

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
June 19, 2017

The regular meeting of the Board of Commissioners was called to order by President Chris Kroupa at 9:00 a.m. Present were Commissioners Chris Kroupa, Dan Fagerlie and Doug Aubertin, Manager John Friederichs, Attorney Steve Graham, Engineer/Superintendent Steve VanSlyke, Auditor Sue Nush, and Treasurer Pam Allen.

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

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

Public Comments: Commissioner Kroupa has received questions about rate hikes. Rates are being examined because of BPA increasing its rates in October and because of Kinross closing its operations, but numbers have not yet been finalized.

Reports:

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

1. The equipment that failed at the city substation has been sent off for repair. It should be back and re-installed in August. Commissioner Kroupa inquired if the District has spares to prevent lengthy outages when equipment failures occur at the substations. Mr. VanSlyke confirmed that the District does have spares, and he believes that there is sufficient redundancy in the system to handle these situations.
2. Mr. VanSlyke will solicit bids to enclose three open bays at the shop.
3. Okanogan County is soliciting bids for excavation on the Bodie Mountain Project. The Utility has ordered the materials that it will need, and construction is scheduled for August.

Mr. VanSlyke exited the meeting at 9:25 a.m.

There was no attorney's report to present.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph i at 9:26 a.m. for fifteen minutes for the purpose of discussing pending litigation. The Board returned to Regular Session at 9:42 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A potential candidate for the manager's position has informed Manager Friederichs that he will be in the area in August.
2. A copy of a letter sent by congressional delegates from Washington and Oregon to Secretary of Energy Rick Perry opposing the sale of BPA's transmission lines was received.

Meetings:

1. Commissioner Fagerlie will attend the July WPUDA meeting in Ocean Shores. Deputy Auditor Marilee Kuehne will attend a WPUDA HR Roundtable in August in Leavenworth. Commissioner Kroupa will attend PPC and NRU meetings in Portland in August.

General Business:

1. The Board was provided with copies of the new union contract to sign.
2. Manager Friederichs informed the Board that the VEBA plan is being revised to separate bargaining and non-bargaining employees so each group can be administered separately.
3. Manager Friederichs distributed copies of the BP-18 Draft Record of Decision that was received from the Public Power Commission.

A recess was called at 10:15 a.m. for 20 minutes. The meeting reconvened at 10:33 a.m.

Conservation:

1. A lateral transfer will be made of some excess BPA conservation funds to Pend Oreille County PUD. The District will keep enough to handle local needs.

The Board approved resolutions 17-01 A Resolution in Support of the Operation of Columbia Generating Station, 17-02 A Resolution Establishing Large Power & Primary Industrial Retail Rates, 17-03 A Resolution to Enact Insurance Premium Contributions by Non-Bargaining Employees and Commissioners, and 17-04 A Resolution Authorizing Agents for Night Depository Agreement.

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 June 10, 2017 were \$2,664,028.97 with restricted funds of \$3,055,350.83. There were 21 outages in the month of May, for a year-to-date total of 56 compared to 58 for the same period in 2016. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.
2. The process to change banking from US Bank to Washington Federal has begun.

Attorney Graham exited the meeting at 11:01 a.m.

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 14876 through 14969, Direct Payroll Deposits number 903802 through 903840, and Electronic Fund Transfers number 464 through 468 and 470, in the total amount of \$796,903.68 were presented for approval, with warrants 14902 and 14915, as well as Direct Deposit numbered 903832 voided prior to release. They were approved by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin and unanimously carried.

The Board reviewed copies of job descriptions for the manager's position from other state public utility districts and discussed qualifications that they consider important.

Attorney Graham rejoined the meeting at 11:45 a.m.

The Board recessed for lunch at 11:58 a.m. and reconvened at 12:58 p.m.

Discussion continued on the manager's job description. The Board would like to have an updated job description finished and begin advertising for the position by the end of summer. Manager Friederichs will be retiring in April, 2018 and the Board would like to have his replacement hired in time to work with Manager Friederichs prior to his retirement in order to facilitate a smooth transition.

Commissioner Kroupa exited the meeting at 1:51 p.m., returning at 1:54 p.m.

Commissioner Fagerlie will work with Treasurer Allen and Manager Friederichs to come up with a draft for the full Board to review at the July meeting.

With no further business to discuss, the meeting adjourned at 2:11 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager