

# MINUTES OF THE BOARD OF DIRECTORS MEETING

## ORCAS POWER & LIGHT COOPERATIVE

Thursday, April 18, 2013

President Chris Thomerson called the meeting to order at 8:50 a.m. at the Friday Harbor OPALCO office with Directors Winnie Adams, John Bogert, Vince Dauciunas, Jim Lett, George Mulligan and Bob Myhr present. Also present were Acting General Manager Foster Hildreth; Manager of Engineering & Operations Russell Guerry; Assistant Manager of Finance and Member Services Nancy Loomis and Executive Assistant Bev Madan, serving as recording secretary.

### Members/Guests

- Victoria Compton, Executive Director of the San Juan Economic Development Council (SJEDC);
- Jim Hooper, President of the SJEDC stated that the SJEDC Board passed a unanimous motion at their April 17 meeting to reaffirm their support for the Broadband Initiative and thanked OPALCO for the energy expended so far. The SJEDC also asked that OPALCO work with them on a Local Technology Planning Team Grant that is available through the Washington State Department of Commerce for "communities working to advance deployment and/or adoption of broadband in Washington".;
- Marilyn O'Conner, Board member of SJEDC and Port of Friday Harbor Director;
- David Olson, former director of the Office of Cable Communications and Franchise Management with the City of Portland, OR offered his assistance if needed/requested on the Broadband Initiative.
- Wally Gudgell, Orcas realtor commended the OPALCO Board and the EDC for addressing the Broadband issue in San Juan County. As a top realtor in San Juan County Gudgell stressed that the majority of his clients want Broadband and there is a price differential for homes with Broadband and for those without.
- Gray Cope, San Juan Island member; and
- Dwight Lewis, District 3 Board candidate expressed his concern over the Broadband Initiative moving forward without a majority (60%) vote of the members.
- Olga Darlington, Moss-Adams to present the 2012 Audit Report

*Compton, Gudgell, Hooper, O'Conner left the meeting*

### Consent Agenda

**Motion:** Lett moved to accept the Consent Agenda, which included the March 28, 2013 Board meeting minutes and new members listed below. The motion was seconded and carried by voice vote.

### LOPEZ

1. CROWELL, NANCY
2. GILBERT LOPEZ PROPERTIES LLC
3. LOPEZ ISLAND PREVENTION COALITION
4. MACKINNON, JAMES

### ORCAS

5. AMOS, JAMES
6. ANDERSON, TOM & GAIL
7. BEHM, KENNETH
8. D'HAENZE, KEVIN
9. EVANS, TAUNA & LUCAS, MARGARET
10. GILLARD, ALAN
11. GRIGG, ANDREW
12. HAMILTON, THAYNE
13. LAMBOURNE, MICHELLE
14. LANDON, BELINDA KAY
15. MORROW, TIMOTHY & JELLUM, JOAN
16. NELSON, ALLISON & BAILEY, TOM
17. OTT, KARALYNN & McGEE, SEAN
18. TRENEER, PAULA

### SAN JUAN

19. BELANGA, SEAN
20. CISNEROS, JOSE & SABRINA
21. CLAREY, WILLIAM
22. CROUCH, JESSICA
23. DESTAFFANY ENTERPRISES, LTD
24. DOUGLAS, BERNETTA & PETE
25. FISHER, ELIZABETH V & MELIN, BRANDON
26. FITZGIBBON, GEORGE P & KIRA S
27. HARTMAN, GEORGE
28. JONES, KATHERINE E & DRAKE-RAUE, ARIAN L
29. KAIN, SHARON
30. KLAHN, KATHERINE M
31. LOUTHAN, RONNIE ROY & SHARRON A
32. MCLUEN, JAMES S & KAROL A
33. NELSON BAY LLC
34. POLSTER, LEONARD M & MARGUERITE
35. SCHMITT, CHARLENE
36. SPENCER, ANDREW
37. TAYLOR, VICTORIA ANNE
38. TOUHER, SHARON C & NORKUS, LISA A

### Capital Credits

**Motion:** Myhr moved to approve a total capital credits payment of 580.70 to the estate of Susan F Greenwood; motion was seconded and carried by voice vote.

## **2012 Audit Report**

Olga Darlington thanked the OPALCO staff for their full, complete and transparent cooperation. Improvements to the work order process were implemented early in 2012, which made the auditing process smoother. Darlington reported no significant deficiencies or material weaknesses.

Assets reported on the balance sheets for 2012 were \$59,498,773; the net margin was \$814,529; the ratio of assets to liabilities is 2.99.

**Motion:** Myhr moved to approve the audit report; the motion was seconded and carried by voice vote.

*Darlington left the meeting.*

## **OPALCO Policy 19 Family Medical Leave Act**

After additional clarification from the attorney, it was suggested to strike the paragraph 19.1.3 “*The employee works at an OPALCO worksite which has fifty (50) or more employees or is within seventy-five (75) miles of worksites that together have a total of fifty (50) or more employees*”. While Washington law mandates OPALCO to offer the medical leave when there are 50 or more employees, the Board’s intent was to offer it regardless of the number of employees.

**Motion:** Adams moved to approve Policy 19 with 19.1.3 removed; the motion was seconded and carried by voice vote.

## **RUS 219s**

Construction Work Plan projects were completed in January (\$224,016.79) and February (91,453.87) for a total of \$315,470.66.

**Motion:** Myhr moved that the 219s be approved and processed with RUS; the motion was seconded and carried by voice vote.

