

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

Friday February 19, 2016

President Jim Lett called the meeting to order at 8:30 a.m. at the Friday Harbor OPALCO office. Board Members present were Winnie Adams, Randy Cornelius, Vince Dauciunas, Mark Madsen and Jerry Whitfield. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis, Head Accountant Travis Neal, Public Information Officer Suzanne Olson, Apprentice Lineman Josh Mayson and Executive Assistant Bev Madan (serving as recording secretary). Rock Island Communications staff present were Dan Burke, Chad Bailey and Tom Schramm. Also present were OPALCO legal counsel Joel Paisner and consultant Jay Kimball.

Member/Guests

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

Present were Bob Kimple, Dave Resch, Mike Melaspina, Dwight Lewis, Lauren Stephens Sharon Kivisto (San Juan Islander), Frank Bruch, Steve Ludwig, Bill Perry, David and May Mendez, Dennis Sevier, Courtney Oldwyn (Journal of the San Juans), Darren Oshefsky Member-comments ranged from concern about the home invasion (see below), questions about Rock Island Communications, to a list of questions presented by Bruch. Hildreth offered to meet privately with Bruch to discuss his questions and added that the answers would be provided within the March Board report.

January 21, 2016 Meeting Minutes

- **Motion** made by Madsen to accept the January 21, 2016 minutes as presented. Motion was seconded (Cornelius) and carried by voice vote.

New Members

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

DISTRICT 1

San Juan

530 Jensen Alley LLC
Arata, Matthew
Bateson, Christopher
Beratlis, Yancy
Berger, Jill
Connatser, Nathan
Courtyard Suites LLC
Cousins, Rebekah
Ginley, Conner & Trisha
Hansford, Scott & Evans, Cheryl
Kempton, Heather
Lackey, Timothy
Leff, Jason
Moench, Patti
Murillo, Jesus & Rooney, Tara
Poster, Carl & Wood, Priscilla
Ruffner, Donald & Knowles, Kathleen
Tappmeyer, Geraldine
Traynor, Michaela
Triplett, Robin & Connelly, Blaine
Volk, Gary
Wood, Koyee
Worthington, James
Wright, Claire

Blomgren, Jon & Orr, Rachel
Buehler, Cassidy
Cottage Gift Shop
Haight-Wood, Christopher & Kathleen
Howard, Ben & Dani
Huhndorf, Anne
Jennifer, Christine
Merrimon, Thomas
Morehead, Corrine
Nielsen, Sally
Southern, Raymond & Holly
Thornbrugh, Diane & Watmore,
Christopher
Tusco Property Management

DISTRICT 3

Lopez

Colombo, Carlo
Grech, Michael & Ann
Knight, Roger & Eileen
Licata, John A
Robson, Elizabeth
Smith, Ronald
Vallejo, Stephanie
Workman, Allen
Zimmerman, Allan

DISTRICT 2

Orcas

Bea, Janice & Thomas

DISTRICT 4

None

Capital Credits

- **Motion** made by Adams to approve payment of \$10,381.48 in capital credits to the estates of deceased members and the organization no longer in business listed below.

Motion was seconded (Whitfield) and carried by voice vote. Those with an asterisk received approval at the January 2016 meeting; additional payout approval was requested for the updated 2016 discount percentage.

Clyde L. Boice*	\$82.18
Thurman C. Bond*	\$51.10
Edna Bradshaw*	\$54.23
Greg Brickman	\$170.12
Edward Carlberg*	\$163.07
Edith Dickinson*	\$179.67
Carol A. Edgbert*	\$159.23
Paul G. Flood*	\$201.12
Dorothy Hepp	\$1,722.82
Maxine Herbert	\$1,593.71
Rudolph W. Kazic	\$74.96
Charles Kline	\$1,300.91
Lawrence A. Lindberg*	\$189.55
Floyd Mauseth*	\$121.06
Evelyn Payne	\$948.46
Gordon Steele	\$2,369.33
Stanley E. Strieff	\$406.33
Donald Tracy*	\$173.14
Lyle E. Weatherbee	\$361.49
Florence L. Wine*	\$27.32
Inter-Island Escrow*	\$31.68

RUS 219s

- **Motion** made by Cornelius to approve submission of RUS 219s representing projects completed in December 2015 from the Construction Work Plan in the amount of \$1,941,580.45. Motion was seconded (Whitfield) and carried by voice vote.

Tariff J Joint Use of Poles

This tariff was revised to simplify the language. Because the rate is determined through a formula provided by the FCC, details of the formula were removed from the tariff itself. Each company requesting attachment must complete and sign an agreement with OPALCO.

- **Motion** to approve the revisions to Tariff J made by Madsen; motion was seconded (Dauciunas) and carried by voice vote.

