

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, September 20, 2018

President Vince Dauciunas called the meeting to order at 8:35 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, Rock Island Communications (RIC) EVP Alan Smith, RIC CFO/SVP of Finance Chris Schmidt, and Executive Assistant Bev Madan (serving as recording secretary). Joel Paisner, legal counsel and Jay Kimball, consultant and member Dwight Lewis were also in attendance.

CONSENT AGENDA

- **Motion** was made and seconded to approve the Consent Agenda, including August 10, 2018 minutes, new members as listed with the Board materials, capital credit payments totaling \$6,555.54 and RUS 219s totaling \$2,495,799.75. Motion carried by voice vote.

VOTING DELEGATES

This item was added in order to formalize and confirm the voting delegates and alternates appointed by the OPALCO Board.

- **Motion** was made and seconded to confirm the following voting delegates and alternates for the organizations listed; motion carried by voice vote.

<u>Organization</u>	<u>Delegate</u>	<u>Alternate</u>
NWPPA	Dauciunas	Struthers
WRECA	Whitfield	Hildreth
NRECA	Madsen	Christmas
CFC	Madsen	Christmas
CRC	Hildreth	Loomis
CoBank	Hildreth	Christmas

WRECA UPDATE

Whitfield reported on the WRECA Board meeting held September 18 in Spokane. During the meeting, the WRECA legislative objectives was discussed. Of main concern is Initiative No. 1631, the Carbon Tax initiative which would impose a carbon fee on the biggest contributors to carbon pollution. While acknowledging flaws in the bill as currently proposed, the Board decided to support I-1631 in this round as "a step in the right direction" to promote clean energy in keeping with OPALCO's vision for healthy sustainable island communities. Staff will draft a letter to WRECA (to be reviewed by Whitfield and Silverstein) which it will be sent to WRECA. A letter of support will also be published in local papers and on OPALCO's website.

2019 ANNUAL MEETING

OPALCO bylaws require that the Board set the date and location of the annual meeting each year.

- **Motion** was made and seconded to set April 13, 2019 as the date for the 2019 annual meeting aboard the Washington State inter-island ferry and to appoint Joel Paisner parliamentarian. Motion carried by voice vote.

WA STATE RENEWABLE ENERGY SYSTEM INCENTIVE PROGRAM (RESIP)

Washington State University (WSU) administers the RESIP for the State of Washington. As required by Washington State legislation, WSU has communicated that its payouts of the solar incentives have been conservatively estimated and left 21 applicants on the waitlist. Given the conservative nature of the solar incentive calculations, WSU suggested that OPALCO can guarantee solar incentive payout in excess of the maximum (approximately ~\$289k) to its members; the possible shortfall or exposure is \$16,755.33.

- **Motion** was made and seconded that OPALCO guarantee solar incentive payouts to the waitlisted applicants in excess of WSU \$289k for fiscal years 2019 and 2020. Motion carried by voice vote.

RURAL ENERGY SAVINGS PROGRAM (RESP) LOAN / RESOLUTION 3-2018

The final loan documents are ready for execution. This loan supports the On-Bill Financing Program. Resolution 3-2018 *Rural Energy Savings Program* grants the General Manager authority to execute the RESP loan documents.

- **Motion** made and seconded to approve Resolution 3-2018 *Rural Energy Savings Program*. Motion carried by voice vote.

ON-BILL FINANCE PROGRAM

Staff and Board reviewed the implementation of OPALCO's new on-bill financing program (OBF) using RUS's member lending program and loan called RESP. Staff expects to roll-out the OBF program to members in the first quarter 2019. Given limited funding, the initial OBF loan offerings will be for measures that are specifically aligned to OPALCO's fuel switching direction. Eligible projects will be 1) ductless heat pumps, 2) heat pump water heaters and 3) home EV charging stations.

Staff plans to expand the Energy Assist Program (EAP) within the 2019 budget, using a portion of the Energy Assistance Program (EAP) funds to provide awards to low-income members to make on-bill financing even more affordable by ensuring the added monthly cost does not exceed the monthly electric savings provided by a given project measure.

OUTAGE PROTOCOL

Internal outage protocols, procedures for restoration, communication to the membership and lesson learned were reviewed.

RATES REVIEW: RATE STRUCTURE ALTERNATIVES

A Board Work Session is planned for Friday, September 21 to review rate structures that support the Cost of Service Analysis that was reviewed at the August meeting. Mike Searcy of Guernsey will be present.

2018 WEBSITE ANALYTICS

Staff reviewed the annual review of Google analytics on OPALCO's website. Traffic to OPALCO's webpage is significantly higher than 2017 and, on average, almost 5x higher than in 2016. The top content areas in 2018 were: outages, bill pay, community solar and resource library. Also in the top ten were careers, contact us, rebates and newsroom. We also reviewed employee use independently and found the resource library gets high staff use – almost double the next highest content area (outages). The resource library is used primarily to access board meeting materials, billing information and rebate forms.

REPORTS

General Manager

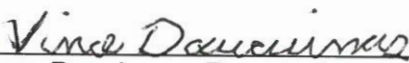
Hildreth reviewed the General Manager's report. Staff discussed the three portions required to complete the redundant feed to Orcas from the BPA substation on Decatur as follows: 1. the Decatur portion of the redundant feed to Orcas is complete, 2. Blakely substation rebuild is anticipated to be completed in late October, and 3. Olga Substation and Eastsound feeder upgrades have an anticipated completion of the end of October.


Staff applied for a \$585k matching grant through the Washington State Clean Energy Fund (CEF) 3 Research, Development and Demonstration grant program. The project plan will be used to demonstrate a vehicle-to-grid application in San Juan County using battery-electric busses with exportable power for unplanned outages and disaster readiness. The grant will require a \$585K match from other sources outside the CEF fund; final application is due in November. Staff is also working to submit applications for other phases of the CEF 3 program funding opportunities.

OPALCO's low-income Energy Assistance Program was reviewed, noting that households receiving energy assistance have increased from ~250 to over 700 households. Though the EAP has been very successful, staff estimate that we are reaching only about half the potential households in need of assistance. Staff will be deepening the conversation with county support services and family resource centers to identify ideas to ensure households in need are aware of and benefit from these services. We will also be looking for ways to use EAP program funds the program to increase access to Energy Efficiency and Community Solar programs that might normally be out of reach to low-income members.

ADJOURNMENT

Meeting adjourned at 11:50 a.m.


Vince Dauciunas, President


Brian Silverstein, Secretary-Treasurer