

MINUTES OF THE BOARD OF DIRECTORS MEETING
ORCAS POWER & LIGHT COOPERATIVE

Wednesday, September 23, 2015

President Jim Lett called the meeting to order at 8:45 a.m. at the Eastsound OPALCO office. Board Members present were Winnie Adams, Randy Cornelius, Vince Dauciunas, Jim Lett, Bob Myhr and Jerry Whitfield. Staff present included General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Administration Nancy Loomis, and Executive Assistant Bev Madan (serving as recording secretary). Rock Island Communications staff present were Executive Vice-President Gerry Lawlor; Accountant Chad Bailey and Vice President of Marketing & Sales Dan Burke. Also present were: OPALCO Consultants Jay Kimball, Anne Falcon (EES) Steve Andersen (EES) and Attorney Joel Paisner.

New staff were introduced: Travis Neal (Accounting); Jon Blomgren (Member Services); Jeff Tilstra and Zach Knight (Operations); Brett Deines and Daniel Martz (Engineering); Lindsey Curtis (Energy Savings)

Member/Guests

District 1 Board candidates present were Jim Hooper and Mark Madsen.

Each member/guest was offered an opportunity to address the board.

Lopez: Steve Ludwig, Dwight Lewis

Orcas: Michael Riordan, Fred Klein, John Fleischer, Alex Conrad

Comments included the use of a helicopter to move 95 ft poles, use of wooden poles over metal poles, the revenue recovery add-on portion of members' bills; concern over low income members ability to pay their bills with the new rate structure; and rebuilding members' trust of OPALCO.

August Meeting Minutes

Myhr requested that the record state that he voted "no" for the amendment to Bylaw Article IV Section 1.

- **Motion** made by Myhr to accept the August 20, 2015 minutes as amended. Motion was seconded (Adams) and carried by voice vote.

New Members

- **Motion** made by Myhr to accept the new members listed below. Motion was seconded (Cornelius) and carried by voice vote.

DISTRICT 1

Henry

Schroeder, Jennifer & Dan

San Juan

Bakehorn, Teresa A.

Clarke, Bruce & Ignatowicz,
Paula

Davis-Robeson, Laura

Deer Hazel LLC

Evans, Retha C

Fisher, Conrad & Janice

Fuqua, Kenneth

Giese, Eric & Mary

Harnden, Paul

Hinkle, Joanne

Howe, Jon

McLean, Theresa & Carlson,
Brian

Neiwert, David

Nelsen, G. Cart

Nelson, Cynthia & Mark

O'Neil, Jennifer

Paschal, Cindy & Thomas

Percich Pond LLC

Rice, Jennifer

Rowland, Shalyn

Schultz Miller, Inc

Sheppard, Jamie

Simmons, James & Lisa

Swezey, Mindy

The Big Store

Thomas, Gary & Petsena,

La-ong

Thorne, Heather & Edwin

Thornton, Jennifer

Tyszka, Jacqueline

Vician, Daniel & Carolyn

DISTRICT 2

Orcas

Allan, Nancy & Christopher

Annino, Salvatore

Arora, Judge & Nesbet,

Barbara

Blackman, Samuel & McNeil,

Julie

Davis, Carl & Montgomery,

Rosalyn

Hearring, Justin

Henning, Linda

Key, Thomas

Kranick, Polly

Lenn, Ronald & Kathleen

Maitreya, Kimaya

McKelvey, Greg & Lacey

Meredith, Mary

O'Leary, Fannie

Orcas Family Connections

The Bloxom Company LLC

Thompson, Louise

Wachter, John

Woods, Guy

DISTRICT 3

Center

Baarstad, Brandon

Decatur

Schwab, Karlheinz

Lopez

Alek Taylor Art

Blackburn, Joanne & John

Blooms & Brushes
Brenner, Fay
Burnell, Christine
Hockstedler, Reed & Jessica

Kessler, Ron & Furry, Carol
Taylor-Hope, J Aleksander
Yunker, John

DISTRICT 4
None

Capital Credits

- **Motion** made by Myhr and seconded (Adams) to approve payment of \$4,158.83 in capital credits to the estates of deceased members and closed businesses listed below. Motion carried by voice vote.

Frederick E. Hardtke \$1,476.29
Andrew McLaglen \$2,610.94
R.W. Little, Trustee \$71.60

Total \$4,158.83

RUS 219s

The Inventory of Work Orders includes the wireless pilot project, URD cable replacements and minor system improvements.

