

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, May 17, 2018

President Vince Dauciunas called the meeting to order at 8:50 a.m. at the Friday Harbor OPALCO office. Board members present were Rick Christmas, Peter Garlock, Mark Madsen, Brian Silverstein, Jeff Struthers 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, Counsel Joel Paisner, Rock Island Communications (RIC) EVP Gerry Lawlor, RIC CFO/SVP of Finance Chris Schmidt, RIC VP of Finance Laura Watson, RIC SVP of Engineering Alan Smith, Consultant Jay Kimball and Executive Assistant Bev Madan (serving as recording secretary).

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

WELCOME

Christmas and Struthers were welcomed to the Board of Directors.

OFFICER ELECTIONS

As required by OPALCO bylaws, officers were elected for the President, Vice President, Secretary, and Treasurer positions. After nominations and voting by ballot, the results were: President Vince Dauciunas, Vice-President Jerry Whitfield and Secretary-Treasurer Brian Silverstein.

CONSENT AGENDA

- **Motion** was made and seconded to approve the Consent Agenda, including April 19, 2018 minutes, new members as listed with the Board materials, capital credit payments totaling \$338.31 and RUS 219s totaling \$1,080,295.20. Motion carried by voice vote.

BYLAW REVISION

The recommended revisions will allow streamlined conference call and/or email actions by the Board. Any action taken outside a regular Board meeting will be memorialized for the record at the subsequent board meeting.

- **Motion** to approve revisions as presented to Article IV Section 2 *Special Meetings*, Section 3 *Notice* and to delete Article IV Section 6 *Actions by Written Consent and Telephone or Other Electronic Means*. Motion carried by voice vote.

WASHINGTON DC LEGISLATIVE UPDATE

Ashley Slater, PNGC VP of Government Affairs, presented an update of legislative action taken recently in Washington DC. HR 3144 language was crafted by Slater and others that will protect access to renewable, clean and reliable federal hydropower while mitigating hydropower impacts and protecting Endangered Species Act listed salmon populations. Board consensus was to support HR 3144; Slater will send language to include in letters of support to the legislators.

SAN JUAN COUNTY COMPREHENSIVE PLAN

A workgroup was formed to aid in guiding the San Juan County comprehensive plan update. This workgroup is comprised of individuals and organizations collectively representing thousands of islanders. Several notebooks of reference materials assembled by staff were presented at the Joint Planning Commission and County Council Meeting on May 18th on San Juan. Board consensus was to support the effort of the workgroup to help influence the energy related Comprehensive Plan (siting renewable energy projects, electrification of heating and transportation, carbon reduction, increase energy efficiency standards, etc.)

LOPEZ ISLAND POOL

Silverstein gave an update on the Lopez Island swimming pool project with a focus on exploring more efficient approaches to heating the building and pools. While there is no OPALCO Energy Savings program specifically for this application, the Board is interested in discussing support for heat pumps as alternatives to propane or other carbon-based fuels.

The engineer for the Lopez pool project, Wardell Architects, will have a conversation with OPALCO staff. Because this is new territory, any support for funding by way of incentives would require a vote by the OPALCO Board.

ANNUAL MEETING RECAP

The 2018 annual meeting was held on the interisland ferry with 294 attendees, including 178 members. Cost saving measures included the interisland ferry (no passenger fares), fewer annual reports printed, fewer paper ballots, less time for caterers as they were only on the three ferry docks, no charter boat for the San Juan Island members, no overnight stays for staff, and fewer staff aboard the ferry. Cost savings over 2017 was about \$30,000.

RATES: LONG-RANGE FINANCIAL PLAN

In preparation for the work session to take place Friday, May 18, staff presented a high-level summary recap of the long-range planning materials that were presented in March.

REPORTS

2018 Q1 Financials

Staff presented the Q1 financials. Warmer weather was the primary driver of the overall revenue variance of -5%. This was partially offset by the related decrease in purchased power of 4%, resulting in a decreased margin of (\$317k). RIC Staff presented the 2018 Q1 financials for RIC, outlining lessons learned from the LTE network.

General Manager

Hildreth reviewed the General Manager's Report.

ADJOURNMENT

Meeting adjourned at 12:32 p.m.

RATES: WORK SESSION – MAY 18

This work session was to discuss long-range financial planning. No meeting minutes were taken.



Vince Dauciunas, President



Brian Silverstein, Secretary-Treasurer