

**Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Wednesday, November 15, 2017**

President Vince Dauciuinas called the meeting to order at 9:00 a.m. at the Eastsound OPALCO office. Board members present were Winnie Adams, Randy Cornelius, Jim Lett, Mark Madsen and Jerry Whitfield. Board member Brian Silverstein was absent. 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). Rock Island Communications staff present included Gerry Lawlor, Dan Burke and Chris Schmidt.

President Dauciuinas read the following statements to those present: *"Members attending the board meeting acknowledge that they may be recorded, and the recording posted to OPALCO's website. Members are expected to conduct themselves with civility & decorum, consistent with Member Policy 17. If you would like answers to specific questions, please fill out the Q&A card for post meeting follow-up."*

MEMBER/GUESTS

Consultant Jay Kimball, Tom Owens, Bruce Dunlop and Dwight Lewis.

CONSENT AGENDA

- Motion was made and seconded to approve the Consent Agenda which included the October minutes, new members (listed below) and capital credit payments totaling \$2,120.40. Motion carried by voice vote.

New Members

District 1

Brown, Pearl, Henry, San Juan, Spieden

Christison, Maxine M
Dutton, Merrill
Gramer, Chris
Guidry, Wade
Hiser, Gregory
Hoyt, Jonathan
JFT Investments LLC
Judd, Donald & Nanette
KSD Construction Inc
Mercer, Gerald & Debra
Ogle, Jon & Satin, MacKenzie
Oldwyn, Courtney
Stabley, Sue Ann
Thomason, William A & Kristi
Ward, Jared
Warren, Deborah & Richard

Mikulak, Kathryn & Duffy, Nathaniel
Moriarty, Vanessa
Murray, Carol
Newton, Luke & Vanderwarker, Amy
Nimmo, Kristen
Pelligrinelli, David
Pleszewicz, Kristofer
Riley, Katie
Sprenger, Amy & Cornelius
Stoner, Brad
Taylor, James & Jennifer
Wilson, Andrew
Wright, Stephanie

District 2

Armitage, Blakely, Obstruction, Big

Double, Little Double, Fawn, Orcas
Balmain, Maxwell
Blocksom, Timothy & Beverly A
Brown, Todd R & S.J. Emma
Carhart, Jane
Durand, James & Debora
Finn, Rachel
Gibson, Deborah
Gilinsky, Norman & Templeton, Susan
Kramer, Philip & Gainey, Erin
Marlow, Janet & Will
Material Wit

District 3

Decatur, Center, Charles, Lopez
Catherine Washburn Med. As.
Clogston, Maggie
Devoe, Gregory
Fedorko, Steven
Minkler, Robin
Parlin, Larrol & Robin
Peters, Jeramy
Prewitt, Ryan Lee
Richards, Dale & Adams, Heather
Rolla, Lea & Chevara, Carl
Sullivan, Gary & Cynthia

District 4

Crane, Canoe, Bell, Shaw
Hines, Jason

Capital Credits – Customer Estates/Organizations Retired

<u>Customer #</u>	
65388.....	\$1,360.10
61482.....	\$ 627.71
84262.....	\$ 132.59

Policy 29 Rate Design

- **Motion** was made and seconded to table approval of the draft revisions until the rate review is completed; the draft will be used as a guideline of a rate setting tool. Motion carried by voice vote.

Excess Margin Treatment

- **Motion** was made and seconded to allocate ~\$512k of any year-end excess funds to member capital credit retirement acceleration and to split the balance of year-end estimated excess margin between an energy charge adjustment (member bill credit) and Board restricted funds. Motion carried by voice vote. Staff will be estimating year-end margin at the end of November and credit the members bills in the December billing cycle(s).

Capital Credit Application to Associated Uncollectible Accounts

- **Motion** was made and seconded to approve the use of member allocated capital credits to reduce and/or offset individual member delinquent UA balances as referenced in the Capital Credit / Bad Debt Payment Program report. Motion carried by voice vote.

REPORTS

Q3 Financial Report

The Q3 Financial Report included the Statement of Revenues and Margins; Balance Sheet; Statement of Cash Flows (GAAP); and capital projects budget tracking. Cold weather in Q1 of 2017 was the primary driver of the overall revenue variance of +12% (\$2.3M) higher than budgeted by Q3 year-to-date. This was partially offset by the related increase in purchased power of 13% (\$735k) with no significant peak charges from BPA. Q3 shows an increased margin of \$1.86M which was discussed as excess margin treatment.


Of note, Heating Degree Days (HDD) were up ~44% above normal budgeted levels. Actual kWh sales were 17.0M kWh above budget. Q3 power purchases were up \$735k due to higher kWh consumption; actual kWh purchases were 18.8M kWh above budget. Operating expenses were approximately \$303k under budgeted amounts.

General Manager

Safety: Total hours worked without loss time is 21,944.

ADJOURNMENT

Meeting adjourned at 12:15 pm.



Vince Dauciunas, President



Winnie Adams, Secretary-Treasurer