

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

Thursday, January 26, 2017

President Vince Dauciunas called the meeting to order at 8:30 am at the Eastsound office. Board Members present were Winnie Adams, Randy Cornelius, Jim Lett, Mark Madsen, Brian Silverstein and Jerry Whitfield. Staff present included General Manager, Foster Hildreth; Manager of Engineering and Operations, Russell Guerry; Manager of Finance and Member Services, Nancy Loomis; and Executive Assistant, Bev Madan (serving as recording secretary). Also present was consultant Jay Kimball.

MEMBER/GUESTS

Each member/guest was offered an opportunity to address the board. Present were Dwight Lewis, Steve Ludwig and Tom Owens.

CONSENT AGENDA

- **Motion** made to accept the Consent Agenda which consisted of the December 15, 2016 minutes, new members (listed below), and capital credit payments to the estates of deceased members/businesses. Motion was seconded and carried by voice vote with one abstention related to the minutes.

New Members:

DISTRICT 1

San Juan

Buchwach, Brett
Casey, Brandi & Bye, Justin
Fleming, Andrew & Waters, Meriss
Hart, Paul & Jane
Hull, Amy
Inter-Island Propane & Mech.
King Chinook Roche Harbor
Larson, Jeanine
Maza, Renee
Meidinger, Helen
Palmer, Delsi & Daniel
Perez Soliz, Alejandro
Rassat, Nic
Russell, Todd & Lee Ann
Schmidt, Kathryn & Jayson
Schnier, Patricia
Smith, Kenneth E.
Swartling, Russell
Tetrick, Mark
Van Every, Allen & Dana
Verdisgris
Wheeler, Joseph
White, Melissa

DISTRICT 2

Orcas

Bullock, Sarah & Chris
Douglas, Tom & Sue
EEBA LLC
Jensen, James & Betty
Milligan, Kevin
Obrien, Michael & Sally
Russell, Kelli
Smith, Jay

DISTRICT 3

Center

Campbell, Kirk & Musselman, Susan

Lopez

Aydelotte, Alexis
Guay, Ryan
Kozycrczak, Maciek
Smith, Shirwin
Willis, Matthew & Toni

DISTRICT 4

Shaw

Linville, Karen

Capital Credits

Suzanne Aust	\$382.79
Patricia J. Branstetter	\$756.49
Russ L. Cole	\$810.89
Joe Fanjul	\$788.93
Trevor J.Faux.....	\$255.80
Glen Garrett	\$617.79
John I. Hodges, Sr.	\$551.18
Delores M. Hollenbach	\$1,143.40
Michael J. Hughes	\$403.33
Virginia Mae Jensen	\$957.15
Dan Kenney	\$618.41
A.G. Lawson	\$7,290.73
Clyde & Joan MacDonald	\$2,499.96
John P. Meidinger.....	\$1,114.22
Marlyn R. Munter	\$335.41
Louise E. Newlean.....	\$844.87

Fred D. Nicol.....	\$1,080.72
Mark E. Rasmussen	\$158.05
Kate G. Sidelsky	\$512.85
Sallie Simonian	\$979.94
Raymond R. Snover	\$657.58

BYLAW REVISIONS

- **Motion** made to accept revisions to the Bylaws Article III *Directors* - Section 2 *Qualifications* as amended during Board discussion. Motion was seconded and carried by voice vote with one abstention.

ELECTIONS AND GOVERNANCE COMMITTEE

The Board entered executive session to discuss the current applicants for the Elections and Governance Committee (EGC), then returned to open session. Outreach will continue to fill the vacant positions. Orientation of EGC will be held on February 10th, 2017.

- **Motion** made and seconded to appoint members to the EGC as follows: Residency District 2 (Orcas) Position A (1 Year) - Doug Marshall, Position C (3 Years) - Bev Leyman; Residency District 3 (Lopez & Shaw) Position A (1 Year) - Rob Thesman, Position C (3 Years) - Chom Greacen. Motion was carried by voice vote.

CFC VOTING DELEGATE

- **Motion** made to designate Cornelius the voting delegate for the NRECA annual meeting to be held in San Diego February 26-March 2. Motion was seconded and carried by voice vote.

