

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
November 19, 2018

The regular meeting of the Board of Commissioners was called to order by President Chris Kroupa at 9:00 a.m. Present were Commissioners Chris Kroupa, Dan Fagerlie and Doug Aubertin, Attorney Steve Graham, Manager Steve VanSlyke, Superintendent Mike Brown, Auditor Sue Nush, and Treasurer Pam Allen.

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

The draft minutes of the October meeting were reviewed. After an amendment, the minutes were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Fagerlie and unanimously carried.

Commissioner Fagerlie was contacted by a retired lineman who suggested that the District put together a list of volunteers who could help scout lines in emergencies. They would not do lineman work, but could possibly help find problem areas during outages. The District will have to investigate how to legally work with volunteers.

Reports:

The Attorney's Report was presented by Steve Graham:

1. Attorney Graham continued the discussion on solar installations currently owned by the Utility. Maintenance costs are higher than the revenue the District receives from them. After researching the situation, Attorney Graham expressed his opinion to the Board that the District can legally sell the solar systems for a nominal amount to the ratepayers who took out High Cost Loans to have the systems installed on their property, and who have fully paid those loans.

The Superintendent's Report was presented by Mike Brown:

1. The crew read meters on seasonal customers. While they were doing that, they also found some areas in need of repairs, and in need of tree removal.
2. A new line extension is being constructed on Springridge Road. Four of the poles will be installed in solid rock so the crew will be able to use the rock drilling system that was recently purchased.
3. The tree crew is working on trees that could be a problem this winter. Commissioner Fagerlie asked about loggers downing trees near the Utility's power lines. Superintendent Brown said they should consult with the District prior to taking them down.

Prior to a scheduled conference call with BPA at 10:00 a.m., Commissioner Kroupa updated the group about BPA's TC-20 and BP-20 settlement documents.

The Manager's Report was presented by Steve VanSlyke:

1. Manager VanSlyke updated the group on the proposed option and lease agreement with American Tower. Attorney Graham removed the non-compete section in the contract, as discussed at last month's meeting. With that change, Commissioner Kroupa made a motion to accept the agreement, and to authorize Manager VanSlyke to execute it. Commissioner Fagerlie seconded the motion and it carried unanimously.
2. Manager VanSlyke, Superintendent Brown, and Commissioner Aubertin attended a legislative luncheon in Colville last month. A discussion followed on the letter the District sent to the USDA Secretary regarding the need for an expanded BPA right of way on Sherman Pass. Andrew Engell, Northern Regional Representative for Congresswoman Cathy McMorris Rodgers, and the Forest Service want to meet with BPA in December for discussions, but BPA is putting off the meeting until next year.

Attorney Graham exited the meeting at 9:42 a.m.

3. Commissioner Kroupa inquired on how things are progressing with satisfying the State auditors. Manager VanSlyke said that they are looking for additional resources to help in the effort.
4. The application period for the maintenance position has ended and Manager VanSlyke and Superintendent Brown will begin interviewing the week after Thanksgiving. Superintendent Brown mentioned that he received the resignation of a lineman earlier in the day.
5. Commissioner Fagerlie asked Manager VanSlyke if he has designated someone to cover the manager's position if he is incapacitated, as per RCW 54.16.100. After further reading of the RCW, the manager, with the approval of the Board president, shall designate an acting manager in his absence or temporary disability. If this situation occurs, Manager VanSlyke will work with the Board president to fulfill the RCW.

At 10:00 a.m., a conference call was held with representatives from BPA regarding the TC-20 and BP-20 settlement documents. The Board expressed their concern that if they signed the agreements, BPA may still make changes afterwards to the documents. The Board also asked if, as a full requirements utility, there was anything in the proposed settlements that would be detrimental to the District. BPA assured them that there was not, and that future increases in transmission rates will be lower with the new agreement. After further discussion, Commissioner Aubertin made a motion to approve the settlement and to authorize Manager VanSlyke to sign the documents for the District. Commissioner Fagerlie seconded the motion and it carried unanimously.

A recess was called at 10:25 a.m. for twenty minutes. The meeting resumed at 10:45 a.m.

Resolution 18-10 A Resolution to Write-Off Uncollectible Accounts was read before the Board. Commissioner Fagerlie made a motion to approve the resolution, Commissioner Aubertin seconded the motion and it unanimously carried.

Resolution 18-11 A Resolution for the Disposition of Solar Equipment Installed on Private Property was read before the Board. Commissioner Aubertin made a motion to approve the resolution, Commissioner Fagerlie seconded the motion and it unanimously carried.

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

Attorney Graham rejoined the meeting at 11:06 a.m.

The Treasurer's Report was presented by Pam Allen:

1. Operating Funds available as of November 10, 2018 were \$2,777,741.12 with restricted funds of \$3,142,712.80. There were 7 outages in the month of October, for a year-to-date total of 193 compared to 139 for the same period in 2017. The Large Power Summary, Revolving Loan and Line Extension Loan reports were presented.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was presented to the Board. Cost and usage graphs were presented.
2. Warrants number 17294 through 17411, Direct Payroll Deposits number 904434 through 904472 and Electronic Fund Transfers numbered CA0003 and 549 through 553 and 555 through 556, in the total amount of \$575,385.37 were approved by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin and unanimously carried. Included in the listing was warrant number 16969 in the amount of \$48.42 which was voided and reissued as warrant number 17374, warrant number 17361 which was voided prior to release, and warrants numbered 14325, 14604, 14823, 14914, 14919, and 14952 totaling \$571.31 which were voided and the funds issued to the Washington State Dept of Revenue as unclaimed property.

The Board recessed for lunch at 11:58 a.m. The meeting resumed at 1:00 p.m.

Auditor Nush distributed a draft copy of proposed changes to the meal reimbursement section of the District Travel Policy. After discussion, the Board directed Auditor Nush to put together a resolution with the proposed changes for next month's meeting.

The 2019 Preliminary Budget was briefly discussed. Auditor Nush will prepare a resolution to present to the Board in December.

With no other business before the Board, the meeting adjourned at 1:27 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager