

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
March 21, 2016

The regular meeting of the Board of Commissioners was called to order by President Dan Fagerlie at 9:00 a.m. Present were Commissioners Fagerlie, Doug Aubertin and Chris Kroupa, 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 Kroupa.

Visitors: Steven Gadd and Brandi Pritchard of the Washington State Auditor's Office entered the meeting at 1:00 p.m.

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

There were no public comments.

Attorney Steve Graham joined the meeting at 9:09 a.m.

Reports:

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

1. Pole replacement and regulator maintenance is on-going.
2. The tree trimming crew is working in the Keller area on circuit trims.
3. The used forklift that was purchased should be here soon.
4. Truck 26 was towed to Colville for transmission repair.
5. Bonneville Power has confirmed the date for the planned Keller outage as June 5th. A picnic will be held for the residents involved.
6. The Keller substation transformer is ready to be sent out for rebuild.
7. Outages were down from the previous month.

Mr. VanSlyke was thanked for his time and he exited the meeting at 9:20 a.m.

There was no executive session.

The Attorney's Report was presented by Steve Graham.

1. Attorney Graham provided information regarding the utility tax exemption for tribal members. The law does not require the Utility to ask new customers if they are tribal members. The Board directed Auditor Nush to contact the Colville Tribal Council with information on the exemption so that they can provide it to any tribal members who are not currently receiving it.
2. A trial date has been set in the Meyers/Smith lawsuit for August 24th.

Attorney Graham exited the meeting at 9:44 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A request was received for sponsorship of the Keller Community Rodeo. The Board declined.
2. Some customers have received letters from Arcadia Power, who advertise Wind Energy. It may be unclear to customers that they will continue to receive the same power from the Utility. Since payments would go through Arcadia and then back to the Utility, there is some concern about accounts getting in arrears and possibly being disconnected for non-payment.

Meetings:

1. Commissioner Fagerlie will be attending WPUDA and TEDD meetings. Commissioners Fagerlie and Aubertin will attend the annual conference of the Northwest Public Power Association in Tulalip, Washington in May.

A fifteen minute recess was called at 10:04 a.m. with the meeting reconvening at 10:18 a.m.

General Business:

1. Energy Northwest is analyzing District usage to see if installing new equipment to provide demand response would be cost effective. Conservation funds from BPA may be available to use, if the project goes forward.
2. A discussion followed regarding utilities who may be opting out of their contracts with BPA. The District is not in a position yet to make any changes to their contract.
3. Manager Friederichs will prepare a draft resolution for the next meeting regarding carbon-tax Initiative 732. If a carbon tax is implemented, he would like to show the cost of the carbon tax per KWH on the Utility's billings.
4. The District's health care insurance was discussed. Manager Friederichs will investigate to see if a better option may be available.
5. Federated Rural Electric Insurance has reviewed the District's current coverage and is suggesting that it be increased, since it has not been updated in many years. Auditor Nush will put together a proposal for the next Board meeting.
6. The Board reviewed and approved proposed changes to the Customer Service Policy Handbook.

Manager Friederichs left the meeting at 11:32 a.m. and returned at 11:34 a.m.

Commissioners:

Commissioner Kroupa:

1. Attended the February WPUDA meeting and presented information.

Commissioner Aubertin:

1. Attended no outside meetings.

Commissioner Fagerlie:

1. Attended the March WPUDA meeting and presented information. Utilities must have data privacy policies in place by November. WPUDA is preparing a draft policy for its members to use.

The meeting recessed at 12:01 p.m. for lunch reconvening at 1:00 p.m.

Engineer VanSlyke rejoined the meeting at 1:00 p.m..

Steven Gadd and Brandi Pritchard from the Washington State Auditor’s Office joined the meeting at 1:00 p.m. for an audit exit conference.

1. The District received a clean audit for the Accountability and Financial Statement Audit of the years 2013 and 2014.
2. Prior audit findings were found to be fully corrected.
3. Exit recommendations were discussed, including sponsorship and advertising, RCW 46.08.065 requirements for marking publicly owned vehicles, Bid Law and the use of Vendor Lists, review of financial statements, and filing annual financial reports with the State Auditor’s Office.

Steven Gadd, Brandi Pritchard, Engineer VanSlyke, and Manager Friederichs left the meeting at 1:44 p.m. Manager Friederichs returned at 1:46 p.m.

Commissioner Kroupa inquired if iPads, or a similar product, could be purchased for the commissioners to use during their meetings and travels. The reporting package now mailed to the commissioners could be sent electronically. Manager Friederichs will look at costs and report back to the Board.

Board members filled out their annual evaluation form for Manager Friederichs. Since Attorney Graham was not present, the forms will be mailed to him for compilation.

Manager Friederichs stated that per union contract, a 2% wage increase will go into effect April 1st for District union employees. Per previous Board resolution, the management increase is based on the change in the consumer price index, which was 1.2%.

The Treasurer’s Report was presented by Pam Allen:

1. Operating Funds available as of March 10, 2016 were \$2,104,689.34 with restricted funds of \$2,941,055.24. There were five outages in the month of February for a year-to-date total of eighteen compared to seventeen for the same period in 2015. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.
2. A discussion followed regarding Kettle River Industries and commercial payments during the winter moratorium.

The meeting recessed for five minutes at 2:23 p.m., returning to session at 2:28 p.m.

The Auditor’s Report was presented by Sue Nush:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Number 13545 through 13630, direct payroll deposits number 903208 through 903246, and Electronic Fund Transfers number 387 through 393 in the total amount of \$815,402.08 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried.
2. Engineer VanSlyke has drafted updated Purchasing Procedures. They will be presented to the Board at the next meeting for review.

With nothing further to come before the Board, the meeting adjourned at 3:06 p.m

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager