

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, February 21, 2019

President Vince Dauciunas called the meeting to order at 8:18 a.m. in the Lopez Firehall meeting room. Board members present were Brian Silverstein, Peter Garlock, Mark Madsen and Jeff Struthers. Rick Christmas and Jerry Whitfield attended via Zoom. Staff present were General Manager Foster Hildreth, Manager of Engineering and Operations Russell Guerry, Manager of Finance and Member Services Nancy Loomis, Attorney Joel Paisner, Public Relations Administrator Suzanne Olson and Executive Assistant Kelly Koral (serving as recording secretary). Consultant Jay Kimball was in attendance.

Member/Guests

Dwight Lewis
Sandy Bishop
Diana Hancock (member and Counsel to Dwight Lewis)
John Oakley
Scott Meyers
Bob Porter
Steve Ludwig
Alan McKee
Sandra McKee
Richard Strachan
3 unidentified members

President Vince Dauciunas stated the Executive Session would begin after the members/guests had the opportunity to address the Board during Member Comment Period.

Comments were made by the members addressing the disqualification of Dwight Lewis as a potential candidate by petition for the Board position. OPALCO corporate counsel presented his rationale for disqualification of Lewis as a Board candidate. Comment session of the meeting was closed at 8:45 a.m.

The Board went in to Executive Session at 8:50 a.m. to discuss the disqualification of Dwight Lewis in more detail. Concluded at 10:30 a.m.

ELECTION

Dauciunas addressed the members and guests. The Board reviewed and held discussion regarding Board qualifications section of the bylaws, Member Service Policy 9 – *Fair Treatment by OPALCO*. Three incumbent candidates recused themselves from voting. The Board agreed to support counsels decision to disqualify Dwight Lewis as a candidate in the upcoming election.

Joel Paisner discussed transparency of the issue and requested that Dwight Lewis sign a release to allow OPALCO to provide the materials reviewed by counsel to the public. Diana Hancock asked Joel Paisner to please send his request to her in writing.

Regular session reconvened at 10:40 a.m.

Madsen put forth the following **motion**:

The Elections and Governance Committee (EGC) to be tasked to review bylaw and policy to ensure consistency in OPALCO's election process for Directors. To take public input as part of the process and to bring recommendation to the Board for any modifications to the bylaws or policies.

Motion was seconded. Carried by voice vote.

CONSENT AGENDA

- **Motion** was made and seconded to approve Consent Agenda, including January 17, 2019 minutes, new members as listed with the Board materials, capital credit payments totaling \$41,662.23 and RUS 219s totaling \$2,104,956.63. Motion carried by voice vote.

POLICY 1

Staff requested Board approve as written, clarifying oversight of RIC and substituting language regarding the nominations committee with the new EGC.

- **Motion** was made to approve revisions to Policy 1 as presented. Motion carried by voice vote.

YEAR IN REVIEW

Hildreth presented a summary of the many accomplishments achieved during 2018 by both OPALCO and Rock Island. Staff noted OPALCO has requested the first advance on the RUS loan (RESP) to support member efficiency projects with on-bill financing. OPALCO is the first co-op in the nation to make such a request.

WRECA UPDATE

Hildreth and Whitfield updated the Board about current issues in Olympia including clean energy, carbon reduction, the electrification of the ferries and net metering.

ROSARIO HYDRO

Hildreth reviewed an email received from Russel Barsh expressing concerns about OPALCO's relationship to Rosario's hydro generation facility. Staff clarified that there is no power purchase agreement with Rosario and concerns were unfounded.

SPRING STREET SCHOOL REQUEST

Hildreth presented a request from Spring Street School in Friday Harbor to decorate the equipment located in front of their school in coordination with the Friday Harbor Arts Council. Discussion ensued about operations, safety and concerns of about graffiti. Staff felt that concerns could be addressed. Board deferred to staff.

INVERTER – CALIFORNIA RULE 21 PHASE 3

Board and staff discussed the implication of California Rule 21 phase 3 and its impact on OPALCO's policies. Standards are still in development and staff will be following the progression. This standard will have implications for our Decatur energy storage system.

GENERAL MANAGER'S REPORT

WIP was down approximately \$2M from last month. The next reduction in WIP is the Blakey substation – some final tie outs to be done.

Total hours since lost time accident is 129,259 despite hazardous working conditions during recent storm events.

Rodney Peach from RUS was on Orcas for a field visit. Procedures were reviewed along with a visit to the Decatur substation. Staff presented accounting modules, work orders and loan project submittals for Mr. Peach's review to demonstrate consistency with the work efforts and documentation. Received great feedback from Mr. Peach: OPALCO's records and procedures are in excellent shape. He had the following observations:

- "Both substations look to be in great order along with the 219's for funding."
- "Your process for posting work orders has checks and balances to make sure RUS Projects are properly coded and posted to the appropriate accounts for reimbursement."
- "Any information that I have asked for has been provided and your team is in compliance with our regulations to the best of my knowledge."

The redundant feed to Eastsound is complete.

RUS – new grant we've applied for commercial energy audit. We received the funds we needed for our current construction activity through our CWP loan.

Member Services – The Energy Charge Adjustment (ECA) was invoked in the February billing and was a credit. Staff stated that the ECA is not a direct correlation with the weather and will vary from month to month based not only on sales but on magnitude of BPA. During the outage early February, our system peaked for the year at 66.4 megawatts.

Legislative Outreach – had to cancel a meeting in February due to snow. Staff met with Jake Fey and Jeff Morris.

During recent wind events, winds were clocked at up to 90 mph. More than 70 trees went down just in Moran State Park. No one was hurt during the repairs. OPALCO expressed gratitude to the County Public Works crew who were instrumental in helping to clear the work sites and roads.

ADJOURNMENT

Meeting adjournment at 11:45 a.m. and the Board went in to Executive Session.



Vince Dauciunas, President



Brian Silverstein, Secretary-Treasurer