

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
July 20, 2015

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 Jayne Jurgensen.

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

Visitors: None

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

Reports:

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

1. A brief discussion was held regarding arresters on the Kroupa Road line. All appear to be functioning correctly. It was explained that an arrester doesn't always arrest the entire load of a lightning strike.
2. The Bonneville Outage on July 19 went really well. Our crew was able to accomplish the work that was planned for that day. They worked on various projects throughout the service area. The power was restored approximately ten minutes later than planned due to a delay with Avista. The Buckhorn Mine did not come on at the end of the Outage and a crewman was needed to reconnect the service.
3. A Bonneville Outage has been scheduled for the Keller area on July 29, 2015 from 6:00 p.m. until 11:00 p.m. to allow for needed repairs. Information has been posted in the area.
4. A proposal to update the types of outdoor lighting offered to customers was presented and discussed. Additional information will be developed and presented for further Board consideration.

Mr. VanSlyke exited the meeting at 9:36 a.m.

Manager Friederichs presented a customer's request to allow payments to be made on an account that was disconnected for non-payment. The customer wanted to have the power reconnected before all payments were made. The Board was in concurrence that the situation did not warrant deviation from established procedures.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph i at 9:45 a.m. for thirty minutes for the purpose of discussing a pending and potential litigation. The Board returned to Regular Session at 10:15 a.m.

Attorney Graham had no additional report to present.

The meeting recessed at 10:16 a.m. reconvening at 10:31 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. Steve Hendrickson, IBEW Local 77 representative, will meet with District personnel on July 30 to discuss the proposed tree trimming positions.

General Business:

1. Information was presented the On-line Utility Exchange. This is a program that will allow the Utility to determine a new customers security deposit based on their credit worthiness. The Board was in agreement that the Utility could move forward on this program.
2. OSHA rules, as they relate to utility work, differ from the WAC developed by the State. Washington is one of the only states that has not adopted the OSHA rules and Inland Power has taken the lead in an effort to have the OSHA rules adopted. The Utility has provided a letter of support in this endeavor.
3. Two recently passed House Bills may have an impact on the Utility. One deals with the disclosure of a customer's energy use and the other deals with the protection of consumer financial information. The WPUDA is developing guidelines for direction.
4. A motion was passed to allow Manager Friederichs to provide a letter of support to Klickitat P.U.D. in their legal case with the Department of Natural Resources.

Meetings:

1. Manager Friederichs will attend the October WPUDA Manager's Meeting.
2. Commissioner Fagerlie will attend the September WPUDA meeting.
3. Commissioner Kroupa will attend the NRU and PPC meetings in early August.
4. Commissioner Aubertin will attend the Energy Northwest meeting later in the week.

B.P.A.'s Record of Decision is to become available later in the week. This will provide information on the possible rate increase.

Additional Correspondence:

2. Once again the Utility is supporting the upcoming Ferry County Fair in the amount of \$300.00.
3. A letter from received from a customer disputing the connect fee for a second line extension was presented. The Board was in concurrence that the customer is responsible for the connect fee.
4. Resolution 15-02 "A Resolution to Renew a License for Use of Government-Owned Land" was

adopted by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried. This will allow Manager Friederichs to complete a renewal application for the Lease with the Bureau of Reclamation for the Jones Bay Repeater site located in Lincoln County and to enter into the Lease.

The Conservation Report was presented by Manager Friederichs:

1. Bonneville Power provided payment to the Utility in excess of \$5,000 for the administration of the Smart Surge Suppressor distribution program.

Commissioners:

Commissioner Aubertin:

1. Will attend the Energy Northwest meeting later in the week.

Commissioner Kroupa:

1. Will attend the NRU and PPC meetings in Portland in early August.

Commissioner Fagerlie:

1. Attended the July WPUDA meeting. An overview of the meeting was presented. The Bonneville Power payment tax exemption status ended July 1. B.P.A. may restructure the payment process so that payments made to utilities would be tax-exempt.
2. Spoke to the Frontier Communications representative regarding the unpaid billing of March of 2014 and questioned whether Frontier wanted the Utility to respond, and make temporary repair, to down Frontier lines. Frontier is interested in the Utility responding in emergency or call-out situations as in the past. The rep also indicated that the unpaid billing from March of 2014 would be processed.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of July 10, 2015 were \$2,970,251.14 with restricted funds of \$2,059,786.76. There were twenty-seven outages in the month of June for a year-to-date total of Ninety-five compared to fifty-seven for the same period in 2014. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.

The meeting recessed at 11:52 a.m. for lunch, reconvening at 1:01 p.m.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 12756 through 12884 direct payroll deposits numbers 902881 through 902921, Electronic Fund Transfer numbers 345 through 351 in the total amount of \$599,719.52 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 2016 Budget time line was presented.

With nothing further to come before the Board, the meeting adjourned at 1:52 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager