

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
April 18, 2022

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 and Dan Fagerlie, Manager Steve VanSlyke, Superintendent Mike Brown, Auditor Sue Nush, and Treasurer Pam Allen. Attorney Steve Graham attended the meeting remotely.

All stood for the Flag Salute.

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

Visitors: There were no visitors at this time.

Commissioner Chris Kroupa joined the meeting at 9:05 a.m.

Public Comments: The commissioners received an email from a customer who was unhappy with the District's application process for new customers. After discussion, no changes were made.

Reports:

The Superintendent's Report was presented by Mike Brown:

1. The pole testing contractor, Alamon, will be on-site May 9th through May 27th. They will finish testing poles in Keller, and then go to the Toroda Creek area.
2. Supply chain issues continue to be a problem. The lead time on transformer orders is 80 to 85 weeks, and the prices are extremely high. The District is trying to stock up on all materials to have adequate supplies for system maintenance and repairs. The District has been able to get underground cable and has placed an order for poles. The new skid steer that was budgeted for May delivery will not be available until December.
3. The crew is dealing with ospreys building nests on the Utility's poles. Nests on power poles can pose a significant risk to the adult and juvenile osprey as the nests can catch fire or the birds can be electrocuted. If the nest is not established yet, the crew removes it. In some areas, they are installing avian deflectors that have a domed, slick surface that prevents the construction of nests.

A recess was called at 9:33 a.m. for twenty minutes. The meeting resumed at 9:49 a.m.

A meeting of the Revolving Loan/Grant Fund Committee was held to consider a grant request. Committee member Katherine Meade was out of town and unable to attend. Carolyn Harmon and Analee Coffey from the Ferry County Fair Board joined the meeting to discuss a grant that was received to remove and reconstruct the failing arena at the Ferry County Fair Grounds. A \$250,000 grant was received from the WSDA, and matching funds are needed in the amount of \$125,000. Local contractors and groups are donating their time, and Ferry County is requesting a grant from the Fund to cover the cost of installing eight poles and conductor for the project. This would count towards the required matching funds. After discussion, Commissioner Fagerlie made a motion to approve a grant from the Fund for poles and rewiring on the Ferry County Fairground Arena Project for actual costs, not to exceed \$15,000. Commissioner Kroupa seconded the motion, and it was unanimously approved. Carolyn Harmon and Analee Coffey exited the meeting at 10:09 a.m.

The Attorney's Report was presented by Steve Graham.

1. Attorney Graham provided the Board with copies of an article about potential changes in enforcement of the Migratory Bird Treaty Act.

The Manager's Report was presented by Steve VanSlyke:

1. The Revolving Loan/Grant Fund Committee is not fully staffed at this time. A discussion followed of possible candidates. Manager VanSlyke will contact some community members to see if they are interested in serving on the Committee.
2. Difficulties in getting materials and increased costs are impacting the District's pricing methodology and ability to do line extensions for customers. In the past, an average cost per foot was used to calculate the price, and the quote was good for one year. With the rising cost of materials, using an average price based on previous years does not recover the cost of materials being purchased today. Manager VanSlyke believes that charging customers for actual material and labor costs would prevent other ratepayers from subsidizing new construction. Estimates will no longer be good for a year, and the District will only do new line extensions when sufficient materials are procured beyond what is needed for the Utility. After some discussion, it was agreed that during the lunch recess Manager VanSlyke would put together wording for the proposed changes for the Commissioners to consider.

A recess was called at 11:32 a.m. for five minutes. The meeting resumed at 11:38 a.m.

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 April 10, 2022 were \$4,024,252.26 with restricted funds of

\$2,887,643.21. There were 6 outages in the month of March, for a year-to-date total of 18 compared to 51 for the same period in 2021. The Large Power Summary, Revolving Loan and Line Extension Loan reports were also included in the mailed packet.

The Auditor’s Report was presented by Sue Nush:

- 1. The voucher listing was presented to the Board.
- 2. Warrants number 20724 through 20787, Direct Payroll Deposits number 906064 through 906104, and Electronic Fund Transfers number 866 and 871 through 875, in the total amount of \$830,917.66 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.

The Board recessed for lunch at 12:00 p.m. The meeting resumed at 1:00 p.m.

Manager VanSlyke presented his proposed change to the line extension policy for the Board to consider:

Inflated pricing, excessive lead times, and lack of availability have led to price escalations that, when applied to the current line extension pricing, creates a ratepayer subsidy of new construction. Therefore, the District will suspend current dollar-per-foot NLE pricing and implement the use of the “material and labor” estimate process for “New Construction Line Extension” pricing.

All facility changes or additions to serve a new load or to accommodate additional customer load will be prepaid by the customer based on the final engineering cost estimate.

Commissioner Kroupa made a motion to approve the new language for line extensions. Commissioner Fagerlie seconded the motion, and it was unanimously approved.

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

With no other business before the Board, the meeting adjourned at 1:35 p.m.

BOARD OF COMMISSIONERS

Public Utility District Number One
Ferry County, Washington

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager