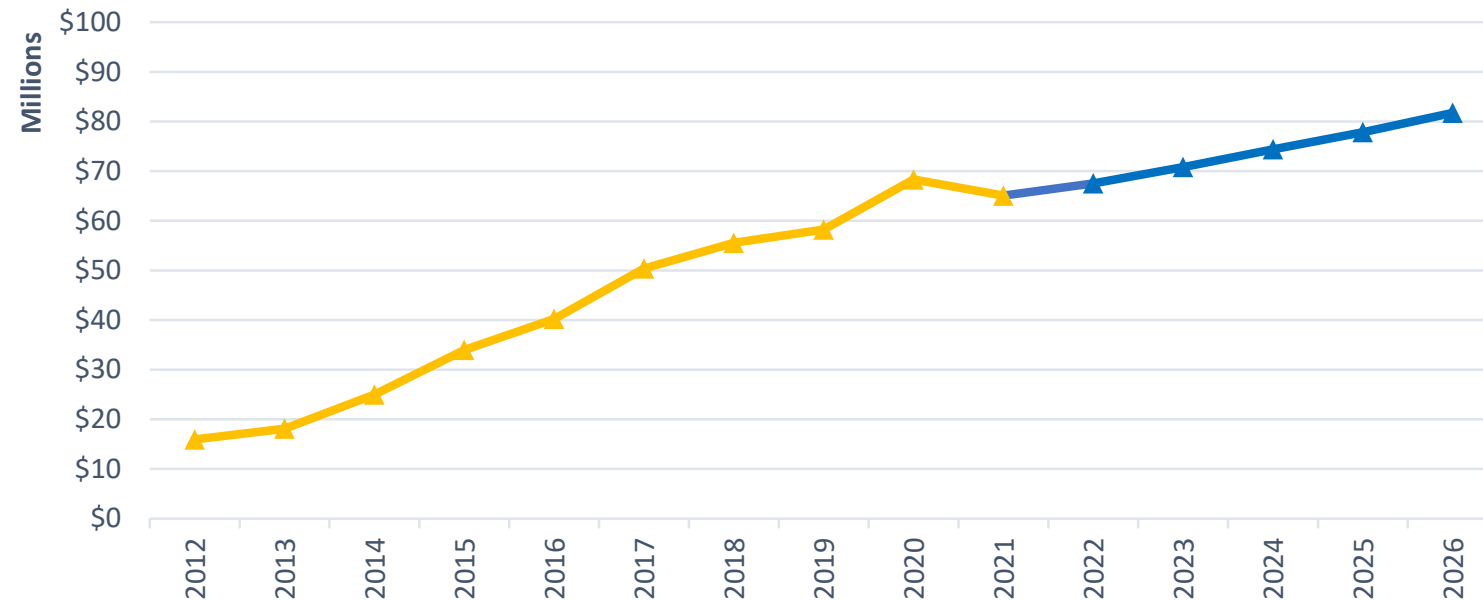


## TIER

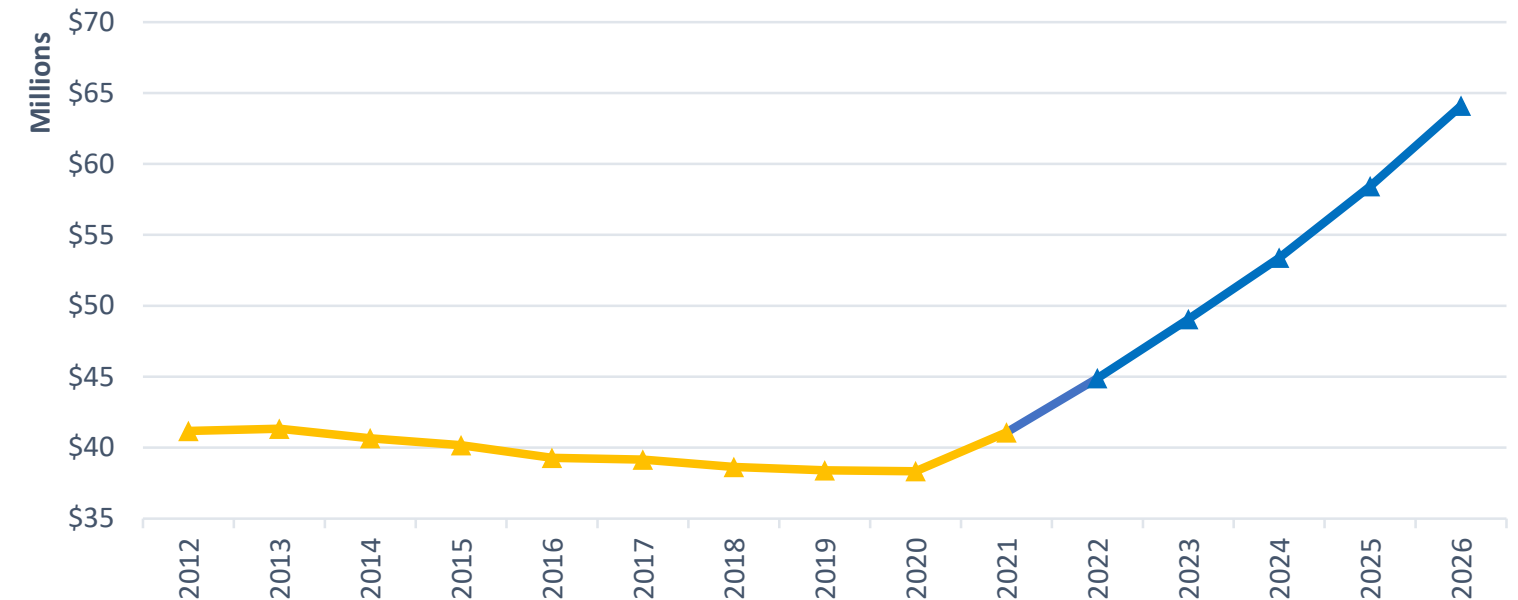


# 2022 Budget: Financial Metrics

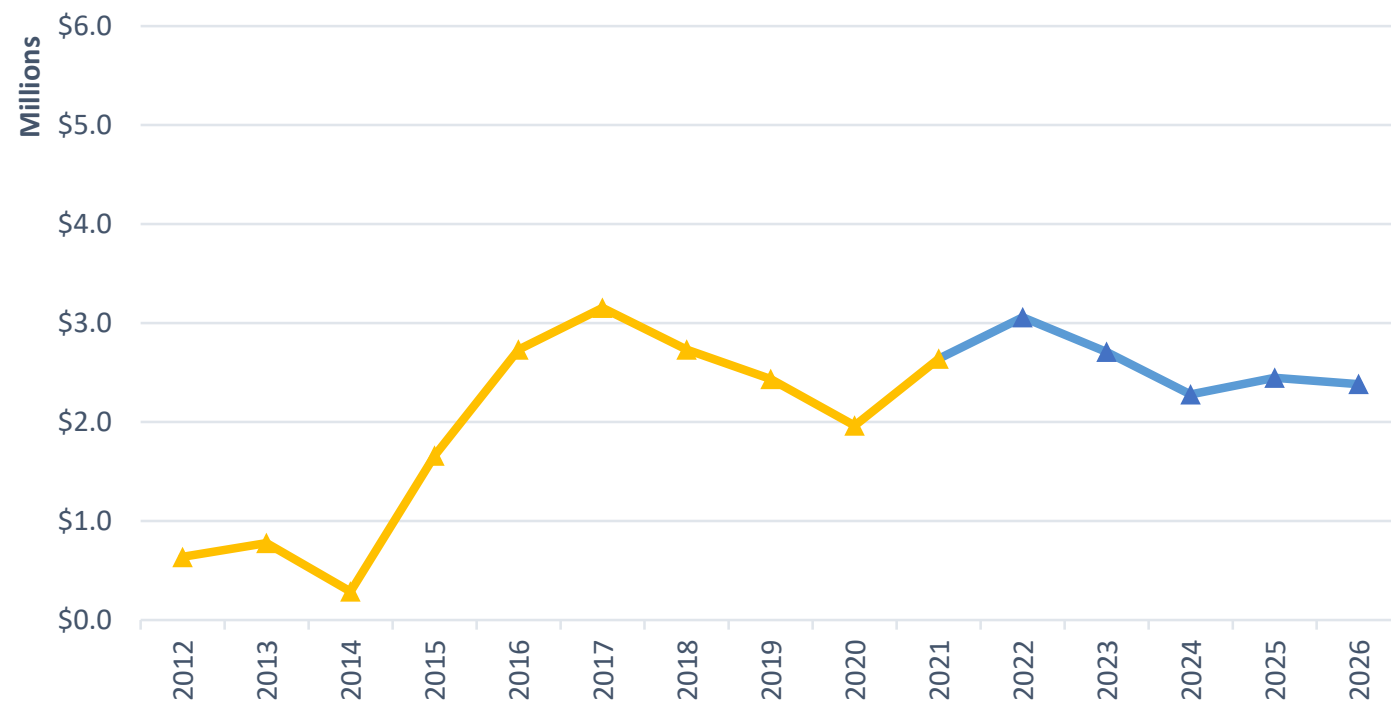
## Debt



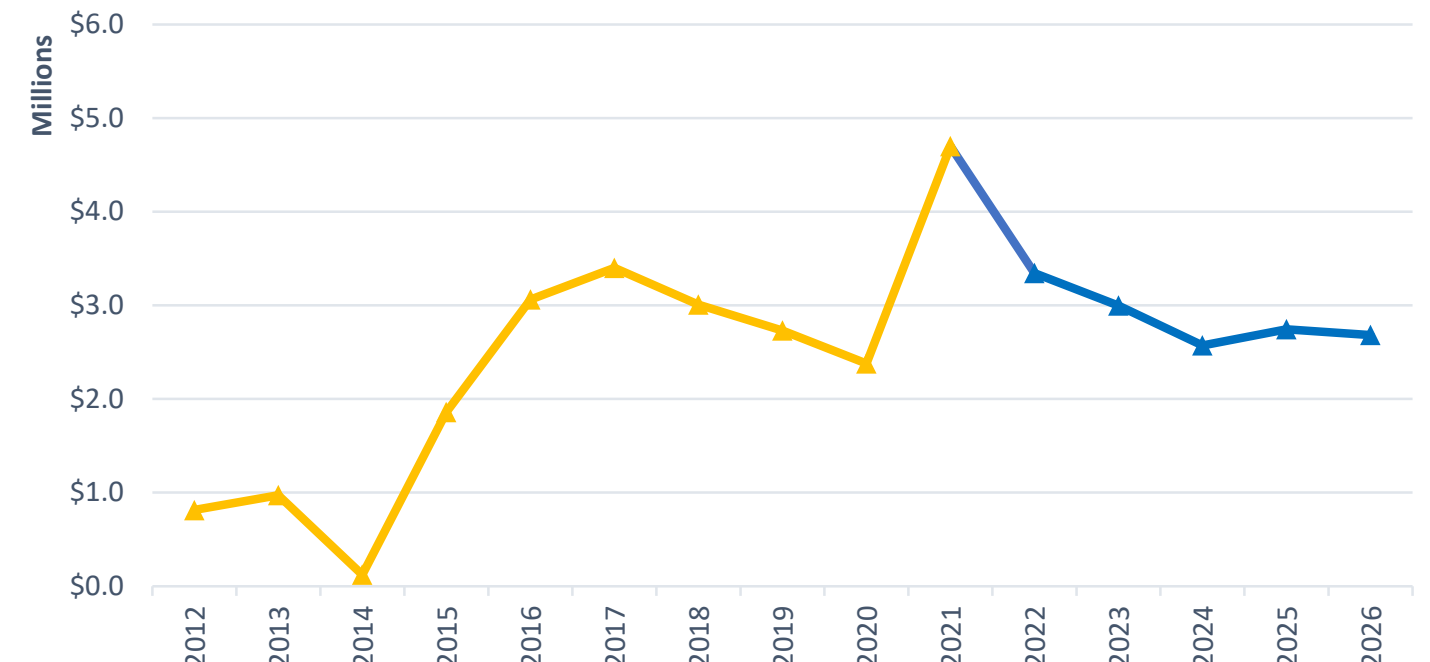
## Equity



## Operating Margin

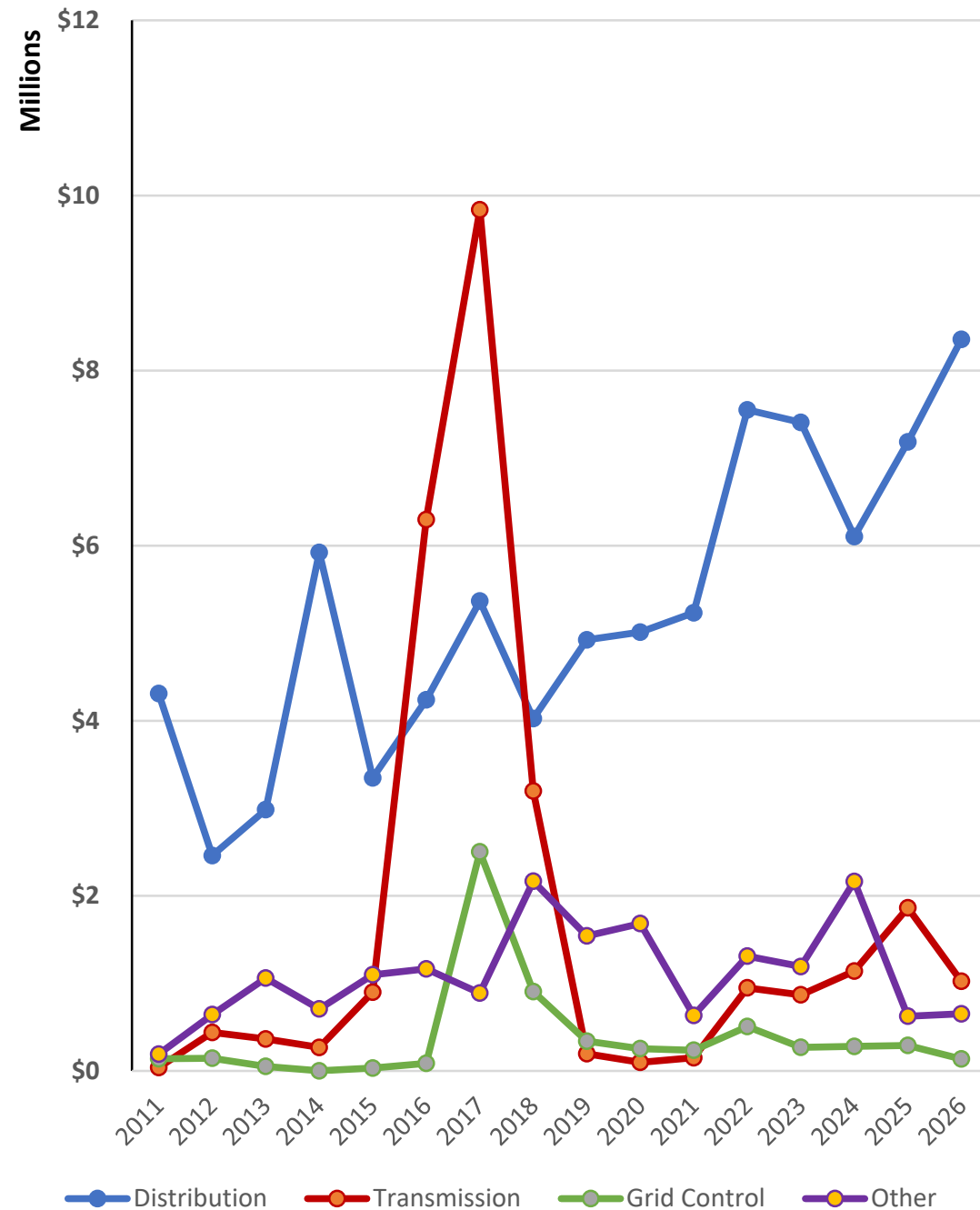


## Net Margin

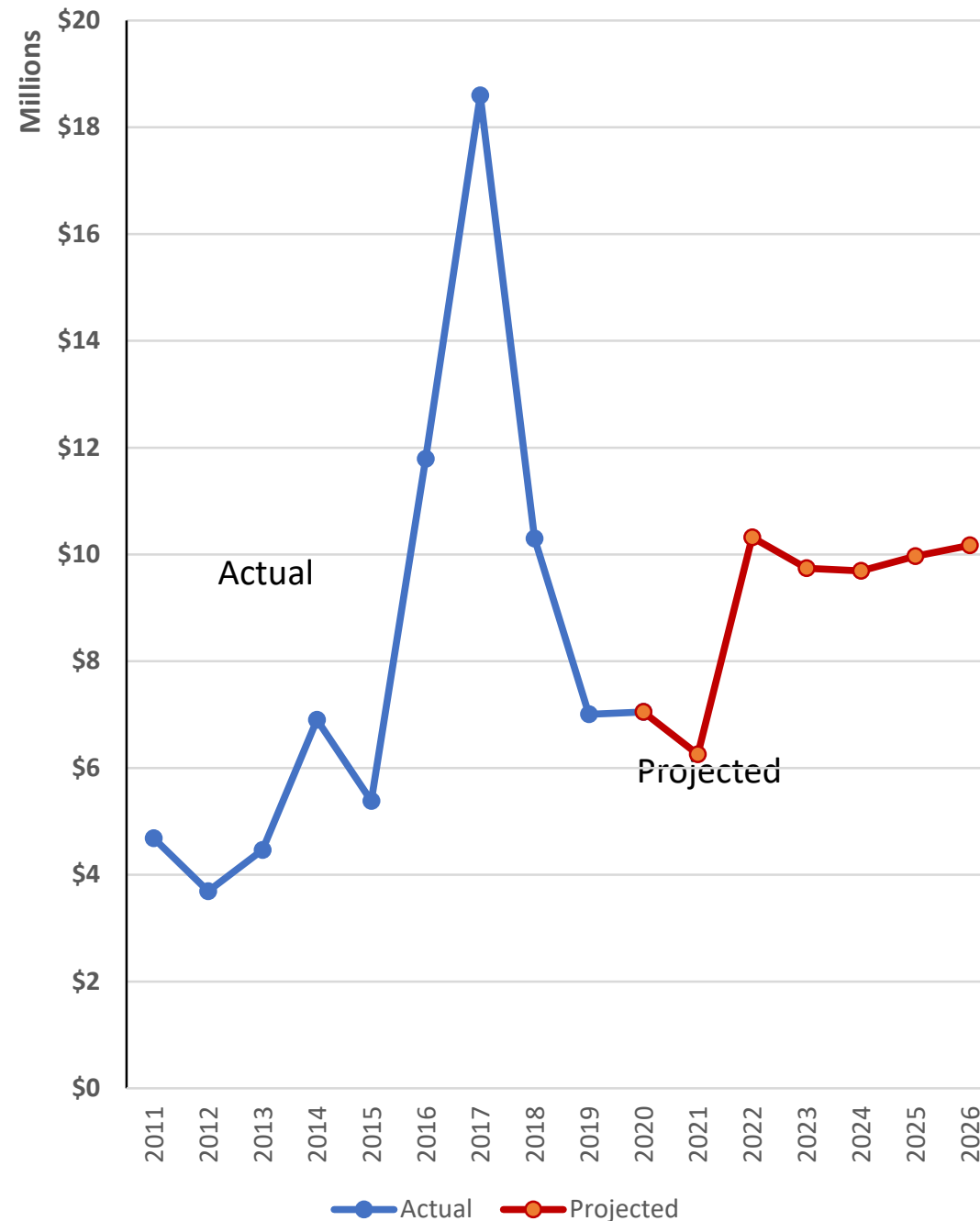


# 2022 Budget: Capital Projects

## Major Capital Project



## Total Capital Projects



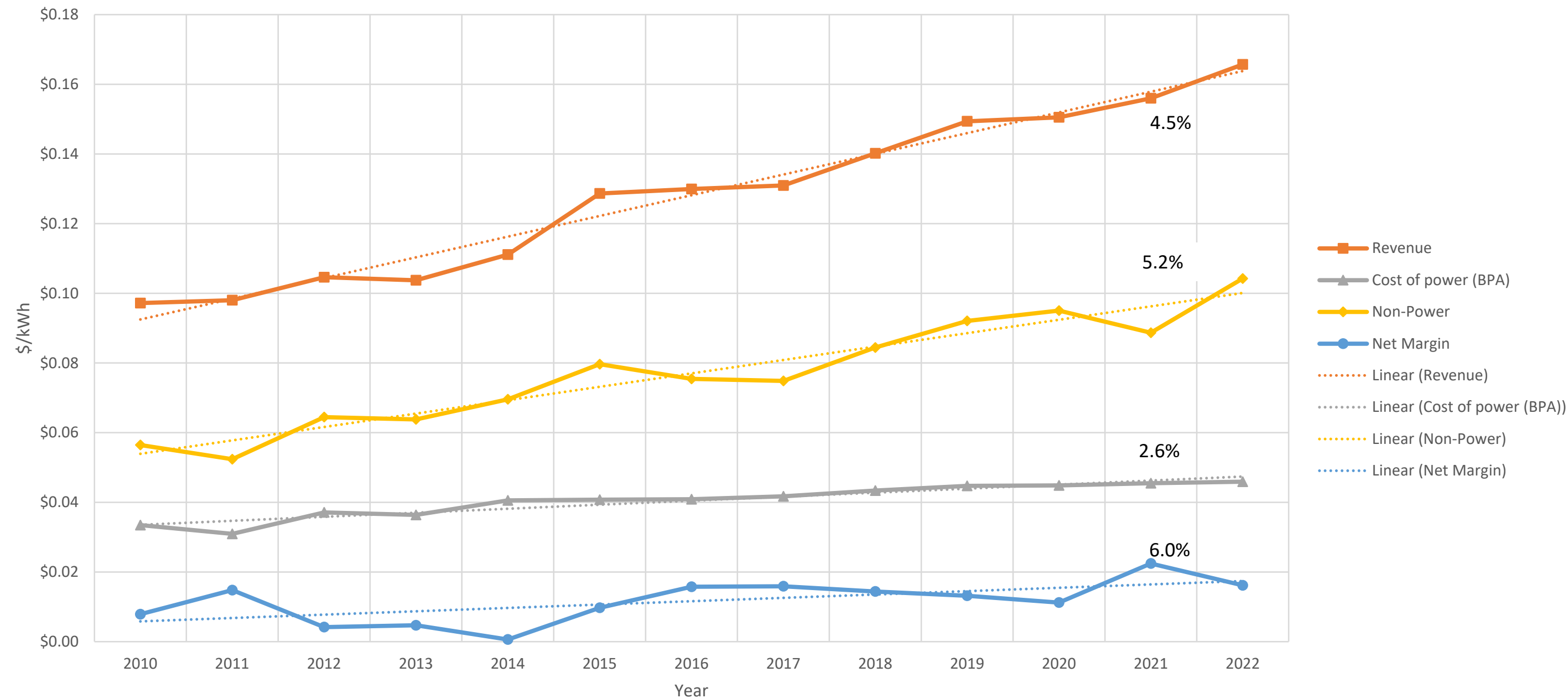
### Notes:

- Transmission: peak is Lopez San Juan submarine cable
- Distribution: Normal undergrounding to improve reliability, substation upgrades, microgrid projects
- Grid Control Backbone: Expansion to improve reliability, field communications, preparing for intermittent local renewable energy resources
- Other: Replacement of aging fleet vehicles and facilities



# 2022 Budget: Components of Electric Rates

Income Statement Trends - per kWh sold



ORCAS POWER AND LIGHT COOPERATIVE

BUDGET EXECUTIVE SUMMARY

		A. Audited Year End 12/31/2019	B. Audited Year End 12/31/2020	C. Projected Year End 12/31/2021	D. Proposed Budget 12/31/2022	% Change from 2021	E. Forecast 12/31/2023	F. Forecast 12/31/2024	G. Forecast 12/31/2025	H. Forecast 12/31/2026	Comments
1	kWh Purchases	221,868,514	225,413,000	222,850,015	220,000,000	-1.3%	222,000,000	224,000,000	226,000,000	228,000,000	OPALCO estimate conservatively below PNGC estimate of 240M kWh
2	% Rate Increase	6%	3%	3%	4.0%		4.0%	4.5%	5.0%	6.0%	
3	% Total Revenue Increase	4%	3%	2%	5%		4.7%	5.2%	5.7%	6.7%	2022 operating revenue increase from rate change
4	Gross Operating Revenue	31,279,000	32,577,000	33,356,000	34,267,000	2.7%	35,873,000	37,733,000	39,878,000	42,542,000	Revenue necessary to meet budget and cash flow requirements
5	Energy Charge Adjustment	(341,000)	(651,000)	(679,000)	-		-	-	-	-	2021 is actual ECA through October, no budgeting for future ECA
6	Net Operating Revenue Total	30,938,000	31,926,000	32,677,000	34,267,000	4.9%	35,873,000	37,733,000	39,878,000	42,542,000	
7	Cost of power	9,262,000	9,513,000	9,526,000	9,496,000	-0.3%	10,121,000	11,201,000	11,847,000	13,088,000	BPA rate increases for unanticipated surcharges, power and financial reserve cost recovery estimated at > +2%
8	Operations & G&A	11,178,000	12,076,000	12,195,000	13,140,000	7.7%	13,987,000	14,637,000	15,456,000	16,351,000	General inflation of 5% and employee count target of 49 - all years
9	Depr, Int & Taxes	8,374,000	8,686,000	8,316,000	8,573,000	3.1%	9,193,000	9,759,000	10,278,000	10,878,000	Depreciation on new assets & interest on related borrowings, taxes & other pat cap allocations
10		28,814,000	30,275,000	30,037,000	31,209,000	3.9%	33,301,000	35,597,000	37,581,000	40,317,000	
11	Net Operating Margins	2,124,000	1,651,000	2,640,000	3,058,000	15.8%	2,572,000	2,136,000	2,297,000	2,225,000	Acceptable margin levels in order cover capital credit retirements only
12	Non-Operating Margins	297,000	416,000	2,059,000	285,000	-86.2%	289,000	292,000	296,000	300,000	2021 Board motion to begin retaining non-operating margin as permanent equity
13	Net Margins	\$ 2,421,000	\$ 2,067,000	\$ 4,699,000	\$ 3,343,000	-28.9%	\$ 2,572,000	\$ 2,136,000	\$ 2,297,000	\$ 2,225,000	Net margin levels cover capital credit retirements and equity growth
14	OTIER	2.25	1.97	2.31	2.50		2.23	1.95	1.96	1.87	Fluctuates with changes in weather (operating revenues) & borrowing rates
15	TIER	2.40	1.50	3.33	2.64		2.36	2.07	2.08	1.98	Fluctuates with changes in weather (operating revenues) & borrowing rates
16	Equity % of Total Cap	39.7%	32.6%	38.0%	39.9%		40.7%	41.8%	42.8%	44.0%	Continue to manage closely over next several years to ensure we accelerate trending upwards for future capital investment
17	Equity	38,403,000	37,719,000	41,077,000	44,891,000	9.3%	49,050,000	53,388,000	58,428,000	64,106,000	Equity trending upwards (gradual building for next large capital investment)
18	Long Term Debt	58,240,000	62,425,000	67,075,000	67,651,000	0.9%	71,553,000	74,246,000	78,222,000	81,606,000	Borrowings necessary to fund new capital project investment while also meeting equity growth targets.
19	Capital Spending	(7,004,861)	(5,837,000)	(6,255,000)	(10,320,000)	65.0%	(9,741,000)	(9,691,000)	(9,966,000)	(10,170,000)	Capital spending necessary for system upgrades & replacements in 2022-2026. 2022 includes one substation transformer replacement and a new battery project.
20	Capital Credit Retirement (net)	(1,115,000)	(1,051,000)	(1,138,000)	(1,216,000)	6.9%	(1,216,000)	(1,294,000)	(1,294,000)	(1,294,000)	Smoothing of capital credit retirements (reduces volatility in margin, cash and equity requirements)
21	Annual HDD	865	1,367	1,400	1,375		1,388	1,400	1,413	1,425	HDD definition: Number of degrees that a day's average temperature is below 50 degrees Fahrenheit
22	kWh per HDD	256,495	164,896	159,179	160,000		159,942	160,000	159,943	160,000	

ORCAS POWER AND LIGHT COOPERATIVE

RATE SENSITIVITY

Proposed 2022 Budget Figures; Future Years for Reference Only

	A. Budget 12/31/2022	B. Forecast 12/31/2023	C. Forecast 12/31/2024	D. Forecast 12/31/2025	E. Forecast 12/31/2026	Comment
kWh Purchases	220,000,000	222,000,000	224,000,000	226,000,000	228,000,000	
BASE LINE: No Rate Change (Not Financially Viable Long Term)						
% Avg. Residential Rate Increase	0.0%	0.0%	0.0%	0.0%	0.0%	Baseline only to see the implication of no rate increase.
% Revenue Increase (Decrease)	0.9%	0.7%	0.7%	0.7%	0.7%	
Operating Margin	\$ 1,751,370	\$ 32,959	\$ (2,017,636)	\$ (3,754,208)	\$ (6,240,089)	
Margin	\$ 2,036,704	\$ 321,762	\$ (1,725,191)	\$ (3,457,938)	\$ (5,939,591)	
OTIER	1.86	1.01	0.16	(0.48)	(1.28)	
TIER	2.00	1.15	0.28	(0.36)	(1.17)	
Equity % of Total Capital	39.2%	38.6%	37.8%	36.0%	33.4%	
OPTION 1 - Recommended						
% Avg. Residential Rate Increase	4.0%	4.0%	4.5%	5.0%	6.0%	Recommended rate/revenue increase as this profile allows for rate stability while also stabilizing & building equity in future years. Please note we will be revisiting these rate increases annually.
% Revenue Increase	4.9%	4.7%	5.2%	5.7%	6.7%	
Operating Margin	\$ 3,058,106	\$ 2,708,023	\$ 2,279,283	\$ 2,447,197	\$ 2,382,756	
Margin	\$ 3,343,440	\$ 2,996,826	\$ 2,571,728	\$ 2,743,467	\$ 2,683,254	
OTIER	2.50	2.23	1.95	1.96	1.87	
TIER	2.64	2.36	2.07	2.08	1.98	
Equity % of Total Capital	39.9%	40.7%	41.8%	42.8%	44.0%	
OPTION 2 - Net Margin ~\$2M						
% Avg. Residential Rate Increase	0.0%	5.0%	6.0%	4.5%	6.5%	Rate increases sufficient to maintain capital credit retirement cycle and build equity needed for future capital projects, though rate changes are more volatile than desired for short-term planning.
% Revenue Increase	0.9%	5.7%	6.7%	5.2%	7.2%	
Operating Margin	\$ 1,751,369	\$ 1,661,964	\$ 1,697,171	\$ 1,647,348	\$ 1,723,254	
Margin	\$ 2,036,703	\$ 1,950,767	\$ 1,989,616	\$ 1,943,618	\$ 2,023,752	
OTIER	1.86	1.75	1.70	1.65	1.63	
TIER	2.00	1.88	1.83	1.76	1.74	
Equity % of Total Capital	39.2%	39.5%	40.5%	41.1%	42.3%	



ORCAS POWER AND LIGHT COOPERATIVE

RATE SENSITIVITY

Proposed 2022 Budget Figures; Future Years for Reference Only

	A. Budget 12/31/2022	B. Forecast 12/31/2023	C. Forecast 12/31/2024	D. Forecast 12/31/2025	E. Forecast 12/31/2026	Comment
kWh Purchases	220,000,000	222,000,000	224,000,000	226,000,000	228,000,000	
OPTION 3 - 2% starting						
% Avg. Residential Rate Increase	2.0%	4.0%	6.0%	6.0%	7.0%	Example of 2% rate increase. Will require higher increases in future years to maintain TIER near 2
% Revenue Increase	2.9%	4.7%	6.7%	6.7%	7.7%	
Operating Margin	\$ 2,407,902	\$ 2,027,172	\$ 2,086,912	\$ 2,616,632	\$ 2,961,422	
Margin	\$ 2,693,236	\$ 2,315,975	\$ 2,379,357	\$ 2,912,902	\$ 3,261,920	
OTIER	2.18	1.92	1.87	2.03	2.08	
TIER	2.32	2.05	1.99	2.15	2.19	
Equity % of Total Capital	39.5%	40.0%	41.1%	42.2%	43.7%	
OPTION 4 - 3% starting						
% Avg. Residential Rate Increase	3.0%	4.0%	4.5%	5.0%	6.0%	Example of 3% rate increase in 2022. TIER drops below OPALCO’s target level of 2, requiring larger rate increases in future years.
% Revenue Increase	3.9%	4.7%	5.2%	5.7%	6.7%	
Operating Margin	\$ 2,735,835	\$ 2,370,562	\$ 1,924,215	\$ 2,071,828	\$ 1,982,172	
Margin	\$ 3,021,169	\$ 2,659,365	\$ 2,216,660	\$ 2,368,098	\$ 2,282,670	
OTIER	2.34	2.07	1.80	1.81	1.72	
TIER	2.48	2.21	1.92	1.93	1.83	
Equity % of Total Capital	39.7%	40.3%	41.4%	42.2%	43.3%	

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

	A. Audited Year End 12/31/2019	B. Audited Year End 12/31/2020	C. Approved Budget 12/31/2021	D. Projected Year End 12/31/2021	E. Proposed Budget 12/31/2022	% Change from 2021	F. Forecast 12/31/2023	G. Forecast 12/31/2024	H. Forecast 12/31/2025	I. Forecast 12/31/2026
1 OPERATING REVENUES										
2 kWh Purchases	221,869,000	225,413,273	216,000,000	222,850,015	220,000,000		222,000,000	224,000,000	226,000,000	228,000,000
3 % Rate Increase	6%	3%	0%		4.0%		4.0%	4.5%	5.0%	6.0%
4 % Operating Revenue Increase	6%	3%	-0.7%	2%	4.9%		4.7%	5.2%	5.7%	6.7%
3 Residential	\$ 22,679,087	\$ 24,062,590	\$ 23,478,420	\$ 24,594,765	\$ 25,697,862	4%	\$ 26,908,384	\$ 28,311,623	\$ 29,929,566	\$ 31,939,164
4 Commercial	7,999,086	7,714,074	7,865,526	7,980,695	8,338,411	4%	8,730,963	9,186,010	9,710,681	10,362,361
5 Other	260,371	148,771	109,926	101,643	230,853	127%	233,162	235,494	237,849	240,227
6 Total operating revenue	30,938,545	31,925,435	31,453,872	32,677,103	34,267,126	5%	35,872,509	37,733,127	39,878,096	42,541,752
7										
8 OPERATING EXPENSES										
9 Cost of power	9,262,362	9,512,760	9,735,462	9,526,436	9,496,026	0%	10,120,929	11,201,238	11,847,076	13,087,571
10 Transmission	458,165	388,576	428,447	589,308	598,130	1%	637,050	668,753	703,763	740,201
11 Distribution - operations	3,604,825	3,570,350	3,636,851	3,635,739	3,646,738	0%	4,033,982	4,232,820	4,486,607	4,758,756
12 Distribution - maintenance	2,170,783	2,825,081	2,733,082	2,599,585	2,846,288	9%	3,099,344	3,245,400	3,420,822	3,629,259
13 Consumer accounts	1,097,439	1,093,791	1,003,546	1,097,774	1,157,086	5%	1,211,485	1,265,884	1,341,947	1,423,294
14										
15 General and administration										
16 Administration G&A	3,390,513	3,739,823	3,957,880	3,961,452	4,499,480	14%	4,605,580	4,814,672	5,082,897	5,368,051
17 Energy services G&A	395,013	369,201	408,389	219,335	296,023	35%	303,108	312,861	323,280	334,490
18 Subsidiary Charges	61,378	89,284	89,625	92,062	96,665	5%	96,665	96,665	96,665	96,665
19 Total general and administration	3,846,904	4,198,308	4,455,894	4,272,849	4,892,168	14%	5,005,353	5,224,198	5,502,842	5,799,206
20										
21 Depreciation and amortization	4,923,805	5,015,406	5,279,563	5,015,717	5,164,706	3%	5,400,632	5,668,193	5,949,132	6,244,118
22 Taxes	1,444,843	1,514,553	1,573,530	1,517,814	1,593,704	5%	1,685,689	1,783,012	1,885,982	1,994,931
23										
24 Total operating expenses	26,809,125	28,118,825	28,846,375	28,255,222	29,394,846	4%	31,194,464	33,289,498	35,138,171	37,677,336
25										
26 Operating margins before fixed charges	4,129,420	3,806,610	2,607,497	4,421,881	4,872,280	10%	4,678,045	4,443,629	4,739,925	4,864,416
27										
28 FIXED CHARGES										
29 Interest on long-term debt	1,820,581	1,966,936	1,962,740	1,908,228	1,943,958	2%	2,106,295	2,307,433	2,442,969	2,639,413
30										
31 Total fixed charges	1,820,581	1,966,936	1,962,740	1,908,228	1,943,958	2%	2,106,295	2,307,433	2,442,969	2,639,413
32										
33 Operating margins after fixed charges	2,308,838	1,839,673	644,757	2,513,653	2,928,322	16%	2,571,750	2,136,196	2,296,956	2,225,003
34										
35 PATRONAGE CAPITAL CREDITS	125,254	122,952	129,893	126,004	129,784	3%	136,273	143,087	150,241	157,753
36										
37 Net operating margins	2,434,092	1,962,625	774,650	2,639,657	3,058,106	16%	2,708,023	2,279,283	2,447,197	2,382,756
38										
39 NON-OPERATING MARGINS										
40 Interest income	202,598	169,021	150,461	149,408	149,408	0%	152,900	156,566	160,416	164,458
41 Other income	94,235	247,289	92,449	1,909,676	135,926	-93%	135,903	135,879	135,854	136,040
42										
43 Net non-operating margins	296,833	416,309	242,910	2,059,084	285,334	-86%	288,803	292,445	296,270	300,498
44										
45 NET MARGINS	\$ 2,730,925	\$ 2,378,935	\$ 1,017,560	\$ 4,698,741	\$ 3,343,440	-29%	\$ 2,996,826	\$ 2,571,728	\$ 2,743,467	\$ 2,683,254
46										
47 OTIER	2.25	1.97	1.38	2.31	2.50	8%	2.23	1.95	1.96	1.87
48 TIER	2.40	2.18	1.50	3.33	2.64	-21%	2.36	2.07	2.08	1.98
49 Equity % of Total Capital	39.7%	35.9%	38.3%	38.7%	39.9%	3%	40.9%	41.8%	42.9%	44.0%

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS BUDGET

			A.	B.	C.	D.	E.	F.	G.	H.	I.	J.			K.
			Actual	Actual	Budget	Projected	Proposed	Forecast	Forecast	Forecast	Forecast	Safety	Reliability	Environment	Comments
RUS CWP DESCRIPTION			12/31/2019	12/31/2020	2021	Year End 2021	Budget 2022	2023	2024	2025	2026				
1	DISTRIBUTION														
2	100	New Services	\$ 389,793	\$ 429,487	\$ 416,000	\$ 669,275	\$ 650,000	\$ 675,000	\$ 701,000	\$ 728,000	\$ 750,000				
3	200	New Tie Lines	(6,874)	337,637	200,000	24,551	-	-	-	-	1,300,000		*		
4	300	Conversions and Line Changes	751,525	513,186	1,680,000	1,502,989	1,600,000	420,000	75,000	120,000	120,000		*	*	
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-	-	-	-	-				
6	500	Substation, Switching Station, Metering Point Changes	1,312,375	1,148,926	1,980,000	295,526	3,020,500	3,525,000	1,300,000	2,800,000	3,700,000	*	*		2022-2023 San Juan Microgrid, FH Substation increased capacity, Lopez Substation Redundancy
7	600	Miscellaneous Distribution Equipment													
8	601	Transformers & Meters	619,180	674,405	672,000	573,696	955,000	1,194,000	2,185,000	1,876,000	1,596,000	*	*	*	Meter installation 2022-2026 in addition to normal transformer purchases
9	602	Sets of Service Wires to increase Capacity	-	-				-	-	-	-				
10	603	Sectionalizing Equipment	1,258	177,127	315,000	332,584	200,000	300,000	500,000	450,000	100,000	*	*		
11	604	Regulators	(1,499)	49,127	150,000	210,152	-	100,000	100,000	20,000	20,000		*		
12	606	Ordinary Replacements	226,830	375,670	250,000	313,640	260,000	271,000	282,000	294,000	306,000	*	*		
13	607	Overhead to Underground Conversions			95,000	3,966	35,000	60,000	63,000	66,000	69,000	*	*		
14	608	Underground Dist. Cable Replacements	2,350,837	2,025,373	1,637,000	2,309,992	1,910,000	1,987,000	2,067,000	2,048,000	2,080,000	*	*	*	Normal replacement of unjacketed underground cable
15	700	Other Distribution Items													
16	701	Engineering Fees	-	-	-	-	-	-	-	-	-				
17	704	LMS & SCADA	138,265	96,700	213,000	199,397	220,000	62,000	64,000	66,000	68,000	*	*		
18	705	AMR	44,876	34,430	-	-	-	-	-	-	-				
19	706	Communications/Fiber	157,426	123,699	150,000	37,252	287,500	208,000	217,000	226,000	69,000	*	*	*	
20	TRANSMISSION														
21	800	New Tie Line	-	-			-	-	-	-	-				
22	900	Substations, switching station, metering point, etc.	-	75,055	71,000	16,293	100,000	350,000	350,000	1,300,000	400,000		*		Cathodic Protection 2023-2025 on remainder of 69kV crossings
23	1000	Line Changes and Pole Replacements	196,951	23,510	350,000	134,410	700,000	520,000	791,000	563,000	624,000	*	*		
24	1100	Other Transmission	-	-	-	-	-	-	-	-	-				
25	GENERATION														
26	1200	Generation	-	-	150,000	300	150,000	-	-	-	-		*	*	Tidal Energy Generation - contingent on grant funding
27	OTHER														
28	1300	Facilities	574,560	666,958	247,000	238,160	330,000	70,000	73,000	76,000	80,000	*			
29	1400	Acquisitions	-	519,133	40,000	-	-	650,000	-	-	-				Possible purchase for next solar
30	1500	All Other													
31	1501	Transportation/Equipment/Tools/Radios	596,410	717,348	271,500	271,855	282,000	464,000	374,000	322,000	335,000	*	*	*	Digger Purchase in 2023, Bucket Purchase in 2024
32	1502	Office Equipment/Furniture/Etc.	20,662	72,945	15,000	7,997	10,000	11,000	12,000	13,000	14,000				
33	1503	Computer/Servers/Software	310,903	227,575	133,000	135,887	190,000	198,000	206,000	215,000	224,000	*	*		
34	1504	Community Solar (member funded)	40,263	908	1,500,000	100,799	5,500,000	1,500,000	4,500,000	-	-		*	*	Scaling dependent on member contributions, schedule dependent on supply chain
35	1600	Minor Projects	268,214	134,979	162,000	101,769	170,000	177,000	185,000	193,000	-				
36	RUS CWP SUBTOTAL		7,991,954	8,424,179	10,697,500	7,480,488	16,570,000	12,742,000	14,045,000	11,376,000	11,855,000				
37	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)														
38		New Services	(439,694)	(495,055)	(425,000)	(591,999)	(635,000)	(661,000)	(688,000)	(716,000)	(745,000)				Offset to Line 2 - New Services
39		Meters and Transformers	(280,290)	(271,615)	(297,000)	(306,195)	(400,000)	(416,000)	(433,000)	(451,000)	(470,000)				Offset to Line 8 - Transformers and Meters
40		Joint Projects	(266,480)	(87,826)	(254,000)	(206,891)	(215,000)	(224,000)	(233,000)	(243,000)	(470,000)				Offset to Lines 3,4,13,14 - Tie Lines, Conversion, OH to UG Conv., URD
41		Grant Funding	-	(520,000)	(1,000,000)	(120,000)	(2,500,000)	(1,000,000)	-	-	-				Offset to Line 6 - Substations for San Juan Battery (CEF projects)
42		Community Solar Member Contributions	(627)	-	(1,500,000)	-	(2,500,000)	(700,000)	(3,000,000)	-	-				Offset to Line 34 - Community Solar
43	RUS CWP NET TOTAL		7,004,861	7,049,683	7,221,500	6,255,403	10,320,000	9,741,000	9,691,000	9,966,000	10,170,000				



