

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
June 21, 2021

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

All stood for the Flag Salute.

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

Visitors: None

The District received a letter from a customer expressing her appreciation for the Low-Income Senior Discount Program.

Reports:

The Superintendent's Report was presented by Mike Brown:

1. The pole testing contractor has finished but has not yet provided a final report.
2. Superintendent Brown has been evaluating vegetation control methods and fire-resistant coating for poles in critical areas. A discussion followed on the use of herbicides versus mechanical clearing of undergrowth.
3. The storm last week caused several outages due to trees falling on lines and lightning strikes.
4. The cable plow is here and has been used on some small projects. The salesman is supposed to come back and do some more training with the crew.
5. The District will receive FEMA funds to replace some poles damaged by a fire near Curlew last year.

The Attorney's Report was presented by Steve Graham.

1. Attorney Graham is continuing to review the draft update of the Employee Policies Handbook.

A recess was called at 9:39 a.m. for twenty minutes. The meeting resumed at 10:00 a.m. Attorney Graham exited the meeting at this time.

Auditor Nush led the scheduled Budget Amendment Hearing on the buyout of the Caterpillar Excavator that the District has been leasing, rather than leasing a new one. Commissioner Fagerlie made a motion to approve Resolution 21-03 A Resolution Authorizing an Amendment of the 2021 Budget. Commissioner Kroupa seconded the motion and it passed unanimously.

The Manager's Report was presented by Steve VanSlyke:

1. Manager VanSlyke discussed the BPA's new public safety power shutoff procedure, where they may shut off transmission to help prevent wildfires. Manager VanSlyke and Superintendent Brown are developing start-up procedures for the District after such a shut-down. BPA said that they will not always be able to give the District advance notice of a shut-off. Commissioner Fagerlie suggested that a drone may be helpful for inspecting lines.
2. Manager VanSlyke has given Plug-In North Central Washington notice that the District will no longer host its electric car charger. The District will assist with moving it once Plug-In North Central Washington has acquired another location for it.
3. An offer was accepted for the lots on Kauffman Street that the Board declared surplus in 2018.
4. After discussion, Commissioner Kroupa made a motion to accept the Server Backup Policy, as presented by Manager VanSlyke. Commissioner Fagerlie seconded the motion and it passed unanimously.
5. After discussion, Commissioner Kroupa made a motion to accept the AMI Meter Policy, dated June 21st, 2021, as presented by Manager VanSlyke. Commissioner Fagerlie seconded the motion and it passed unanimously.
6. An interlocal agreement with Energy Northwest for legal services was discussed. The District would only pay when legal assistance was requested. The Board approved the interlocal agreement, with two ayes and one abstention.

Attorney Graham and Delaina Bolich joined the meeting at 10:44 a.m.

7. Manager VanSlyke presented some graphs showing the financial status of the District over the last 25 years. A discussion followed on events that have impacted the Utility's funds over those years. All agreed that the District is now financially healthy.

The Treasurer's Report was presented by Pam Allen:

1. The regular Treasurer's reports were mailed to the Board for review prior to the meeting. Operating Funds available as of June 10, 2021 were \$3,662,859.72 with restricted funds of \$2,831,265.59. There were 11 outages in the month of May, for a year-to-date total of 80 compared to 43 for the same period in 2020. The Large Power Summary, Revolving Loan

- and Line Extension Loan reports were also included in the mailed packet.
2. Washington State's moratorium on disconnecting customers for non-payment is supposed to expire on July 31st. The Utility will begin disconnection on delinquent accounts the following week.
 3. Resolution 21-01 Low Income Senior Discount Program was presented to the Board for consideration. The program income limits have not been updated for 20 years. Treasurer Allen proposed changing them to match the low-income definitions in the Clean Energy Transformation Act (CETA). Commissioner Kroupa made a motion to approve the resolution. Commissioner Fagerlie seconded the motion and it passed unanimously.
 4. A discussion of CETA followed. According to CETA estimates, approximately 40% of the District's customers are low income and have an excessive energy burden. By 2030, the District will be required to pay for 60% of that amount, or roughly \$900,000 a year. By 2050, that annual amount will increase to \$1.5 million. Treasure Allen estimates that it will cost an additional 10% on top of those figures to administer the program to qualify customers for assistance. These amounts will have to come from ratepayers. Basically, 60% of the District's customers will have to pay an additional \$1300 each year to support the other 40%. There are additional reporting requirements for CETA that will probably require the District to pay for a professional consultant.
 5. A discussion was held on the District's line extension loan program. Treasurer Allen proposed some changes that would clarify loan requirements and enable the District to properly perform credit checks.

The Board recessed for lunch at 12:02 p.m. The meeting resumed at 1:00 p.m. Delaina Bolich exited the meeting at this time.

6. After further discussion on the line extension program, Commissioner Kroupa made a motion to approve Resolution 21-02 A Resolution to Update the High Energy Cost Community Financial Assistance Program. Commissioner Fagerlie seconded the motion and it passed unanimously.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was presented to the Board.
2. Warrants number 19938 through 20014, Direct Payroll Deposits number 905654 through 905694, and Electronic Fund Transfers number 783 and 785 through 795, in the total amount of \$944,908.30 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Fagerlie, and unanimously carried.
3. Cost and usage graphs were presented and discussed.
4. Auditor Nush briefly discussed the District's 2020 Financial Statements that were submitted to the State.

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

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph g at 1:48 p.m. for thirty minutes to conduct the yearly performance review of a public employee. Superintendent Brown, Auditor Nush, and Treasurer Allen exited the meeting at this time. The meeting returned to regular session at 2:05 p.m. The Board discussed proposed Resolution 21-04 A Resolution Establishing Manager's Compensation. Commissioner Kroupa made a motion to approve the Resolution. Commissioner Fagerlie seconded the motion and it passed unanimously.

With no other business 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