

Orcas Power & Light Cooperative
Minutes of the Board of Directors Meeting
Thursday, May 16, 2019

President Vince Dauciunas called the meeting to order at 8:25 a.m. in the OPALCO Eastsound conference room. Board members present were Vince Dauciunas, Mark Madsen, Jerry Whitfield, Jeffrey Struthers, Rick Christmas, Peter Garlock and Brian Silverstein. 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, Head Accountant Travis Neal, Public Relations Administrator Suzanne Olson, Consultant Jay Kimball, EVP RIC Alan Smith, CFO RIC Chris Schmidt and Executive Assistant Kelly Koral (serving as recording secretary).

Member/Guests

Roger Gray – PNGC

Olga Darlington – Moss Adams

Dwight Lewis - Member

CONSENT AGENDA

- **Motion** was made and seconded to approve Consent Agenda, including April 25, 2019 minutes, new members as listed with the Board materials, capital credit payments totaling \$5,195.58 and RUS 219s totaling \$428,775.04. Motion carried by voice vote.

MEMBER COMMENTS

A member in attendance was given an opportunity to address the Board.

Bylaw Revision

- **Motion** was made and seconded to approve the revision to **Section 2. Energy Member Initiated Amendments** to require at least 10% of the Energy Members to propose, in writing to make, alter, amend or repeal a bylaw or to adopt new bylaws. Motion carried by voice vote.

Member Service Policy 14

- **Motion** was made and seconded to approve the **Member Service Policy 14 – Interconnection of Member Generators and Storage** revisions. Motion carried by voice vote.

2019 Q1 Financial Statements

The 2019 1st Q financial statements were reviewed and discussed with the Board and it was agreed that the 1st Q 2019 results were on track with the 2019 budget.

Transmission Redundancy

9:50 a.m. The Board went in to Executive Session to to review the transmission system redundancy currently in place and options OPALCO has for our BPA sources, substations, and other critical loads.

2018 Financial Statement Audit Report

The Board continued the Executive Session to review the audit details. Olga Darlington, Partner, with Moss Adams LLP presented the review of the 2018 audit for both Orcas Power & Light Cooperative and its subsidiary Rock Island Communications. Regular session resumed at 10:10 a.m.

- **Motion** was made and seconded to accept the *Report of Independent Auditors and Consolidated Financial Statements for December 31, 2018 and 2017*, as audited by Moss Adams, LLP. Carried by voice vote. The Board requested a 2019 increase to the Moss Adams audit scope for a detailed accounting software security assessment of Rock Island.

POWER RESOURCE DISCUSSION

Roger Gray, CEO of PNGC spoke about the benefits of partnership with fellow utilities, the changing utility industry, future power supply, power contracts, the effects of SB 5116 (Clean Energy Bill) and possible outcomes for OPALCO and other affected Coops.

GENERAL MANGER

Hildreth reviewed the General Manager's Report and Rock Island Snapshot

ADJOURNMENT

Meeting was adjourned at 11:20 a.m.



Vince Dauciunas, President



Brian Silverstein, Secretary-Treasurer