

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
July 21, 2014

The regular meeting of the Board of Commissioners was called to order by President Chris Kroupa at 9:02 a.m. Present were Commissioners Kroupa, Aubertin and Fagerlie; Manager John Friederichs, Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke, Secretary/Treasurer Jayne Jurgensen and Deputy Treasurer Pam Allen. Attorney Steve Graham joined the meeting at 9:05 a.m.

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

Visitors: Nathan Davis joined the meeting in the afternoon

The minutes of the meeting were approved by a motion made by Commissioner Fagerlie and seconded by Commissioner Aubertin.

Public Comments: None

Reports:

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

1. Planning had been completed with materials ordered for our crew work to be completed during the July 20 outage. Work to have been completed on the Strassburg and Windsor Substations during the outage will now be completed through the crew's regular maintenance schedule.
2. The crew is working on new construction as well as system maintenance.
3. The Valbush line extension, crossing the Kettle River, has been completed.
4. Knife River Construction has begun crushing for Kinross at the Beal Pit.
5. ACI will begin crushing for the County at the Torboy Pit.
6. The tree trimming work was discussed. The work is progressing well and crew Foreman, Rick Kincaid continues to work daily with the crew.

Commissioner Kroupa brought a telephone call he received from a customer before the Board for discussion. A customer had attempted to make an after-hours outage call by contacting the Utility. The customer said that the call was not answered and the Sheriff's Office was contacted directly to report the outage. Manager Friederichs explained that either the transfer switch was not turned on, routing the calls to the Sheriff's Office, or the switch is faulty. Auditor Nush added that the call should have transferred to the answering machine if the transfer switch was not on. Manager Friederichs explained that he has verified that the switch is operational and has also spoken with the customer.

Commissioner Kroupa reported on information he gathered from a Border Patrol Agent regarding the dead eagle found near a power line. The bird carcass has been turned to the Washington State University laboratory for a necropsy. Attorney Graham provided research information relating to other such cases. Copies of a letter he wrote to a U.S. Fish & Wildlife Agent requesting necropsy results were presented.

Mr. VanSlyke exited the meeting at 9:32 a.m.

An Executive Session for fifteen minutes to discuss potential litigation as per RCW RCW 42.30.110 Subsection 1, paragraph I. was called at 9:32 a.m. The Board returned to regular session at 9:48 a.m.

A recess was called at 9:48 a.m. with the meeting reconvening at 10:00 a.m.

Attorney Graham had no additional report to present.

The Manager's Report was presented by Manager Friederichs:

Correspondence:

1. A request from Sheila Shockey, on behalf of the Ferry County Fair Association, was received. The Utility was asked to provide a bucket truck and serviceman for the installation of overhead lighting in the arena. A motion was made by Commissioner Kroupa to help the Fair Association by installing four lights. The motion was seconded by Commissioner Aubertin and unanimously carried. Commissioner Fagerlie advised that the Ferry County Commissioners should be notified of the request and the Utility's agreement to perform the work as the Fairgrounds are owned by the County and the County Commissioners oversee the Fair Board.
2. Various e-mail messages from customer, Richard Charlson regarding his neighbors irrigation account

with the Utility were briefly discussed. Mr. Charlson was not pleased that the Utility would not change the status of the irrigation account and refund directly to him any monies from such a change. Mr. Charlson did state that he was not interested in attending a Board meeting to discuss the matter and was going to report the issue to the P.U.D. governing board.

3. Information was provided to Okanogan County P.U.D. Manager, John Grubich, regarding potential FEMA and Washington State Emergency Management reporting problems. To date, the Utility has not been asked for support for Okanogan's system repairs.

Meetings:

1. Commissioner Aubertin will attend an Energy Northwest meeting scheduled for later in the week.
2. Commissioner Kroupa will attend the NRU and PPC meetings August 6 and 7 in Portland.
3. Manager Friederichs will attend the WPUDA Manager's meeting to be held in Leavenworth in October.
4. Commissioner Fagerlie will attend a TEDD meeting to be held in Colville this week.

Commissioner Aubertin questioned the status of a Revolving Loan / Grant applicant. A brief discussion followed.

General Business:

1. The proposed new ruling, as discussed at the June meeting, with regards to utilities continuing to perform surveying and engineering work, has been set aside. The language will be modified to allow utilities to continue with their work as is now being done.
2. The possibility of using a credit reporting agency to verify new customers credit worthiness rather than assessing a security deposit was presented. After a brief discussion the Board was in agreement that no change would be made at this time.
3. WPUDA personnel have yet to visit Ferry P.U.D. At this time, the visit has tentatively been scheduled for 2015.
4. The sale of federally provided power from B.P.A. to marijuana producers was discussed. Attorney Graham advised that the Utility do nothing pending additional direction and information. B.P.A.'s attorneys are reviewing the matter.
5. Manager Friederichs has now become the Chair of the WPUDA's Manager's Committee.
6. The Ferry County Sheriff's request to cancel the B.P.A. outage scheduled for Sunday, July 20 was discussed at length. The Sheriff made his request at 3:45 p.m. on Friday, July 18 based on an anticipated closure of the Okanogan County 9-1-1 dispatch center. At this time it is not known whether B.P.A. will be able to reschedule their work for another time this year or whether the cancellation will add another year to their work schedule. The perishable picnic items, which were being kept in cold storage, were returned to Anderson's Grocery on Friday with other non-perishable items to be returned this week. The Board was in concurrence that the Ferry County Sheriff's Office is to receive a letter from the Board detailing the Utility's requirements in the event of future emergency situations. Manager Friederichs will also prepare information for publication in the local newspaper.
7. Resolution 14-05 "A Resolution to Limit the Use of Personal Leave Subsequent to Separation by Management Personnel" was adopted by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin and unanimously carried.
8. Resolution 14-06 "A Resolution to Re-Direct Management VEBA Contributions" was presented and not adopted pending presentation of information requested by the Board at the August Board meeting.

The Conservation Report was presented by Manager Friederichs:

1. Conservation work continues with window replacement being the primary focus.

Commissioners:

Commissioner Kroupa:

1. Attended no outside meetings but did receive several telephone calls from customers as was discussed during the meeting.

Commissioner Aubertin:

1. Attended no outside meetings but will travel to Energy Northwest this week.

Commissioner Fagerlie:

1. Attended the WPUDA meeting with information presented. Of note, a new WPUDA dues structure has been developed which could reduce Ferry's annual fee.
2. Will attend a TEDD meeting later this week.

Manager Friederichs reported that a meeting with Kinross Gold management personnel has been scheduled for

later this month. The Board was interested in attending however this would require a special meeting for all three to attend. The Board President will attend and, if he is unable, Commissioner Fagerlie expressed his desire to participate.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of June 30, 2014 were \$2,355,723.12 with restricted funds of \$1,917,662.68. There were sixteen outages in the month of June for a year-to-date total of fifty-seven compared to sixty-nine for the same period in 2013. The Revolving Loan/Grant Fund and the High Energy Cost Loan repayment reports were reviewed.

The meeting recessed for lunch at 11:45 reconvening at 12:42 p.m.

Treasurer Jurgensen provided information on a delinquent account with a brief discussion following.

The Auditor's Report was presented by Sue Nush:

1. The annual budget workshop will be scheduled during the August Board Meeting. A schedule for the 2015 budget process was presented.
2. The Utility has selected a new IT contractor with work to begin August 1, 2014. A new contract has been completed and is in place.

Nathan Davis joined the meeting at 12:57 p.m. Mr. Davis and Attorney Graham exited the meeting at 12:58 p.m.

3. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 11602 through 11697 direct payroll deposits numbers 902460 through 902494, Electronic Fund Transfer numbers 293 through 297 in the total amount of \$523,704.96 were approved by a motion made by Commissioner Aubertin and seconded by Commissioner Fagerlie.

Attorney Graham and Nathan Davis joined the meeting at 1:05 p.m.

4. The Financial and Statistical Report was reviewed by the Board with questions answered.

Mr. Davis spoke briefly to the Board about the cancelled B.P.A. outage and whether there was any possibility of having it rescheduled for 2014. Manager Friederichs advised that he had not yet heard from B.P.A. regarding their ability to rescheduled the work for 2014. He felt that the outage would most likely extend the future outages.

With nothing further to come before the Board, the meeting was adjourned at 1:20 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager