

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
May 16, 2016

The regular meeting of the Board of Commissioners was called to order by President Dan Fagerlie at 9:02 a.m. Present were Commissioners Fagerlie and Chris Kroupa, Manager John Friederichs, Attorney Steve Graham, Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke, and Treasurer Pam Allen.

All stood for the Flag Salute which was led by Commissioner Kroupa.

Visitors: None.

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

There were no public comments.

Commissioner Doug Aubertin joined the meeting at 9:12 a.m.

Reports:

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

1. There will be a training held at K-Diamond-K this week on the state 811 – Call Before You Dig program. The law requires anyone planning to dig to call at least two days prior to beginning work to locate underground utilities.
2. The Utility has begun work extending new service for the Curlew sewer project.
3. Work is also underway on the Okanogan and Ferry County unified communication project. The District is extending service to their site on Bodie Mountain.
4. The transformer for the Keller substation is back from repairs and will be re-installed during the June 5th BPA planned outage.

The Attorney's Report was presented by Steve Graham.

1. Attorney Graham's research into travel payments did not seem to prohibit paying some vendors in advance, as some vendors require it. Those payments are not really prepayments, as a reservation or ticket is received.
2. Tree replacement coupons are more of a gray area. Some utilities do provide replacement trees and it probably is an allowable use of public funds. Commissioner Kroupa is not in favor of a tree replacement program as the Utility has the legal right to remove problem trees and given the size of the district, replacement trees could become quite costly. Commissioners Fagerlie and Aubertin agreed and thought that it would be a difficult program to administer.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph i at 9:33 a.m. for fifteen minutes for the purpose of discussing pending litigation. The Board returned to Regular Session at 09:48 a.m.

Mr. VanSlyke was thanked for his time and he exited the meeting at 9:48 a.m.

The Board went back into Executive Session as per RCW 42.30.140(4) at 9:49 a.m. for five minutes to strategize union negotiations. The Board returned to Regular Session at 09:54 a.m. and went back into Executive Session for an additional six minutes, returning to Regular Session at 10:00 a.m.

A fifteen minute recess was called at 10:00 a.m. with the meeting reconvening at 10:15 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A letter was received from a customer, Barbara Herman, thanking the Utility for the Low-Income Senior Discount Program, which reduces amount of the Basic Monthly Charge.

Meetings:

1. Commissioners Fagerlie and Aubertin will attend the annual conference of the Northwest Public Power Association in Tulalip, Washington this week.
2. Engineering Tech Ed Forsman and Engineering Aide Ryan Masingale will attend staking classes in June.
3. Manager Friederichs attended the WPUA Managers Committee Meeting held in Spokane. A discussion followed about topics discussed there. State and federal agencies are attempting to charge PUDs around the state for fire-fighting costs. Some utilities are now sending employees out on all fire calls to document fire origins. Other topics of interest from the WPUA meeting were opting out of load growth contracts with Bonneville Power, calculation of Low-Density Discounts, and Carbon Tax Initiative I-732.

General Business:

1. The picnic for the planned BPA outage on July 17th will be held at the Ferry County Fairgrounds this year instead of the City Park. Due to a motorcycle rally scheduled that

weekend at the Fairgrounds, tables and tents would not be available to move to the park in time for the picnic.

2. Manager Friederichs has been working with Ameresco to see if there may be funding available to replace public lights with more efficient LED lighting.

Commissioners:

Commissioner Aubertin:

1. Discussed battery project with Energy Northwest.

Commissioner Kroupa:

1. Presented information from the NRU and PPC meetings he attended in Portland.

Attorney Graham left the meeting at 11:35 a.m. and returned at 11:38 a.m.

Commissioner Fagerlie:

1. Presented information from the TEDD meeting he attended.

The Treasurer's Report was presented by Pam Allen:

1. Operating Funds available as of May 10, 2016 were \$2,252,550.45 with restricted funds of \$2,955,442.31. There were six outages in the month of April for a year-to-date total of 37 compared to 50 for the same period in 2015. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.
2. Discussed a High Cost Loan customer who has stopped paying on his loan. Attorney Graham will send a letter threatening foreclosure.

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

Commissioner Fagerlie left the meeting at 01:02 p.m. to travel to the NWPPA meeting, with Vice-President Aubertin taking over chairing the meeting.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Number 13711 through 13802, direct payroll deposits number 903286 through 903324, and Electronic Fund Transfers number 397, and 399 through 403, in the total amount of \$769,185.94 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried.
2. Auditor Nush discussed a proposed change to the budget which would re-allocate existing budget dollars from constructing an access trail to reconditioning a truck boom, and to providing additional labor and supplies to do more pole testing and maintenance. The District is still waiting for Forest Service approval for the access trail and it appears that it will not be received in time to do the work this year. She will prepare a presentation for approval at the next meeting.
3. Auditor Nush distributed copies of a Purchasing Flow Chart prepared by Engineer/Superintendent VanSlyke based on the updated alternative bid procedures.

With nothing further to come before the Board, the meeting adjourned at 1:37 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager