

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
November 21, 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 Kroupa.

There were no visitors.

The minutes of the October 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 crew continues to do maintenance work and pole replacement.
2. The regulator for the Job Corps Substation will not ship until January. The cost will be covered by insurance so the delay will not impact the proposed 2017 budget.
3. A PUD generator has been installed as backup for the radio repeater.
4. The fence near the new car charging station has been repaired. The solar panels are generating more power than has been used for car charging.
5. Commissioner Kroupa informed Engineer/Superintendent VanSlyke that an old pole near the Curlew library was knocked down during the road work done for the Curlew Sewer Project. Engineer/Superintendent VanSlyke will investigate whether or not it is a PUD or a telephone pole.

Mr. VanSlyke was thanked for his time and exited the meeting at 9:16 a.m.

The Attorney's Report was presented by Steve Graham:

1. Due to the new Washington customer privacy laws, a contract addendum has been sent out to District contractors who have access to customer information. One contractor, Digital Documents, has concerns about the wording of the addendum. Manager Friederichs will meet with them to discuss their issues.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A copy of Governor Inslee's proclamation of Nuclear Science Week was received.
2. The Republic Chamber of Commerce has requested that the Utility offer a gift certificate for their Hometown Holiday event. As in prior years, the District will provide a gift basket as it cannot legally offer a gift certificate.

Meetings:

1. Manager Friederichs attended the WPUDA Managers Meeting and presented information from it, including how some utilities are handling new large load customers, and that the Utility can provide customers with fuel mix information provided by BPA instead of the State Dept of Commerce.

A twenty minute recess was called at 9:52 a.m. with the meeting reconvening at 10:10 a.m.

2. Commissioner Fagerlie will attend the annual WPUDA conference in Vancouver.

General Business:

1. Changes will be made to the preliminary budget to reflect the failure of the Carbon Tax Initiative.
2. The down payment was made to order the new tree-trimming truck.
3. The District will have a new account executive with BPA.
4. Resolution 16-08 "A Resolution to Write-off Uncollectible Accounts" was presented and adopted by a motion made by Commissioner Kroupa. The motion was seconded by Commissioner Aubertin and unanimously carried.

A discussion followed as to whether the District's winter moratorium applies to residential customers only, or if it includes commercial customers as well. Attorney Graham will investigate further.

Conservation:

1. No conservation report was given.

The commissioners presented information from meetings they attended since the last Board Meeting.

The Treasurer's Report was presented by Pam Allen:

1. Operating Funds available as of November 10, 2016 were \$2,102,982.59 with restricted funds of \$2,999,724.62. There were 9 outages in the month of October for a year-to-date total of 123 compared to 173 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 14292 through 14393, direct payroll deposits number 903527 through 903567, and Electronic Fund Transfers number 427 through 433 and CA001, in the total amount of \$671,096.76 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried.

The Board recessed for lunch at 11:56 a.m. and reconvened at 1:00 p.m.

The Auditor's Report continued, with Auditor Nush presenting the remaining reports to the Board.

The preliminary 2017 budget was discussed. Auditor Nush made minor changes to assumptions used on yard and street lights. Capital has also been adjusted to reflect the down payment in 2016 on the tree-trimming truck. A discussion followed on what programs could be reasonably cut from the budget and still maintain the integrity of the system. Discontinuing maintenance programs in the short-term will cause future problems. The proposed budget will require existing G&O Funds to cover all of the expenditures. This is not a long-term solution. The effect of the Kinross closure will be clearer by mid-2017. BPA is indicating that their power costs will rise by 4% in October. Rates may need to be raised beyond that to make up for the shortfall when Kinross stops operating.

With no further business to discuss, the meeting adjourned at 1:48 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager