

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
October 15, 2018

The regular meeting of the Board of Commissioners was called to order by Vice President Dan Fagerlie at 9:00 a.m. Present were Commissioners Dan Fagerlie and Doug Aubertin, Attorney Steve Graham, Interim Manager Steve VanSlyke, Superintendent Mike Brown, Auditor Sue Nush, and Treasurer Pam Allen. Visitors were Jerred Burbank and John Friederichs.

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

The draft minutes of the September meeting were reviewed. Commissioner Fagerlie asked for a change in the section on the Revolving Loan Committee meeting, with Attorney Graham confirming the information. After the change, the minutes were approved by a motion made by Commissioner Aubertin, seconded by Commissioner Fagerlie and unanimously carried.

Reports:

The Superintendent's Report was presented by Mike Brown:

1. Work is done on the Bodie Mountain Project until after the radio facility has been installed. After that a transformer will be installed and the line energized.
2. The line crew is in the process of updating fault indicators on District transmission lines and main feeders. This will help locate future outages.
3. The crew is also preparing for cold weather and winterizing equipment. Many customers have been contacting the Utility for street and yard lights not that it is getting darker earlier.
4. Superintendent Brown and Interim Manager VanSlyke are now holding regular operations meetings with the crew.
5. Interim Manager VanSlyke and Superintendent Brown attended a demonstration of a rock drill that can be used with a line truck. The blaster who the District uses is retiring and the rock drill may be able to handle many of the situations the blaster was needed for in the past. The next time a hole requires blasting, Superintendent Brown would like to contract with the driller to test the rock drill. If it works well, the Utility will assess purchasing one.
6. The District received eight more GenerLinks and they have already been installed. There are now approximately 160 customers who are renting them from the Utility.
7. Superintendent Brown has scheduled the crew to assist in getting meter readings for seasonal customers. The goal is to get them done all in one week, instead of having one person spend several weeks working on them.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph i at 9:23 a.m. for fifteen minutes for the purpose of discussing pending litigation. The Board returned to regular session at 9:38 a.m.

There was no Attorney's Report.

The Manager's Report was presented by Steve VanSlyke:

1. Stonerose has not contacted Interim Manager VanSlyke regarding their application for a loan from the Revolving Loan/Grant Economic Fund, as discussed at September's meeting.
2. A customer made a request to have her security deposit refunded to her, instead of applied to her account as is the District's policy. This policy is clearly communicated to customers when they apply for service, and is explained in the District's Customer Service Policies booklet. The Board agreed with Interim Manager VanSlyke and saw no reason to make an exception to District policy.
3. Commissioner Fagerlie read a letter to the group that he received from Barry Lamont, Interim Executive Director of the Tri County Economic Development District (TEDD). It summarized the number of economic loans made in Ferry County by the group and listed other economic benefits the area has received. Commissioner Fagerlie distributed reports with more detailed information on the projects and marketing efforts TEDD has done on behalf of Ferry County. He is in favor of the District continuing its TEDD membership.
4. Interim Manager VanSlyke discussed the Utility-owned solar systems. Maintaining the systems can be quite expensive for the District. In the past, some of the High Cost Loan customers chose to forego the solar systems and connect to the grid. Their loan payments were credited to the cost of installing the line extension. Interim Manager VanSlyke asked the Board if they would like for him to investigate the possibility of turning ownership of the systems over to the customers who wish to retain them, and have fully paid their loans, or to remove the solar systems and connect them to the grid. After discussion, Interim Manager VanSlyke will get the potential costs involved and will work with Attorney Graham on the District's legal obligations.
5. A proposed option and lease agreement with American Tower was discussed. Commissioner Fagerlie expressed some concerns on the wording of the contract and Attorney Graham will review it further and make changes to the section in question.
6. The Board reviewed the letter on the BPA easement over Sherman Pass that was sent out to the USDA Secretary that was drafted by Commissioner Fagerlie and Manager VanSlyke.

The Board reviewed some construction work orders and signed off on them.

Resolution 18-07 A Resolution to Establish a Non-Travel Food & Beverage Policy was read before the Board. Commissioner Aubertin made a motion to approve the resolution, Commissioner Fagerlie seconded the motion and it unanimously carried.

Resolution 18-08 A Resolution to Cancel Unclaimed Warrants was read before the Board.

Commissioner Aubertin made a motion to approve the resolution, Commissioner Fagerlie seconded the motion and it unanimously carried.

Resolution 18-09 A Resolution Appointing a Manager and Fixing Compensation was read before the Board. Commissioner Aubertin made a motion to approve the resolution, Commissioner Fagerlie seconded the motion and it unanimously carried.

After congratulating Steve VanSlyke on his promotion to Manager, Visitor John Friederichs exited the meeting at 10:24 a.m.

A recess was called at 10:25 a.m. for twenty minutes. The meeting resumed at 10:45 a.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 October 9, 2018 were \$2,577,477.34 with restricted funds of \$3,135,782.68. There were 10 outages in the month of September, for a year-to-date total of 186 compared to 118 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 17217 through 17293, Direct Payroll Deposits number 904395 through 904433 and Electronic Fund Transfers number 544 through 548, in the total amount of \$465,979.47 were approved by a motion made by Commissioner Aubertin, seconded by Commissioner Fagerlie and unanimously carried. Included in the listing was warrant number 17189 in the amount of \$53.85 which was voided and reissued on warrant number 17292.

Attorney Graham exited the meeting at 11:51 a.m.

The Board recessed for lunch at 11:51 a.m. and Attorney Graham exited the meeting at this time. The meeting resumed at 1:03 p.m.

Auditor Nush presented the 2019 Preliminary Budget for discussion at the scheduled Budget Hearing. There is an overall reduction of \$235,000 from the 2018 Budget. Commissioner Fagerlie would like for Commissioner Kroupa to review it, also, before the Board discusses it further. The 2019 Budget must be finalized and approved by the Board by December.

With no other business before the Board, the meeting adjourned at 1:18 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager