

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
August 15, 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 Dan Fagerlie, Chris Kroupa and Doug Aubertin, Attorney Steve Graham, Manager John Friederichs, Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke, Treasurer Pam Allen, Deputy Treasurer Kammers, and Warehouseman/Mechanic Mike Brown.

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

Visitors: Ferry County Commissioner Nathan Davis, Will Gieri, legal intern with the Law Office of Steve Graham

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

Commissioner Davis informed the group of some of the topics discussed at the recent meeting with Representative Cathy McMorris Rogers, including BPA access to danger trees along their Sherman Pass transmission lines. The Board thanked Commissioner Davis for his time and he left the meeting at 9:15 a.m.

Manager Friederichs exited the meeting at 9:15 a.m. and returned at 9:17 a.m.

Reports:

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

1. Regulators at the Job Corps substation have been inspected and one was found to have an internal failure and be unrepairable. A new regulator has been ordered and will take 12 to 13 weeks to be delivered. District insurance will cover the cost. The regulators ordered for the Strassburg substation will be here in September and should be installed by mid-month.
2. No response has been received from Verizon yet on the backup generator failure for the dispatch system. The District may install an automatic start propane generator at the site to ensure backup coverage. The lease with Verizon does not specifically require them to provide and maintain the backup generator, although they verbally agreed to it. Commissioner Fagerlie asked if the site has been maintained for a defensible fire space. Mr. VanSlyke will follow up and ensure that it is being taken care of.
3. Mr. VanSlyke asked the Board for guidance regarding small projects done for public goodwill with other local agencies, such as the sheriff's office or the City of Republic. After some discussion, the Board directed Manager Friederichs to use his best judgment and to bring any assistance requests that he is uncomfortable with to the Board.
4. The lift cables on the tree-trimming truck will expire next year. Altec will not replace them so the truck will effectively be red-tagged. The truck was purchased used and receives heavy use. A discussion followed about the need for a new truck and whether the Utility would be best served by purchasing or leasing a new truck. Mr. Brown is investigating both options and will report back. Having an in-house tree-trimming crew has been a big improvement over the contractors who were used in the past.
5. Commissioner Fagerlie asked if the line crew will be working four ten-hour shifts this winter. Mr. VanSlyke replied that that crew will go back to working five eight-hour shifts.

Mr. VanSlyke and Mr. Brown were thanked for their time and exited the meeting at 9:55 a.m.

The Attorney's Report was presented by Steve Graham:

1. Attorney Graham was contacted by a lawyer from another PUD about a website that will process utility payments for customers but also charges a fee. The site's appearance confuses some customers who believe it is the actual PUD website. While they do make the payment for the customer, it may be received by the District at a date later than the customer realizes and may put the customer in arrears. Manager Friederichs will address the issue in the Monthly View.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph i at 10:09 a.m. for twenty minutes for the purpose of discussing pending litigation. The Board returned to Regular Session at 10:41 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. Requests were received asking the Utility to sponsor a pole top rescue competition for linemen, and Connections' Women Making a Difference Program. The requests were declined as PUD funds cannot be used for those purposes.

Meetings:

1. Kinross staff met with District personnel to discuss their current operating plan.
2. Commissioner Kroupa and Manager Friederichs attended a meeting at Pend Oreille PUD and also attended NRU and PPC meetings in Portland in August. The Utility's contract with Bonneville Power was discussed.
3. Commissioner Fagerlie will be attending the September WPUDA meeting in Goldendale.

General Business:

1. A drawing was held for the District's entry to the WPUDA Walkley scholarship. The Walkley Educational Scholarship is awarded annually to a high school student who is the

son or daughter of a PUD employee in Washington. Michelle VanSlyke's name was drawn and she will be entered in the drawing along with candidates from other WPUDA members.

2. Copies of a draft customer data privacy policy were distributed for review.
3. After discussing the District's contract with Bonneville Power, Commissioner Kroupa made a motion to authorize Manager Friederichs to write a letter to BPA to opt out of Tier 2 Load Growth. The motion was seconded by Commissioner Aubertin and unanimously carried.
4. Manager Friederichs distributed copies of the latest Washington PUD wage survey to the commissioners.

The meeting recessed at 11:31 a.m. and reconvened at 11:35 a.m.

Conservation:

1. Manager Friederichs is still waiting to hear from AMERSCO about the possible lighting project.
2. The car charging station has arrived and District staff will install it. Manger Friederichs has information on used chargers that may be available for local motels to install for their customers.

Commissioners:

Commissioner Aubertin:

1. Attended the Energy Northwest meeting. A brief summary was presented.

Commissioner Aubertin exited the meeting at 12:08 p.m. The Board recessed for lunch at this time, reconvening at 1:00 p.m.

Commissioner Kroupa:

1. No further items to report from his Portland meeting beyond what was already discussed about Bonneville Power.

Commissioner Fagerlie:

1. Attended the TEDD meeting in Colville. The tri-county area has free access to the Microsoft Imagine Academy. Brochures for it were distributed, along with a brochure about eBooks and audio books that can be borrowed from the Stevens County Library.

Deputy Treasurer Kammers re-joined the meeting at 1:08 p.m.

The Treasurer's Report was presented by Pam Allen:

1. Operating Funds available as of August 9, 2016 were \$2,075,924.01 with restricted funds of \$2,975,748.36. There were 16 outages in the month of July for a year-to-date total of 95 compared to 122 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 14004 through 14099, direct payroll deposits number 903405 through 903444, and Electronic Fund Transfers number 413 through 416, in the total amount of \$564,421.60 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Fagerlie and unanimously carried.
2. Auditor Nush presented some preliminary budget information. The uncertain timing of the Kinross closure presents problems in budgeting for 2017 as their closure will cause a significant reduction of revenue and a budget shortfall. A discussion followed about the possible need to do a budget adjustment when Kinross operations close. Commissioner Fagerlie suggested that a rate increase might be needed at that time to cover costs. Commissioner Kroupa said that he would not support a rate increase but would prefer to cut expenditures as much as possible and use existing PUD funds to cover any shortfalls. The Commissioners asked the Treasurer to provide a schedule showing the District's investments for the next meeting.
3. Auditor Nush distributed copies of the new written Petty Cash policy for the Board to review.

With nothing further to come before the Board, the meeting adjourned at 2:15 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED: _____

Manager