

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY  
REGULAR MEETING OF COMMISSIONERS  
April 19, 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 Davis, Chris Kroupa and Doug Aubertin, Manager John Friederichs, Auditor Sue Nush, Interim Auditor Rory Miller, and Secretary/Treasurer Jayne Jurgensen.

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

Visitors: Catherine Brown, Carl Vogtman, Travis Wellman, and Alex Wirt.

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

Ms. Brown of the Stonerose Interpretive Center introduced Messrs Vogtman and Wellman and presented a very informative overview of the activities of the Stonerose Center. The Board was thanked for their support. The Stonerose representatives exited the meeting at 9:20 a.m.

Mr. Wirt spoke again with the Board regarding the EMS building to be located near the Windsor Substation and the transfer of property to the EMS. The Board was thanked for their time and Mr. Wirt exited the meeting at 9:50 a.m.

A recess was called at 9:50 a.m. with the meeting reconvening at 9:55 a.m.

Reports:

The Attorney's Report was presented by Manager Friederichs:

1. An update was provided on the Kennard case. Mrs. Kennard has responded to the foreclosure notice and Mr. Kennard has yet to be located.
2. Repayment of the Stone Soup loan has been researched.
3. Reviewed the "Avoiding Potential Liability" pamphlet.

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

1. The crew has completed several new line extensions. The final portion of old underground wire in the Curlew Kai area has been replaced. Defective poles identified in the 2009 testing program, are being replaced.
2. Seattle Tree Service has begun tree trimming in the City of Republic.
3. Pole testing has been completed in the Keller area and is now being accomplished in the Curlew to Job Corps area and then will move towards Midway.
4. Jacob Burbank successfully completed the Apprenticeship Program and is now a Lineman. Todd Orestad has now begun the Apprenticeship Program.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. Letters have been received from several utilities requesting support of their commissioners who are seeking a position on the Energy Northwest Executive Board.
2. A letter has been received from Mr. Dennis Morgan who is running for Ferry County Prosecuting Attorney. Mr. Morgan will meet with the Board at the May meeting.
3. A request for sponsorship has been received for the 3<sup>rd</sup> Annual Republic Motor Cycle Rally. A motion was made by Commissioner Kroupa to sponsor the event in the amount of \$100. The motion was seconded by Commissioner Davis and unanimously carried.
4. Word has been received that the new Frontier Communications project will see equipment in place by July for DSL.
5. A request for support has been received from the Curlew Equestrian Team. No sponsorship can be provided based on the nature of the activity.
6. A request for support of the Ferry County Children's Theater Project has been received. No sponsorship of this project will be made.
7. A sponsorship request has been received from the Republic Yearbook Staff. The Utility will again sponsor the Yearbook.
8. A copy of the letter from FEMA denying Energy Northwest's claim for the Packwood slide damage has been received.

Meetings:

1. The Annual PCS meeting has been scheduled for June 7 through the 11<sup>th</sup>. Sue Nush and Andrea Olson will attend.
2. A meeting regarding the modular nuke project has been scheduled to coincide with the PPC meeting.
3. The May WPUDA Manager's meeting will be held on the 11<sup>th</sup> with Manager Friederichs to attend. The Commissioners portion of the meeting will be held on the 12<sup>th</sup> through 14<sup>th</sup> with Commissioner Davis to attend.
4. Commissioner Aubertin will attend the Annual NWPPA meeting in Sacramento May 23 through 27<sup>th</sup>.

General Business:

1. The annual State Financial Audit has begun. Commissioner Davis attended the Entrance Conference.
2. No new information is available on the new truck. It is believed to be in production.
3. A discussion was held as to how to correctly bill those customers with home businesses. Currently there is no clear definition of what constitutes a home business. In the past each customer was interviewed and it was determined what percentage of their electrical usage was attributed to their business and they were charged accordingly. The need for a 50 KVA transformer would automatically increase the basic charge and kWh charge.
4. A letter from customers, George and Kathleen Clark was presented to the Board. A history of their account was provided. Their meter base failed which resulted in the installation of a new meter which more accurately recorded their usage. This also caused their monthly budget payment amount to increase. They are concerned that they are being incorrectly billed as their new budget amount reflects a balance owing from previous use. Manager Friederichs was asked to prepare a letter to Mr. and Mrs. Clark for Board President Davis' signature.

