

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY  
REGULAR MEETING OF COMMISSIONERS  
January 16, 2012

The regular meeting of the Board of Commissioners was called to order by President Doug Aubertin at 9:02 a.m. Present were Commissioners Aubertin, Chris Kroupa and Nathan Davis, Manager John Friederichs, Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke; Attorney Steve Graham who entered the meeting at 9:03 a.m. and Secretary/Treasurer Jayne Jurgensen.

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

Visitors: None

The minutes of the previous meeting were corrected and approved by a motion which was made by Commissioner Kroupa seconded by Commissioner Davis and unanimously carried.

Reports:

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

1. A local trucking contractor has damaged a telephone pole near the Utility's shop and the crew is assisting in the repairs this morning.
2. Work continues on the Howard Substation (Wauconda) to resolve the faulty transformer issue. Recently decommissioned transformers have been located at Kittitas P.U.D. Arrangements are being made for inspection prior to purchase. The sale price will be \$3,000 per transformer with the final approximate cost of transformers, inspections, transportation and painting to be \$20,000.
3. A lengthy outage in the Keller area has been scheduled for Monday, July 16. Coordination with B.P.A. is being done as this will allow them a day for maintenance and repair work in the area. At this time, it is anticipated that the work will require a 16-hour outage. Customers receiving service from the Keller Substation will be notified within the next month to allow them adequate planning time.
4. The crew has completed pole replacement work on Kuehne road and has moved to the Swawilla Basin area.
5. The Tribe is reconsidering a proposed project on Manilla Creek.

Mr. VanSlyke thanked the Board for their time and exited the meeting at 9:20 a.m.

The Attorney's Report was presented by Attorney Graham:

1. Motion to publish the Steinbock Case has been accepted. May very well prove itself useful to other utilities faced with legal action for the termination of electric service.

Auditor Nush questioned whether the determination had been made by Attorney Graham in regards to exempt versus non-exempt employees. It was explained that the new computer system is being programmed and it would be beneficial to have accurate information for the correct calculation of compensation. Attorney Graham explained that the only true exempt from overtime payment position at the Utility is the Manager. Manager Friederichs added that the recently adopted Employee Handbook explains that overtime will not be paid unless approved in advance by either the Manager or Auditor. Attorney Graham will develop brief direction, as detailed by law, for the Board to approve.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. None during the month.

Meetings:

1. Schedules for the 2012 NRU and PPC meetings were provided.
2. Energy Northwest has yet to make available the 2012 meeting schedule.

General Business:

1. The Customer Service Policy handbook as been reviewed with updated copies provided to the Board for their review and consideration.
2. Billing issues have developed with respect to the lease of the CAT backhoes. After another telephone call to CAT's accounting office it is hoped that the matter has been resolved.
3. The December B.P.A. power billing is again less than anticipated. The Utility's B.P.A. Account Representative will be invited to the February meeting to discuss the new process with the Board. Commissioner Kroupa will also have the opportunity to discuss the new process when he attends the B.P.A., NRU and PPC meetings at the end of the month.
4. The Engineering Aid position has been filled. Ryan Masingale was selected. The Union was agreeable to a beginning salary modification allowing deviation from the salary range as detailed in the current Contract. Because of the lowered salary, two of the applicants being considered for the position withdrew their applications.

The Conservation Report was presented by Manager Friederichs:

1. Funding for the 2012 Conservation Program has been finalized by B.P.A. The Utility will expend the allocation by the end of January. Commitments made to customers in 2011 are being honored and a few small lighting projects will be possible. The Board discussed the benefits of the program.

The meeting recessed at 10:06 a.m. reconvening at 10:17 a.m.

Commissioners:

Commissioner Kroupa:

1. He and Manager Friederichs will attend a B.P.A. meeting in Portland on January 31. The NRU and PPC meetings will also be attended by Commissioner Kroupa. Will not be able to attend the May NRU and PPC meetings due to a conflict. Commissioner Aubertin will decide at a later date if he will be able to attend.

Commissioner Aubertin:

1. Attended no outside meetings.

Commissioner Davis:

1. Attended the January WPUA Meeting and found it informative. Highlights of conversations were presented. Work on the actual installation of fiber by NOANET is scheduled to begin in the spring of 2012 with completion of the project in 2013. A brief discussion of the Utility's involvement was held. At this time, the Utility has provided no financial support but did provide a letter of support. Auditor Nush reported that a contract is now in place with NOANET for pole contacts.
2. Information gathering continues on the Granite Creek Dam Project. Visited with Senator Morton about possibility of the project and he seemed in favor, providing suggestions for financial support.
3. The Verizon pole contact issue was presented for discussion. The topic was also discussed at the WPUA meeting. Our Utility adopted the new rate calculation several years ago, as directed, and other utilities in the State have not

Commissioner Kroupa exited the meeting at 11:39 a.m. returning at 11:41 a.m.

The rescheduling of the February Board Meeting was discussed with final decision deferred until the afternoon portion of the meeting.

The Board's representation to the various Trade Organizations for the 2012 year was presented for discussion. The representation will remain as follows:

WA P.U.D. Association	Davis/Aubertin
P.U.D. Roundtable	Davis/Aubertin
Energy Northwest	Aubertin/Kroupa
NWPPA	Aubertin/Davis
P.P.C.	Kroupa**/Aubertin
TEDD	Davis/Aubertin
Packwood Owners	Friederichs
WA Association of P.U.D. Attorneys	Graham
Revolving Loan/Grant Committee	Davis/Kroupa/Aubertin
N.R.U.	Kroupa/Aubertin
PNUCC (non-voting)	Davis/Kroupa/Aubertin

\*\*Commissioner Kroupa will attend quarterly meetings

The meeting recessed at 11:51 a.m. for lunch reconvening at 1:06 p.m.

The rescheduling of the February Board Meeting was again discussed. After conferring with Attorney Graham, the decision was made to hold the meeting on Tuesday, February 21, 2012 beginning at 9:00 a.m.p.

Auditor Nush exited the meeting at 1:04 p.m. returning at 1:06 p.m.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of January 10, 2012 were \$1,211,668.50 with restricted funds of \$1,158,475.64. There were four outages in the month of December for a year-to-date total of one hundred seventeen compared to one hundred fifty four for the same period in 2010. The Revolving Loan/Grant Fund and the High Energy Cost Loan repayment reports were reviewed.
2. Resolution 12-01 "A Resolution Authorizing Agents for Night Depository Agreement" was adopted by a motion made by Commissioner Kroupa, seconded by Commissioner Davis and unanimously carried.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 8099 through 8220 direct payroll deposits numbers 9901459 through 9901490, Electronic Fund Transfer number 186 through 188 in the total amount of \$606,555.95 and voided warrants numbers 7783 and 8199 were approved by a motion made by Commissioner Davis, seconded by Commissioner Kroupa and unanimously carried.

Attorney Graham exited the meeting at 1:49 p.m. returning at 1:52 p.m.

2. The State financial audit has yet to be finalized. An exit conference has tentatively been scheduled for the end of January.

Lobbying: None

With nothing further to come before the Board, the meeting was adjourned at 2:13 p.m.

BOARD OF COMMISSIONERS  
PUBLIC UTILITY DISTRICT NO. ONE  
FERRY COUNTY, WASHINGTON

\_\_\_\_\_  
President

ATTEST:

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Vice-President

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Secretary

APPROVED:

\_\_\_\_\_  
Manager