

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
April 20, 2009

The regular meeting of the Board of Commissioners was called to order by President Nathan Davis at 9:02 a.m. Present were Commissioners Nathan Davis, Chris Kroupa and Doug Aubertin, Manager John Friederichs, Attorney Steve Graham, Auditor Rory Miller, and Secretary/Treasurer Jayne Jurgensen.

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

Public Comment Period: None.

Visitors: Jennine Groth

The minutes of the previous meeting were approved by a motion duly made, seconded and carried.

The floor was turned to Mrs. Groth who informed the Board that she would be recording portions of the meeting as they are having trouble finding information on the Web. She presented and read another letter to the Board pertaining to the B.P.A. settlement monies. The Board briefly discussed the letter with Mrs. Groth. The Board was in agreement that they were still in a position to hold the B.P.A. Look-Back rebate monies until the true amount of the upcoming B.P.A. rate increase is known.

Commissioner Aubertin reported that unemployment may be more of an issue for the Tribal members as changes have been made in several Tribal businesses. The Board briefly discussed the possibility of offering Utility consumers the opportunity to donate a minimal amount, i.e., \$1 each month, to be maintained in a separate account for the purpose of helping those consumers who may be having difficulty paying their bill. Attorney Graham advised that a voluntary contribution such as this would be totally legal.

The Board went into Executive Session, as per RCW 42.30.110 Subsection 1, paragraph I, at 9:28 a.m. for 15-minutes for the purpose of discussing pending litigation. The meeting returned to regular session at 9:47 a.m. with Mrs. Groth returning to the meeting.

The meeting recessed as 12:08 p.m. for lunch reconvening at 1:09 p. m. with Mrs. Groth returning.

Reports:

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

1. The crew has been and will continue to replace bad poles in the Curlew and Danville areas.
2. New line extensions are being completed. Some line extension that were laid out too late last fall are being completed this spring.
3. Pole testing began two weeks ago and is focused on the 34.5 from the Strassburg Substation to the Job Corps Substation.
4. Todd Orestad has begun work and is currently helping with the pole testing.
5. The brush trimming contractors will begin work approximately May 1 dependent upon the weather.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A recent news article published in the Omak Chronicle regarding the Utility was shown to the Board.
2. An email received from a consumer and discussing the recent news articles was shared with the Board. The email was also sent to other individuals and encouraged anyone concerned to contact the Utility for the real facts.
3. A thank-you has been received from the Curlew Senior Class for sponsorship of their Senior Sober.
4. An envelope containing a payment and sent through the mail, contained a handwritten note stating "folks think should give money back". When the sender was contacted to discuss the note they stated that they had not written on their envelope.
5. A letter written to the Revolving Loan board members has been received from the City of Republic. The Board was thanked for the grant of \$8,725 for the remodeling of the Golden Age Club building for the City of Republic Police Department.
6. A thank-you note has been received from a consumer who received an anonymous donation to their account. The consumer is currently faced with severe health issues. The Utility was asked to pass on the note if possible. The Utility is not able to pass on the thank-you as it doesn't maintain information for anonymous donations.

Meetings:

1. An Energy Northwest meeting has been scheduled for April 21 with Commissioner Kroupa and Manager Friederichs to attend. Commissioners Kroupa and Aubertin will work together to provide Commissioner Aubertin with information on upcoming meetings he may be able to attend.
2. Commissioner Aubertin will attend the Annual NWPPA meeting in Boise, Idaho May 17 through 21.

3. Commissioner Davis will attend the May WPUA meeting.

General Business:

1. A claim for damages has been received from a consumer in the Curlew area. A poor connection to an arrester resulted in the loss of foods in a freezer. The claim in the amount of \$385 has been paid and will be forwarded to Federated Insurance for their consideration.
2. A call has been received from a customer in the Keller area regarding the relocation of the 3-phase line crossing his property. The consumer has met with the Board previously regarding the matter and is still desirous of having the property condemned, purchased by the Utility and having a new and correct legal survey completed by the Utility. Attorney Graham advised that he and retired Manager Weller visited with the consumer and viewed the lines. It is his opinion that the statute of limitations has expired, the lines have been in place for decades and that fact that they don't match the right-of-way isn't unusual. A surveyor is not utilized to run the lines and this is no different than county roads and easements not being in the same location. The established line is what counts and the lines were in place when the property was purchased. The Board briefly discussed the matter and were in concurrence with Attorney Graham.
3. An email has been received from PPC regarding the B.P.A. rate increase. The email advised that B.P.A. may also impose another CRAC charge along with the increase which is still anticipated to be between 15 and 20%.

A brief recess was called at 10:23 a.m. with the meeting reconvening at 10:29 a.m.

4. Irrigation statistics were presented. Information obtained from other utilities shows that our rates are higher than average. Prior to 1990 B.P.A. offered a 30% discount on electricity provided to irrigators during the summer irrigation period. After 1990 B.P.A. only provided a discount based on volume. Our rates comparing irrigation and residential usage, are comparable. The Board briefly discussed the possibility of lowering the irrigation horsepower charge and possibly the basic charge. Currently the Utility is giving a 25% discount on the horsepower charge if the pump is not used. The possibility of giving such a discount for those utilizing their pumps was discussed. No decision was made.

The Conservation report was presented by Manager Friederichs:

1. The Utility participated in the Conservation Fair by providing information on the conservation of electricity and offering compact fluorescent light bulbs to interested individuals.

The Attorney's Report was presented by Attorney Graham:

1. As was agreed to by the Revolving Loan Board, an agreement has been prepared for the modified payment schedule for the Kennard Loan. The matter was briefly discussed. Mrs. Kennard has not contacted the Utility for further assistance.
2. The Board was asked to formally deny the claim submitted by Barbara Steinbock in the amount of 1.5 million dollars for damages. A motion was so made by Commissioner Kroupa. The motion was seconded by Commissioner Davis and unanimously approved. Attorney Graham was directed to move forward with the appropriate notification to Mrs. Steinbock's attorney.

Commissioners:

Commissioner Kroupa:

1. Has been reviewing the irrigation statistics.
2. The possibility of publishing an abbreviated form of the Board Meeting minutes in the local newspaper was presented. A motion was made by Commissioner Kroupa to publish an abbreviated form of the Board Meeting Minutes following each meeting. This information is to be published in the space of the weekly Utility information. The motion was seconded by Commissioner Davis with further discussion following. With no further discussion the motion was unanimously approved. Manager Friederichs and Treasurer Jurgensen will see to the matter.

Commissioner Aubertin:

1. Has attended no meetings.

Commissioner Davis:

1. Attended the WPUA meeting. Primary topics were the upcoming B.P.A. rate increase, cap and rebate, Initiative 937, and mapping of internet fiber.
2. The March TEDD meeting was cancelled as there was not a quorum. A meeting is scheduled for the upcoming Wednesday. The gentleman purchasing the Hitch n'Post was not able to obtain additional financing and the building has gone back to TEDD.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of April 10, 2009 were \$1,341,013.53 with restricted funds of \$1,251,544.59. There were six outages in the month of March for a year-to-date total of nineteen compared to thirteen for the same period in 2008. The Revolving Loan/Grant Fund and the High Cost Grant repayment reports were reviewed.
2. Work Order number 353 in the amount of \$42,685.88 and number 354 in the amount of \$27,438.79 were presented and approved by a motion made by Commissioner Davis and seconded by Commissioner Aubertin.
3. The possibility of the Utility moving to on-line banking was again presented. A motion was made by Commissioner Kroupa to allow the Treasurer to pursue electronic banking with Bank of America. The motion was seconded by Commissioner Aubertin and unanimously approved.

The meeting recessed at 11:55 a.m. for lunch reconvening at 12:55 p.m. with Mrs. Groth returning.

The Auditor's Report was presented by Rory Miller:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 4186 and 4249 through 4340, direct payroll deposits numbers 9900441 through 9900467 and wire transfer numbers 64, 65 and 63 in the total amount of \$660,067.00 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Davis and unanimously carried.

Manager Friederichs explained that the Utility has requested, from the State Electrical Inspector, a formal determination regarding the installation of the Generlink adapters to be used by those consumers who operate a generator and also receive power from the Utility. At the present time the Inspector has determined that the Utility may not install the units in the meter base and because no one but the Utility can work on the meter base, an electrician cannot install the unit in the meter base.

2. The Financial and Statistical Report was presented.
3. The Utility's RUS debt and loan analysis was discussed.

Commissioner Davis asked that the Board begin considering what questions they would like to ask in a consumer survey. The Board was asked to forward their ideas to either Manager Friederichs or Treasurer Jurgensen.

Lobbying: None

With nothing further to come before the Board, the meeting was adjourned at 1.27 p.m .

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

President

ATTEST:

Vice-President

Secretary

APPROVED:

Manager