

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

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

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

Visitors: James Milner, Prospector's Day Committee Chair

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.

Mr. Milner spoke with the Board regarding the Utility's possible increased support of the 2012 Prospector's Days events to help cover the expenses associated with a shuttle service. Manager Friederichs advised that the Utility has already supported the event in the amount of \$100. A motion was made by Commissioner Kroupa to increase the 2012 sponsorship to a total of \$350. The motion was seconded by Commissioner Davis. Attorney Graham advised that there were no issues with the increased support. The Board then voted unanimously for the motion. The Board was thanked for their time and Mr. Milner exited the meeting at 9:15 a.m.

Reports:

The Engineer/Superintendent's Report was presented by Manager Friederichs as Mr. VanSlyke was unable to attend:

1. Tree trimming has begun in the Keller area. Upon completion of this area work will begin around Curlew Lake.
2. No brushing or tree thinning work has begun.
3. Small construction jobs within the District area will result in a rock crusher working in the Curlew area. It is anticipated that they will have a 1.5 megawatt peak load. Based on the current Rate Schedule, the customer will have no established 12-month history of peak demand and will therefore pay no additional costs while the District may very well be assessed additional costs. A lengthy discussion followed regarding the options available and steps the Utility may take in the event there is an increased load in the future. Attorney Graham will advise whether the adoption of a new Rate Schedule could be done without a Rate Hearing.
4. The Manilla Creek line reroute is pending. Resolution 12-03 "A Resolution Authorizing Submission of Right-of-Way Application" and Applications entitled "Application for Permission to Survey for Right-of-way" and "Right-of-Way Application" were presented for the Board's consideration. A lengthy discussion followed.

A recess was called at 10:00 a.m. with the meeting reconvening at 10:08 a.m.

A motion to adopt Resolution 12-03 was made by Commissioner Kroupa. The motion was seconded by Commissioner Davis with discussion following. Commissioner Aubertin advised that the vote on motion would be tabled until the afternoon portion of the meeting.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A telephone call, regarding the July outage in Keller, was received from a Tribal representative working at Nespelem. The individual questioned whether the Utility had scheduled such a long outage because it would be affecting an Indian Reservation. It was explained that it would be in the best interest of both the customers in the Keller area and the Utility to take the outage at a time when the work could be done during good conditions rather than waiting for a failure.

Meetings:

1. The next NRU meeting will be held on May 2. Commissioner Kroupa will not be able to attend.
2. The next WPUA meeting has been scheduled for May 9 through 11. Commissioner Davis will attend. Manager Friederichs will participate via telephone.

Commissioner Kroupa advised that a poll is still being taken of those utilities interested in extending their current Bonneville contracts for an additional three year period. At this time, one-half of the utilities have not responded with one-half not interested in an extension.

General Business:

1. The Utility has received information from the State of Washington advising that the Department of Retirement Systems can now offer a deferred compensation plan.
2. Information has been received from B.P.A. advising that a credit will appear on the next Power billing covering the value of the Renewable Energy Credits that are a portion of the Tier 1 Power purchase.
3. The B.P.A. Power rate assess on the March billing were discussed. The current rate is 3.518

- cents per kWh and, was 2.782 for the same period in 2011. Auditor Nush advised that she has begun tracking costs in a new manner and will include the information in future Board packets.
4. The information provided at the March meeting by Attorney Graham regarding exempt and non-exempt personnel was brought before the Board for discussion. The Employee Policy Handbook will be amended and a resolution will be prepared for the May Board Meeting.
  5. Commissioner redistricting information has not been received from the Ferry County Auditor's office. As reported in the Republic News-Miner, the Ferry County Commissioners will vote on the Commissioner district boundary changes at their April 16 meeting.
  6. Several customers have contacted the Utility regarding NoaNet easement questions. As explained by one of the callers, the NoaNet easement document scope appears to be very broad in that it allows for road construction, erection of buildings and lights.

Andrea Olson entered the meeting at 10:35 a.m., exiting at 10:36 a.m.

7. The radio maintenance contract with Day Wireless has been terminated due to their inability to provide service when requested. The company was also responsible for the maintenance of the radios for the Ferry County Sheriff's Department.

The Conservation Report was presented by Manager Friederichs:

1. Very little is happening in the Conservation Program due to the limited funding and program support from B.P.A. Any projects considered must actually result in a benefit to the Utility and the customer.
2. The Utility will again participate in the Ferry County Conservation Fair.
3. A conservation program has been developed for presentation at area schools. Participants will be given a small solar car.
4. The possibility of Rural Resources completing energy conservation work in the Utility's service area was discussed. They do perform work in Ferry County but in Avista's service territory.

Commissioner Davis questioned whether the Utility had been provided direction from the Washington State Auditor's office regarding disclosure of requested information. Manager Friederichs reported that the information has yet to be provided. A brief discussion followed with the Board in concurrence that Attorney Graham would submit a Public Records Request.

