

**Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, November 16, 2017**

President Vince Dauciunas called the meeting to order at 9:03 a.m. at the Eastsound 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, Head Accountant Travis Neal and Executive Assistant Bev Madan (serving as recording secretary). Counsel Joel Paisner was also present. Rock Island Communications staff present included Gerry Lawlor, Dan Burke and Chris Schmidt.

President Dauciunas 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."*

COOPERATIVE CREDENTIALLED DIRECTOR AWARD

Brian Silverstein was presented with the Cooperative Credentialed Director certificate and pin from NRECA for completing the requirements of the course.

MEMBER/GUESTS

Consultant Jay Kimball, Dwight Lewis, Chantelle Hildreth, David Sabala, and John Donner (CoBank).

2018 BUDGET

Staff presented the 2018 budget, recommending a 5% rate increase for the 2018 budget year. The recommendation includes a revenue increase to \$29.3M (up from \$27.8M in 2017) to meet OPALCO's financial, operational and capital project commitments. Included is \$900k for depreciation and interest expense, primarily for the submarine cable project; and \$50k in power costs. The 2018 budget is aligned with the mission statement of providing safe, reliable, cost effective and environmentally sensitive utility services. Hildreth also noted, the Board met in June to confirm that the budget aligned with board expectations and fulfils the mission and strategic directives. At that time, the consensus was that there are few to no discretionary expenses to cut in the budget, and that the Board does not support budgetary cuts that would have a negative impact on safety or system reliability. OPALCO's first Community Solar and Energy Storage project on Decatur Island is included in this budget, as are upgrades to lines and substations to integrate a new 69KV tap from BPA in order to reroute power through Blakely Island directly to Orcas. The Blakely and Olga Substations will be upgraded for acceptance of 69kV. The completion of these projects will allow for an alternative feed for Orcas Island and will be completed by year-end 2018. After discussing many options, the Board approved the 2018 budget as recommended by staff.

- Motion was made and seconded to approve the 2018 budget that includes a 5% rate increase effective with the January 2018 billing cycles.

DRAFT TARIFF REVISIONS

During discussion, the Board approved an increase to the payouts of the Energy Assistance Program (EAP). This results in a \$5 increase in the Energy Assistance Credit for each category. Starting January 2018, monthly bill credit will range from \$25 to \$55 per household. This was the first reading of the tariffs; they will be presented at the December Board meeting for approval. No changes were suggested to the drafts presented.

ADJOURNMENT

Meeting adjourned at 11:50 am.



Vince Dauciunas, President



Winnie Adams, Secretary-Treasurer