

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
April 18, 2016

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

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

Visitors: None.

The minutes of the March meeting were approved by a motion made by Commissioner Kroupa 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 transformer that is being rebuilt should be back this week. It will be put back in service at the Keller Substation during the scheduled June 5th Bonneville Power outage.
2. A Tree Trimming Analysis was presented to the Board, comparing the cost and quality of using contractors versus employees for tree trimming in the District. Overall, the employee crew is doing better in both regards, although some statistics are not available to compare. Some complaints were received about the contractors but these were not logged. A system has now been put in place to track complaints that are received by the Utility.
3. Engineer/Superintendent VanSlyke would like to institute a program where the District could provide a customer with a certificate for obtaining a replacement tree when they were unhappy with one having to be removed. A discussion followed about the use of public funds. Attorney Graham will investigate further.

Mr. VanSlyke was thanked for his time and he exited the meeting at 9:38 a.m.

There was no scheduled executive session.

The Attorney's Report was presented by Steve Graham.

4. Auditor Nush asked whether travel arrangements and meeting/seminar costs can be paid prior to the month in which they occur. Her concern is whether they are considered pre-payments and are not allowed as the services have not yet been received. Attorney Graham will research the issue.
5. A customer has stopped making payments on his loan for extending power to his property. Given the low value of his property, and his debts for taxes and mortgage, Attorney Graham suggested that instead of foreclosing on the loan, that the District send his debt to a collection agency. The Board directed Treasurer Allen to do so.

A fifteen minute recess was called at 10:04 a.m. with the meeting reconvening at 10:19 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. Manager Friederichs and each of the commissioners received a letter soliciting legal services. A discussion followed regarding contracting for professional services.
2. A letter was received from the Washington State Auditor's Office informing the District that they have lowered the rates charged for their travel time. The Utility will receive either a credit or a refund for travel charges during the recent audit.

Meetings:

1. Commissioners Fagerlie and Aubertin will attend the annual conference of the Northwest Public Power Association in Tulalip, Washington in May. Commissioner Fagerlie will also attend a TEDD meeting in Colville next week.
2. Manager Friederichs will attend the WPUA Managers Committee Meeting that will be held in Spokane in May.
3. Commissioner Kroupa will go to Portland in May to attend the quarterly NRU and PPC meetings.

General Business:

1. A discussion was held about the Load Growth Opt Out proposal with BPA and its possible impacts on the District. With all the changes that may happen with other utilities and the power market, it is difficult to predict how this Utility will be affected.
2. Auditor Nush distributed copies of the audited financial statements.
3. The Ferry County Conservation Fair was held last week. Ed Forsman manned the booth for the PUD.
4. Following last month's discussion about providing the Commissioners with electronic tablets, Manager Friederichs' research found a Samsung Galaxy tablet that he believes would work best. Auditor Nush will check the budget to see if funds are available.
5. Auditor Nush presented the Board with options for increasing the District's insurance coverage. After the forest fires throughout Washington last year, rates are high and increased coverage may be impossible to obtain in the future. The Board directed Auditor Nush to increase the District's umbrella coverage.

6. Wage and Salary Administration Schedule Number 33-16 was presented to the Board. As the matter was previously approved, Board President Fagerlie signed the document.
7. Resolutions as follow were presented, unanimously adopted by a motion made by Commissioner Kroupa and seconded by Commissioner Aubertin:
 - Resolution 16-01 "A Resolution Regarding the Collection of a State-Levied Carbon Tax"
 - Resolution 16-02 "A Resolution Updating the Alternate Bid Procedures"

Manager Friederichs left the meeting at 11:36 a.m. and returned at 11:38 a.m.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph g at 11:47 a.m. for fifteen minutes for the purpose of discussing a personnel matter. Auditor Nush and Treasurer Allen exited the meeting, returning at 12:00 p.m. when the Board returned to Regular Session. The Board recessed for lunch at this time, and reconvened at 01:00 p.m.

Commissioners:

Commissioner Kroupa:

1. Attended no outside meetings.

Commissioner Aubertin:

1. Attended no outside meetings.

Commissioner Fagerlie:

1. Attended the April WPUDA meeting and presented information.

The Treasurer's Report was presented by Pam Allen:

1. Operating Funds available as of April 10, 2016 were \$2,109,805.42 with restricted funds of \$2,948,536.36. There were thirteen outages in the month of March for a year-to-date total of 31 compared to 42 for the same period in 2015. 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. Warrants Number 13631 through 13710, direct payroll deposits number 903247 through 903285, and Electronic Fund Transfers number 394 through 396, plus 398, in the total amount of \$695,092.90 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried.

With nothing further to come before the Board, the meeting adjourned at 1:53 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager