

MINUTES OF A SPECIAL BOARD OF DIRECTORS MEETING ORCAS POWER & LIGHT COOPERATIVE

Thursday, May 16, 2013

President Chris Thomerson called the meeting to order at 10:35 am.

Present: Chris Thomerson (President), Bob Myhr (Vice-President), Jim Lett (Secretary/Treasurer), John Bogert Winnie Adams, , Vince Dauciunas, General Manager Randy Cornelius, Acting General Manager Foster Hildreth, Executive Assistant Bev Madan. All directors signed a Waiver of Notice of Special Meeting.

May 7 Minutes

The draft minutes were corrected to include the results of the roll call vote for the office of president election and an additional bullet under "Island Network" *"Emphasize to membership a realistic assessment of the finances involved"*.

Motion: Jim Lett moved to approve the minutes as corrected; the motion was seconded and passed with a voice vote.

Broadband

The Broadband Initiative and member engagement was discussed at length. A new Broadband vision was created:

Enhance OPALCO infrastructure deployment
By providing data services providers
Access to OPALCO infrastructure
Paid for by cost recovery user fees and leases
For the benefit of members

After in-depth discussions, the collective Board agreed to the following:

1. The Broadband Initiative as initially defined will not go forward due to lack of member interaction, quantity of presubscription signups and lower risk alternatives;
2. Communications will continue to be open transparent discussions and not conflict with confidentiality agreements;
3. CenturyLink and other Internet Service Providers will be named in member information conversations as paths that OPALCO is pursuing to achieve evolving Broadband goals;
4. Transition to the new Broadband approach will be accomplished expeditiously, while giving staff adequate time to prepare the messaging.

District 1 Director Resignation

Motion: Bob Myhr moved to accept the letter of resignation from George Mulligan, District 1. The motion was seconded and approved.

After discussion, the Board agreed that ads would be placed in all newspapers requesting interested director candidates from District 1 send a cover letter and brief resume. Staff will circulate all applications to the Board via email.

WRECA Voting Delegate

Motion: Jim Lett moved to appoint Chris Thomerson voting delegate for the June WRECA meeting with Bob Myhr as the alternate. The Motion was seconded and approved.

Letter of Commendation

Motion: Bob Myhr moved to present a letter of commendation drafted by Winnie Adams and addressed to the General Manager for the exceptionally clean 2013 audit. The motion was seconded and approved. All members of the Board signed the letter and presented it to Randy Cornelius.

Resolution 3-2013 Authorizing Application for a RED-L Grant

Motion: Bob Myhr moved to approve Resolution 3-2013, allowing OPALCO to apply for a grant through the Rural Economic Development Program on behalf of the Lopez Fire District. The motion was seconded and approved.

Resolution 4-2013 Acting General Manager

RUS requires the Board to name the acting general manager in the form of a Board resolution in order to sign documents relating to RUS.

Motion: Bob Myhr moved to approve Resolution 4-2013. The motion was seconded and approved.

Adjournment

The meeting was adjourned at 2:05 pm.



Chris Thomerson, President



Jim Lett, Secretary/Treasurer

May 15, 2013

Randy Cornelius
General Manager
OPALCO

Randy:

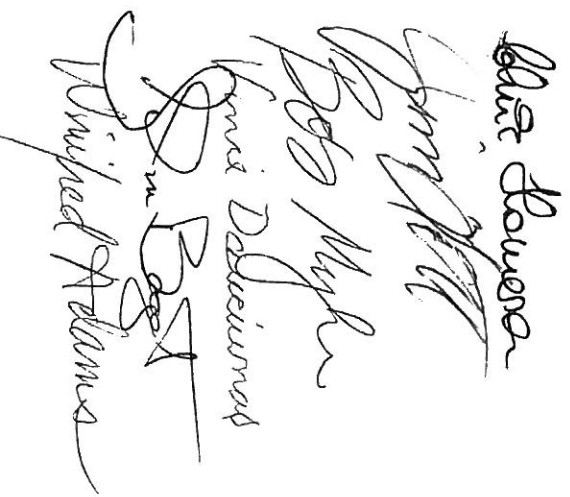
The board would like to commend the staff for the exceptionally clean 2013 audit. Last year's audit received excellent remarks from Moss Adams. This year you have exceeded even last year's high marks.

An annual audit is only as good as the daily accuracy, the week by week, month by month reporting by each member of the staff. The financial team at OPALCO sets a high bar for itself. It's clear those standards and the level of excellence is shared by a broader set of the staff. The quality of the annual report results from this superior performance.

Since the financial condition of the co-op is the primary responsibility of the board we thank each of the financial team, and the staff as a whole, for giving us monthly reporting we can have complete confidence in.

These are small lines to convey acknowledgement of this sizable feat. Please extend our appreciation to all who lean into the harness with continuing excellence.

Sincerely,
OPALCO Board of Directors


Blair Lawrence
Spring Hill
Bob Meyer
James Dalsheim
Jim Bass
Michael Adams

ORCAS POWER & LIGHT COOPERATIVE

A Touchstone Energy Co-op

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BOARD OF DIRECTORS

RESOLUTION 3-2013

Authorizing Application for Rural Economic Development Grant

WHEREAS Orcas Power & Light Cooperative has been actively involved in economic development in order to improve the economic wellbeing of its membership as well as San Juan County as a whole; and

WHEREAS Lopez Island Fire and EMS Department has proposed to purchase EMS equipment which includes the purchase of a paramedic vehicle, Lifepak units, portable radios and pagers to be used in the Lopez Island community and surrounding areas; and

WHEREAS the total project is estimated to be \$126,000 and the Lopez Island Fire and EMS Department is in need of an additional \$100,000 to fund the project; and

WHEREAS the Rural Business-Cooperative Service has available an economic development program of financial assistance to intermediaries in the form of grants to establish revolving loan funds; and

WHEREAS the project is not in violation of 4280-A *Seismic Certification*, 4280-27 *Ineligible Purposes* or 4280.30 *Restrictions on Use of REDL or REDG Funds*; and

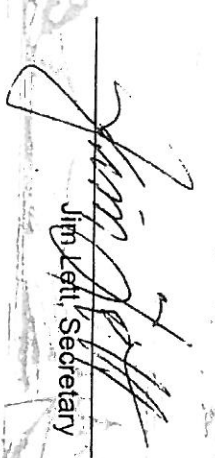
WHEREAS the Board of Directors agrees to the provisions of Regulation 4280-A and the 4280-3 *Definitions* grant agreement.

NOW THEREFORE BE IT RESOLVED that the Board of Directors authorizes its General Manager to submit an application of \$100,000 for a Rural Economic Development Grant; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes its General Manager to compile, complete and execute the information and forms necessary to support this application including Form AD-1049 regarding a drug-free workplace program as required in CFR (Code of Federal Regulations) 3017.

CERTIFICATION OF SECRETARY

I, Jim Lett, 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 16th day of May 2013 at which meeting a quorum was present.


Jim Lett, Secretary

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BOARD OF DIRECTORS

RESOLUTION 4-2013

Acting General Manager

WHEREAS Randy J. Cornelius, General Manager is on a leave of absence; and

WHEREAS J. Foster Hildreth has been named Acting General Manager during his absence; and

WHEREAS J. Foster Hildreth is given authority to sign RUS Form 595 *Financial Requirement & Expenditure Statement (Electric)*;

NOW THEREFORE BE IT RESOLVED that the Board of Directors authorizes J. Foster Hildreth to perform the duties of the General Manager during the absence of Randy J. Cornelius.

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Jim Lett, Secretary

