

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY  
REGULAR MEETING OF COMMISSIONERS  
January 21, 2013

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 Dan Fagerlie, Manager John Friederichs, Attorney Steve Graham, Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke and Secretary/Treasurer Jayne Jurgensen.

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

The minutes of the previous meeting were corrected and approved by a motion which was made by Commissioner Fagerlie seconded by Commissioner Kroupa 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 Kroupa. A motion to close the nominations and accept the nomination of Commissioner Kroupa as Board President was made by Commissioner Aubertin, seconded by Commissioner Fagerlie and unanimously carried. Nominations for the position of Board Secretary were opened with Commissioner Kroupa nominating Commissioner Aubertin. A motion was made by Commissioner Kroupa to accept the nomination of Commissioner Aubertin for the position of Secretary, the motion was seconded by Commissioner Fagerlie and unanimously carried. Nominations for the position of Vice President were opened with Commissioner Kroupa nominating Commissioner Fagerlie. With no further nominations, a motion was made by Commissioner Kroupa to accept the nomination of Commissioner Fagerlie for the position of Vice President. The motion was seconded by Commissioner Aubertin and unanimously carried. Commissioner Kroupa assumed the roll of President for the remainder of the meeting.

Visitors: None

There were no public comments.

The Board went into Executive Session at 9:13 a.m. for fifteen minutes to discuss potential litigation as per RCW 42.30.100(1)(I). The Board returned to regular session at 9:29 a.m.

Reports:

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

1. The crew has been working primarily on outages caused by the snow and wind. Fortunately the weather warmed significantly allowing most of the snow in the trees to drop off.
2. The Fish Hatchery line reroute project has been completed.
3. Work continues on the new 3-phase service for the new Keller Ferry.
4. Some new construction work has been completed.
5. Mapping is being updated with the verification of pole contacts to allow for more accurate billing. It is planned to inventory all of the pole contacts for telephone companies.
6. The Utility is now part of the state-wide "Call Before You Dig" program. This change is a result of a new law which has gone into effect.
7. ACI will be moving their crusher to the Beal Pit and have asked if the Utility would contribute towards the construction of the new padmount transformer facility. The Board was in agreement that this would be a gifting of public funds and the Utility could not participate.

Commissioner Kroupa questioned the removal of damaged and dying trees adjacent to our lines. Mr. VanSlyke reported that the primary priority is the removal of those trees leaning over the lines with the secondary priority being the removal of damaged trees. The crew has worked extensively on the Hecla line correcting problems and removing trees.

Mr. Vanslyke was also questioned as to the status of his proposal for a Utility tree trimming crew. He explained that information is being gathered regarding the necessary equipment.

Mr. VanSlyke exited the meeting at 9:40 a.m.

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

1. Information regarding Executive Sessions was presented. It was explained that information provided during the session could not be discussed outside the meeting, notes are not to be taken during the session, and employees may be present during the session.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A note thanking the Utility for advertising support was received from the Keller Jr. Rodeo.
2. A letter has been received from a seasonal customer whose property and electric service was severely damaged during the July 20<sup>th</sup> storm. Unfortunately, the account was not so noted and closed with billing stopped as has now been done. Several other accounts have been closed to stop billing until the customer can make the necessary repairs.

Meetings:

1. Energy Northwest January 23 and 24 with Commissioner Aubertin to attend
2. Commissioner Kroupa will attend the NRU and PPC meetings in February.
3. Commissioner Fagerlie will attend the new Commissioner Orientation scheduled for February through April.

General Business:

1. The proposed Customer Service Handbook was discussed.

2. Another packet of FEMA documentation has been provided. No word as yet on any form of reimbursement has been received.
3. The proposed fee schedules and requirements to be imposed by Parks and Recreation regarding utility easements was presented and discussed at length. The Board concurred that the Utility should provide written information to the Ferry County Board of Commissioners regarding the impact such a change would have on the Utility. There is the possibility that line serving the State Park can be dedicated to that purpose only and another separate line could be installed to serve those customers now served from the line to the Park.

A recess was called at 10:30 a.m. with the meeting reconvening at 10:38 a.m. with Attorney Graham not returning at this time.

4. A meeting has yet to be set with Kinross personnel to discuss the Bonneville Power billing changes and a possible contract modification. They will be contacted again to set a date.

Manager Friederichs exited the meeting at 10:06 a. returning at 10:08 a.m.

Attorney Graham joined the meeting at 10:43 a.m.

Manager Friederichs continued:

5. Deputy Auditor Andrea Olson has given verbal notification that she will be retiring from her position in April of 2013 and will then be on leave until it is exhausted. The need to fill the position immediately and job requirements were discussed. The Board was in concurrence that the District should move forward immediately to fill the position.
6. A High Energy Cost solar customer who continues to have problems with their system was brought before the Board for discussion. The possibility of changing from a solar installation to a regular line extension was presented. The Board was asked to reinstate the High Energy Cost Grant Program which had been set aside at the August 20, 2012 Board Meeting. The Board directed Manager Friederichs and Auditor Nush to work through the reinstatement of the fund. A motion was made by Commissioner Kroupa to reinstate the High Energy Cost program with a transfer into the account of \$15,000.00 and, effective February 1, 2013 all monthly payments will again be transferred into the fund. The motion was seconded by Commissioner Aubertin. The Board discussed briefly how the fund would again receive funding and with no further discussion the motion was unanimously carried.
7. The Washington P.U.D. Association has provided information regarding possible legislation presented by the IOU's (Investor Owned Utilities) which would require mandatory utility service territories be established. Commissioner Fagerlie added that the priority of this matter may have changed and the WPUDA will monitor only for now.
8. There is the possibility that an outside hosting service be used for email and the website. The existing server has reached maximum capacity and this is resulting in down time and other data issues. The Utility is also seeking interested individuals who may be interested in performing IT work. They are being asked to complete the small works form.

