

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
October 16, 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, Engineer/Superintendent Steve VanSlyke, Auditor Sue Nush, Treasurer Pam Allen, and Warehouseman/Mechanic Mike Brown.

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

Visitors: Nathan Shiflett Jr. and Jim Fitchlee

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

Attorney Steve Graham joined the meeting at 9:03 a.m.

Mr. Fitchlee spoke to the Board about creating a picture book that will tell the story of the District. He will take the pictures and write the story. The Board will consider it and give Mr. Fitchlee an answer at next month's Board meeting. Mr. Fitchlee exited the meeting at 9:16 a.m.

Commissioner Kroupa asked Mr. Shiflett if he would like to address the Board. He replied that he was in the area hunting and just wanted to check in. Manager Friederichs distributed copies to the Board of a letter he received from Mr. Shiflett expressing his interest in applying for the Manager's position once it becomes available. Commissioner Kroupa informed Mr. Shiflett that the Board has decided to make Engineer/Superintendent VanSlyke Interim Manager for a year when Manager Friederichs retires. If that does not work out, the Board will accept applications for the position at that time and would consider Mr. Shiflett. Mr. Shiflett replied that he may not be available by that time as he will be seeking out other opportunities.

Public Comments: Commissioner Fagerlie had a site visit with Ron Gerace during the month to further discuss his tree trimming concerns.

Reports:

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

1. The repaired regulators and transformers are back for the Windsor Substation and should be re-installed soon.
2. The armored cable for the Bodie job should be here soon.
3. Leonard Woolsey has been hired to fill the vacant journeyman tree trimmer position.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph i at 9:42 a.m. for twenty minutes for the purpose of discussing pending litigation. Visitor Shiflett exited the meeting at this time.

The Board returned to Regular Session at 10:02 a.m.

There was no attorney's report to present.

A recess was called at 10:05 a.m. for 20 minutes. The meeting reconvened at 10:25 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. Correspondence received since the last meeting was briefly discussed.

Meetings:

1. All three commissioners and Manager Friederichs will attend a legislative luncheon/meeting in Colville on Wednesday.
2. Commissioner Kroupa and Engineer/Superintendent VanSlyke will go to NRU/PPC meetings in Portland at the end of October.
3. Treasurer Allen will attend a WPUDA roundtable in Kennewick this week.
4. Manager Friederichs and Engineer/Superintendent VanSlyke will attend the WPUDA manager's meeting in Kennewick later this month.
5. Commissioner Aubertin will attend meetings at Energy Northwest.
6. Deputy Treasurer Kammers will attend an environmental compliance overview class by NWPPA in November.
7. Commissioner Fagerlie will attend the November WPUDA meeting in Olympia.
8. Commissioner Fagerlie, Manager Friederichs and Engineer/Superintendent VanSlyke will attend WPUDA's annual conference in Spokane.

General Business:

1. The appointment of Engineer/Superintendent VanSlyke to Interim Manager was further discussed, along with the re-organization of some other positions. The changes will not go into effect until Manager Friederichs is retiring next year.
2. Resolution 17-06 "A Resolution to Cancel Unclaimed Warrants" was presented and adopted by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin and unanimously carried.

Conservation:

1. Some lateral transfers of conservation funds were done.

Commissioner Kroupa made a motion to appoint Steve VanSlyke Interim Manager following Manager Friederichs' retirement and to make the realignment in other management and union duties as needed. Attorney Graham advised that a resolution should be done for the interim position. The Board directed Treasurer Allen to prepare a resolution for next month's meeting.

Commissioner Kroupa exited the meeting at 11:33 a.m. and rejoined the meeting at 11:36 a.m. He withdrew his previous motion.

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 10, 2017 were \$2,402,055.76 with restricted funds of \$3,068,331.45. There were 11 outages in the month of September, for a year-to-date total of 118 compared to 114 for the same period in 2016. The Large Power Summary, Revolving Loan and Line Extension Loan reports were reviewed.

The Board recessed for lunch at 11:53 a.m. and reconvened at 01:00 p.m.

Auditor Nush presented the 2018 Preliminary Budget for discussion. There is an overall reduction from the 2017 Budget of 3.5 percent. The rate increase imposed by BPA that was effective October 1st and other costs would be covered by an increase of one half of one cent per kilowatt hour over all rate classes. The Board requested a rate hearing be scheduled for the next regular monthly meeting on November 20th, to be held at the District conference room at 1:00 p.m.

Attorney Graham left the meeting at 1:28 p.m., returning at 1:36 p.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 16107 through 16202, Direct Payroll Deposits number 903952 through 903987 and Electronic Fund Transfers number 484 and 486 through 488, in the total amount of \$561,630.63 were approved by a motion made by Commissioner Fagerlie, seconded by Commissioner Kroupa and unanimously carried.
3. Review of financial and statistical reports continued.

Manager Friederichs exited the meeting at 1:52 p.m., returning at 1:56 p.m.

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