- **Motion** made by Myhr and seconded (Adams) to approve submission of the RUS Form 219s totaling \$241,049.62. Motion carried by voice vote.

CFC Voting Delegate

- **Motion** made by Myhr and seconded (Dauciunas) to designate Hildreth as the voting delegate and Lett the alternate for the CFC District meeting to be held in Salt Lake City September 30. Motion carried by voice vote.

WRECA

Kent Lopez, General Manager of Washington Rural Electric Cooperative Association (WRECA), and Grant Nelson, lobbyist for WRECA, were present to highlight and review bills in the legislature that effect the electric industry. WRECA represents twelve cooperatives in Washington State.

Lopez encouraged the Board and management to invite their legislators to board meetings and participate in legislator activities.

Employee Handbook / Policies Elimination

Staff has been working with counsel to develop an Employee Handbook that would incorporate the employee-related OPALCO policies currently in place.

- **Motion** made by Whitfield and seconded (Cornelius) to eliminate OPALCO employee related policies, including Policies 4 *Employment of Relatives*; 7 *Employee Expense Reimbursement*; 9A *Personal Use of Company Vehicle*; 9B *GM's Personal Use of Company Vehicle*; 12 *Substance Abuse*; 14 *Sexual Harassment*; 15 *Smoke-Free Workplace*; 17 *Employee Use of Correspondence Courses*; 18 *Equal Employment Opportunity*; 19 *Family Medical Leave Act*; 20 *Acceptable Use of Electronic Resources*; 25 *Whistle Blower*; and 26 *Use of Social Media*. Motion carried by voice vote.

Town of Friday Harbor Quit Claim Deed / Resolution 8-2015

OPALCO owns a small piece of property within the Town of Friday Harbor that the Town would like to use for a road realignment project. The Town has agreed to grant a utility easement over this same parcel.

- **Motion** made by Adams and seconded (Cornelius) to approve Resolution 8-2015, which allows the General Manager to execute the necessary documents to quit claim Parcel No. 351151032000 to the Town of Friday Harbor. Motion carried by voice vote.

Integrated Resource Plan (IRP)

Steve Andersen and Anne Falcon were present to update the Board on the ongoing IRP process and corresponding EEI presentation. Also included was an update to the Conservation Potential Assessment (CPA) that was completed in 2013. Today's presentation covered a review of the objectives, strategic partners, an update on

conservation/energy efficiency (EE), an update on battery storage, smart inverters and draft strategies. Residential savings occurs mainly from water heaters, lighting, heat pumps and envelope retrofits. Commercial savings improves with HVAC controls, heat pumps and lighting. Savings beyond these measures can be improved through educating members regarding water heat temperature, HVAC usage and turning off lights.

The next step is to circulate a draft summary of the integrated resource plan and receive input from the Board, staff and members. Staff expects the final report will be complete by year-end.

Web Analytics

Staff reviewed PixelSpoke's website usage report with the Board. Staff and PixelSpoke have been using our specific website usage information as the basis for our ongoing website redesign. The full report was included as an informational item in the October Board report.

Reports

- **Safety:** The Rural Electric Safety Achievement Program (RESAP) inspection was conducted in September. The findings of the inspections will guide the Safety Committee in preparing the Safety Improvement Plan.
- **General Manager:** Staff reviewed the submarine cable project between Lopez and San Juan. At the September Board meeting, the Board inquired whether the existing "to be replaced" submarine cable could be left in place to reduce project costs. OPALCO's system engineer reviewed the environmental permitting process and requirements, which does not allow the existing cable to be left in place. Staff also provided the Board with an in depth history of the cable failures, replacements and repairs along this crossing, noting the importance of archiving the facts.
- **Rock Island Communications** Lawlor reported on the status of member internet deployment, fiber-hood development and LTE rollout. The Board expressed concern that the "last mile" fiber connections were taking too long. Additionally, the delays associated with the LTE deployment were discussed. Staff noted the dynamic effort to determine LTE pole placement from a radio frequency modeling perspective. Every time a pole location required to be adjusted, the environmental permitting process had to be re-evaluated. Pole transport was also discussed, related to the recent move of 26 poles via helicopter from Lopez Island to San Juan, Shaw and Orcas.

Preliminary Dashboard charts for OPALCO and Rock Island Communications were reviewed.

The Board convened to Executive Session at 1:30, reconvening at 3:20 p.m.

Adjournment

The meeting adjourned at 3:20 p.m.



Jim Lett, President



Jerry Whitfield, Secretary-Treasurer