

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
December 21, 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 and Chris Kroupa, Manager John Friederichs, Attorney Steve Graham, Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke, Treasurer Jayne Jurgensen and Deputy Treasurer Pam Allen. Commissioner Doug Aubertin joined the meeting at 9:28 a.m.

All stood for the Flag Salute which was led by Mr. VanSlyke.

Visitors:

Public Comments: Commissioner Fagerlie reported that he had received a telephone call from a concerned consumer regarding the attitude of an individual answering the telephone during the recent B.P.A. outage on December 6. Upon following-up with Manager Friederichs, he learned that the consumer was speaking with a Sheriff's Office Dispatcher and not the District Office. Commissioner Kroupa added that he had also received similar complaints. The individual was presenting themselves as a P.U.D. employee.

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

Reports:

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

1. The High Cost line extension project has been completed. This has allowed power to two homes at a distance of approximately one-half mile.
2. Price proposals have been obtained for the repair of the Kuehne Substation transformer. The lowest bid has been accepted approximately \$22,000.00 plus tax. The highest bid was \$90,000.00. Another bid was received at \$35,000.00. A new transformer of this size would cost approximately \$150,000.00.
3. Worked with the State Auditors in their review of the Utility's small works, bidding and vendor list processes. Some changes were recommended and have been implemented. Additional information will be presented at the Auditor's Exit Conference.

Commissioner Aubertin joined the meeting at 9:28 a.m.

4. The second tree trimming position has been filled by Drew Windsor. Mr. Windsor is to begin work after the first of the year. Priority areas are being identified with the focus on dead & dying trees.
5. The line crew has begun maintenance work and pole replacement. They will also begin reconditioning regulators.
6. The crew is still working a 4-10 schedule. The productivity remains high and there have been no issues with the schedule.
7. Information is being gathered on an armored cable that can be bolted to the ground in rocky locations. This could eliminate the need for blasting for electrical service.

Mr. VanSlyke was thanked for this time and he exited the meeting at 9:41 a.m.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph i at 9:41 a.m. for ten minutes for the purpose of discussing pending litigation. The Board returned to Regular Session at 9:51 a.m.

The Attorney's Report was presented by Attorney Graham:

1. Reviewed the Standing Order Agreement Application for landlords. The Agreement allows the Utility to connect a rental property into the landlords name when a tenant leaves without further contact to the landlord. Determined to be a good program and allows the Utility to avoid the nuisance of attempting to contact landlords.

A recess was called at 10:00 a.m. with the meeting reconvening at 10:15 a.m.

Resolution 15-14 "A Resolution of Appreciation" was adopted and presented to District Treasurer Jayne Jurgensen thanking her for her time at the Utility. Mrs. Jurgensen will be retiring January 1, 2016. Refreshments were enjoyed by District personnel.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A letter has been received from Stonerose requesting utility poles and installation for new signing. Attorney Graham advised that this was not legally possible for the Utility but perhaps a loan through the Revolving Loan program could help.

Meetings:

1. Commissioner Kroupa and Manager Friederichs will attend the WPUDA Legislative meeting in January. Commissioner Fagerlie will also attend this meeting as well as the regular WPUDA meeting scheduled for the same time period.
2. Commissioner Aubertin reported that the next Energy Northwest meeting will be held in

- Olympia. He will not be attending this meeting.
3. The B.P.A. Conservation Program was a matter of Manager discussion. We are not the only utility that is having difficulty finding ways to utilize the program. The management group felt that it would be more advantageous if B.P.A. dropped the program and allowed utilities to fund their own conservation programs that could be customized to fit the utility.

The Conservation Report was presented by Manager Friederichs:

1. Possibilities for changing City lighting to LEDs is being explored. Information was obtained from a company that already works with Northwest Edison.

General Business:

1. Information has been received from Energy Northwest regarding their peak shaving. This may not be an option for our Utility. Voltage reduction on the long radial feeders could cause significant issues.
2. The December 6 Bonneville Outage was discussed at length. B.P.A. has been trying to work with the Forest Service to obtain a wider right-of-way and to remove dead and dying trees along the line. The Ferry County Commissioners have also passed a resolution encouraging B.P.A. and the Forest Service to work together as issues with the line create public safety issues. Have spoken with Terry Lawhead at the State Commerce Office and was able to speak with a person on the Governor's Natural Resource Committee. The Committee is looking for a project to help local communities respond to and prepare for emergencies on their own rather than having to rely on others. They have been looking for a good mitigation project that would qualify and the B.P.A. Line over Sherman may meet the requirements. A complaint was also filed with NERC as the B.P.A. system reliability and length of outage violate reliability standards. County Commissioner Nathan Davis had the opportunity to take pictures of the right-of-way with a drone. Some of the pictures were presented at the meeting. Apparently more than one event caused the lengthy outage but a tree falling on the line was a part of the problems. Manager Friederichs and Superintendent VanSlyke have developed a District plan to better respond to outages related to the B.P.A. line. In the future, District personnel will begin patrolling the line to identify the problem. The crew will also work directly with the B.P.A. dispatcher in such a situation. Our crew will not be able to repair any broken line as the District does not have the appropriate equipment or qualifications.
3. The possibility of the Utility purchasing a drone to be used during outages was also discussed.
4. A purchasing manual for processes and procedures will be developed.
5. Resolutions as followed were presented, unanimously adopted by a motion made by Commissioner Kroupa and seconded by Commissioner Aubertin:
Resolution 15-06 "Appointment of Treasurer"
Resolution 15-07 "A Resolution Authorizing Investment of P.U.D. #1 of Ferry County Monies in the Local Government Investment Pool"
Resolution 15-08 "A Resolution Authorizing Agents to Act for the Revolving Loan/Grant Fund"
Resolution 15-09 "A Resolution Authorizing the Establishing of a Special Checking Account"
Resolution 15-10 "A Resolution Authorizing Agents for Night Depository Agreement"
Resolution 15-11 "A Resolution Establishing Retail Rates"
Resolution 15-13 "A Resolution to Support the Efforts of Ferry County to Enhance and Protect the Health and Safety of the Residents of Ferry County"

Auditor Nush presented information on proposed changes to the Preliminary 2016 Budget.

The meeting recessed at 12:07 p.m. for lunch reconvening at 1:01 p.m.

Auditor Nush continued her presentation of the proposed preliminary budget changes.

A motion was made by Commissioner Kroupa to adopt Resolution 15-12 "A Resolution Authorizing Adoption of Budget for 2016". The motion was seconded by Commissioner Aubertin with discussion following. The possibility of the next rate hearing being held during a regular Board Meeting was discussed as the attendance at the evening meetings has not increased significantly. With no further discussion, the motion was unanimously carried.

Commissioners:

Commissioner Kroupa:

1. Attended no outside meetings.

Commissioner Aubertin:

1. Attended no outside meetings.

Commissioner Fagerlie:

1. Attended the December WPUDA meeting and presented information. An attempt will be made again to obtain authority for utilities to retail telecommunication. The DNR issues were presented at the Energy Committee meeting. Various legislative bills will be monitored due to their impact on utilities. Changes to the reporting information for fuel mix are proposed. Commissioner protocol with respect to legislative opinions were presented. The PDC has removed elected official's personal information from it's website.

Commissioner Kroupa brought the possibility of utilities having authority to retail telecom before

the Board for further discussion. It is hoped that the bill does not require utilities, by law, to sell the communications.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of December 10, 2015 were \$1,982,428.12 with restricted funds of \$2,872,812.17. There were seven outages in the month of November for a year-to-date total of one hundred eighty compared to one-hundred ninety-three for the same period in 2014. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.

Manager Friederichs exited the meeting at 2:13 p.m. returning at 2:16 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 13260 through 13353 direct payroll deposits numbers 903090 through 903130, Electronic Fund Transfer numbers 370 and 372 through 377 in the total amount of \$667,650.98 and void warrant numbers 13343 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 upcoming State Auditor's Exit conference was discussed. All three Commissioners would like to be present and Auditor Nush was asked to schedule the conference to occur on a Board Meeting day.
4. Auditor Nush reported that Ferry County is gathering costs related to the firestorm. The Utility's expenditures can be used as a local match to help meet the expenditure requirement. A motion was made by Commissioner Kroupa to designate Board President Fagerlie, Manager Friederichs and Auditor Nush to provide matching fund values to the County for the 2015 Fire. The motion was seconded by Commissioner Aubertin and unanimously carried.

With nothing further to come before the Board, the meeting adjourned at 2:28 p.m.

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

President

ATTEST:

Vice-President

Secretary

APPROVED:

Manager