## **Electric Load Forecast Update / Resolution 2-2013**

As required by RUS, System Engineer Joel Mletzner has reviewed the load forecast and updated it according to RUS requirements.

**Motion:** Bogert moved to accept and approve the 2013 Electric Load forecast Update upon the recommendation of the System Engineer; the motion was seconded and carried by voice vote.

## **EE Committee Report**

Bogert reported that the Committee continues to meet with individuals, groups and financial entities to pursue the goal of defining an enhanced energy conservation and efficiency program. They are working on ways to organize and collaborate efforts to coordinate funding and ideas, as well as monitoring the progress of Island Stewards in reestablishing its 501(c)(3) status.

At the Board’s October 28, 2010 work session, an additional \$50,000 was added to the Energy Services budget for the purpose of funding outreach projects and programs that will help promote energy conservation and efficiency. To date, \$30,000 has been allocated. The Board requested clarification of the approach used in allocating the funds. Hildreth will review the application and selection process.

*San Juan County Council member Rick Hughes arrived.*

Bogert completed his report by stating that the Committee is committed to a forward-thinking vision whose purpose is to make recommendations to the Board for a comprehensive energy policy for the Cooperative to embrace and implement for the long term.

**Member/Guest** Rick Hughes encouraged the Board to maintain their leadership position for countywide Broadband and stated that the OPALCO Board has his support on County Council decisions regarding Broadband.

## **Outage Report**

In reviewing the outage report, the Board asked if there was a five-year plan for underground replacement and if that was fast enough. Guerry promised to provide an answer at a later Board meeting.

## **Safety Report**

The Safety Report was discussed at length. The Board reiterated full support that OPALCO continue to have a culture of safety as top priority.

*Hughes left the meeting*

Thomerson noted that the US Senate declared April 18 National Lineman Appreciation Day.

#### **Manager's Report**

Hildreth reported that Erik Hayes, NRECA Benefits Manager will be relocated to the northwest region the second week of May and will be invited to our June Board meeting. The hope is that he can clarify the option offered to co-ops of prepaying their future Retirement Security Plan contribution requirements.

Member Data Management was discussed, as it will be available within the next month to members who have signed up for e-bill. A discussion of e-bill ensued. The Board encouraged that all new members have to opt out of e-bill and asked that staff bring ideas for increasing e-bill participation.

#### **Project PAL**

A thorough discussion of Project PAL funding resulted in the Board requesting that a message be sent to members through *It's Electrifying*, billing inserts and the annual meeting to increase the fund balance. Receiving nonprofit status from the IRS will help get members to donate.

#### **BPA EEI Funding**

OPALCO's Energy Services Department has done such a good job of processing energy efficiency incentives that the funds received from the BPA EEI (Energy Efficiency Incentive) have been expended with no additional funding expected until October 1.

**Motion:** Mulligan moved to use \$158,531 of the Restricted Funds to fund the energy efficiency incentives through September 30, 2013. The motion was seconded and carried by voice vote.

*Cope left the meeting.*

#### **Broadband**

David Olson encouraged the Board to build out broadband conservatively.

*Olson left the meeting.*

*1:10 p.m. The Board adjourned to Executive Session*

*2:10 p.m. Adams left the meeting.*

*2:55 p.m. Regular meeting reconvened.*

After much discussion, the Board agreed by consensus:

1. To continue the current member education and outreach program to assess member commitment, with staff ensuring clarity of the financial implications to the Cooperative.
2. To continue due diligence with Century Link and pursue formal documentation as to economics, timing and coverage commitments.
3. To proceed with spectrum acquisition contingent upon positive economic analysis and definitive testing results.

#### **Adjournment**

The meeting adjourned at 3:05 p.m.

  
Chris Thomerson, President

  
John Bogert, Secretary-Treasurer

# ORCAS POWER & LIGHT COOPERATIVE

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## BOARD OF DIRECTORS

### RESOLUTION 2-2013

#### 2013 ELECTRIC LOAD FORECAST UPDATE

**WHEREAS**, Joel Mletzner, System Engineer of Orcas Power and Light Cooperative, has been actively involved in the development of the Electric Load Forecast 2012-2032; and

**WHEREAS**, Joel Mletzner has reviewed and recommends the acceptance of the 2013 Electric Load Forecast Update for Orcas Power and Light Cooperative; and

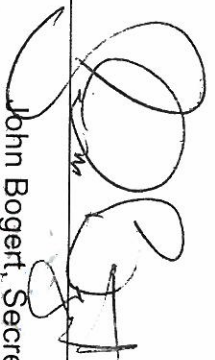
**WHEREAS**, the preparation of the Electric Load Forecast 2012-2032 conforms to RUS requirements; and

**WHEREAS**, the Board of Directors has reviewed the data for the Electric Load Forecast Update and finds that it meets the needs of Orcas Power and Light Cooperative;

**NOW THEREFORE BE IT RESOLVED** that the Board of Directors of Orcas Power and Light Cooperative accepts and approves the 2013 Electric Load Forecast Update upon the recommendation of the System Engineer at its regular meeting held April 18, 2013 and directs the General Manager to execute and carry out its recommendations.

#### CERTIFICATION OF SECRETARY

I, John Bogert, Secretary of Orcas Power and Light Cooperative, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Orcas Power and Light Cooperative, held on the 18<sup>th</sup> day of April 2013 at which meeting a quorum was present.

  
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John Bogert, Secretary

