

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
June 15, 2009

The regular meeting of the Board of Commissioners was called to order by President Nathan Davis at 9:03 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 Aubertin.

Public Comment Period: None.

Visitors: Jeff Durham with the Ruralite Magazine, Cliff Couse, Bobbi Weller, Gregg Caudell, Kent McCormack and Jennine Groth.

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

Mr. Durham presented a proposal to the Board in which the Utility could again provide the Ruralite Magazine to it's customers. No decision was made. The Board was thanked for their time and Mr. Durham exited the meeting at 9:32 a.m.

Mrs. Groth advised that she was recording portions of the meeting.

Mr. Caudell questioned items in the April 18, 2009 Board Meeting minutes. He requested that additional financial documents be included on the website. He further questioned why the minutes did not reflect Resolutions adopted by the Board. It was explained that any Resolution adopted by the Board was so noted in the Minutes and very few had been acted upon. He questioned whether the on-line banking met the State Auditor's requirements. It was explained that the State Auditor's Office had been contacted prior to beginning the pricing process. Mr. Caudell also expressed his desire to have the B.P.A. look-back monies returned immediately to all customers.

Mr. Couse, Chair of the Republic Public Development Authority took the opportunity to thank the Utility for it's support of the RPDA and provided a brief overview of their industrial site project. He went on to explain that there is an existing power pole on the Torboy property that is located in an area that will be used for all truck traffic entering and exiting the site. Staking Engineer VanSlyke has inspected the site and provided an estimate of \$3,000 to relocate the pole. Mr. Couse questioned whether the Board would consider relocating the pole for a price less than the quoted cost as the pole may be deemed a safety issue and could be damaged at any time if it were struck by a vehicle. No decision was made at this time. Mr. Couse thanked the Board for their time and exited the meeting at 10:05 a.m.

Mrs. Groth again read a letter to the Board and asked that it be included in the official minutes. The letter spoke to the immediate return of the B.P.A. refund monies to the Utility's customers. It was again stressed by the Board that no decision has been made regarding the B.P.A. refund monies and the Board's decision to wait until information regarding the B.P.A. rate increase was obtained still stood.

Bobbi Weller stated that she wished to discuss litigation as it pertained to the Steinbock case. She further explained that she had been advised to attend the Board meeting to allow Attorney VonSauer to serve her with papers. Attorney Graham advised that he had in fact suggested this to Attorney VonSauer as Mrs. Weller has yet to be served. Mr. Caudell questioned whether the RCW's allowed for indemnification of Commissioners. Attorney Graham advised that the RCW's allow for indemnification for actions taken during a term of office. He further explained that indemnification is the process of one entity taking the responsibility to pay for damages caused by another person. A person does not get absolved from being named as a party. Mr. Caudell asked whether he would be permitted to meet with the Board on the matter with Attorney Graham advising that there could be an Attorney Client privilege issue and, the meeting could be recorded to the detriment of the case. Mr. Caudell then asked that, in the event the matter were discussed in Executive Session, he be allowed to participate. Attorney Graham advised that *even though as* Mr. Caudell were no longer a Commissioner this would ~~not~~ be possible and that he could *also however* visit with him at his office. *As corrected 07/20/09*

Mr. McCormack stated that the majority of his concerns had already been discussed. He did however, again express his displeasure at the time the Board Meetings are held. He requested the Board move the meetings to 7:00 p.m. to allow public attendance or perhaps alternate meeting times and days with abbreviated meetings.

The meeting recessed at 10:28 a.m. and reconvened at 10:36 a.m. with Mrs. Weller and Mrs. Groth returning.

Reports:

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

1. Brush clearing contractors continue to work on the District.
2. The crew has completed eight line extensions, completed sub station maintenance and pole replacements.
3. Pole testing work continues in the Curlew area towards Republic.
4. Transformer and meter inspections continue. Another meter reading matter was identified recently.

Attorney Graham returned to the meeting at 10:40 a.m.

The Board went into Executive Session, as per RCW 42.30.100(1)(i), at 10:42 a.m. for thirty minutes for the purpose of discussing potential and pending litigation. The Board returned to regular session at 11:12 a.m. to extend the Executive Session another fifteen minutes with the Board returning to Executive Session. The Board returned to Regular Session at 11:28 a.m.

Attorney Graham advised that he will be out of his office from July 7 through July 19.

The Board briefly discussed the July Board meeting date.

Manager Friederichs questioned the Board's desire in response to Mrs. Groth's request to have her letter included verbatim in the meeting minutes. The matter was discussed at length with Attorney Graham providing his opinion. The Board was in concurrence that they would follow Attorney Graham's recommendation wherein the minutes will not include any individual letter verbatim. All letters will be briefly summarized and will become a public record at the Utility and available upon request.

The meeting recessed at 11:55 a.m. for lunch reconvening at 1:00 p.m.

Attorney Graham brought the matter of the request made by Mr. Couse before the Board.

Mrs. Weller and Mrs. Groth returned to the meeting at 1:03 p.m.

Discussion of the request made by Mr. Couse continued. Attorney Graham advised that the PDA would be considered an intergovernmental entity due to its falling under the responsibility of the City. Therefore any work done for the PDA would not be considered a gifting of public funds. A motion was made by Commissioner Kroupa to relocate, at no cost, the power pole for the Republic PDA for safety reasons. The motion was seconded by Commissioner Davis and unanimously carried.

Reports - Continued

The Manager's Report was presented by John Friederichs:

Correspondence:

1. The Utility received no requests for sponsorship during the month.
2. An invitation to the Northeast Washington Forestry Coalition meeting and barbecue scheduled for June 16 in Colville has been received.

Meetings:

1. A June 26 meeting has been scheduled for 10:00 a.m. in Okanogan to discuss the protection of local economies and downstream water rights.

