

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, April 19, 2018

President Vince Dauciuнас called the meeting to order at 8:25 a.m. at the Lopez Island Fire Hall. Board members present were Winnie Adams, Peter Garlock, Mark Madsen, Brian Silverstein and Jerry Whitfield. Randy Cornelius was absent. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance and Member Services Nancy Loomis, Counsel Joel Paisner, Rock Island Communications SVP Gerry Lawlor, Rock Island Communications accountant Chris Schmidt, Consultant Jay Kimball and Executive Assistant Bev Madan (serving as recording secretary).

President Dauciuнас 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 Services Policy 17. If you would like answers to specific questions, please fill out the Q&A card for post meeting follow-up.*"

Welcome

Members in attendance included Jim Lett, Sandy Bishop and Chom Greacen, as well as District 2 candidates Jeff Struthers and Rick Christmas.

Dauciuнас thanked Adams and Cornelius for their years of dedication and service to OPALCO. They were presented with panels 1 and 2 of the new Community Solar array on Decatur Island as this is their last meeting as directors.

Consent Agenda

- **Motion** was made and seconded to approve the Consent Agenda, including March 16, 2018 minutes, new members as listed with the Board materials, capital credit payments totaling \$10,622.15 and RUS 219s totaling \$662,901.33. Motion carried by voice vote.

RESOLUTION 2-2018 CORPORATE DEBT LIMIT

In the process of processing loan documents for the 2018-2021 Construction Work Plan, RUS is requiring OPALCO to update the corporate debt limit to accommodate the new loan facility. Currently, the debt limit, as set by the Board in 2012, is \$100M. RUS defines the maximum debt limit to include the face value of all original loan facilities from all lenders, regardless of the current loan balances. The RUS corporate debt limit is viewed to be the maximum amount that the Board believes advisable to finance the construction, acquisition and operation of electric transmission, distribution and service facilities. The new debt limit will cover an additional \$18.2M requested in the new loan. Current loan balances equal \$53.8M. Staff presents loan draws as part of the budget; by 2022 the amount borrowed will be decreasing.

- **Motion** to approve Resolution 1-2018 *Corporate Debt Limit* which will raise the current debt limit to \$120M was made and seconded; motion carried by voice vote.

BYLAW REVISION

Draft revisions to Article IV *Meetings of Directors* Section 2 *Special Meetings*, Section 3 *Notice* and Section 6 *Board Actions* were presented. At times documents from outside agencies need to be processed in an expedient manner and can't wait for the next Board meeting. Revisions to the bylaws were presented in the hopes of expediting document processing and/or decision making when time does not allow waiting for the subsequent Board meeting. After discussion it was determined that more edits are to be made and the draft revisions are to be presented at the May meeting.

VOTING DELEGATES

NWPPA

- **Motion** was made to name Dauciuнас the voting delegate with Struthers the alternate. Motion carried by voice vote.

CRC

- **Motion** was made to name Hildreth the voting delegate with Loomis the alternate. Motion carried by voice vote.

WASHINGTON STATE RENEWABLE ENERGY SYSTEM INCENTIVE PROGRAM

A per-kWh production incentive is paid annually to members with grid-tied renewable systems; this program is administered for the State of Washington by Washington State University. The current process relies on the utilities and solar installers to work with WSU to administer the program for credit forecasting and payouts. In March, WSU has informed us that OPALCO has reached its allowable allocation (~\$250k) for incentive payouts thanks to the high number of new and existing

interconnected systems, which includes OPALCO's pre-certified community solar participants. No additional payouts are to be made to OPALCO member-generators at this time.

At this point, staff will be working with local installers and members to attempt to influence the legislature for additional payouts to OPALCO members. One of our approaches is to encourage the legislators to remove the incentive caps and another is to allow access to unused funds.

REPORTS

General Manager

- Annual Meeting logistics were discussed, and schedule of events reviewed
- Community Solar has nearly sold all the units available
- Decatur Tap and Substation discussed

The Board convened Executive Session at 11:30 am and resumed the open meeting at 12:04 pm

Submarine Cable Project


- **Motion** made to authorize the General Manager to pursue negotiations with Sumitomo pursuant to discussion in Executive Session.

ADJOURNMENT

Meeting adjourned at 12:05 p.m.



Vince Dauciunas, President



Jerry Whitfield, Vice-President