

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
January 18, 2010

The regular meeting of the Board of Commissioners was called to order by President Nathan Davis at 9:00 a.m. Present were Commissioners Nathan Davis, Chris Kroupa and Doug Aubertin, Manager John Friederichs, Attorney Graham, Auditor Rory Miller, Sue Nush Customer Service Representative and Secretary/Treasurer Jayne Jurgensen.

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

Visitors: Dan Fagerlie, WSU Extension Office, Leslie Jones, Executive Director TEDD, Julia Abernethy Ferry County Economic Development Specialist.

The minutes of the previous meeting were approved by a motion made by Commissioner Aubertin seconded by Commissioner Davis and unanimously carried.

Ms. Jones introduced Ms. Abernethy as the new Ferry County Economic Development Specialist. Ms. Jones spoke with the Board regarding some of the current TEDD projects.

Mr. Fagerlie presented an update on the H.E.A.T Project (Heating Energy Assessment Team Project) which is a joint project with the Utility and the WSU County Extension Office. The intent of the program is to assist Ferry County residents in the reduction of heat loss from their homes and covers all methods of heating, not just electric. Mr. Jerry Graser was hired in late 2009 to implement the program and perform the audits. To date, fifty-six individuals have requested an audit with twelve completed. A thermal sensing camera, rather than hazardous materials, is utilized to identify heat leaks in homes. The program covers all of the Utility's service area and the remainder of the County. Radon and carbon monoxide monitoring is also offered. Manager Friederichs explained that the Utility may be able to add additional funding for Mr. Graser's salary through the utilization of administrative funds for the B.P.A. Conservation Credits. Mr. Fagerlie questioned whether he should implement a more wide spread publicity program with the Board concurring.

Ms. Jones and Ms. Abernethy exited the meeting at 9:50 a.m.

Mr. Fagerlie was thanked by the Board for his informative presentation and he exited the meeting at 10:00 a.m.

Reports:

The Attorney's Report was presented by Attorney Graham:

1. An update of the Steinbock case was presented. Judge Clark has taken the Motion to Dismiss, filed by the Utility, under advisement with his decision to be made in the near future. Continues to keep retired Manager Weller and past Commissioners Ciais and Caudell informed as to the status of the case. Mrs. Weller has expressed her frustrations with the delay in resolving the case.

The General Foreman's Report was presented by Manager Friederichs:

1. The crew has completed all work orders that were ready for construction. They are removing dead trees identified in the snow outage, replacing or reinforcing poles and checking cross arms.
2. Meter and transformer work continues.
3. Pricing proposals were obtained for the power line tree trimming work to be accomplished during the field season. Seattle Tree Service was selected to perform the work with all proposals being very close.
4. The recent power outages were a result of the heavy, wet snow coming off the lines. More issues occurred in the Wauconda/Bonaparte Lake area than in the past. The installation of the line to the Columbia River Carbonates site has added a line to the poles which has resulted in all three phases being hot. The matter has been reviewed by General Foreman Sage and Staking Engineer VanSlyke with work to be done to eliminate the problem.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A thank-you has been received from the Regional Visitor's and Convention Bureau for renewing our membership.
2. A thank-you was received from the Wauconda Sock Hop and Car Show organizers for the 2009 sponsorship. An invitation to participate in the 2010 event was included.
3. Another thank-you note was received from a consumer who received a Low-Income Senior Citizen payment from the Enron settlement.
4. A solicitation has been received from the Republic High School Annual committee offering an advertisement space for \$35. The Utility will again advertise in the Annual.
5. A request for sponsorship has been received from the Keller Rodeo Association. The Board was in agreement that support in the amount of \$50, which purchases one-half a board on their fence, was again acceptable.
6. A thank you note has been received from a consumer affected by the recent outage. He thanked the crew for prompt response and the courtesy shown by the office staff.

Meetings:

1. Attended a B.P.A. meeting in Spokane as did Ed Forsman. Information on the newest conservation program was presented. There is the possibility that B.P.A. may change their qualification requirements for the industrial program. In the past if a business could not provide in writing, that they would be a presence in the area ten years into the future the business did not qualify for the program. This may be changing which will allow the Utility to help several area industries. The luncheon also commemorated Rosalie Nourse's work with B.P.A. as she is retiring.

2. February WPUA meeting will be the 17th through 19th in Olympia.
3. The Annual NWPPA meeting will be held in Sacramento May 23 through 26. Commissioner Aubertin may attend.

General Business:

1. The System 36 computer system is not repairable. Some 2006 data was retrieved and is being converted into a usable format. The hard drive has been destroyed.
2. A telephone conference call has been scheduled for January 19 to discuss the NOANET project of bringing Broadband Internet through Ferry County. The Utility has not been aware of and therefore has not participated in any of the meetings held to date although Ferry County Commissioners have participated.
3. Still working on the Packwood load issue. A response has yet to be received advising whether the Utility will be able to pay it's portion of the debt in full. As a group, utilities have notified B.P.A. that they are working on the Packwood matter however no response has been received from B.P.A.
4. Information is still being gathered with respect to the rebuild of the line truck. Additional price quotes on the cost of actual rebuild are pending.

Commissioner Aubertin questioned where the Utility was having tire work completed. He had been advised by a local businessman that the Utility was no longer sending business to a particular local business but was working with a new out of town business. Manager Friederichs explained that Utility business is being shared with both entities. One business is able to perform work at the shop which has proven very beneficial. Pricing is obtained from both entities prior to purchasing tires or having other work performed. The Board briefly discussed the benefits of obtaining the best pricing .

5. The proposed Policy Handbook was brought before the Board for discussion. A brief discussion followed with a motion then made by Commissioner Kroupa to adopt the Policy Handbook as presented. The motion was seconded by Commissioner Aubertin and unanimously carried.
6. The February Board Meeting date was brought before the Board for consideration. All were in agreement that the meeting shall be held on Tuesday, February 16, 2010 beginning at 9:00 a.m. as Monday, February 15 is a holiday recognized by the Utility.

The Board discussed at length the current financial position of the District. Auditor Miller explained that, as shown on the Treasurer's Report, there is more B.P.A. money set aside than the Utility has to operate month-to-month. And, as was shown on the Treasurer's Report, there was insufficient P.U.D. funds in the Government Investment Pool to cover financial allocations, thus the negative figure. It is not possible as yet to show the effects of the October 1 rate increase. A motion was made by Commissioner Kroupa to transfer the B.P.A. set-aside monies into the Utility's general fund with \$230,000 to be invested in the RUS Cushion of Credit account which will earn 5% interest compared to .3697 earned for the month of December at the State Investment Pool. The motion was seconded by Commissioner Aubertin and unanimously carried.

Auditor Miller exited the meeting at 11:47 a.m. with the meeting recessing at this time to reconvene at 12:05 p.m. with lunch being delivered and the meeting continuing.

Commissioners:

Commissioner Kroupa:

1. Attended no outside meetings.

Commissioner Aubertin:

1. Attended no outside meetings. Will attend the Annual NWPPA meeting.

Commissioner Davis:

1. Attended the January WPUA meeting. An overview of the topics of conversation was presented.

The Board's representation to the various Trade Organizations for the 2010 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 Conservation report was presented by Manager Friederichs:

1. Nothing additional to report.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of December 10, 2009 were \$722,093.92 with restricted funds of \$1,500,758.97. There were three outages in the month of December for a year-to-date total of one-hundred thirty-six compared to one hundred seventy-four for the same period in 2008. The Revolving Loan/Grant Fund and the High Cost Grant repayment reports were reviewed.
2. A summary of consumer payments made via credit and/or debit cards was presented. The process continues to be an economical method of helping customers pay their bills.
3. One of the Revolving Loan contract holder has stopped making their monthly payments. Attorney Graham has written a letter with no response received.
4. Utility consumers have helped fellow consumers during 2009 with a total of \$5,946 in payments as gifts. Manager Friederichs was asked to thank the community for helping their neighbors.

The Auditor's Report was presented by Rory Miller:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 5384, 5385, 5421 through 5477, 5480 through 5532, direct payroll deposits numbers 9900700 through 9900728 in the total amount of \$630,656.04 were approved by a motion made by Commissioner Davis, seconded by Commissioner Kroupa and unanimously carried.
2. The Financial and Statistical Report was reviewed by the Board. The 2009 Budget resulted in an overall deficit of \$60,000.

Lobbying: None

With nothing further to come before the Board, the meeting was recessed at 2:30 p.m.

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

President

ATTEST:

Vice-President

Secretary

APPROVED:

Manager