Conservation information was presented by Manager Friederichs:

1. The Ferry County Conservation District is developing a plan wherein they would work with the Utility and irrigation customers to improve the efficiency of their systems.
2. Some conservation funding is now available and the Utility would receive a credit based on the use. The exact nature of the conservation program has not been made clear.

Commissioners:

Commissioner Fagerlie:

1. Spoke, on behalf of the P.U.D., at the Retired Public Employees Meeting.
2. Attended WPUDA New Commissioner Orientation in Olympia. Also attended the WPUDA meeting with information presented.

Commissioner Aubertin:

1. Attended no outside meetings.

Commissioner Kroupa:

1. Attended WPUDA New Commissioner Orientation in Olympia. Also attended the WPUDA meeting.
2. Will attend the NRU meeting on February 6 and the PPC meeting on February 6 and 7 in Portland.

The rescheduling of the February Board Meeting was discussed. A motion was made by Commissioner Fagerlie to hold the meeting on Tuesday, February 19. The motion was seconded by Commissioner Aubertin and unanimously carried.

The meeting adjourned at 11:55 a.m. for lunch reconvening at 1:15 p.m.

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

WA P.U.D. Association	Fagerlie/Kroupa
P.U.D. Roundtable	Fagerlie/Kroupa
Energy Northwest	Aubertin/Kroupa
NWPPA	Aubertin/Fagerlie
P.P.C.	Kroupa**/Fagerlie
N.R.U.	Kroupa**/Fagerlie
TEDD	Fagerlie/Aubertin
Packwood Owners	Friederichs
WA Association of P.U.D. Attorneys	Graham
Revolving Loan/Grant Committee	Kroupa/Aubertin/Fagerlie

PNUCC (non-voting)

Was dropped from the representation  
\*\*Attendance of quarterly meetings only

A motion was made by Commissioner Fagerlie to set the Trade Organization representation as agreed. 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, 2013 were \$1,972,269.79 with restricted funds of \$1,014,015.45. There were fifty-five outages in the month of December for a year-to-date total of two hundred twenty-six compared to one hundred seventeen for the same period in 2011. The Revolving Loan/Grant Fund repayment report was reviewed
2. The NWPPA Annual Meeting has been scheduled for May 19 through 23 in Bellevue, WA. No decisions were made as to who will attend.

Attorney Graham exited the meeting at 1:52 p.m. for the remainder of the day.

The Auditor's Report was presented by Sue Nush:

1. Travel information and the District Travel Policy was provided to the Board. Commissioner Fagerlie had questioned at an earlier meeting when an employer is required to report meals purchased during travel as an employees income. Auditor Nush explained that the method the District uses for reporting meals, i.e., receipts are required and travelers are encouraged to use Utility Credit Cards, the meals would not be considered taxable. Per diem, however, is taxable.
2. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 9420 through 9530 direct payroll deposits numbers 901834 through 901865, Electronic Fund Transfer numbers 237, 238 and 239 in the total amount of \$630,409.61 were approved by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin was unanimously carried.
3. A summary of the expenditures associated with the storm was presented and discussed. The transformers and meters damaged during the storm have yet to be charged to the Storm Fund. This will be a significant transaction.

A recess was called at 2:52 p.m. with the meeting reconvening at 2:58 p.m.

Auditor Nush continued her report:

4. The Financial and Statistical Report was reviewed by the Board with questions answered.

Lobbying: None

With nothing further to come before the Board, the meeting was recessed at 3:15 p.m. to reconvene at 5:00 p.m. for the purpose of the Revolving Meeting.

The meeting was reconvened at 5:00 p.m. by P.U.D. Board President Chris Kroupa with Commissioners Aubertin, Fagerlie, Committee Members Gail Kuehne and Steve Graham who participated via telephone and Manager John Friederichs present.

Visitors included Ferry County Public Hospital District representatives Gary Robertson, CEO; Adam Volluz, radiology technician; and Marshall Sumerlin.

Mr. Volluz presented the grant proposal and answered questions regarding the much needed upgrade of emergency services at the Hospital facility.

A motion was made by Gail Kuehne to grant the Ferry County Public Hospital District funds to complete their upgrade project, up to a maximum of \$33,485.24. The motion was seconded and unanimously carried.

Manager Friederichs will work with FCPHD and P.U.D. Treasurer Jayne Jurgensen to complete the transactions.

With no further business, the meeting was adjourned at 6:15 p.m.

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

President

ATTEST:

Vice-President

Secretary

APPROVED:

Manager