

**Orcas Power & Light Cooperative**  
**Minutes of the Board of Directors Meeting**  
**Thursday, November 15, 2018**

President Vince Dauciuinas called the meeting to order at 8:07 a.m. at the Lopez Island Fire Hall. Board members present were Rick Christmas, 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 and Public Relations Administrator Suzanne Olson (serving as recording secretary). Consultant Jay Kimball, and members Ray Glaze and Dwight Lewis were also in attendance.

#### **CONSENT AGENDA**

- **Motion** was made and seconded to approve the Consent Agenda, including October 18, 2018 minutes, new members as listed with the Board materials, capital credit payments totaling \$5,407.74 and RUS 219s totaling \$471,748.98. Motion carried by voice vote.

#### **EGC COMMITTEE**

The Elections & Governance Committee has received an application from a candidate for the open District 4 position. The Board went into Executive Session to review the application and interview the candidate.

- **Motion** was made to approve the application and Ray Glaze of Shaw Island will join the EGC for a term of three years. Motion carried by voice vote.

#### **CAPITAL CREDITS - UNCOLLECTIBLE**

Staff requested that ~\$942 of member capital credits be applied to uncollectible accounts. Discussion ensued.

- **Motion** was made to approve the the transfer of ~\$942 in capital credit distributions to pay uncollectible account balances. Motion carried by voice vote.

#### **CAPITAL CREDITS – GENERAL RETIREMENT**

Staff requested board approval for the general retirement of capital credits totaling ~1,012k (cash) for the remainder of 1993 and ~31% of 1994. Discussion ensued on smoothing and fluctuations in the margins going forward.

- **Motion** was made to approve the general retirement of capital credits. Motion carried by voice vote.

#### **LOAN DRAW**

Staff requested an additional loan draw in the amount of \$2M in order to meet requirements for capital credits and Q4 expense. Factors that contributed to the need for additional funding include warmer weather, capital expenditures in late Q4 2017 and shifting of CWP projects and joint project opportunities. Discussion ensued.

- **Motion** was made and seconded to approve the additional loan draw in the amount of \$2M. Motion carried by voice vote.

#### **STRATEGIC DIRECTIVES**

The Board reviewed the updated directives in a second read.

- **Motion** was made to approve the updated strategic directives. Motion carried by voice vote.

#### **2019 BUDGET**

Hildreth described the budget as accrual based, and tied directly to our strategic documents: strategic directives, IRP, LRP and CWP. Hildreth credited PNGC with bringing key expertise and sophisticated resources into our load forecasting process for this budget. Discussion ensued on debt, equity, TIER, HDD, labor, capital projects, grid control progress, community solar, energy storage system, capital credits and support for low income households. The proposed 5.2% revenue increase was discussed and dissected including impacts to consumers. The Board went into Executive Session for additional discussion. Staff will present additional information at the December meeting. No action was taken.

#### **POLICY 29: RATE DESIGN**

Updates to Policy 29: Rate Design were discussed including the calculation, bill impacts and benefits.

- **Motion** was made and seconded to approve the revisions to Policy 29: Rate Design. Motion carried by voice vote.

## **POLICY 17: MEMBER CONDUCT AT OPALCO MEETINGS**

Revisions to Policy 17 were discussed including clarification on presiding officials and board roles. Various scenarios were discussed with a goal of maintaining a safe workplace for all, including the Board. No action was taken. Staff will bring an updated version to the December meeting.

## **TARIFFS: FIRST READ**

With the proposed revenue increase, all tariffs have been updated. Board reviewed the tariffs and discussion centered on the Energy Conservation Charge (ECC) tariff for the purpose of administering on-bill financing of specific efficiency measures. All tariffs will be reviewed again in December.

Hildreth let the Board know that members have asked about special rates for non-profit organizations and Veterans. For non-profit organizations, the Board decided that these organization should be categorized within their type of service and thus no discounts to rate were approved. For veteran members, Board agreed that the Energy Assist program is in place to help any member who is struggling to pay their bills.

## **BLOCK ANALYSIS**

Hildreth led a discussion about the block structure in rates. Discussion topics included how to encourage efficient use of electricity and discourage wasteful use, relevance to the IRP metrics, how EV owners may be affected and how the Switch it Up campaign fits into the timing of any changes to the block structure. The Board reached consensus that the block structure will stay as is for now, to be revisited in the future. The Board considered a pilot project to test various scenarios.

## **Q3 FINANCIAL REPORT**

Board reviewed the Q3 2018 financial report and discussion ensued.

## **REPORTS**

### **General Manager**

The Board reviewed the GM report and some discussion ensued.

## **ADJOURNMENT**

Meeting adjourned at 1:35 p.m. and the Board went into Executive Session.

  
Vince Dauciunas, President

  
Brian Silverstein, Secretary-Treasurer