

**MINUTES OF THE BOARD OF DIRECTORS SPECIAL MEETING  
ORCAS POWER & LIGHT COOPERATIVE**

Thursday, September 29, 2016

President Vince Dauciunas called the meeting to order at 8:40 am at the Eastsound OPALCO office. Board Members present were Winnie Adams, Mark Madsen, Brian Silverstein. Members absent (excused): Randy Cornelius, Jim Lett and Jerry Whitfield. Staff present included General Manager Foster Hildreth and Public Relations Administrator Suzanne Olson (serving as recording secretary). Also present were consultant Jay Kimball and legal counsel Joel Paisner (arrived at 9:05 am).

**MEMBER/GUESTS**

Each member/guest was offered an opportunity to address the board. Present were the Member Review Committee members Doug Marshall, Stephen Shubert and Ed Sutton. Members also present: Doug Pearson, Michael Riordan and John Fleischer.

Doug Pearson, OPALCO Tally Committee Chair, stated his support for absentee only balloting (no voting on the boat) and gave a history of OPALCO voting practices. In his 30-year tenure, only one time has the vote on the boat changed the results of the election.

**MEMBER REVIEW COMMITTEE ON ELECTIONS**

President Dauciunas invited an exploration of the Member Review Committee on Elections' recommendations, as presented at the September 16, 2016 regular board meeting. He stated that no motions or decisions would be made until the October 20, 2016 regular board meeting.

The discussion was dynamic, jumping from recommendation to recommendation as the seven categories are so interconnected. Committee members present participated freely in the discussion. Written feedback from Whitfield and Cornelius was introduced into discussion as each topic arose. For the purpose of these notes, discussion is consolidated by recommendation.

Committee members stated their absolute independence from OPALCO's influence in their deliberations and recommendations and restated the relevance of reviewing districting to the overall fairness and equity of the election process.

In response to member comments, the board reiterated that the independent member committee recommendations are for board consideration only at this time.

Recommendation #1: Encourage Member Interest

All present agreed that encouraging more interest in the cooperative and election process are in the greater good and the recommendation could be readily implemented for the 2017 election cycle.

Recommendation #2: Adopt County Districts

Discussion ensued on member comments received by OPALCO and in social media. Discussion points included district voting versus co-op wide, proportionality of districts, legal issues, at-large positions and the failed 2016 member-initiated bylaw amendment. Committee member presented their rationale which stemmed from the problem of getting members more engaged, building tighter connections between directors and members and fairness of representation. Research on districting practices of other electric co-ops was presented and discussed, as well as various districting scenarios. The group showed support for staggering board terms so that the majority of the membership would vote in every election and agreed about the importance of a dialogue with members about re-districting. The board showed interest in understanding a greater view of member opinions during the upcoming open houses prior to further consideration.

Recommendation #3: Nominating Committee

The Member Committee stated that this recommendation is key to achieving the major goals of greater transparency and greater member involvement in the election process. Discussion ensued on timing of the nominations process, recruitment challenges,

compensation, diversity, qualifications and eligibility of board candidates. There was support for a standing nominating committee who could cultivate qualified board candidates over time. All present agreed that incumbents should go through the regular election process and not be automatically re-nominated. It was agreed that this recommendation would have to be acted on at the October 20<sup>th</sup> board meeting, if approved, in order for outreach to begin for a nominating committee that would participate in the 2017 election cycle.

Recommendation #4: Adjust Elections Timeline

Discussion ensued on the importance of the petition process and number of signers required. There was support for adjusting the elections timeline.

Recommendation #5: Outside Directors

The Committee stated that its intent was to provide the board with the ability to obtain further expertise (if needed) through the addition of an outside (member or non-member) director(s). The two areas of concern were having a non-member on the board and having the board appoint a director(s) in lieu of the membership.

Recommendation #6: Director Compensation

There was support for an independent non-board periodic review of director compensation and discussion on using the Nominations (and Governance) Committee to conduct the review with guidance and industry research provided by staff.

Recommendation #7: Housekeeping Changes to Bylaws

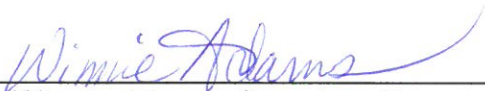
The Committee has provided draft language to assist in bylaw consistency and continuity.

The format of the Open House events was discussed and how member feedback would be collected and disseminated to Board and membership.

**ADJOURNMENT**

Meeting was adjourned at 11:52 am.

  
\_\_\_\_\_  
Vince Dauciunas, President

  
\_\_\_\_\_  
Winnie Adams, Secretary-Treasurer