Dauciunas left the meeting

Member-Initiated Bylaw Amendment

Lopez member Rob Thesman submitted the following proposed amendment to OPALCO's bylaws to be included on the annual meeting ballot. Fifty member signatures were validated by staff and OPALCO's legal counsel reviewed the proposal for consistency with OPALCO's Amended Articles of Incorporation and state laws. The proposed amendment—to be placed at the end of the existing Article III – Directors, Section 1, General Powers-- reads:

"As soon as practicable and at least once every ten years thereafter, the Board of Directors shall reapportion the number of directors seats attributable to each of the Districts listed in Article III – Directors, Section 2, Qualifications and Tenure, so as to align the representation of Cooperative members as closely as possible with the actual number of energy members within each District. Furthermore, from time to time the Board of Directors shall update the boundaries of the above-referenced Districts so as to facilitate the goal of proportionate representation of the members in each of the Districts on the Board of Directors."

MORE Program

The MORE Committee revised the committee policy to include a moratorium on new connections, effective January 22, 2016. This is expected to be temporary and is dependent on funding. This was a first-read and will be submitted to the Board at the March meeting for final approval.

Home Invasion / Graffiti Incidents

During the early morning hours of Tuesday, February 9, newly hired Josh Mayson was asleep at home when an intruder held a gun to his head and threatened him and his family, apparently related to his job with OPALCO. The sheriff was called but the dispatcher determined that a

report could wait until the morning when the sheriff would be on duty so did not send anyone to the scene. On February 11 OPALCO employees in Eastsound were met with graffiti (death threats) posted to the outside of the building. Mayson's step-father Dan Kimple requested that OPALCO keep this incident in the press and to contribute to the reward fund so that members of the community would be encouraged to report information to find the perpetrator(s).

- **Motion** made by Adams and seconded (Madsen) to authorize a budget increase up to \$10,000 to match the community reward for information leading to the arrest and conviction of the armed intruder; motion was seconded (Madsen) and carried by voice vote.

Reports

- **Safety:**
Guerry reported that more Washington State cooperatives are participating in the RESAP program. Safety measures will be enhanced, mainly because of the recent threat of violence.
- **General Manager:**
Hildreth reported that the Energy Assistance Program has received applications and is processing credits to eligible members.
The communications plan for the annual meeting was presented. Steve Bowman of the League of Women Voters will facilitate candidate forums on the four ferry-served islands the week of April 18. Ballots will be sent April 8.
The auditor will be onsite the week of March 28. Discussion ensued regarding simplified financial reports for members. The complex detailed report would still remain; however, some simplified report along with an explanation of how TIER is tracked would be helpful and may answer some of the members' questions.
- **Rock Island Communications (RIC):**

Dauciunas returned

The Board will be reviewing RIC in a three-part process: 1) Guiding documents (February); 2) Updated business plan (March); and 3) Any follow-up (April).

There was discussion about the length of battery life during outages. Industry standard is eight hours; cost will increase with longer battery life. RIC is working with Fidalgo Island's power company to secure a third fiber access off island.

The OPALCO wireless spectrum is shared equally with T-Mobile, no priority is given to T-Mobile. More poles are being placed; there are 31 poles remaining to be placed. Communication with customers at RIC has improved; there is now a 3-tiered approach to calls: 1) front line; 2) tech support and 3) network. New software from salesforce.com will improve customer tracking. It was suggested that the use of contractors to work with members in their homes would improve customer service; it takes a lot of "handholding" to connect members. Utilities continue to coordinate projects; RIC does joint trenching when possible. Fiber depth is only 18", so RIC can move ahead without the other utilities when timing is a consideration.

It was recommended that the Board receive two meeting packets—one for OPALCO and one for Rock Island, and even to hold separate Board meetings. The Board named items that would be helpful to receive from RIC, including a simple subscriber/revenue chart to begin with. Also requested was a report on the loan OPALCO gave RIC giving the estimate of when funds would run out and a look at the cash flow.

Member Communication

Member Alex MacLeod requested that his most recent "letter-to-the-editor" article be included in the Board Packet. In addition to his article, OPALCO's response was included. It was noted that OPALCO would be including a "lead-in/background" section to future member communications.

Adjournment to Executive Session

The meeting adjourned to Executive Session at 11:45 p.m.

Regular meeting resumed at 1:10 p.m.

PNGC

As discussed during Executive Sessions, the Board agreed to join PNGC.

- **Motion** made by Adams to join PNGC as detailed in their letter of November 2015. The motion was seconded (Cornelius) and carried by voice vote.

Safety and Security

As a follow-up to the death threat topic, Hildreth recommended expenditures up to \$100,000 to improve security measures at OPALCO facilities; the Board concurred. A formal budget increase was not requested at this time; expected expenditures will come from leftover funds in the capital projects budget.

Adjournment

Meeting adjourned at 1:45 p.m.



Jim Lett, President

Jerry Whitfield, Secretary-Treasurer