

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
April 17, 2017

The regular meeting of the Board of Commissioners was called to order by President Chris Kroupa at 9:00 a.m. Present were Commissioners Chris Kroupa, Dan Fagerlie and Doug Aubertin, Attorney Steve Graham, Manager John Friederichs, Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke, and Treasurer Pam Allen.

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

Visitors: None.

The minutes of the March meeting were corrected and 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. The crew has been dealing with flooding issues and road closures. A discussion followed about whether or not the Utility had experienced damages to the extent that the Commissioners should declare a state of emergency. It was agreed that there is no need to do so at this point in time. Auditor Nush will be able to collect the District's weather-related costs for Ferry County, if they need this information to include with their emergency damages.
2. We have received back the transformer that was sent out for repair. It will be placed back in service as soon as water issues stop.
3. Mr. VanSlyke was asked about the status of the proposed project with Energy Northwest to reduce excess demand charges. He has not received estimated project costs or projected savings from them yet.

Mr. VanSlyke exited the meeting at 9:32 a.m.

The Attorney's Report was presented by Steve Graham.

1. Attorney Graham inquired if the Utility had heard back from Okanogan County regarding the Kretz easement. There has been no recent contact.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. No correspondence was received.

Meetings:

1. Manager Friederichs will attend the WPUDA Manager's Meeting later this month. He will also attend a meeting on possibly changing the District's participation in CWPU. Commissioner Kroupa will attend NRU/PPC meetings in Portland in May. Commissioner Aubertin will attend the NWPPA Annual Conference in May, and Treasurer Allen will attend a WPUDA roundtable in May. Commissioner Fagerlie will attend a TEDD meeting next week.

General Business:

1. Manager Friederichs inquired if Commissioner Fagerlie has signed up for the state retirement program yet. Commissioner Fagerlie has not heard back from the state yet with the amount he would need to pay.
2. There will be a \$5000 increase in the cost of the District's insurance due to a change in an underwriter.

A recess was called at 9:51 a.m. for 5 minutes. The meeting reconvened at 10:01 a.m.

General Business continued:

3. The Board was presented with a proposed customer service policy change that would add a section clarifying that new non-residential customers are responsible for paying in advance for any modifications to District facilities required to handle their load. A motion to approve the change was made by Commissioner Aubertin, seconded by Commissioner Fagerlie and unanimously carried. There will be some related changes to the rate schedules for large power and industrial customers but they will have to be addressed at a rate hearing. Commissioner Kroupa requested that a rate hearing be scheduled for the May Commissioners' Meeting to address them.
4. District employees have been asked for ideas on cutting costs.

Conservation:

1. Superintendent John Glenewinkel has not been in touch with Manager Friederichs regarding the possible use of conservation funds for the school remodel. If the school is not going to use it, Manager Friederichs would recommend doing a lateral transfer to another utility.

The commissioners presented information from meetings they attended since the last Board Meeting. Commissioner Fagerlie participated in a three-day WPUDA meeting by phone in order to save travel costs. Energy Northwest has requested a resolution showing the District's support of

the Columbia Basin Generating Station. Commissioner Fagerlie would like to include the northwest's hydro systems in the proposed resolution. Treasurer Allen will draft a resolution for the Board to review at the next meeting.

A recess was called at 11:22 a.m. for 20 minutes. The meeting reconvened at 11:38 a.m.

The Board went into Executive Session to review the performance of an employee as allowed under RCW 42.30.110(1) (g) at 11:38 a.m. until noon. The Board returned to Regular Session at 12:00 p.m.

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

The Board extended the Executive Session for another 15 minutes, returning to regular session at 1:17 p.m.

The Treasurer's Report was presented by Pam Allen:

1. Operating Funds available as of March 10, 2017 were \$2,564,016.72 with restricted funds of \$3,032,403.17. There were 8 outages in the month of March, for a year-to-date total of 20 compared to 31 for the same period in 2016. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.
2. Washington Federal has sent Treasurer Allen an account analysis showing that their monthly fees would be half of what the District currently pays US Bank. Treasurer Allen will investigate this further and report back to the Board.
3. Treasurer Allen provided the Board with a report showing the late fees that would have been assessed to residential customers last month if the District had a policy to add a charge for late payments. Commissioner Kroupa would like to put this on the agenda to discuss at the May meeting.

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. Auditor Nush presented a correction to the February voucher/warrant approval list to add Electronic Fund Transfer 447 in the amount of \$22,676.64. This was erroneously omitted last month. This correction, and Warrants Number 14721 through 14781, direct payroll deposits number 903724 through 903762, and Electronic Fund Transfers number 454 through 457, in the total amount of \$659,298.79 were approved by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin and unanimously carried.

With no further business to discuss, the meeting adjourned at 2:55 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager