

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
June 15, 2015

The regular meeting of the Board of Commissioners was called to order by President Dan Fagerlie at 9:05 a.m. Present were Commissioners Fagerlie, Doug Aubertin and Chris Kroupa who joined the meeting at 9:10 a.m., Manager John Friederichs, Attorney Steve Graham who joined the meeting at 9:07 a.m., Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke and Treasurer Jayne Jurgensen.

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

Visitors: Sarah Wilson

The meeting was turned to Ms. Wilson, spokesperson for the Grasshopper Festival. Ms. Wilson provided information about the upcoming first annual event. A sponsorship of the event was requested and a motion to sponsor in the amount of \$100 was made by Commissioner Aubertin. The motion was seconded by Commissioner Kroupa and unanimously carried. The Board was thanked for their time and Ms. Wilson exited the meeting at 9:38 a.m.

The minutes of the May meeting were approved by a motion which was made by Commissioner Kroupa seconded by Commissioner Aubertin and unanimously carried.

There were no additional public comments.

Reports:

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

1. The crew has been working on new line construction, system maintenance and pole testing is underway. Several outages were caused by lightning. A transformer bank was damaged by lightning which caused issues for an irrigation customer.
2. The tree trimming crew is doing a very good job. They have taken a personal interest in their jobs and have a much better attitude than contractors.
3. The Job Corps substation transformer repairs have been completed and is now back on line. The load has been removed from the Curlew Substation.
4. The repairs necessary to the transformer replaced in the Keller Substation are more costly than anticipated. It is possible that the unit will be sent out for diagnosis and repairs.
5. A small fire was started from the wind blowing a tree through the power line. Quick response from the Utility and the fire department kept the fire small.
6. Pole replacement work is being done on the Old Kettle Falls Road. The pole inventory has been exhausted and this project has been temporarily stopped pending delivery of a pole order.

Mr. VanSlyke exited the meeting at 9:52 a.m.

Commissioner Fagerlie exited the meeting at 10:02 a.m. returning at 10:03 a.m.

Marilee Kuehne joined the meeting at 10:02 a.m.

The Attorney's Report was presented by Attorney Graham:

1. Attended the WPUA Attorney's training held at Chelan. A very informative presentation was made by the Attorney representing Okanogan County P.U.D. regarding the easement lawsuit between the Utility and State of Washington. The Utility was successful in the case.

At 10:08 a.m. a telephone exit conference with the Washington State Auditor's Office was held for the assets based audit performed on behalf of the Washington State Department of Retirement Systems. The purpose of the audit was to determine if the Utility, for the period July 1, 2012 through June 30, 2013, was accurately reporting, for payroll purposes, wages and retirement contributions. No issues were identified during the audit and the costs will be paid by the Department of Retirement Systems. The Utility was thanked for working with the audit team. The call terminated at 10:18 a.m. Marilee Kuehne exited the meeting at 10:21 a.m.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph i at 10:21 a.m. for ten minutes for the purpose of discussing a potential litigation. The Board returned to Regular Session at 10:31 a.m. The Board returned to Executive Session for an additional five minutes. The Board returned to regular session at 10:36 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. Information regarding the Grasshopper Festival was briefly presented.

Meetings:

1. Commissioner Fagerlie is scheduled to attend the July WPUA meeting to be held at Suquamish.
2. A WPUA Manager's Meeting will be held in the Tri Cities October 28 and 29 with the Energy Northwest Member Forum to be held October 29.
3. Commissioner Kroupa advised that he will attend the August NRU and PPC meetings in Portland.

General Business:

1. The annual B.P.A. outage has been scheduled for July 19 from noon until approximately 8:00 p.m. A picnic will again be provided in the Republic City Park from noon until 3:00 p.m.
2. An Action Plan, developed by WPUA and Grant P.U.D., regarding unit pricing contracts was presented. The State is requiring that each contract be a job-specific bid rather than per hour which is resulting in contractors not bidding on work.

3. A letter has been sent to IBEW Local 77 representative Steve Hendrickson regarding the creation of District positions for a tree trimming crew. Unfortunately, at this time, the Union is standing in the way of the Utility's ability to create local jobs.
4. The One-Call or "Call Before You Dig" program results in the Utility receiving notification of proposed digging via fax. The May billing showed 107 faxed notifications for a total of \$164.78. A significant number of the notifications dealt with the State's placement of new road signs. The program requires the Utility to identify the site and also to determine if there are electric facilities at the site.
5. The Utility has heard nothing further from NoaNet regarding their interest in expanding into the Curlew area.
6. Frontier Communications has yet to respond to the January letter regarding payment for work on their lines in early 2014. The crew has been advised that, in the event, they are called out and the issue is related to Frontier Communications, they are to notify the Sheriff's office and are to do nothing to repair the issue. Board President Fagerlie stated that he would contact the Frontier representative regarding the unpaid billing.

A recess was called at 10:56 a.m. with the meeting reconvening at 11:16 a.m..

Commissioners:

Commissioner Aubertin:

1. Attended no outside meetings.
2. An advertisement was placed in the Tribal Tribune to notify people of a planned B.P.A. outage in 2016.

Commissioner Kroupa:

1. Attended no outside meetings.

Commissioner Fagerlie:

1. Attended a TEDD meeting. Information from the meeting was presented.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of June 9, 2015 were \$2,829,129.30 with restricted funds of \$2,081,290.88. There were seventeen outages in the month of May for a year-to-date total of sixty-eight compared to forty-one for the same period in 2014. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.
2. A summary of energy assistance payments for the period June 1, 2014 through May 31, 2015 was reviewed.
3. The Board was asked to begin looking for photographs which could be used on the 2016 calendar.
4. The Annual WPUDA Meeting will be held at SeaTac. Commissioner Fagerlie advised that he will attend.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 12676 through 12755 direct payroll deposits numbers 902843 through 902880, Electronic Fund Transfer numbers 342 through 344 in the total amount of \$757,657.59 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried.
2. The Financial and Statistical Report was reviewed by the Board with questions answered.
3. The District is looking into the upgrade of the SEDC computer server to a newer Linux based system.

Manager Friederichs reported that he has been in contact with the Kinross General Manager and has discussed the matter of the 115kv line which serves the Cooke Mountain Mill site reverting to Utility ownership in the event the Mill does stop operating.

With nothing further to come before the Board, the meeting adjourned at 1:30 p.m.

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

President

ATTEST:

Vice-President

Secretary

APPROVED:

Manager