

MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING

ORCAS POWER & LIGHT COOPERATIVE

Tuesday, May 7, 2013

Present: Chris Thomerson (President), Jim Lett (Vice-President), John Bogert (Secretary/Treasurer), Winnie Adams, Bob Myhr, Vince Daucunas, George Mulligan. A Waiver of Notice of meeting was signed by all.

President Chris Thomerson called the meeting to order at 9:15 am.

Election of Officers

The floor was opened for nomination of officers.

President:

George Mulligan was nominated by John Bogert, seconded by Vince Daucunas. Chris Thomerson was nominated by Jim Lett, seconded by Winnie Adams.

Motion to terminate nominations passed unanimously.

John Bogert requested a statement of positions from each candidate. Discussion ensued encompassing the role of the Board, the role of the President, the capabilities of management and the status of leadership within the organization.

Election was held by roll call:

Voting for Chris Thomerson: Winnie Adams, Vince Daucunas, Jim Lett

Voting for George Mulligan: John Bogert and Bob Myhr

Chris Thomerson was elected.

Vice-President:

Bob Myhr nominated by Jim Lett, seconded by Winnie Adams, Myhr was elected.

Secretary/treasurer:

Jim Lett nominated by George Mulligan, seconded by Winnie Adams, Lett was elected.

General Manager compensation was discussed. Outstanding performance was noted, particularly in achieving a clean financial audit. It was agreed unanimously that a letter of commendation for that achievement be presented by the Board. A new General Manager base compensation was agreed, retroactive to the normal February adjustment Date: compensation adjustment will be handled by the President according to standard confidentiality protocol. The General Manager review is on the agenda for the next meeting, set for May 16.

Board Working Methods

Discussion of Board working methods ensued.

It was agreed that to maximize transparency, executive sessions be minimized as much as possible. It was recognized that personnel issues, litigation, sensitive negotiations and confidentiality agreements are valid reasons necessitating an executive session. It was noted that the current CenturyLink agreement only protects technical data and agreement with another vendor protects everything including the name of the vendor.

It was agreed to clarify Board actions by pursuing formal motions more often.

It was agreed to minimize email discussion to avoid miscommunication.

The Board unanimously reaffirmed its ongoing desire to be transparent.

Broadband

In that it was generally recognized that our primary Broadband plan may not reach the required member guaranteed presubscription levels, discussion of prudent alternatives ensued.

John Bogert described improvements CenturyLink expects to provide based on leased OPALCO fiber to their existing DSLAMs (digital subscriber line access multiplexer), and their interest in installing up to 18 more DSLAMs.

George Mulligan described the advantage to OPALCO of having CenturyLink lease OPALCO-owned fiber, with no performance requirements of CenturyLink, and no performance liability on OPALCO, thus recovering the cost of expanding OPALCO's fiber infrastructure.

It was generally agreed to proceed with this path with the full Board fully informed and making final decisions on this project.

Vince Daucunas proposed a parallel path with similar costing methodology to lease OPALCO-owned wireless infrastructure to local ISPs. This would provide coverage in

difficult areas, recover the cost of expanding OPALCO wireless infrastructure, provide member choice and enhance the viability of our respected local providers. Initial analysis looks promising that this could be a viable addition to broadband services in the county.

It was generally agreed to proceed with this path with the full Board fully informed and making final decisions on this project.

Island Network

Winnie Adams' motion to terminate the IN moratorium was seconded.

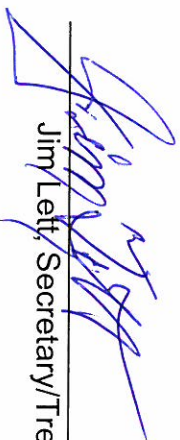
Discussion ensued. Motion failed.

It was agreed that IN has an important future role but at present no clear path forward. A business plan is required compatible with the CenturyLink and wireless paths described above. Discussion commenced regarding the member engagement program as follows:

- The General Manager is instructed to manage the member engagement program to optimize data and member opinion collection, to terminate no later than the County Fair, and transparently reflect the changing dynamics of the situation, currently including:
- initial proposal may not achieve the necessary level of support;
 - emphasize to the membership a realistic assessment of the finances involved;
 - negotiation of an advantageous fiber lease agreement with CenturyLink;
 - pursuit of wireless lease solutions for local ISPs;
 - future OPALCO business planning for fiber deployment



Chris Thomerson, President



Jim Lett, Secretary/Treasurer