

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
September 19, 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, and Treasurer Pam Allen.

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

Visitors: None.

The minutes of the August 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 regulators ordered for the Strassburg substation have not been received yet but should be here soon.
2. The crew performed temporary repairs at the Mt. Tolman transformer platform. They will be going back to make permanent repairs and to remove a transformer that is no longer used.
3. The replacement regulator for the Curlew Job Corps substation will not be here until December.
4. District personnel met with the Border Patrol about a new fence that the Border Patrol is installing that will fence off the Curlew substation. As proposed, District access to the substation would be difficult, and potentially unsafe, during the winter.
5. The crew will begin a system inspection, including meter verification. The current pole testing program has resulted in a reject rate of 2%. With poles in good shape, focus will now be on the rest of the system. The crew will still address any obvious signs of pole problems while they are inspecting the rest of the system.

Mr. VanSlyke was thanked for his time and exited the meeting at 9:25 a.m.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph i at 9:25 a.m. for fifteen minutes for the purpose of discussing pending litigation. The Board returned to Regular Session at 9:40 a.m.

The Attorney's Report was presented by Steve Graham:

1. Attorney Graham discussed the District's budget billing program and state requirements.

A fifteen minutes recess was called at 9:52 a.m. with the meeting reconvening at 10:13 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. TEDD sent a letter asking the District to renew its membership next year.
2. Commissioner Aubertin and Manager Friederichs received an invitation to attend the annual meeting of the Nespalem Valley Electric Cooperative in October.
3. The motorcycle rally held in July used the Ferry County logo on its advertising instead of the Ferry County PUD logo. Attorney Graham suggested that a letter be sent to the organization requesting credit for advertising at next year's rally since they did not provide the advertising that the District paid for this year.
4. BPA sent notice of the right-of-way management work that they will be performing.
5. The District received an invitation to the Buckhorn Mine appreciation tour and lunch on September 24th.

Meetings:

1. Commissioners Fagerlie and Aubertin will be attending the Energy Northwest Public Power Forum in October.
2. Manager Friederichs will be attending a WPUA managers meeting in Kennewick.
3. Treasurer Allen will be attending the WPUA customer service group meeting in Leavenworth.
4. Serviceman Baldwin will be attending regulator repair school in Portland in November.

The Board went into Executive Session as per RCW 42.30.140(4) at 10:40 a.m. for ten minutes to strategize union negotiations. The Board returned to regular session at 10:51 a.m.

General Business:

1. Manager Friederichs sent a letter to BPA to opt out of Tier 2 Load Growth. A discussion followed regarding the current contract with Kinross for their millsite and the need to create a new industrial rate for them when the mill is not operating.
2. The Washington Carbon Emission Tax Initiative 732 was discussed. If passed, a separate line item will be shown on customers' bills with the cost, which is currently estimated between \$2 and \$6.75 per month per meter in the first year. Peak cost may reach \$15.50 per month.
3. Resolution 16-06 Protecting Customers Data was unanimously approved by the board.

The Board recessed for lunch at 12:07 p.m., reconvening at 1:00 p.m.

Conservation:

- 1. Mechanic Brown is making a mounting plate for the new car charging station. The station should be tested and available for use soon.

Commissioners:

Commissioner Kroupa:

- 1. No items to report.

Commissioner Aubertin:

- 1. No items to report.

Commissioner Fagerlie:

- 1. Attended a WPUDA meeting and informed the Board of the various topics that were discussed.

The Treasurer's Report was presented by Pam Allen:

- 1. Operating Funds available as of September 10, 2016 were \$2,055,146.07 with restricted funds of \$2,975,748.36. There were 11 outages in the month of August for a year-to-date total of 106 compared to 152 for the same period in 2015. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed. The District's investments were discussed.

The Auditor's Report was presented by Sue Nush:

- 1. The voucher listing was reviewed with the Board and questions answered. Warrants Number 14100 through 14205, direct payroll deposits number 903445 through 903485, and Electronic Fund Transfers number 417 through 421 and 423, in the total amount of \$598,250.54 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried.
- 2. Auditor Nush presented preliminary budget information. A budget hearing will be held during the regular commissioners' meeting on October 17th.

Commissioner Kroupa left the meeting at 2:12 p.m., returning at 2:14 p.m.

Commissioner Aubertin left the meeting at 2:14 p.m., returning at 2:16 p.m.

- 2. Discussion continued on the 2017 budget. The proposed budget will be posted on the District's website and copies will be made available in the office for review.

Manager Friederichs will let the Board know when the new car charging station is finished. A representative from Plug-In North Central Washington will bring a Tesla here to test it.

With nothing further to come before the Board, the meeting adjourned at 2:42 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager