# MINUTES OF THE BOARD OF DIRECTORS MEETING
## ORCAS POWER & LIGHT COOPERATIVE
Thursday, February 21, 2013

Vice-President Jim Lett called the meeting to order at 8:35 a.m. at the Eastsound OPALCO office. Directors Winnie Adams, John Bogert, Vince Dauciunas, Jim Lett, George Mulligan and Bob Myhr were present. Chris Thomerson was absent. Also present were Assistant 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**
Orcas members Jay Kimball, Joy Hughes and John Fleischer were in attendance.
John Fleischer, retired CenturyLink employee, had questions and comments about the Broadband Initiative.

*Hughes, Kimball and Fleischer left the meeting.*

**Consent Agenda**
Bogert moved to accept the Consent Agenda, which included the January 17, 2013 Board meeting minutes as corrected and new members listed below. The motion was seconded and carried by voice vote. The minutes were corrected on page 2 to reflect that Myhr made the motion to accept the licensed spectrum.

**LOPEZ**
1. DEUBNER, ALAN
2. LOPEZ SOLID WASTE DISPOSAL DISTRICT
3. MENG, HEATHER
4. RAMIREZ-CERVANTES, VERONICA G
5. SMITH, HEATHER
6. TAYLOR BLANKENSHIP, SAMANTHA

**ORCAS**
7. AMOS, CARMEN
8. ANDREEV, DAVID
9. ARNOTT, DEBORAH
10. COURTS, MICHELLE
11. EDWARDS, KYLEIGH
12. HOGSTONE PIZZA LLC
13. HOLBERT, CHRIS
14. HOME STREET BANK
15. HUNT, KURT
16. KAUSHIK, SANDEEP & GOODWIN, ELIZABETH
17. PENNELL, DILLONGRAN, MELISSA
18. RORABAUGH, JUSTIN & PETERSEN, SAMANTHA
19. SCALES, KEITH A
20. SHARP, PENNY
21. SWINDELLS, SUSAN
22. WOODING, SEADRICK

**SAN JUAN**
23. ALLEN, DAVID E
24. BEALL, ALAN C
25. BERUBE, JESSE
26. BLAZING TREE EQUESTRIAN CENTER LLC
27. BROWN, TERRY & MCLAIN, RAYMOND
28. CALOHAN, MELISSA A
29. CHARLES TOMAS 1994 TRUST
30. DE YOUNG, JOHN & DENNIS
31. ELLIOTT, HAILEY
32. FATE, DARREN
33. FINNEY, RUTH
34. HENDERSON, MICHAEL
35. HINKLE, ELVERA
36. KILEFNER, DAVID & JONI
37. LUXEL 2007
38. MARKS, GRACE C
39. MCDONALD, VIRGINIA K
40. MITCHELL BAY PROPERTIES LLC
41. MR FRIDAY HARBOR PROPERTIES LLC
42. NORMAN, RUSS & SMITH, HEATHER
43. ORTON, LAURIE
44. PLOCHER, ESTHER
45. POWELL, YVONNE
46. RICE, JAMIE
47. SALISH SEA SPECIALTIES
48. SCOTT, CHUCK
49. SIERMAN, FERNANDO
50. SMITH, NORMAN J & KATHLEEN M
51. VEACH, LESLEY & IAN
52. WEBB PROPERTY, LLC
53. WHITMILL, DALE
54. ZECHMAN, RICHARD F & SANDY K

**SHAW**
55. WISEN, DIANA

**Capital Credits**
Mulligan moved to approve a total capital credits payment of $23,628.03 to the estates of the following deceased members; motion was seconded and carried by voice vote.

| | |
|---|---|
| Annette P. Bee | $1,730.51 |
| Ernest D. Handy | $969.97 |
| Robert H. Holcomb | $1,134.52 |
| Henry S. Hopkins | $292.97 |
| Louis S Myers | $842.06 |
| Bonnie Peakes | $1,549.24 |
| Jeanne M. Petersen | $517.04 |
| Robert B. Rice | $296.06 |
| Margaret Ann Scott | $369.36 |
| Michael Sky | $591.58 |
| James W. Smith | $9,261.12 |
| Joseph and Phyllis Strohsahl | $348.15 |
| Charles Tomas | $5,085.06 |
| Thomas Westhoven | $471.46 |
| Ronald W. Workman | $168.93 |

**Member Service Policy 16 *Information Requests***
The draft of this policy was presented at the January Board meeting after review and editing by the attorney. Adams moved to approve MS Policy 16 as presented; the motion was seconded and carried by voice vote.

**RUS Form 219s**
Adams moved to approve the submittal of RUS Form 219s for June and December 2012 for $165,317.93. Motion was seconded and carried by voice vote.

**Island Network Moratorium**
After discussion, Mulligan moved to place the existing Island Network (IN) policies and tariffs in abeyance with the understanding that these policies and tariffs will be used as a guideline for existing customers and to place a moratorium on new Island Network internet services under the interim rates and urban expansion until a decision has been finalized on the Broadband Initiative. The motion was seconded and carried by voice vote with Bogert the only dissenting vote.

