

MINUTES OF THE BOARD OF DIRECTORS MEETING

ORCAS POWER & LIGHT COOPERATIVE

Thursday, January 16, 2014

President Chris Thomerson called the meeting to order at 8:20 a.m. at the Lopez Island fire hall. Directors Winnie Adams, Glenna Hall, Jim Lett and Bob Myhr were present. Vince Dauciunas was absent. Also present were General Manager Randy Cornelius, Manager of Engineering and Operations Russell Guerry and Executive Assistant Bev Madan, serving as recording secretary.

Member/Guests

Gray Cope (San Juan), Steve Ludwig (Lopez), Dwight Lewis (Lopez), Jay Kimball (Orcas), Sandy Bishop (Lopez), Chom Greacen (Lopez), and Chris Greacen (Lopez).

Dwight Lewis handed out CenturyLink flyers advertising broadband.

Gray Cope spoke in favor of meetings being available via video conference.

Sandy Bishop reported that the Energy Services/Conservation program is off to a good start with San Juan Islands Conservation District working as the umbrella for the nonprofits.

Chom Greacen handed out a report *Considerations for OPALCO's Tariff Adjustments* coauthored by Chom and the Islands Energy Coalition.

Consent Agenda

Motion made by Hall to approve the December minutes and the new members as listed; motion was seconded and carried by voice vote.

New members:

Center

1. Morgan, Valorie & Coulson, Cesilee

Crane

2. Crowell, Kimberly

Lopez

3. Bostick, John H
4. Czaja, Elayne
5. Green, Filicity A
6. Hamlin, Jackie & Bill
7. Sather, David & Mary

Orcas

8. Brueckner, Phoebe & Douglas, John
9. Budnick, M George
10. Cichy, Stephanie
11. Graminski, John
12. Grato, Erin
13. HUD c/o Sentinel Field Services
14. Lanham, Russell
15. Lotioncrafters LLC
16. McGerty, Emily
17. Myers, Robyn M
18. Nicol, James D
19. Orcas Food Coop
20. Rose, Jennifer
21. Williamson, Dan & Chapp, Colleen

San Juan

22. Alsdurf, David
23. Arevalo, Julie
24. Brown, Jeffrey C
25. Cole, Michelle
26. Dell Veneri, Patricia K
27. Frost, D. Whitney
28. Hinkle, Kenneth
29. Hogle, Dan & Sue
30. Jensen, Leslie
31. Johnson, Thomas H
32. McGovern, Nancy & Robert
33. Off Island Girl LLC
34. Reynolds, Jennifer K
35. Roberts, Mary
36. Scarff, Mike
37. Schubert, Elizabeth
38. Simons, Karma
39. Sowers, Kimberlee M & Paul A
40. Stewart, Sandra
41. Streeter, Tristian
42. Thomaswerks
43. Wittkopp, P
44. Woods, Brenna L

Shaw

45. Anderson, Carl & Debbie

Policy 28 Collaborating with Nonprofits to Accelerate Energy Efficiency

The San Juan Islands Conservation District (SJICD) has agreed to serve as an "umbrella" group for nonprofits working collaboratively with OPALCO on energy

conservation. The revisions to Policy 28 establish guidelines for collaboration between the nonprofits and OPALCO.

Discussion included a revision to Section 28.3.5: "Any use of OPALCO's name or reputation in communications, advertising, marketing, branding, logos, etc must be specifically approved, in writing, by senior OPALCO management the General Manager or his/her designee."

Motion made by Hall to waive the first reading of the Policy revision; the motion was seconded and carried by voice vote.

Motion made by Hall to approve the version of Policy 28 presented by staff as amended; motion was seconded and carried by voice vote.

Cornelius stated it would be advantageous to have additional discretionary funds to use for grant matching, marketing, etc. A quarterly report will be presented to the Board to show how the money is used; reporting must be done to IRS standards and will follow the Scope of Work.

Motion by Myhr to approve an additional \$50,000 of discretionary funds to be used for energy efficiency and conservation. The motion was seconded and carried by voice vote.

Capital Credits

Motion made by Hall and seconded to approve \$24,950.54 in payments to the estates of deceased members; motion carried by voice vote.

Elaine Beaubien	\$658.42
Eileen Brady.....	\$2,201.07
Belinda Kay Landon	\$13,730.60
Robert and Mary Lee Langan.....	\$595.35
M.E. Nicol.....	\$1,236.19
Louise Smith	\$2,289.92
Helen Elizabeth Stone.....	\$1,377.91
Dominick J. and Rose J. Tarabochia	\$808.35
Rose J. Tarabochia	\$91.21
Joan M. Twitchell.....	\$1,736.88
Louis B. Wachter	\$224.64

RUS 219

Motion made by Myhr and seconded to approve submittal of RUS 219s representing work completed during November in the amount of \$217,174.24. Motion carried.

Member-Initiated Bylaw Revisions

Two petitions were received from members requesting bylaw revisions to:

Article XIV, Section 1 *"Board Initiated Amendments – The power to make, alter, amend, or repeal the bylaws or adopt new bylaws shall be vested in the Board of Directors voting members. Notice of the board's action in making, altering, amending or repealing the bylaws or adopting new bylaws shall be given to the voting members within thirty (30) days of such action."* and

Article X *Disposition of Property – proposed to add Section 4 "Limits to Indebtedness. The maximum total of long-term debt plus current liabilities of the cooperative, including all subsidiary corporations controlled by the cooperative, shall not exceed \$30,000,000.00 (thirty million U.S. Dollars). (a) To exceed the above maximum total of indebtedness the Board of Directors shall present a proposed U.S. Dollar amount to be approved by the energy members. Each energy member shall be entitled to one (1) vote. Voting shall be by absentee ballot only. Absentee ballots shall be delivered to each energy member not less than ten (10) days before the date of the vote in accordance with Article II, Section 6 of the Bylaws. Any proposed amount receiving a simple majority of "yes" votes from the energy members shall be approved."*

Both petitions met the 90-days submission in advance of the annual meeting requirement and had the required number of member signatures.

The opinion of OPALCO's attorneys is that both revisions are in conflict with the Articles of Incorporation and will not be placed on the ballot for member vote at the annual meeting.

Resolution 1-2014 Approving use of Eastsound Substation for Solar Array
Resolution 2-2014 Approving use of Friday Harbor Substation for Solar Array
Resolution 3-2014 Approving use of Lopez Substation for Solar Array

RUS requires a Board resolution any time real property is used by others. The purpose of the resolutions is to allow a nonprofit to have a solar array as long as they abide with and follow established covenants and restrictions. OPALCO will follow the US Department of Energy's *A Guide to Community Solar* for operation of the array.

Motion made by Lett and seconded to approve Resolutions 1-2014, 2-2014 and 3-2014 for use of community solar through perpetuity, contingent on the parties signing proper covenants that will protect the property from misuse. The motion carried by voice vote.

Committee on Nominations

An email vote was held January 8-10 whereby a majority of the Board approved District 1 members Mark Madsen, Pete Kilpatrick and Victoria Compton to serve on the 2014 Committee on Nominations.

Resolution 4-2014 Authorizing Application for Rural Economic Development Loan

As part of the loan processing, a Board resolution is required by RUS before funds can be disbursed for an RUS loan to Lopez Fire District. The resolution authorizes the General Manager to apply for \$80,000 for the Rural Economic Development Loan.

Tariffs

The 2014 budget was passed with the understanding that there would need to be a six percent (6%) rate increase to all tariffs. The "basic charge" terminology was revised to "facility charge" to match the industry change. This is the first read of the tariff adjustments; they will be presented for a vote at the February meeting.

Video Conferencing of Board Meetings

Discussion was held regarding the pros and cons of video conferencing the board meetings to improve attendance by members. Cornelius recommended starting with a policy to ensure that all implications have been well thought out. Staff will be assigned to thoroughly research the costs and feasibility.

Reports

The Cash Recap, Total Fund Balances, Outages and Safety reports were reviewed. The Board reiterated that Safety is our number one priority.

Cornelius reviewed the Manager's Report.

Adjournment

The meeting adjourned at 10:20 a.m.



Chris Thomerson, President



Jim Lett, Secretary-Treasurer