

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
March 20, 2017

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

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

Visitors: None.

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

There were no public comments.

Reports:

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

1. After the failure last month at the city substation, a transformer, regulator and bushings will need to be repaired or replaced. The transformer will cost \$45,000 and the regulator \$15,000. The Utility does have spares that were used to get the substation back up.

Engineer/Superintendent VanSlyke and Warehouseman/Mechanic Brown led a discussion about possible ways to reduce expenditures. The Utility already does some construction work and many repairs in-house since there are a number of employees with a wide range of skills. The Board agreed that the Utility needs to be frugal but do not want it to operate so thinly that services decline. The District will see the full impact of the Kinross closure in a couple of months and will be better able to decide what will need to be done on an extended basis.

The tree trimming truck that was ordered last year should be delivered in June. Since it uses diesel exhaust fluid, it will need to be parked out of the cold weather to prevent freezing. The funds budgeted for building maintenance could be used to enclose an open bay for it. The Board directed Mr. VanSlyke to put together an estimate of the cost for them to review. Mr. Brown will also look into the best way to sell the old tree trimming truck, since while the cables are functional they will no longer be certified by the manufacturer as of September.

Mr. Brown exited the meeting at 10:00 a.m.

The Attorney's Report was presented by Steve Graham.

1. Attorney Graham has been working with Okanogan County Sheriff's Deputy Mike Worden on the easement for the proposed communications site on Bodie Mountain. The Board directed Attorney Graham to inform Okanogan County that the Utility will only agree to follow current Utility policies.

A recess was called at 10:13 a.m. for 20 minutes. Engineer/Superintendent VanSlyke exited the meeting at this time. The meeting reconvened at 10:32 a.m.

2. Attorney Graham will work with Auditor Nush to file a petition for redress on corrections requested by the Washington State Dept of Retirement Services. The time spent correcting prior years will be onerous, for a very small dollar impact.
3. Attorney Graham discussed the issue of the Utility spending money on sponsorships versus advertising. This continues to be an audit issue as it is difficult to define what is allowed under state law. After discussion, the Board moved to discontinue providing these funds to local groups.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. An email was received from Jeff Koffel requesting information on the power capacity of Vaagen Brother's old mill site.

Meetings:

1. Commissioner Aubertin will attend the annual NWPPA meeting in May. He will decline per diem on the trip as he believes the commissioners also need to help cut costs. Manager Friederichs will attend the WPUA Manager's Meeting in April. Commissioner Fagerlie will attend a TEDD meeting in Colville this week.

General Business:

1. BPA may be adding a Cost Recovery Adjustment Clause (CRAC) amount to the District's bill. This would be in addition to their upcoming rate increase. A discussion followed about the District's limited options for power. Besides BPA, the only other possibility would be to build a new transmission line south from the Canadian Border to purchase power from Pend Oreille PUD and route it through BC Hydro to us. Manager Friederichs will investigate this option further and report back to the Board.
2. Board members were provided with annual evaluation forms for Manager Friederichs. Attorney Graham will compile them.

The Board recessed for lunch at 11:59 a.m. and reconvened at 1:02 p.m.

General Business continued:

3. Based on CPI-W, non-bargained employees will receive a 2.5% wage increase in April.
4. The District recently received a public records request. A discussion followed, with Attorney Graham clarifying that while most existing public records must be provided, the law does not require that the Utility create new records to fulfill the request. The law also requires that the requestor pay for the copies made.
5. The District's travel policy was discussed. It requires the Treasurer, or her designate, to make travel arrangements, except in emergencies. After some discussion, the Board declined to make any changes to the current policy.

Conservation:

1. School Superintendent John Glenewinkel has informed Manager Friederichs that the Republic school will be remodeled, instead of rebuilt. Conservation funds may be available to help with the remodel.

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 March 10, 2017 were \$2,687,748.83 with restricted funds of \$3,024,511.16. There were 5 outages in the month of February, for a year-to-date total of 12 compared to 18 for the same period in 2016. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.

A recess was called at 2:05 p.m. for five minutes. The meeting reconvened at 2:13.

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.
2. Warrants Number 14655 through 14720, direct payroll deposits number 903685 through 903723, and Electronic Fund Transfers number 449 through 453, in the total amount of \$739,301.37 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried.
3. Auditor Nush provided the Board with some preliminary calculations on what kind of rate increase may be required after Kinross closes its operations.

With no further business to discuss, the meeting adjourned at 3:16 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager