

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

Thursday, March 17, 2017

President Vince Daucinas called the meeting to order at 9:15 am at the Friday Harbor OPALCO office. Board members present were Jim Lett, Mark Madsen, Brian Silverstein and Jerry Whitfield. Winnie Adams and Randy Cornelius attended via video conference. 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; and Executive Assistant Bev Madan (serving as recording secretary). Also present were Rock Island Communications (RIC) EVP Gerry Lawlor, RIC SVP of Finance Chris Schmidt, RIC SVP of Technology Adam Kelly and consultant Jay Kimball.

MEMBER/GUESTS

Each member/guest was offered an opportunity to address the board. Present were Ken Nillson, Bill Severson (District 1 candidate) and Dwight Lewis.

CONSENT AGENDA

- **Motion** made to accept the Consent Agenda which consisted of the February 16, 2017 minutes, new members (listed below), capital credit payments to the estates of deceased members/businesses and RUS 219s. Motion was seconded and carried by voice vote.

New Members:

DISTRICT 1

San Juan

Anderson, Todd C
Bedient, Michael
Betcher, RW & Lee Hope
Bielawski, Kurt
Bozanich, Patricia A
Brouwer, Brook
Canniff, William & Janet
Carr, James
Cavanaugh-Spain, Emily
Chenoweth, Amber
Colmenares, Lisa & Angel
Gallagher, Michael
Hillukka, Jason
Keene, Stephanie
Pannell, Jessica & Miller, Sterling
Pennell, Zonna
Purdum, Phyllis
Rand, Laura
Smith, Derek & Landers, Brook
Stephens, Rachel
The Hemp Seed LLC
Williams, Christopher & Susan
Wilson, Karissa

DISTRICT 2

Orcas

2BY2 LLC
Cade, Celia
Casaday, Raelene
Eagan, Brendan & McNett, Luanna
Nay, Karen
Palma, Eric
Pozzo, Mark & Lisa
Randall, Gary & Diana
Rose, Stephanie
Sherburne, Alysha & Casey

DISTRICT 3

Lopez

Carlson, Christopher
Farnsworth, John & Carol F
Grant, Rob K
Karnes, Erica
MacDonald, Ross
Sage, Laura
Ursa Minor Lopez LLC
Zoerb, Andrew S

DISTRICT 4

Shaw

Grant, Robert

Capital Credits

Tony Bozanich	\$937.36
Patricia Eden.....	\$1,166.58
Estate of James E. Jatho	\$44.62
Wayne Suttles.....	\$824.87
Clemons C. Turner.....	\$2,329.77
Katherine Wood	<u>\$977.80</u>
Total	\$6,281.00

RUS 219s representing work orders completed in January 2017 in the amount of \$170,386.93.

ELECTIONS AND GOVERNANCE COMMITTEE

The Board appointed Howard Barbour to the EGC to fill Residency District 2 (Orcas) Position B via an email vote on February 17. Four open positions remain.

The EGC interviewed candidates from District 1 and recommended Vince Dauciunas, Mark Madsen and William (Bill) Severson to the slate of candidates. No members filed by petition.

- **Motion** made to request the EGC review Policy 13 and provide analysis and recommendations regarding Board compensation after the EGC District 1 positions are filled. Motion was seconded and carried by voice vote.

VOTING DELEGATES

NWPPA's annual meeting will be held in Sun River, Oregon May 7-10.

- **Motion** to name Jim Lett the primary delegate and Foster Hildreth the alternate at the NWPPA annual meeting was made and seconded. Motion carried by voice vote.

Cooperative Response Center (CRC) will hold its annual membership meeting in conjunction with the NRUCFC Forum June 12 in San Antonio. We do not expect any personnel from OPALCO to attend. The voting will be done via proxy as allowed.

- **Motion** to name Foster Hildreth the primary delegate at the CRC meeting was made and seconded. Motion carried by voice vote.

2016 Year End Financial Review

The unaudited year-end financials were presented for discussion. Highlights included a 1.6% increase in revenue, a decrease of 1.5% in overall expenses, margin of \$3.1M, TIER of 3.24, equity as a percentage of total capitalization 48.7%, and borrowing reduced to \$8.7M due to the early Rock Island Communication loan repayment.

Rock Island Communications 2016 Year End Financial Review

Adam Kelly SVP of Technology was introduced. The 2016 year-end financials represent the first full year of business for Rock Island Communications. Complete service offerings of fiber, LTE, DSL, IT services and retail operations are in place. Revenue and expenses were consistent with budgetary figures (down only 2.56%); fiber was down 4.62% from budgeted, LTE was up 3.10%, and DSL was up 0.68%.


REPORTS

- **General Manager** Hildreth highlighted activities with the submarine cable, stating the target date of July 16 is still in effect. Candidate forums are scheduled for the week of March 27 on the four ferry-served islands.
- **Safety Program** There were no loss time accidents in February 2017; total hours without loss time accident is 72,951.

ADJOURNMENT

Meeting adjourned at 11:55 a.m.


Vince Dauciunas, President


Winnie Adams, Secretary-Treasurer