General Business:

1. The service truck is again in need of repairs. The main seal has failed for the third time and the transmission is failing. Repairs are estimated at \$15,000. The vehicle was scheduled for replacement in 2010 and currently has 130,000 miles. Research has been done for the purchase of a new vehicle through the State Procurement process. It was learned that it is not possible to purchase a vehicle from a company that is in bankruptcy. Through more research, an acceptable vehicle has been located in Idaho and is owned by the dealership and can be purchased at the State contract price of \$35,943 for the cab and chassis. Both trucks will be taken to Portland by Altec who will inspect the boom, perform any required maintenance and transfer it to the new truck at a cost of \$36,000. Pricing for the rental of an acceptable vehicle would be \$2,600 per week if the decision were made to repair the existing truck. Repairs would be expected to take four weeks to complete. The 2009 budget does reflect the purchase of a new replacement pick-up. This purchase can be deferred until 2010 as there are no vehicles in need of replacement due to failure. A motion was made by Commissioner Davis to purchase a Dodge truck and chassis and to retrofit it with the rebuilding of the existing boom. The motion was seconded by Commissioner Kroupa. No further discussion was held and the motion was unanimously carried.
2. Notices of the July 26 B.P.A. Power outage have been distributed and will also appear in the local newspapers. A meeting with B.P.A. will be held in the near future to finalize the plans for the events of the day. Possible activities include a barbecue, open air market featuring local businesses and events for children.
3. A summary of the Board Meeting minutes, as published in the Republic News Miner, was presented. The Board was in agreement that this should continue.
4. Information has been received from B.P.A. advising that the Utility's transitional highwater mark is now 11.36 megawatts which is an increase from the original 11.156. The actual figure will still be based on the actual megawatt usage in 2010.
5. The Utility distributed coupons at Barrel Derby Day and Prospector's Days which allow the holder to one free compact fluorescent light. The lights are being offered through B.P.A.'s Conservation Rate Credit Program.
6. The Utility has the opportunity to participate in a special, stimulus funded, program through Rural Resources for youth between the ages of 16 and 20. The program is fully funded by the State and the participant would not be an employee of the Utility. Adequate work has been identified at the shop for one person. The Union has been contacted as has the Shop Steward with no objections made. Attorney Graham advised that a search of the public records at the Court House be completed prior to start of work. The Board was in concurrence and directed the Manager to proceed with the program and Attorney Graham's recommendation.
7. During the transformer and meter inspection work a customer was identified who had reconnected their service. The service was been disconnected for non-payment in June of 2007 and has now used 22,390 kWh's. As this is considered a theft of power, in the event the service is reconnected, a security deposit in the amount of \$500 will be assessed.
8. A preliminary position description for the Auditor's position and a time line to fill in behind Mr. Miller was presented. Mr. Miller's current contract will expire on April 1, 2010.

The Conservation report was presented by Manager Friederichs:

1. The Utility is participating in B.P.A.'s CFL light bulb "Change a Light" Program.
2. The Utility qualifies to participate in a B.P.A. water saving showerhead program. The showerheads will be offered at the District Office as well as during the Fair at the Utility's Fair Booth. The rebate allowed

for the replacement of windows has increased from \$.75 per square foot to \$7.00 per square foot.

Attorney Graham had no additional report to present.

Commissioners:

Commissioner Kroupa:

1. Attended no outside meetings.

Commissioner Davis:

1. Attended a TEDD meeting.
2. Attended a local telecommunications meeting. Was informative as two existing providers were present.

Commissioner Aubertin:

1. Attended the Annual NWPPA meeting in Boise, ID. Was very informative with pertinent information shared.

Manager Friederichs reported that the Utility will be receiving funds from a local entity for the sole purpose of helping individuals with the electric accounts. He questioned whether the Board desired an account to be opened at the local credit union and whether it would be administered by the Commissioners. Attorney Graham advised that the monies would not be considered public funds if they come from an outside entity or donations from customers which would allow an account at the credit union to be opened. The Board was in concurrence that they did wish to have such an account made ready however, they prefer that an outside group be responsible for administration of the program.

Mrs. Weller exited the meeting at 2:10 p.m.

A brief recess was called at 2:11 p.m. with the meeting reconvening at 2:20 p.m.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of June 10, 2009 were \$920,005.60 with restricted funds of \$1,634,375.50. There were fifteen outages in the month of May for a year-to-date total of forty-two compared to thirty-two for the same period in 2008. The Revolving Loan/Grant Fund and the High Cost Grant repayment reports were reviewed.
2. Work Order Inventory Number 355 for the month ending April 30, 2009 in the amount of \$33,343.65 was approved by a motion made by Commissioner Kroupa, seconded by Commissioner Aubertin and unanimously carried.

The Auditor's Report was presented by Rory Miller:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 4404d 4405 and 4505 through 4620, direct payroll deposits numbers 9900497 through 9900525 and wire transfer numbers 70, 71 and 72 in the total amount of \$416,559.15 were approved by a motion made by Commissioner Kroupa, seconded by Commissioner Davis and unanimously carried.

The Board again discussed the July Board meeting. They agreed to hold their regular meeting on the scheduled day of July 20 and continue the meeting to Wednesday, July 22 beginning at 9:00 a.m.

The Board briefly discussed the Ruralite magazine. They were in agreement that, although the magazine was very popular, it was too costly to be considered at the current time but will be reviewed at a later date.

Manager Friederichs reported that he has been working with the Union and have come to an agreement with respect to the Billing Clerk position. There is yet to be a formal document to confirm the position.

Lobbying: None

With nothing further to come before the Board, the meeting was adjourned at 3:06 p.m .

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

President

ATTEST:

Vice-President

Secretary

APPROVED:

Manager