

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, June 15, 2017

President Vince Dauciuonas called the meeting to order at 8:40 a.m. at the Friday Harbor OPALCO office. Board members present were Winnie Adams, Randy Cornelius, Jim Lett, Mark Madsen, Brian Silverstein 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 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 and consultant Jay Kimball.

MEMBER/GUESTS

Each member/guest was offered an opportunity to address the board. Chris Reed was in attendance.

CONSENT AGENDA

- Motion was made to accept the Consent Agenda which included the May 18, 2017 minutes, new members (listed below), capital credit payments totaling \$4,586.01 (listed below) and RUS 219s in the amount of \$163,723.52. Motion was seconded and carried by voice vote.

NEW MEMBERS

District 1

Brown, Pearl, Henry, San Juan, Spieden
Defreest, Wendy & Hampton, Kathy
Fontanilla, Eleanor
Garson, Samuel
Harrington, Monica
Jordan, James
Kang, Jane
Karl, John & Maureen
Kelly, Mark
Kittoe, Kyle & Kimberly
Kuro, Santana
Lucas, Eric
Maassen, Jessica & Jadie
Newell, Brynn & Izaak
Nickerson, Peter
Prugar, Mark
Rossi, Aaron & Jordan, Amanda
Spring Street Deli Inc
Sutton, Susan E
Tate, Randall & Elizabeth
Young, John A
Zigzagger, Winter

District 2

Armitage, Blakely, Obstruction, Big Double, Little Double, Fawn, Orcas

Crane, Annie
Janzen, Gary & Claudia
King, Whitney
Long, Kenneth & Elizabeth
Martin, Alex
Ostle, Gary
Phillips, Olivia
Scheidel, Carson & Trygg, Melanie
Schifsky-Patten Trust
Shook, Frederick S
Spreen, Robert & Jeanne
Stickney, David
Yavercovski, Michel & Debra

District 3

Decatur, Center, Charles, Lopez
Culver, Michael
Cvetkovich, Chris
Flynn, Jennifer & TJ
Gaffey, Mike & Jodi
Hardy, Robert & McDonald, Susie
Thompson, Mary
Torres, Dulce & Rodriguez, Gabriel
Williams, Ashlee & Lubin, Jeremiah

District 4

Crane, Canoe, Bell, Shaw
Esposito, Juliana & Anthony J
Griffing, Lee
Smith, William F

CAPITAL CREDITS

Bruce Armstrong	\$ 282.98
Anne V. Chudek	575.21
Malcolm S. Lea	832.02
Richard & Ruby Parker	164.87
John & Genevieve Towey	799.57
Bill Williams	1,931.36

DRAFT BYLAW REVISIONS

After review and discussion, the Board requested clarity on the language pertaining to balloting deadline. The draft revisions were tabled until August.

ELECTIONS & GOVERNANCE COMMITTEE

The Board will invite the San Juan Island candidates to meet during executive session in August and will determine their eligibility for the committee at that time.

CFC POWER VISION LOAN / RESOLUTION 2-2017

A \$10M line of credit will be used in the event funding is needed in an emergency and replaces a previous CFC line of credit. There is no cost to carry the facility until funds are drawn.

- **Motion** was made and seconded to approve Resolution 2-2017 *Power Vision Loan*, authorizing the board officers and the general manager to execute the documents that will secure a \$10M Power Vision loan. Motion carried by voice vote.

MEMBER SERVICE POLICY 17 DRAFT REVISIONS

This was the first read of draft revisions to the former OPALCO Policy 11. It is being added to the Member Service policies as it relates to members. The policy addresses member attendance and decorum at OPALCO meetings. The board will review the policy at the August meeting and will consider adoption at that time.

JUNE WORK SESSION

This will be a learning session to thoroughly review the budget to determine where, if any, cuts can be made. Suggestion was made that each board member ask the question at the beginning of the work session "What do I want to know/understand by the end of the work session to understand the budget?" The Board was advised to review the following documents prior to the meeting: Strategic Directives (2015); Integrated Resource Plan (IRP); Construction Work Plan (CWP); 2017 Budget; 2016 Year-End Financials; EES Rate Study (2014); Policy 29; Rate Design; KRTA (2015); and Dashboards. (Note, the Board meeting was held on June 15th and the work session was held on June 16th).

REPORTS

General Manager

Safety: Total hours worked without loss time is 996,310.

The submarine cable work by CenturyLink will begin June 16 and should be completed by July 31. If their cable breaks, Rock Island can carry approximately 50% of the internet traffic; at that point, traffic will be prioritized.

A new tap on Decatur was discussed. This tap would route power directly from BPA's cable on Decatur through Blakely to Orcas. Power is now routed to Decatur from Lopez via two old BPA cables, both of which contain conductors that have failed. Additional upgrades will be required on the Blakely and Olga substations to convert them from 25 kV to 69 kV after the tap is completed. This work is included in the Construction Work Plan (CWP). Staff is meeting with BPA staff during the week of June 19 to discuss.

BPA will add a Cost Recovery Adjustment Clause (CRAC) to the 2018 fiscal year budget in the amount of ~ 1%.


Staff submitted a letter of intent with RUS as the first step in securing a Rural Energy Savings Program (RESP) Loan. This loan is a revolving/relending program to implement energy efficiency measures to qualified consumers within San Juan County. OPALCO was notified that staff can proceed to the next step in securing the \$5.5M. The Board consensus was to proceed with the loan application.

San Juan County Comprehensive Plan: staff is meeting with county officials to update the utility and transportation portions of the comprehensive plan.

ADJOURNMENT

Meeting adjourned to Executive Session at 10:35 a.m. Discussion regarded legal & personnel. Executive session adjourned at 10:50 a.m.


Vince Dauciuonas, President


Winnie Adams, Secretary-Treasurer