The Attorney's Report was presented by Attorney Graham:

1. Information was provided as was pertinent to the BIA application process. Documents received by the Utility from the BIA, in relation to the Manilla Creek line reroute, have been reviewed and no mention of survey fees or any other fees was identified. The Board again discussed the line relocate. Commissioner Aubertin stated that he does not want the Utility to bear the expense of a federal survey if one is required for the work.

A recess was called at 11:05 a.m. with the meeting reconvening at 11:08 a.m. with Engineer VanSlyke joining the meeting.

The discussion of the Manilla Creek line reroute continued. The possibility of a survey was discussed. Mr. VanSlyke advised that Grant Tolton Surveying is certified for this work and a price estimate will be obtained from him. The Board was in concurrence that a cost estimate be developed with Manager Friederichs and Engineer VanSlyke to develop and evaluate the cost benefit analysis which is to include maintaining the existing line by the crew transporting all necessary materials for the work. Commissioner Kroupa rescinded the motion he made earlier regarding the adoption of resolution 12-03. Commissioner Kroupa made a motion to adopt Resolution 12-03 "A Resolution Authorizing Submission of Right-of-Way Application" with delegation of authority given to management for the filing of the applications. The motion was seconded by Commissioner Davis and, with no further discussion, was unanimously carried.

Mr. VanSlyke exited the meeting at 11:30 a.m.

Attorney Graham continued his report:

2. Copies of letters sent to Mrs. Schneider regarding her unwillingness to allow a line extension to cross her property were presented. Discussion followed. If she fails to grant the easement, the Utility will pursue condemnation of that portion of her property necessary for the line extension. The line extension will allow service to be provided to another individual who has already paid the cost of the line extension.

Commissioners:

Commissioner Kroupa:

1. Was contacted by a consumer who questioned why the Utility would not reimburse for the cost of LED light purchase and installation. Mr. Forsman had already spoken with the consumer regarding the matter.

Commissioner Aubertin:

1. Attended no outside meetings.

Commissioner Davis:

1. Attended a TEDD meeting with highlights presented.
2. Met with the Ferry County Commissioners and the City of Republic regarding the possibility of moving forward on the dam project.

3. There is the possibility that a Ferry County Commissioner will begin attending the Utility Board meetings as a means to open the lines of communication.
4. The recent Ferry County Commissioner decision regarding the local newspaper was presented for discussion. Attorney Graham will further research the implications this decision may have on the Utility.

The meeting recessed at 12:12 p.m. for lunch, reconvening at 1:03 p.m.

Commissioner Davis continued his report:

5. There is the possibility that a twenty-four or twenty-five unit housing development will begin on the property northwest of the Republic Schools. The developer plans to construct two or three units each year.
6. Met with the adjacent landowner to the proposed dam project. Will now begin the pursuit of funding for the project.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of April 10, 2012 were \$1,503,959.72 with restricted funds of \$1,119,188.25. There were ten outages in the month of March for a year-to-date total of twenty-three compared to eleven for the same period in 2011. The Revolving Loan/Grant Fund and the High Energy Cost Loan repayment reports were reviewed.
2. Those delinquent accounts, with no payment arrangements in place, will be disconnected for non-payment beginning later in the week.

The question as to whether the Utility was bound by the decision made by the Ferry County Commissioners regarding the publishing of legal notices was again discussed. The Board was advised by Attorney Graham that the Utility could in fact state its opinion on the matter. He further advised that the County Commissioners did make the Ferry County View a paper of record in Ferry County and he would further research the Utility's options. Attorney Graham exited the meeting at 1:50 p.m.

The Auditor's Report was presented by Sue Nush:

1. It was explained that the K-2 Mine Site is now being billed as a Primary Industrial account based on their load exceeding 500kw for three consecutive months. They no longer qualify for the lower billing rate as shown in the Large Power Service Rate Schedule 400.
2. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 8422 through 8527, direct payroll deposits numbers 901554 through 901585, Electronic Fund Transfer number 9 through 11 in the total amount of \$766,354.21 were approved by a motion made by Commissioner Davis, seconded by Commissioner Kroupa and unanimously carried.
3. The Financial and Statistical Report was reviewed by the Board with questions answered.

Attorney Graham entered the meeting at 2:13 p.m.

Commissioner Davis exited the meeting at 2:15 p.m. returning at 2:17 p.m.

Attorney Graham reported on his research regarding the newspaper matter. There is a requirement that the Utility must publish one or more times, in the newspaper of general circulation in the District, any notices calling for bid. He advised that he does not feel that the decision made by the Ferry County Commissioners affects the Utility directly. He further added that he does not see how the Utility could be required to publish in the Republic News-Miner. The Utility may publish in any newspaper, so long as it is a paper of general circulation within the County.

Lobbying: None

With nothing further to come before the Board, the meeting was adjourned at 2:38 p.m.

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

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice-President

\_\_\_\_\_  
Secretary

APPROVED:

\_\_\_\_\_  
Manager