RATE STRUCTURE

The Board will initiate OPALCO rate structure reviews in 2017, with a full Cost of Service Analysis (COSA) and Rate Design in 2018. It was agreed that members should be involved throughout this two-year period. Discussion ensued regarding best method of member engagement / education. It was agreed that Policy 29 *Rate Design* should be reviewed as a part of this process. A Board committee, Whitfield and Silverstein, was formed to outline a roadmap/timeline to be presented at the February board meeting.

DIRECTOR REMOTE ATTENDANCE

The Bylaws were reviewed relative to directors attending Board meetings via telephone or video conferencing. Bylaws Article IV Section 6 allows for remote attendance of Board members and are included in the quorum count.

COLUMBIA RIVER : OPALCO POSITION

The agenda was amended to add the topic of “OPALCO’s position on the Columbia River System Operations (CRSO)”, as seen below. The board authorized staff to provide comment to the Environmental Impact Statement (EIS) process to the CRSO as outlined below.

“OPALCO Position on:

Columbia River System Operation – National Environmental Policy Act (NEPA) and Environmental Impact Statement (EIS) Process, including Snake River Dam removal and fish related spill issues

Introduction

Orcas Power & Light (OPALCO) is a rural electric cooperative delivering power to about 11,500 households and businesses located on 20 islands within the Salish Sea in NW Washington state. We care deeply about our beautiful marine environment and take seriously our responsibility for the stewardship of its sensitive resources, including salmon with all their rich cultural implications in our region and their important place in the food chain.

In our commitment to providing “environmentally sensitive utility services,” we depend on the clean, green and renewable hydropower we get from Federal Columbia River Power System (FCRPS) through Bonneville Power Administration. Our membership demonstrates their commitment to low carbon impact and value for clean and renewable energy through their high participation in energy efficiency and conservation measures and early adoption of locally distributed power. We are planning our first large scale community solar project in 2017 and make the best use of all available resources.

Removing the Snake River Dams will bring more carbon-based generation into our fuel mix from BPA and raise costs as BPA is forced to develop new generation and purchase new resources at market rates.

OPALCO opposes removal of the Snake River Dams for two primary reasons:

1. To protect the clean air and clear water of our service area and our region by maintaining our clean and renewable hydro resources.
2. To protect our membership from the economic impacts resulting from new resource development or purchases.

OPALCO supports the Northwest River Partner's proposed hydro-system operations alternative and urges National Marine Fisheries Service (NMFS) and the federal action agencies to include it in the draft EIS to be issued in March of 2020.

Specifically, OPALCO urges the action agencies to re-think its proposed approach in the following ways:

1. The EIS must take a comprehensive All-"H" approach (hydro power, habitat, hatchery and harvest).
2. Eliminate ineffective and/or harmful spill operations.
3. Evaluate returning to the 110% Total Dissolved Gas (TDG) Standard.
4. Evaluate transport and spill alternatives.
5. Analyze hatchery and harvest management strategies that could allow for more harvest of hatchery fish and less harvest of ESA listed salmon.
6. Evaluate current habitat restoration efforts, including the "Fish Accords" to measure how effective they are in providing mitigation and survival benefits.
7. A clear understanding of the carbon footprint impact of removing dams as well as the alternatives for the displaced power."

REPORTS

- **General Manager** The recent weather-related outages were discussed, with high praise for the crews and staff.

The submarine cable project was discussed, with an update regarding the CenturyLink fiber optic cables that are trespassing in OPALCO's easement. There was discussion concerning the potential for CenturyLink's fiber optic cable to break in the Lopez to San Juan crossing due to CenturyLink's lack of maintenance effort.

Nouridine Jensen Cooperative Youth Scholarship Program will benefit from an additional \$1000 scholarship amount per student from the Jensen family.

- **Safety Program** There were no loss time accidents in December 2016.

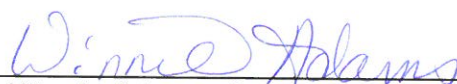
MARCH MEETING

The March meeting was rescheduled to Friday, March 17.

ADJOURNMENT

Meeting adjourned at 12:00 p.m.


Vince Daucianus, President


Winnie Adams, Secretary-Treasurer