A recess was called at 11:05 a.m. with the meeting reconvening at 11:15 a.m.

5. A bill which would have allowed the collection of B&O taxes on conservation funds received from B.P.A. has failed.
6. An employee survey pertaining to health insurance has been developed and distributed. Andrea Olson, the Utility's Management representative and Sheila Rittel, the Utility's Labor representative, have been attending EIAC or Employee Insurance Advisory Committee meetings to develop cost saving measures. It was recommended to the Board by Manager Friederichs that Insurance Plan 3 become the default plan for the Utility with employees to be given the option to enroll in the other plans at their own expense. Any savings from such change would be shared for the first year with the employee who would have one-half of the savings deposited into their VEBA account.
7. Due to the on-going issues with irrigation customers, a proposal has been developed which may eliminate some of their concerns. At the present time irrigation customers are not able to permanently disconnect their service. The proposal would allow a customer to have an irrigation service disconnected if they would not be irrigating. The customers would then be assessed \$17 per month for the standard five month irrigation season. In the event the service were to be reconnected, the standard connect fee would apply. If the customer provides a letter advising they *no* longer want electric service, billing will cease and all facilities will be removed. If, at a later date, services are needed, the customer would bear the full cost of installation. The 1% rebate offered to those customers who do not use their irrigation systems would be eliminated.
8. Attorney Graham is researching the railroad crossing billing.
9. A high-cost loan customer, who has been sent to collections, has contacted the Utility regarding the balance owing on the loan and possible payment options. His last payment was in December of 2006 and all attempts to locate the gentleman had failed. He has been advised that the account is no longer the Utility's and that he may work with the collection agency to make payments or pay the debt in full to the Utility in order to reconnect service.
10. An e-mail has been received from Ms. Betty Buckley regarding the Stone Soup Loan through the Revolving Loan program. She has advised that loan payments will not be possible until funding is received from the Federal Government.

The meeting recessed at 12:05 p.m. for lunch, reconvening at 1:15 p.m.

Manager's Report continued:

11. The Republic Regional Visitor and Convention Bureau has submitted an application to the Revolving Loan Program through the Ferry County Commissioners. Attorney Graham will be consulted as to the Ferry County Commissioner's approval of the application.

The Conservation report was presented by Manager Friederichs:

1. The Republic School project was declined by B.P.A. as the scope of work wasn't clear.

Commissioners:

Commissioner Kroupa:

1. Attended no outside meetings.

Commissioner Davis:

1. Attended a TEDD meeting. The 5-Star program will be discontinued.
2. Attended a WPUA meeting. Highlights of the meeting were presented.

Commissioner Aubertin:

1. Attended no outside meetings.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of April 9, 2010 were \$860,098.59 with restricted funds of \$1,734,907.43. There were eight outages in the month of March for a year-to-date total of fifty-four compared to nineteen for the same period in 2009. The Revolving Loan/Grant Fund and the High Cost Grant repayment reports were reviewed.

The Auditor's Report was presented by ~~Rory Miller~~ **Sue Nush**:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 5664, 5720, 5738 through 5770, 5772 through 5835, and 5837 through 5872, direct payroll deposits numbers 9900795 through 9900827 and Electronic Fund Transfer number 110 through 113 in the total amount of \$679,407.57 were approved by a motion made by Commissioner Aubertin, seconded by Commissioner Davis and unanimously carried.
2. The Financial and Statistical Report was reviewed by the Board.
3. A discussion of the RUS debt was held. The Board was in agreement that debt would be covered over a three year period.

Lobbying: None

With nothing further to come before the Board, the meeting was adjourned at 3:05 p.m.

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

\_\_\_\_\_  
President

ATTEST:

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Vice-President

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Secretary

APPROVED:

\_\_\_\_\_  
Manager