

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, January 17, 2019

Acting President Jerry Whitfield called the meeting to order at 8:29 a.m. in the Eastound OPALCO Conference Room. Board members present were Rick Christmas, Brian Silverstein, Mark Madsen, Jeff Struthers and Jerry Whitfield. Board member Peter Garlock 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, Head Accountant Travis Neal, Legal Counsel Joel Paisner and Public Relations Administrator Suzanne Olson (serving as recording secretary). Guests in attendance included Mike O'Connell, Dwight Lewis and Peter Guillozet.

CONSENT AGENDA

- **Motion** was made and seconded to approve the Consent Agenda, including December 20, 2018 minutes, new members as listed with the Board materials, capital credit payments totaling \$12,705.60 and RUS 219s totaling \$161,920.56. Motion carried by voice vote.

NWPPA BOARD SEAT

NWPPA is calling for the State of Washington General Manager seat on the the NWPPA open to a cooperative utility. Board discussed the merits and time requirements and supported Foster Hildreth to submit his name into the election process.

- **Motion** was made to approve Foster Hildreth to participate as a NWPPA Board Member, should he be elected in September. Motion carried by voice vote.

LONG LIVE THE KINGS SALMON HATCHERY PRESENTATION

Hatchery Manager Mike O'Connell gave a presentation on the Long Live the Kings salmon hatchery at Youngren's Pond and answered questions on salmon recovery efforts. In brief, the current push is to get more hatchery salmon into the Salish Sea to feed the whales. O'Connell believes it will take 2-3 years to see results.

BOARD ROLES

Attorney Joel Paisner led the Board through a verbal review of board roles, obligations and fiduciary responsibilities. Hot topics industry wide include capital credit accounting, member participation in governance (elections) and management of staff – in OPALCO's case the General Manager. Paisner gave the Board high marks for all areas and cited examples of the budget process, monthly board materials made available to the public and meeting and exceeding lender requirements (TIER, etc.). Discussion ensued on board self evaluation process, best practices from the co-op bar, and the OPALCO-Rock Island broadband success story.

POLICY 1: QUALIFICATIONS OF BOARD CANDIDATES

Staff presented revisions to Policy 1 for a first read – primarily replacing the "Nominations Committee" with the "Elections & Governance Committee" as the body that reviews candidate qualifications. The revised policy also clarifies managerial and operational control of the Co-op's subsidiary company. Discussion ensued on EGC vs petition nominations process, bylaw implications and clarifying language for how EGC districts are drawn. The Board requested staff improve the language that defines qualifications for board candidates and set clear criteria for the collective skill set that is preferable for the board as a whole. An objective of updating the policy is to ensure that candidates by petition (anyone who would run for a board seat) would be held to the same standard. Staff noted that the EGC are tasked with performing a comprehensive review of OPALCO's election policies this year, with an objective of final Board approval prior to the start of the 2020 election cycle. Board will revisit in February.

2019 CALENDAR OF EVENTS

Changes were made to the board meeting dates in March and August. Board requested staff create an online shared calendar of co-op events. The updated calendar includes the following changes:

- March 20: Board Work Session / RIC Quarterly Update (Eastsound)
- March 21: Regular Board Meeting (Friday Harbor)
- August 8: Board Work Session / RIC Quarterly Update (Eastsound)
- August 9: Regular Board Meeting (Eastsound)

WSDOT FERRIES

Staff presented a letter of support for current bills that would fund WSDOT Ferry projects and advocates for an electric ferry on the San Juan Islands route in the next appropriations cycle. Discussion ensued on regional meetings, WSF priorities and timelines, infrastructure required to support electric ferries in OPALCO's territory, and political advocacy. Board signed advocacy letter to Governor Inslee and requested staff continue their outreach with local and state legislators.

REPORTS

General Manager

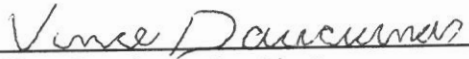
The Board reviewed the GM report and discussion ensued. Board requested that OPALCO and RIC research implementation of a program coined "stop the bleed" in concert with the Fire Department campaign. Staff reported that bids for the energy storage battery project were higher than expected and staff is conducting a full analysis before moving forward. Hildreth pointed to the robust year-end kilowatt sales and discussion ensued on the role of wind as a wild card in forecasting for Heating Degree Days in the budget process and the wisdom of implementing the new true-up mechanism to the rate structure to keep revenue on track.

RIC Snapshot

The Board reviewed the monthly snapshot.

ADJOURNMENT

Meeting adjourned at 12:40 pm.


Vince Dauciunas, President


Brian Silverstein, Secretary-Treasurer