# ORCAS POWER AND LIGHT COOPERATIVE

## STATEMENT OF CASH FLOW

### NON GAAP

	A. Projected Year End 12/31/2021	B. Proposed Budget 12/31/2022	C. Forecast 12/31/2023	D. Forecast 12/31/2024	E. Forecast 12/31/2025	F. Forecast 12/31/2026
1      % Rate Increase		4.0%	4.0%	4.5%	5.0%	6.0%
2 OPERATING ACTIVITIES:						
3      Margins	\$ 4,699,000	\$ 3,343,000	\$ 2,997,000	\$ 2,572,000	\$ 2,743,000	\$ 2,683,000
4      Plus Depreciation/Amortization	5,016,000	5,165,000	5,401,000	5,668,000	5,949,000	6,244,000
5      Cash Flow Operations	9,715,000	8,508,000	8,398,000	8,240,000	8,692,000	8,927,000
6						
7 PLANT INVESTMENT (NET)						
8      Plant Investment (including material inventory)	(7,196,000)	(10,370,000)	(9,804,000)	(9,754,000)	(10,033,000)	(10,242,000)
9      Cash Flow From Operations and Plant Investment:	2,519,000	(1,862,000)	(1,406,000)	(1,514,000)	(1,341,000)	(1,315,000)
10						
11 CASH FLOWS FROM PATRONAGE CAPITAL	(1,138,000)	(1,216,000)	(1,216,000)	(1,294,000)	(1,294,000)	(1,294,000)
12      Cash Flow Before Borrowings	1,381,000	(3,078,000)	(2,622,000)	(2,808,000)	(2,635,000)	(2,609,000)
13						
14 NET BORROWINGS	(2,783,000)	2,577,000	3,946,000	3,209,000	3,583,000	3,439,000
15      Cash Increase (decrease) After Net Borrowings	(1,402,000)	(501,000)	1,324,000	401,000	948,000	830,000
16						
17						
18						
19 OUTSTANDING DEBT BALANCE	67,075,000	69,651,000	73,597,000	76,806,000	80,389,000	83,829,000
20						
21 EQUITY BALANCE	41,077,000	44,891,000	49,050,000	53,388,000	58,428,000	64,106,000
22						
23 NET UTILITY PLANT	98,322,000	97,970,000	97,567,000	97,043,000	96,424,000	95,689,000

ORCAS POWER AND LIGHT COOPERATIVE

2022 - 2026 BUDGETED STAFFING LEVELS

	A.	B.	C.	D.
		ACTUAL	APPROVED BUDGET	APPROVED
	DEPARTMENT	# EMPLOYEES	# EMPLOYEES	# EMPLOYEES
		2021	2021	2022 - 2025
1	Operations <sup>1</sup>	21.5	22.5	23.5
2	Engineering <sup>1</sup>	8.5	7.5	8.5
3	General Management	5	5	5
4	Technical Services	1	1	1
5	Member Services <sup>2</sup>	6	6	6
6	Administration	4	4	4
7	Energy Savings <sup>2</sup>	1	1	1
8	Total	47	47 <sup>3</sup>	49 <sup>4</sup>

- Notes:
- 1 Engineering & Operations Manager split between departments
  - 2 Vacant unfunded Member Services and Energy Savings Assistant Manager split between Member Services and Energy Savings
  - 3 2021 unfunded positions, delayed re-hiring only
  - 4 Two vacant funded Apprentice positions

# OPALCO ORGANIZATIONAL CHART - 2022 BUDGET

## OPALCO MEMBERSHIP

BOARD OF DIRECTORS

DIRECTOR  
MADSEN (D1)

DIRECTOR  
OSTERMAN (D3)

VICE PRESIDENT  
WHITFIELD (D4)

PRESIDENT  
DAUCIUNAS (D1)

SECRETARY/TREASURER  
SILVERSTEIN (D3)

DIRECTOR  
CHRISTMAS (D2)

DIRECTOR  
STRUTHERS (D2)

MANAGER OF ENGINEERING  
& OPERATIONS  
GUERRY

GENERAL MANAGER  
HILDRETH

MANAGER OF FINANCE &  
MEMBER SERVICES  
LOOMIS

SAN JUAN GENERAL  
FOREMAN  
GUARD

**SAN JUAN CREW**  
VACANT FUNDED - LF  
FURBER  
KERR  
VACANT FUNDED  
OLSON  
**SUB TECH**  
PARSONS  
**APPRENTICE**  
BLACK

ORCAS GENERAL  
FOREMAN  
FOWLER

**ORCAS CREW**  
WATERS - LF  
LOOCK  
ROSS  
**SUB TECH**  
MINNIS  
**APPRENTICE**  
VACANT FUNDED

LOPEZ GENERAL  
FOREMAN  
DENGLER

**LOPEZ CREW**  
SWANSON - LF  
WIEDERMAN  
WARNER  
VACANT/FUNDED  
**SUB TECH**  
BURLESON  
**APPRENTICE**  
BAIR

SYSTEM ENGINEER  
SMALLWOOD

GIS TECHNICIAN  
MARTZ

WORK ORDER CLERK  
VACANT/UNFUNDED\*

E&O ADMIN SPECIALIST  
BOSSERT

METER TECHNICIAN  
HISER

SYSTEM DESIGN  
ENGINEER  
VEKVED

ENGINEERING  
TECHNICIANS  
TURNER  
LAGO

STAKING  
TECHNICIANS  
HELMS (ES)  
DEINES (ES)

MANAGER OF IT  
HEINZ

COMMUNICATIONS  
TECH  
TILSTRA (ES)  
HAROLD (FH)

INFO SYSTEM  
SPECIALIST  
VACANT/UNFUNDED\*

EXECUTIVE ASSISTANT  
KORAL

PUBLIC RELATIONS  
ADMINISTRATOR  
OLSON

COMMUNICATIONS  
SPECIALIST  
BOUCHEY

ROCK ISLAND COMMUNICATIONS  
SEE SEPARATE ORG CHART

ASSISTANT MANAGER OF  
MEMBER SERVICES  
VACANT/UNFUNDED\*

ENERGY SERVICES  
SPECIALIST  
VACANT  
UNFUNDED\*

ENERGY SERVICES  
COORDINATOR  
GROSS

MEMBER SERVICES  
SUPERVISOR  
WYCKOFF

MEMBER SERVICE  
REPRESENTATIVES  
GOFF (FH)  
BOURNE (FH)  
PENWELL (FH)  
GRISWOLD (ES)  
DANIELSON (ES)

HEAD ACCOUNTANT  
NEAL

ACCOUNTANT  
BEAL

SPECIAL PROJECTS  
COORDINATOR  
KELLY

PURCHASING  
BECKER

\*Unfunded positions

### LEGEND

NON-BARGAINING UNIT POSITION

BARGAINING UNIT POSITION