

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
May 15, 2017

The regular meeting of the Board of Commissioners was called to order by President Chris Kroupa at 9:03 a.m. Present were Commissioners Chris Kroupa, Dan Fagerlie and Doug Aubertin, 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.

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

Commissioner Fagerlie was contacted by two customers, one who said that the meeting agenda was not posted on the District's webpage, and the other who said that the rate hearing scheduled for later today for Large Power and Primary Industrial customers had not been advertised. Manager Friederichs pulled up the website and confirmed that both were on it. Treasurer Allen confirmed that notice of the rate hearing had also been published in two issues of the Ferry County View.

Reports:

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

1. More equipment failed at the city substation. Specialty Engineering will be here tomorrow to test the transformers and regulators for damage.
2. A work order was received from Energy Northwest for the voltage response project. They want to have the demo done by June but the work order was lacking necessary details so Manager Friederichs will have to contact Energy Northwest for clarification.
3. Mr. VanSlyke presented the Board with a list of ideas to consider towards helping the Utility reduce expenditures and increase revenue.

Auditor Nush addressed the idea of non-bargaining employees and commissioners contributing to insurance premiums. After discussion, the Board requested a resolution be prepared for June's meeting to enact these contributions.

Mr. VanSlyke exited the meeting at 10:22 a.m.

A recess was called at 10:22 a.m. for 20 minutes. The meeting reconvened at 10:44 a.m.

Attorney Graham was unable to attend the meeting. Auditor Nush updated the Board on some legal issues being handled through the Utility's insurance company. Attorney Graham had provided the Commissioners with a compiled performance review of Manager Friederichs, which they signed at this time.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. Manager Friederichs received an email from a potential candidate for the manager's position next year. A discussion followed on when the position will be advertised and when interviews will begin. Manager Friederichs suggested to the Board that whoever replaces him should have three months of training with him prior to Manager Friederich's retirement. Commissioner Fagerlie requested a draft job description for the next meeting.

Visitors Scott Corwin, Kevin O'Meara, Bo Downen, and Karen Dooley from the Public Power Council out of Portland, Oregon joined the meeting at 10:59 a.m. The PPC's mission is to preserve and protect the benefits of the Federal Columbia River Power System of consumer-owned utilities. They provided the Board with information on the work they are doing, and on potential risks and opportunities going forward. The BPA is the sole source of power for the Utility.

The Board recessed for lunch at 12:00 p.m. and reconvened at 12:51 p.m.

Manager Friederichs joined the meeting at 12:53 p.m.

The scheduled hearing on rate schedules for Large Power and Primary Industrial customers began at 1:00 p.m. Auditor Nush proposed changes to the Monthly Rate Exception for these schedules that would apply to new customers or increased loads for current customers. The suggested changes would bring the rates in line with BPA charges so that residential customers do not have to cover these additional charges. Changes were also proposed to the wording of the Monthly Rate Exceptions that would allow the Utility to adjust rate components to include the cost recovery of future charges that may occur, such as a carbon tax. The Board requested a resolution be prepared for the June meeting on the proposed changes.

Meetings:

1. Manager Friederichs attended the WPUA Manager's Meeting and shared information from the meeting with the group. Commissioner Fagerlie will be unable to attend the TEDD meeting next week. Commissioner Aubertin was unsure if he would be able to attend as alternate.

General Business:

1. Manager Friederichs distributed copies of the 2015 fuel mix as calculated by the Washington State Dept of Commerce.
2. Assessing late fees to customers who don't pay their bill on time was discussed. A late fee would help recover the cost of processing and mailing additional notices to customers who are delinquent. Customers who pay their bills on time would not be affected. The Board requested a resolution for the next meeting to enact a late fee.

Manager Friederichs exited the meeting at 2:23 p.m., returning at 2:35 p.m.

3. The Board reviewed a draft resolution in support of the Columbia Generating Station and asked that it be presented to the Board for approval next month.

A recess was called at 2:26 p.m. for 5 minutes. The meeting reconvened at 2:35 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 May 8, 2017 were \$2,517,462.21 with restricted funds of \$3,048,845.25. There were 15 outages in the month of April, for a year-to-date total of 35 compared to 37 for the same period in 2016. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.
2. Changing the District's banking from US Bank to Washington Federal was discussed. Commissioner Fagerlie made a motion to keep business local and move the banking to Washington Federal. Commissioner Aubertin seconded the motion and it was unanimously approved.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was reviewed with the Board and questions answered. Cost and usage graphs were reviewed.
2. Warrants Number 14782 through 14875, direct payroll deposits number 903763 through 903801, and Electronic Fund Transfers number 458 through 463, in the total amount of \$788,880.15 were approved by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin and unanimously carried.

With no further business to discuss, the meeting adjourned at 3:10 p.m.

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

 President

 Vice-President

ATTEST:

 Secretary

APPROVED:

 Manager