

MINUTES OF THE BOARD OF DIRECTORS MEETING

ORCAS POWER & LIGHT COOPERATIVE

Thursday, April 17, 2014

President Chris Thomerson called the meeting to order at 8:15 a.m. at the Lopez Islander Resort. Directors Winnie Adams, Vince Dauciunas, Glenna Hall, Jim Lett, Bob Myhr and Dr. Jerry Whitfield were present. Also present were General Manager Randy Cornelius, Assistant General Manager Foster Hildreth, Manager of Engineering and Operations Russell Guerry and Executive Assistant Bev Madan, serving as recording secretary.

Member/Guests

Jennifer Chu of Moss Adams LLC; Marcus Perry of BPA; Gray Cope (San Juan), Steve Ludwig (Lopez); Rob Thesman (Lopez); Steve Hudson (San Juan); Ted Whitley (Lopez) and Dwight Lewis (Lopez).

Consent Agenda

- **Motion** made by Lett and seconded to approve the Consent Agenda, which included the March minutes and new members as listed below. Motion carried by voice vote.

Blakely

Howlett, Jeffrey

Decatur

Halvorson, Leif

Lopez

Arnott, Deborah
Behnke, Joe
Dye, Aaron
Giedd-Clark, Marlene
Leaf, Linaya
McMurchie, Larry & Gurley, Barbara
Stoner, Allan W & Meyer-Stoner, Marcia

Orcas

Anderson, Adaiah Jo
Anderson, Jo
Baillie, Thomas A & Kathleen M
Buckley, Kristin Troy
Daoust, Stephen J & Lovella R
Davis, William J Jr
Finch, Di
Griffith, Blair
Henderson, Sol
Johnson, Ashley
Moore, Michael Patricia
Oldham, Keith T & Guice, Karen
Pechacek, Laine Craig
Resource Transition Consultants
Skillcorn, Shannon
Sunset Ranch Owners' Association
Swanson, Andrea R

San Juan

Aiello, Paul
Anderson, Tucker
Barrett, Michael & Linda
Borgquist, Brian L
Christie, Robert & Erin
Cobb, Wendy
Davis, Ronald B
D'Errico, Aaron
Dragonleaf LLC
Duke, Julie
Foss, Beverly J
Gerber, Alexandra
Johnson, Jennifer & Erik
Joyce, Cheryl
Keane, Jacob
Kelley, Alana
Lawson, Hal A & Katharine H Briar
Leonard, Ron
Madrona Court Apartments LLC
Martin, Richard
Meredith, Janet I
Metzger, Annette
Parks, Ann
Rhodes Jr, Jerry Allan & Rebecca
Rose, Robby & Johnna
Ruyle, Justin
San Juan Heating
Sanabria, Ame
Schrippe, Ryan
Sherwood-Hill, Emmet
Sutton, Andrew P
Vague, Hollye
Willey, Elizabeth
Yaratan, Samil

Capital Credits

- **Motion** made by Myhr to approve payment of capital credits to the estates of deceased members as listed below for a total of \$845.45

Louise Edmundson \$203.32
Robert E. Erickson \$642.13

RUS 219s

- **Motion** made by Myhr and seconded to approve submission of RUS Form 219s that include projects completed in January and February from the Construction Work Plan totaling \$214,523.98. Motion carried by voice vote.

2013 Financial Statement Audit Report

Jennifer Chu of Moss Adams LLC presented the draft 2013 audit report with Olga Darlington of Moss Adams LLC teleconferencing. It is the opinion of Moss Adams LLC that the financial statements fairly present the financial position of OPALCO as of December 31, 2013 and 2012.

- **Motion** made by Myhr and seconded to “enthusiastically” accept the findings of Moss Adams LLC and approve the 2013 Financial Statement Audit Report as presented. Motion carried by voice vote.

Community Relations Coordinator Position

Increased member engagement, website enhancements and outreach efforts result in the need for additional communications support staff.

- **Motion** made by Lett and seconded to add this new position to the organizational chart. Motion carried by voice vote.

BPA Energy Efficiency Incentive Fund

Cornelius reviewed the spreadsheet showing fiscal year 2013-14 revenue and expenses and kWh savings. The first two quarters of FY 2014 show rebates to members of \$172,265 representing 610,355 kWh saved. This utilizes all but \$57,560 of the \$229,825 awarded by BPA this fiscal year. Cornelius pointed out that OPALCO opts out of the administration fee, instead awarding 100% of the funds to members in the form of rebates.

Cost of Service / BPA Presentation

Marcus Perry, BPA Senior Account Executive, and Hildreth reviewed OPALCO's power bill, explaining the different components and how each affects our costs. This is the first step in the Cost of Service Study as the Board discusses rate design. The goal is to avoid Tier 2 costs, which are market rates for power.

REPORTS

Cash Recap

Hildreth reported General Funds of \$1,330,486, Cash Reserve of \$1,834,138 and Restricted Funds of \$2,008,260 for a total fund ending balance on March 31 of \$5,172,884.

Outages

There were a total of 13 outages during March, 2 of which were weather related.

Safety

There were no incidents to report during March. The investigation into the September 2013 incident is still ongoing.

General Manager

Cornelius reported that the Energy Savings team has been active in the community and working with the nonprofit partners. Energy Fairs are planned for May and June on each island.

Member Services staff welcome their new supervisor, Patty Kelly, this week and are fully engaged with annual meeting planning, SmartHub enrollment, the WiFi launch at the ferry landings and the system-wide outage planned for May 8-9.

Operations has put out requests for bids for the installation of submarine cable between Lopez and San Juan islands. Bids are expected in May for installation of submarine cable between San Juan and Henry islands.

Adjournment

The meeting adjourned at 11:30 a.m.



Chris Thomerson, President



Jim Lett, Secretary-Treasurer