

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
January 19, 2015

The regular meeting of the Board of Commissioners was called to order by President Chris Kroupa at 9:00 a.m. Present were Commissioners Kroupa, Doug Aubertin and Dan Fagerlie, Manager John Friederichs, Attorney Steve Graham, Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke and Treasurer Jayne Jurgensen.

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

The minutes of the December meeting were approved by a motion which was made by Commissioner Fagerlie seconded by Commissioner Aubertin and unanimously carried.

The Election of Officers was conducted by Attorney Graham. Nominations for the office of President were opened with Commissioner Aubertin nominating Commissioner Fagerlie. Commissioner Kroupa seconded the motion with two commissioners voting in favor and one abstaining. A motion was made by Commissioner Kroupa to name Commissioner Fagerlie as President, Commissioner Aubertin as Vice-President and himself Secretary. The motion was seconded by Commissioner Fagerlie and unanimously carried. Commissioner Fagerlie assumed the roll of President for the remainder of the meeting.

Visitors: None

There were no public comments.

Reports:

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

1. Retesting of a transformer in the Kuehne Substation in Keller has resulting in unacceptable readings. A two-hour outage has been scheduled for January 22 to change out transformer.

Commissioner Kroupa questioned whether it would be possible to let business owners know that scheduled outages could be shorter than anticipated so that they can plan accordingly. A consumer in his district expressed concern when the power was restored earlier than planned. It was explained that customers are told that the time of the outage is approximate when calls are made advising of the outage.

2. Results of the recent thermal scan were presented. Use of the thermal imaging camera has prevented several outages and damage. The camera is also used when helping customers resolve high energy usage situations.
3. A cost comparison for in-house vegetation management was presented and discussed at length. Items considered and discussed included improving the overall tree removal program, having a small two-person crew which would consist of journeyman tree trimmers who would be able to work continually throughout the year. Adequate vehicles are available eliminating the need to purchase anything other than a chipper. The additional crew would require that one of the existing linemen become the supervisor. The current crew is in favor of adding this crew. They feel the work will be more productive and there will be two additional people to help during outages by removing trees and other down material ahead of the line crew. A motion was made by Commissioner Kroupa to authorize the Manager and Superintendent to hire an in-house two person tree trimming crew and purchase a chipper. The program will be reviewed annually for a minimum of three years to compare its effectiveness with the current contracting practice. The motion was seconded by Commissioner Aubertin and unanimously carried. Commissioner Kroupa requested that a report be developed showing work completed over the past four years to allow for a benchmark to measure from.

Manager Friederichs exited the meeting at 9:47 a.m. returning at 9:49 a.m.

4. Information regarding one of the Utility's solar systems was presented. A fire occurred near the site of the solar installation and the matter has been referred to Federated Insurance.

Mr. VanSlyke was thanked for his time and he exited the meeting at 9:56 a.m.

A recess was called at 9:57 a.m. for fifteen minutes with the meeting reconvening at 10:15 a.m.

There was no Executive Session called.

The Attorney's Report was presented by Attorney Steve Graham:

1. Attended the annual WPUA Attorney's Meeting in Vancouver. Found the meeting informative.

Commissioner Kroupa questioned the status of the electric vehicle legislation. Discussion followed with the Board in agreement that our service territory could not be adequately supported if the District was required to use electric vehicles. The Board directed Manager Friederichs to develop a letter, for Board signature, detailing the nature of our District, the various issues associated with the use of electric vehicles in this area, the emergency nature of the work performed by the District and request an exclusion. A draft letter will be emailed to the Board by Tuesday, January 20.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. Correspondence has been sent to the area Frontier Communications manager regarding an unpaid billing from March 2014. The Utility responded to an after hours outage call which was found to actually be telephone lines down and crossing a street in Curlew. As a courtesy and due to the location of the wires, the Serviceman rehung the wires and Frontier was subsequently billed. The Utility has now been advised that they are not to do this type work in the future and the crew has been so advised. It is hoped that the area manager will contact the Utility and an agreement can be developed.

Meetings:

1. The Public Power Council Annual Report was provided to the Utility's representative.
2. The annual report for the Inland Northwest Community Foundation was provided to Board President Fagerlie.
3. WPUDA Legislative calls will now be held on a weekly basis through the duration of the legislative session.
4. The next WPUDA meeting will be February 18 through 20 in Olympia. Commissioner Fagerlie will attend. It is not certain at this time whether it will be necessary for Manager Friederichs to attend. Commissioner Fagerlie added that he has been asked to participate in a panel during the new commissioner orientation on the 18th.
5. Commissioner Aubertin questioned the PDC training requirement and reported that TEDD has questioned whether he has completed the required training on public meetings and public records. Manager Friederichs will provide the necessary information to those District employees who should complete the training.

General Business:

1. Initiative 937 may be expanded to include all utilities, not just those classed as large. This will result in the Utility being required to obtain 15% of it's power through renewable sources. B.P.A. will be contacted for an estimated cost of this change. Attorney Graham was asked whether it would be appropriate for the Utility to include this information in it's monthly paper article. The Board was advised that information may be presented even if the matter will appear on the ballot for public voting. It was further questioned whether the Utility could contact legislators on the matter. Attorney Graham will research PDC requirements further.
2. Information on the December B.P.A. billing was presented and discussed. B.P.A. has also issued a rate impact model with the calculations including Kinross usage. If the load should change significantly the Utility can request a recalculation.
3. The Utility has received a claim from a customer for damaged property after the last power outage. The customer's television no longer worked and the Utility's insurance company has denied the claim. A discussion followed with the Board in agreement that surge suppression is a customer's responsibility and the Utility would not be able to reimburse for the television.
4. The Energy Northwest survey for the development of the Excellence in Governance for the District was discussed. All Utility personnel who will participate in the program are to complete the survey as quickly as possible.
5. A new website is being developed for the Utility. A local web designer has been contracted with for the project.
6. The possible need to create a new rate class for home businesses was presented for consideration. Increased electric demand has resulted in increased billing from Bonneville Power to that Utility that is not recouped from customers causing the increased load. Auditor Nush provided information on existing rates, their structure and how they align with B.P.A. billing. The best venue to present a change if developed was discussed.

The meeting recessed at 11:56 a.m. for lunch reconvening at 1:01 p.m.

Conservation information was presented by Manager Friederichs:

1. No activity in the program.

Commissioners:

Commissioner Aubertin:

1. Attended no outside meetings.
2. Will attend the Energy Northwest meeting on January 27 and 28.

Commissioner Kroupa:

1. Attended a portion of the January WPUDA meeting and Legislative Reception.

Commissioner Fagerlie:

1. Attended the January WPUDA meeting and the Legislative Reception. An overview of the meeting was presented.

The Board's representation to the various Trade Organizations for the 2015 year was presented for discussion. A motion was made by Commissioner Aubertin to keep Trade Organization representation as presented. The motion was seconded by Commissioner Kroupa and unanimously carried.

WA P.U.D. Association
P.U.D. Roundtable
Energy Northwest
NWPPA
P.P.C.
N.R.U.

Fagerlie/Kroupa
Fagerlie/Kroupa
Aubertin/Kroupa
Aubertin/Fagerlie
Kroupa**/Fagerlie
Kroupa**/Fagerlie

TEDD
Packwood Owners
WA Association of P.U.D. Attorneys
Revolving Loan/Grant Committee

Fagerlie/Aubertin
Friederichs
Graham
Kroupa/Aubertin/Fagerlie
**Attendance of quarterly meetings only

Participation and Utility representation at meetings other than the Trade Organizations was discussed. Commissioner Fagerlie stated that he had been invited to speak at the annual Cattlemen's Association dinner and he answered questions posed to him regarding the Utility. Commissioner Kroupa added that he felt it was important that Commissioners made certain their audiences were made aware that their statements were their own personal views and not that of the Utility.

The rescheduling of the February Board Meeting was discussed. A motion was made by Commissioner Kroupa to hold the meeting on Tuesday, February 17. The motion was seconded by Commissioner Aubertin and unanimously carried.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of January 10, 2015 were \$2,589,957.43 with restricted funds of \$1,785,606.98. There were fourteen outages in the month of December for a year-to-date total of two hundred seven compared to one hundred forty-five for the same period in 2014. The Revolving Loan/Grant Fund repayment report was reviewed.
2. An updated Customer Service Policy Handbook was presented and adopted by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried.

The Auditor's Report was presented by Sue Nush:

1. Travel information was provided to the Board. The new Washington State mileage rate is .575 per mile which was effective January 1, 2015.
2. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 12195 through 12302 direct payroll deposits numbers 902668 through 902702, Electronic Fund Transfer numbers 317 through 321 in the total amount of \$643,590.42 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried.
4. The Financial and Statistical Report was reviewed by the Board with questions answered.

With no further business, the meeting was adjourned at 2:58 p.m.

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

President

Vice-President

ATTEST:

Secretary

APPROVED:

Manager