

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
January 16, 2017

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 Aubertin.

Visitor: Ferry County Commissioner Nathan Davis

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

Election of Board officers for the next two years was held. Commissioner Aubertin nominated Commissioner Kroupa for President. Commissioner Fagerlie seconded the motion, and the motion carried unanimously. Commissioner Kroupa nominated Commissioner Fagerlie for Vice-President and Commissioner Aubertin for Secretary. Commissioner Fagerlie seconded the motion and it carried unanimously.

The Board's representation to the various Trade Organizations was reviewed. A motion was made by Commissioner Aubertin to keep the current representation. The motion was seconded by Commissioner Fagerlie and unanimously carried.

Washington P.U.D. Association	Fagerlie/Kroupa
P.U.D. Roundtable	Fagerlie/Kroupa
Energy Northwest	Aubertin/Kroupa
NWPPA	Aubertin/Fagerlie
P.P.C.	Kroupa**/Fagerlie
N.R.U.	Kroupa**/Fagerlie
TEDD	Fagerlie/Aubertin
Packwood Owners	Friederichs
WA Association of P.U.D. Attorneys	Graham
Revolving Loan/Grant Committee	Kroupa/Aubertin/Fagerlie

**Attendance of quarterly meetings only

Ferry County Commissioner Nathan Davis addressed the Board. An informal group composed of representatives from several organizations in the tri-county area has been meeting to discuss issues, such as upcoming Forest Service projects. They are trying to formalize the group. The Board discussed that a Utility representative might be helpful. Commissioner Davis discussed some of the other projects that are on-going.

Commissioner Davis and Manager Friederichs exited the meeting at 9:42 a.m.

Manager Friederichs rejoined the meeting at 9:44 a.m.

Reports:

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

1. Mr. VanSlyke has developed vegetation management procedures for the District.
2. Results of testing done on the substations were shared with the Board.

Auditor Nush exited the meeting and Commissioner Davis rejoined the meeting at 9:56 a.m.

Okanogan County Sheriff's Deputy Mike Worden and Ferry County Sheriff Ray Maycumber joined the meeting at 9:56 a.m. to discuss an easement needed for the District to extend power to a proposed communications site at Bodie Mountain. The site would extend microwave connectivity from Okanogan County 911 Dispatch to Ferry County 911 Dispatch, and would also be used for communication by other state and county agencies. The landowner, Joel Kretz, is requiring a payment of \$50,000 for the easement, and a \$500 penalty if the Utility accesses his property without 24 hour notice, except for outages. Okanogan County must use its grant funds by June 30th which limits its ability to pursue an alternate route for the power line, so they are willing to pay the \$50,000 easement. The Board thought that this sets a bad precedent on easements. After lengthy discussion, the Board directed Attorney Graham to draft a memorandum of understanding with the property owner about District access that would be separate from the easement.

Deputy Worden, Sheriff Maycumber and Commissioner Davis exited the meeting at 10:58 a.m.

A 20 minute recess was called at 10:58 a.m. with the meeting reconvening at 11:15 a.m. Auditor Nush rejoined the meeting at this time.

There was no Attorney's Report to present.

Proposed changes to the Customer Service Policy Handbook were presented to the Board. After discussion and some adjustments, Commissioner Kroupa made a motion to approve the changes.

Commissioner Aubertin seconded the motion and it passed unanimously.

Mr. VanSlyke exited the meeting at 11:39 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A resume was received for the Manager position. Manager Friederichs will be retiring in early 2018, and will inform the Board when he has a set date. He also provided the Board with an internal candidate and a reorganization proposal to consider.
2. A letter was received from BPW asking for a donation for their auction. Law prohibits the District from doing so.

The Board recessed for lunch at 12:06 p.m. and reconvened at 12:59 p.m.

Meetings:

1. Manager Friederichs missed the latest meeting about the need to remodel or replace the high school.
2. Serviceman Aaron Baldwin will attend voltage regulator school in Portland in February.
3. Commissioner Kroupa will attend PPC and NRU meetings in Portland the first week of February.
4. Commissioner Fagerlie will attend a TEDD meeting in Colville.

General Business:

1. Rescheduling the next Board meeting was discussed. As February 20th is a holiday, the Board agreed to move the meeting to the following day, February 21st.
2. The LED lighting projects that were being considered will not result in cost savings for the District, so lights will be replaced as existing ones burn out.
3. After some discussion about elected commissioners being eligible for state retirement benefits, Commissioner Kroupa made a motion to change District policy to offer state retirement benefits to commissioners who qualify for them, and who choose to participate. Commissioner Aubertin seconded the motion and it passed unanimously.

The Board went into Executive Session as per RCW 42.30.140(4) at 1:17 p.m. for five minutes to strategize union negotiations. The Board returned to Regular Session at 1:22 p.m.

Conservation:

1. No separate 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 January 10, 2017 were \$2,139,114.97 with restricted funds of \$3,012,739.71. There were 10 outages in the month of December for a year-to-date total of 151 compared to 200 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 14480 through 14568, direct payroll deposits number 903607 through 903645, and Electronic Fund Transfers number 437 and 439 through 441, in the total amount of \$530,126.83 were approved by a motion made by Commissioner Aubertin, seconded by Commissioner Fagerlie and unanimously carried.

Auditor Nush reviewed the 2016 budget. Expenditures for the year are within approved budget amounts.

With no further business to discuss, the meeting adjourned at 2:35 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager