

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
February 21, 2017

The regular meeting of the Board of Commissioners was called to order by Vice-President Dan Fagerlie at 9:01 a.m. Present were Commissioners Dan Fagerlie and Doug Aubertin, Manager John Friederichs, Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke, and Treasurer Pam Allen.

Excused absences: Commissioner Chris Kroupa, Attorney Steve Graham

All stood for the Flag Salute which was led by Commissioner Aubertin.

Visitor: Melissa Rose

The minutes of the January meeting were approved by a motion made by Commissioner Aubertin, seconded by Commissioner Fagerlie and unanimously carried.

Melissa Rose met with the Board to request sponsorship of Ferry County Pride Week. The Utility cannot sponsor but agreed to advertise in the guide that is distributed throughout the county. Manager Friederichs will provide Mrs. Rose with information for the advertisement. Mrs. Rose thanked the Board for their time and exited the meeting at 9:27 a.m.

Public Comments: Commissioner Fagerlie was contacted by a customer about the time it takes to have approved minutes posted on the District's website.

Reports:

The Engineer/Superintendent's Report was presented by Steve VanSlyke:

1. Most of the month was spent on routine maintenance work and was uneventful until a transformer and regulator were lost at the city substation. Power has been re-routed through the Strassburg Substation east of town for now. Specialty Engineering tested the equipment yesterday and will let the Utility know what will need to be replaced.

Mr. VanSlyke asked the Board for direction regarding maintenance operations going forward since a large portion of the budgeted 2017 expenditures will be paid from existing funds. The Utility has tried to be pro-active in doing regular preventative maintenance to reduce later, more expensive, repair costs. He would like the Board to address where he should try to cut costs. At next month's meeting, the Board would like to see some detailed proposals on where cuts may be made throughout the Utility, such as stopping weekend and after hours call outs, and what rate increases may be required to maintain system integrity and services. With Kinross shutting down soon, it may not be possible to put off rate increases until later in the year. The Board would like to address the issue before spending all of the reserve funds that are in place for emergencies.

Mr. VanSlyke exited the meeting at 10:23 a.m.

A recess was called at 10:23 a.m. for 20 minutes with the meeting reconvening at 10:45 a.m.

There was no Attorney's Report presented, as Attorney Graham was unable to attend the meeting.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. No correspondence was received since the last meeting.

Meetings:

1. Commissioner Fagerlie will attend a TEDD meeting in Colville.

General Business:

1. A letter was received today with results from the recent audit by the Washington State Dept of Retirement Services. Manager Friederichs and Auditor Nush will discuss the audit with the Board once they have been able to read the letter and review the audit results.
2. Manager Friederichs shared with the group issues that were discussed during the WPUA Energy Committee Meeting that he participated in by telephone. There are several proposed bills in the state legislature that if enacted would result in additional costs that would have to be passed on to customers. Among them is HB 1555/SB 5127 that enacts a new carbon tax and SB 5711, which could result in utilities being forced to pay for the infrastructure improvements necessary to facilitate the installation and maintenance of private telecommunications companies' 5G pole attachments.

Conservation:

1. No separate report was given.

The commissioners presented information from meetings they attended since the last Board Meeting.

The Treasurer's Report was presented by Pam Allen:

1. Operating Funds available as of February 10, 2017 were \$2,737,432.36 with restricted funds of \$3,018,908.57. There were 7 outages in the month of January, compared to 13 for the same period in 2016. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was reviewed with the Board and questions answered. Cost and usage graphs were reviewed.

The Board recessed for lunch at 12:04 p.m. and reconvened at 1:00 p.m.

The Auditor's Report continued:

2. Warrants Number 14569 through 14654, direct payroll deposits number 903646 through 903684, and Electronic Fund Transfers number 442 through 446 and 448, in the total amount of \$827,678.10 were approved by a motion made by Commissioner Aubertin, seconded by Commissioner Fagerlie and unanimously carried.

With no further business to discuss, the meeting adjourned at 1:02 p.m.

BOARD OF COMMISSIONERS
Public Utility District Number One
Ferry County, Washington

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager