

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
August 20, 2018

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, Doug Aubertin and Dan Fagerlie, Attorney Steve Graham, Interim Manager Steve VanSlyke, Superintendent Mike Brown, Auditor Sue Nush, and Treasurer Pam Allen. Visitor Jerred Burbank was also in attendance.

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

The minutes of the July meeting were reviewed. Commissioner Kroupa asked for clarification on Sheriff Ray Maycumber's involvement in that meeting. After some discussion, the minutes were approved by a motion made by Commissioner Aubertin, seconded by Commissioner Fagerlie and unanimously carried.

Commissioner Fagerlie was contacted by a representative of Stonerose. They are interested in submitting an application to the Revolving Loan Fund for a grant. They hope to submit it for the September Board meeting. Commissioner Fagerlie said that they wanted to see copies of previous applications and Auditor Nush reminded him that would require a public information request.

Reports:

The Superintendent's Report was presented by Mike Brown:

1. Superintendent Brown updated the Board on the fire damage to BPA structures that caused outages within the Utility's service area. The wildfire near Grand Coulee Dam destroyed 35 structures and took out the power to Keller. BPA was able to bypass and get the power restored but there may be a future planned outage when the structures are repaired. There were fewer structures damaged by the fire at Kettle Falls but there may be additional repairs that will require another outage there, as well. Commissioner Fagerlie suggested that it may be helpful to write letters to government agencies and politicians to ask for wider right of ways around transmission lines. He will work with Interim Manager VanSlyke to prepare a draft letter for the Board to review at the next meeting. The emergency generator at the District's office had problems during this outage, which took down the phone system. Someone in the area may have had a generator backfeeding into the system. The repeater on Franson Peak went down, also. Upon investigation, all the battery backups on the radios were unplugged and the Border Patrol generator was inoperable. The District will set up a battery backup and the Sheriff's office will be contacting the Border Patrol regarding the generator. There were also problems with cell service and regular phone lines in some areas.
2. Fire restrictions have limited the work that the tree trimming crew can do.
3. The crew is almost finished with the Bodie Mountain Repeater Project. Some blasting is required to place the three remaining poles.
4. Given storm and fire damage to above ground power lines, Superintendent Brown and Interim Manager VanSlyke will be exploring using underground lines more on future construction in the District.

A recess was called at 9:47 a.m. for three minutes. The meeting resumed at 9:48 a.m.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph i at 9:48 a.m. for twenty minutes for the purpose of discussing pending litigation. The Board returned to regular session at 10:08 a.m. Attorney Graham exited the meeting at this time.

A recess was called at 10:08 a.m. for twenty minutes. The meeting resumed at 10:26 a.m.

The Manager's Report was presented by Steve VanSlyke:

1. An invitation was received for commissioners and staff to attend an open house at the Curlew Job Corps in September.
2. Treasurer Allen distributed a report showing the breakdown of the payment methods available to District customers. Only 6% of payments were made in cash since the beginning of 2017. Most customers paid by check or credit/debit card.
3. The City of Republic is proposing to change to LED street lights. The City is requesting a commitment from the Board to create a new rate class for the new lights. The Board agreed that after the City receives their grant and installs the new lights, a new rate class will be addressed.
4. Interim Manager VanSlyke discussed the current Line Extension Loan Program and possible changes that could help expand power into unserved areas. After some discussion, the Board requested that he present them with a proposal for a pilot program.
5. Proposed changes to the District's Travel Meal Policy were again discussed, and the creation of a policy for Non-Travel Food and Beverages. After receiving the Board's approval, Auditor Nush will have the policies and a resolution for the Board at the next meeting.

Commissioner Fagerlie asked how the interim manager and related staff changes are working out. Superintendent Brown, Auditor Nush and Treasurer Allen expressed favorable opinions on the changes. Superintendent Brown has been contracting out some maintenance work during this trial period, but advised that a permanent position will need to be filled. Commissioner Aubertin stressed that it is important not to let things get behind. The Board will review Interim Manager VanSlyke's performance in this position at the next meeting.

An engagement letter has been signed with Moss Adams. They will not be available to start work until September.

Attorney Graham rejoined the meeting at 11:40 a.m.

The group briefly discussed the annual WPUA awards, including the Walkley scholarship for high school seniors.

The Board reviewed some photos taken by Commissioner Kroupa and selected one for the 2019 Utility calendar.

The Board recessed for lunch at 11:57 a.m. and reconvened at 12:59 p.m.

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 July 10, 2018 were \$2,605,470.21 with restricted funds of \$3,137,202.79. There were 11 outages in the month of July, for a year-to-date total of 158 compared to 88 for the same period in 2017. The Large Power Summary, Revolving Loan and Line Extension Loan reports were presented.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was presented to the Board. Cost and usage graphs were presented.
2. Warrants number 17030 through 17123, Direct Payroll Deposits number 904317 through 904355 and Electronic Fund Transfers number 534 through 540, in the total amount of \$604,183.96 were approved by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin and unanimously carried.

Interim Manager VanSlyke informed the Board that the Utility received an anonymous tip on a theft of power situation. It was investigated and power was being taken illegally. The situation was corrected and the Okanogan County Sheriff was informed. Attorney Graham will review this further with Interim Manager VanSlyke.

With no other business before the Board, the meeting adjourned at 2:10 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager