

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
December 15, 2014

The regular meeting of the Board of Commissioners was called to order by President Chris Kroupa at 9:06 a.m. Present were Commissioners Kroupa, Fagerlie and Aubertin; Manager John Friederichs, Engineer/Superintendent Steve VanSlyke, and Treasurer Jayne Jurgensen.

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

Visitors: Nathan Davis

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

The meeting was turned to Mr. Davis who discussed his role as a new County Commissioner and his desire to build another economy in the area. Various approaches were presented and discussed at length. The Utility was invited to participate in future planning meetings. The Board was thanked for their time and Mr. Davis exited the meeting at 9:42 a.m.

Angel Glenewinkel was a visitor, listed on the agenda, but was unable to attend. Manager Friederichs reported to the Board that she was interested in the Utility's support of the upcoming Republic School Levy. The matter was briefly discussed with the Board in concurrence that the Utility could not present a position, either positive or negative, towards the levy. Employees are, however, able to express their support.

A brief recess was called at 9:45 a.m. with the meeting reconvening at 9:57 a.m.

Reports:

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

1. A large portion of the month was involved with storm related damage. A very heavy, wet snow just prior to Thanksgiving resulted in thirty-two separate outages. This resulted in approximately one-third of the total yearly outages occurring in one month.

Commissioner Fagerlie questioned whether the crew was working a five-day week and when this change normally occurred. Mr. VanSlyke explained that the crew had returned to a five day work week in October and that this normally happens once the construction season has tapered off and the days are shorter. The longer work days are not a benefit during the winter.

2. A switch failed in the Strassburg Substation on Saturday, December 13th. The failure resulted in a lengthy outage for all customers with the exception of those in Keller. At this time the switch will not be replaced due to the expense involved and the Utility can safely operate the system without the switch. In the event that it was absolutely necessary to have a switch, one could be fabricated from available parts.
3. The dissolved gas report showed that there were issues with a priority transformer in the Kuehne Substation in the Keller area. The transformer will be retested to confirm the initial results. The cost of a new, replacement would be approximately \$150,000.
4. A thermal scan has been completed on a portion of the system.

The Board was thanked for their time and Mr. VanSlyke exited the meeting at 10:15 a.m.

The Manager's Report was presented by Manager Friederichs:

Correspondence:

1. A thank-you has been received for the Utility's support of the Ferry County Fair.
2. A request for contribution has been received from the Republic Chamber of Commerce for the Fireworks project. It has been explained that the Utility cannot provide a contribution and the individual will again be contacted.

Meetings:

1. Manager Friederichs and commissioner Fagerlie attended the Annual WPUDA Meeting. Manager Friederichs found the meeting to be very interesting and provided an overview of that portion that he attended.
2. Work continues on the alternative energy vehicle requirements for State agencies. The WPUDA has members on the committee that is developing the rule.
3. The matter of “on-call” contracting has been identified by State Auditors as an issue for utilities. Some utilities have been issued findings by State auditors because of how their contracts were bid. In some cases, a contract that is for a year in length was acceptable when the same contract for more than one year was not. Historically, contracts have been an hourly rate for equipment and personnel. The State has determined that this is not acceptable and that the contract bids must be for specific job locations, specifying the exact number of trees to be cut, and the type of property the work will be done on.
4. The January WPUDA meeting has been scheduled for the 14th through 16th in Olympia. This meeting will include the Legislative Reception. Commissioners Fagerlie and Kroupa and Manager Friederichs will attend portions of the meeting.
5. Commissioner Kroupa advised that he will attend the NRU and PPC meetings in February.

General Business:

1. The cost of power from Bonneville for the month of November was 3.2 cents per kilowatt.
2. The Rate Impact Model has been received from Bonneville Power. A discussion of possible impacts the Utility may experience was held.
3. One of the new ag-businesses has changed to the Large Power classification due to the kilowatts used.
4. Nothing has been resolved regarding the court challenge of the requirement for employees to participate in a wellness program to receive VEBA monies.
5. Energy Northwest has been contacted regarding their Excellence in Governance class. The next step will be the completion of a questionnaire which will determine the areas that the Utility wishes covered. A program will be developed to meet our needs. The Board was in concurrence that Manager Friederichs should move forward with scheduling the program.

The Conservation Report was presented by Manager Friederichs:

1. Work continues on some commercial projects. A main street business has expressed interest in the lighting program. Unfortunately the incentives for the program are no longer available.

Commissioner Aubertin exited the meeting at 11:05 a.m. returning at 11:10 a.m.

Commissioners:

Commissioner Fagerlie:

1. Attended the WPUDA meetings. An overview was presented. The Board was questioned whether they wished the Utility to develop a display for the February 19 “PUD’s on the Hill” day. The Utility will not participate.
2. Attended the Cattlemen’s Association Annual Dinner and presented a utility report which included B.P.A. costs, solar programs and conservation.
3. Attended the Attorney’s WPUDA meeting and gathered materials.

Commissioner Aubertin:

1. Attended no outside meetings.

Commissioner Kroupa:

1. A letter has been received from NWPPA asking for the Utility’s nomination to their board. The Utility will not submit a nomination.

The Treasurer’s Report was presented by Jayne Jurgensen:

1. Operating Funds available as of December 09, 2014 were \$2,441,977.65 with restricted funds of \$1,934,747.25. There were fifty-six outages in the month of November for a year-to-date total of one hundred ninety-three compared to one hundred forty-two for the same period in 2013. The Revolving Loan/Grant Fund and the High Energy Cost Loan repayment reports were reviewed.

2. Work Orders completed, as a result of the recent Power Engineers review, were presented for consideration. Number 372 in the amount of \$746,817.73, number 373 in the amount of \$92,178.27, number 374 in the amount of \$174,747.02, number 375 in the amount of \$222,633.16, number 376 in the amount of \$90,744.06 and number 377 in the amount of \$1,781,626.48 were approved by a motion made by Commissioner Aubertin, seconded by Commissioner Fagerlie and unanimously carried.
3. The annual Employees Award Dinner has been scheduled for Monday, January 26 beginning at 6 p.m. at Freckle's Gourmet BBQ.

Manager Friederichs reported that the radio communication study has been terminated that the final payment in the amount of \$3,716.98 has been made.

The meeting recessed at 11:43 a.m. for lunch with the meeting reconvening at 12:44 p.m.

Due to the absence of Auditor Nush, the full oral Auditor's report was not presented but written format was reviewed by the Board. Manager Friederichs did provide the voucher listing for Board review and approval. Warrants Numbers 12106 through 12194, direct payroll deposits numbers 902633 through 902667, Electronic Fund Transfer numbers 313 through 316 in the total amount of \$582,356.50 were approved by a motion made by Commissioner Kroupa and seconded by Commissioner Fagerlie and unanimously carried.

With nothing further to come before the Board, the meeting was adjourned at 1:05 p.m.

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

President

ATTEST:

Vice-President

Secretary

APPROVED:

Manager