**Resolution 1-2013 *Amendment of the Retirement Security Plan***
An e-vote was held on February 12 to approve Resolution 1-2013 which allows an amendment to OPALCO's Retirement Security Plan for a special early retirement of a staff member. Six votes were received via email, allowing passage of the Resolution. The Board also approved conversion of the employee's sick leave to cash.

**Policy 19 *Family Medical Leave Act***
Draft changes were made to the current policy to bring the policy current with Washington State laws and to revise the approved leave period from a calendar year to a "rolling twelve-month period". OPALCO's attorney provided the updates. The final form will be presented for approval at the March Board meeting.

**Tariff Rate Increases**
Draft copies of Residential Service, Commercial Service, Unmetered Service, Pump Service, Line Retention, Private Outdoor Lighting and Time of Use tariffs were presented showing the 3% increase as approved in the 2013 Budget. The tariffs will be presented at the March Board meeting for final approval of the increase.

**EE Committee Report**
Bogert provided a handout outlining a plan developed by the EE Committee to create a 501(c)(3) organization to manage the implementation of a multi-year, multi-million dollar program to fulfill the goals of the "50/20 by 20 Initiative" (attached). The Initiative was discussed at a Board work session in January. The Committee is requesting $10,000 from OPALCO to help fund its creation. Dauciunas moved that the Board supports the formation of a 501(c)(3) organization that will promote energy efficiency and work within an existing organization. The motion was seconded and carried by voice vote. After discussion the consensus of the Board was to fund the $10,000 out of the $50,000 discretionary fund facilitated by the General Manager.

*11:00 am The Board adjourned to Executive Session*

*12:40 pm Regular Meeting reconvened.*

**March Meeting Change**
The March meeting will be held March 28 at the Galley Restaurant on Lopez Island. It was postponed one week to allow all directors to attend.

**Broadband Initiative**
Citizens for Safe Technology, Lopez Island Chapter presented a petition to the Board of Directors to amend OPALCO Bylaw Article VIII, Section 4 at the May 4 Annual Meeting. Attorney Brad Cattle presented his legal opinion that their proposed amendment would be in conflict of the Articles of Incorporation, making the amendment void and unenforceable. Communication Specialist Suzanne Olson will create a letter in response to the petition.

**2012 Year-End Financials**
Hildreth presented and reviewed the 2012 Year-End Financial report. The year ended with a TIER (Times Interest Earned Ratio) of 2.07 and an equity percentage of total capitalization of 72.1%.

*1:40 p.m. The Board adjourned to Executive Session*

*2:30 p.m. Regular meeting reconvened.*

**Adjournment**
The meeting adjourned at 2:30 p.m.

Jim Lett, Vice-President

John Bogert, Secretary-Treasurer

**50/20 by 20 INITIATIVE**
--Joe Symons

A pilot project seeks to make 50% of OPALCO members 20% more efficient by the year 2020, saving an estimated __ megawatt hours of power and reducing peak demand by 20%.
OPALCO, Negawatt Media, Opal Community Land Trust, and Islanders Bank will partner with funders such as Bonneville Power Administration, ARPA-e and NRECA to eliminate 20% of the electrical energy waste in half the homes in San Juan County over the next 7 years through a $5 million dollar community incentive-based campaign including 1)outreach education 2)new rate structure 3) subsidized home energy audits 4) on-bill financing with subsidized interest on retrofits 5) demonstration projects. Structural work will be done by local and regional contractors and energy auditors. The proposal will create __ living wage green jobs and another ___ jobs indirectly through additional economic activity. The project will enable OPALCO members to model a cleaner energy future for NRECA member coops.

Goals:

- Reduce hot water loads for 50% of OPALCO customers via replacement of resistance hot water with heat pump hot water as well as via behavior change (washing clothes in cold water, promotion of off-peak drying and line drying);
- Replace 50% of non-Energy Star refrigerators, freezers and clothes washers with Energy Star rated equipment;
- Enroll 50% of all OPALCO members in home energy audits;
- Achieve at least 50% engagement of home energy audit participants in sufficient upgrades to achieve a 15% reduction in electrical use;
- Create a zero net energy incentive to get 10% of OPALCO Members to achieve ZNE by 2020;
- Establish an educational outreach component with Island School Districts targeting New Energy Reality training at elementary, middle and high school levels;
- Achieve 75% participation rate in duct insulation and sealing;
- Reduce single pane fenestration to less than 25% of homes;
- Eliminate all incandescent lighting in 95% of member residences;
- Develop with OPALCO's billing services provider appropriate information tools to support these goals with the intention of rolling them out to all NRECA member coops;
- Develop a "we did it ourselves" model for achieving these goals that can be packaged and made available to other rural coops;
- Achieve a 75% or greater accuracy score by 90% of OPALCO members on a 'new energy reality' information quiz (oriented toward local, regional and national energy issues, OPALCO's next 75 year goals, coop participation, etc.)
- Impact the implementation of SJC building codes that foreshadow, then mandate, ZNE for new construction, passiv haus construction codes, and other measures designed to significantly impact the energy profile of existing and new construction.