

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
February 19, 2013

The regular meeting of the Board of Commissioners was called to order by President Chris Kroupa at 9:04 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 Secretary/Treasurer Jayne Jurgensen.

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

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

Visitors: Melissa Rose

The meeting was turned to Melissa Rose who explained that she is a volunteer fund raiser for Ferry County Pride Month. She explained that the month of April is Ferry County Pride Month and inquired into the Utility's interest in another \$100 sponsorship of the event for 2013. A motion was made by Commissioner Kroupa to renew the sponsorship of \$100 with the Utility's sponsorship so noted in the material to be printed. The motion was seconded by Commissioner Aubertin and unanimously carried.

President Kroupa brought comments expressed by a consumer regarding the funding for the Ferry County Memorial Hospital equipment upgrade before the Board for discussion. The consumer had indicated they would attend the meeting and discuss the matter with the Board. The Hospital's thank you to the P.U.D. for the funding has resulted in questions and comments. The funding used for this project will come from the Revolving Loan/Grant Fund which is a separate fund authorized by the State of Washington for the specific purpose of encouraging economic development which is to include job creation or retention. The money is not part of the general operating fund. The Hospital's project will improve their emergency service to the community by upgrading the electric service for the MRI and CT scan facilities. This upgrade will enable local individuals to have these tests performed locally and not travel outside the area. Manager Friederichs added that shortly after the July 20th storm he had contacted the State regarding the dissolution of the program and the use of the funds in the account. The State representative explained that the fund could be dissolved but all monies in the fund would be transferred to the State. During the September 17, 2012 Board Meeting the matter of dissolving the fund was discussed and the Board had decided to continue the program as there are a number of unpaid loans from which the Utility receives monthly payments which perpetuates the program.

There were no public comments.

Ms. Rose again thanked the Board and exited the meeting at 9:22 a.m.

Reports:

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

1. Work on the 3-phase service for the new Keller Ferry has temporarily been stopped due to ground conditions.
2. Analysis information was presented for the comparison of a district vegetation management crew and contracting the work. The Board made no decision made.
3. The transformer for the Hospital equipment upgrade has been ordered. There is a 4 to 6 week delivery with estimated 6 to 8 weeks until the work is completed.

Mr. VanSlyke exited the meeting at 9:52 a.m.

The Board went into Executive Session at 9:53 a.m. for ten minutes to discuss potential litigation as per RCW 42.30.110(1)(I). The Board returned to regular session at 10:03 a.m. for the purpose of extending the Executive Session for an additional ten minutes. The Board returned to regular session at 10:13 a.m. for the purpose of extending the Executive Session for an additional ten minutes. The Board returned to regular session at 10:28 a.m.

Manager Friederichs exited the meeting at 10:21 a.m. returning at 10:24 a.m.

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

1. A draft agreement between the Utility and the County for electrical transmission and distribution lines across rail/trail property. Modifications were proposed.

The meeting recessed at 10:50 a.m. reconvening at 11:01 a.m.

Attorney Graham continued his report:

1. Attorney Graham recommended that the Board give Manager Friederichs authority to explore a possible agreement between the Utility and the County. The Board was in concurrence.
2. Financial sponsorship procedures were discussed.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A sponsorship request has been received from the Keller Junior Rodeo. The Board was in concurrence that the Utility again support the event in the amount of \$50.
2. A sponsorship request has been received from the Republic Motor Cycle Rally. Sponsors will be noted on signs, flyers and posters. The Board was in concurrence that the Utility again sponsor the event in the amount of \$100.

Attorney Graham advised that, typically the Board has approved every expenditure. The Board has granted the Manager authority to process those sponsorships that have been approved in the past with any new or unusual requests brought to the Board.

Meetings:

1. Commissioner Fagerlie advised that he will be unable to attend the February TEDD meeting. Commissioner Aubertin, as alternate, will attend.
2. Commissioner Fagerlie will attend the WPUA New Commissioner Orientation and following meeting on March 19 through 22 and April 16 through 19. Commissioner Fagerlie questioned whether the Utility would be sending a representative to the APPA Rally in Washington DC. It was explained that the Utility does not normally participate.

General Business:

1. The Kinross Mill rate and consumption has been reviewed again. At this time, no changes will be recommended. It was noted that their consumption increased significantly over the past several months.
2. US Bank has questioned when the Utility will be converting the Line of Credit into a loan and when the unused balance can be released. To date, \$1,395,740 has been drawn on the Line of Credit. The Utility has submitted letters of request to FEMA for funding for each of the three established projects. The emergency, mutual aid which is the largest project has been approved and the federal funding has been set aside. As was previously determined, when the Utility is reimbursed any FEMA monies, they will be applied to the US Bank Line of Credit debt. The need to reevaluate the Utility's Storm Fund allocation was discussed.
3. The application period for the Deputy Auditor position closed Friday, February 15. Quite a number of applications were received.
4. The Serviceman position will be advertised as per the Union Contract. Mr. Tuttle has also been advised that there is quite a chance that he will not be able to return to his job as additional surgeries are now necessary. Possible solutions for filling the vacant crew position were presented with no final decision made. Still have a NECA temporary union lineman filling in on the crew but this is still short-term.
5. The proposed Customer Service Handbook was approved by a motion made by Commissioner Aubertin, seconded by Commissioner Fagerlie and unanimously carried.
6. The Utility's telephone numbers were dropped from the 2013-2014 Frontier Telephone book. We have been assured by Frontier that the numbers will appear in the 2014-2015 book. Arrangements have been made to include a printed adhesive label, with the missing information, in the February billing to allow our customers to apply it to their telephone directories.
7. The office telephone system is obsolete and repairs, maintenance and assistance has become extremely difficult to obtain. A discussion followed with the Board in agreement that Manager Friederichs and Auditor Nush should proceed with the purchase of a complete new system.

Conservation information was presented by Manager Friederichs:

1. The Utility will offer night lights at the spring Conservation Fair.

The meeting recessed at 12:00 p.m. for lunch reconvening at 1:04 p.m.

Commissioners:

Commissioner Aubertin:

1. Attended the Energy Northwest meeting. A brief summary was presented.

Commissioner Kroupa:

1. Attended the NRU and PPC meetings. A summary of items discussed was presented. B.P.A. Administrator, Steve Wright has retired and Bill Drummond has been appointed to the position.

Commissioner Fagerlie:

1. Attended another WPUA new Commissioner Orientation and the following meetings. An overview of the meetings was presented.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of February 10, 2013 were \$2,077,548.78 with restricted funds of \$1,071,471.16. There were twenty-two outages in the month of January compared to six in January of 2012. The Revolving Loan/Grant Fund repayment report was reviewed.
2. The Winter Moratorium will be lifted on March 15 with disconnects for non-payment beginning shortly. Delinquent Notices continue to be mailed to those customers who have not made timely payments. The total number mailed each month has increased substantially.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 9531 through 9609 and 9611 through 9627 direct payroll deposits numbers 901866 through 901899, Electronic Fund Transfer numbers 240, 241 and 242 in the total amount of \$631,030.54 were approved by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin was unanimously carried. A brief discussion of the Board's responsibility in the review of warrants and expenditures was held.
2. The Financial and Statistical Report was reviewed by the Board with questions answered.

Lobbying: None

With no further business, the meeting was adjourned at 2:45 p.m.

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

President

ATTEST:

Vice-President

Secretary

APPROVED:

Manager