

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY  
REGULAR MEETING OF COMMISSIONERS  
June 17, 2013

The regular meeting of the Board of Commissioners was called to order by President Chris Kroupa at 9:05 a.m. Present were Commissioners Kroupa, Doug Aubertin and Dan Fagerlie; Manager John Friederichs, Engineer/Superintendent Steve VanSlyke, and Secretary/Treasurer Jayne Jurgensen. Attorney Graham joined the meeting at 9:10 a.m. and Auditor Nush joined the meeting at 1:12 p.m.

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

Visitors: None

The minutes of the previous meeting were corrected to read as follows:

- ▶ The letter from the Oregon Physicians for Social Responsibility was in relation to the Columbia Generating Station rather than the Hanford Nuclear Facility.
- ▶ Resolution 13-03 "Appointment of an Interim Deputy Auditor" was clarified to explain that this is the position now held by Marilee Kuehne and will be termed Interim until such time as Andrea Olson exhausts her personal leave and retires from the Deputy Auditor position.
- ▶ Man hours worked by the outside crews to re-establish the system after the July 20<sup>th</sup> storm should read 6,973 rather than 69,073.

The Minutes of the May 20, 2013 were approved as amended by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin and unanimously carried.

Commissioner Fagerlie reported that he has received questions regarding the Utility's web page content and accuracy. He has also received questions regarding the Utility's support of the Prospector's Day Shuttle and the use of the Storm Recovery Fee to pay for such. President Kroupa asked that Mr. Fagerlie include this information in his report. Manager Friederichs stated that the Board Meeting Minutes in question were in fact posted to the website and additional information will be needed to identify the location of the offending information in question.

The Board discussed the upcoming Bonneville Power Administration Power and Transmission rate increases and the current Storm Recovery Fee being assessed. Public Rate Hearings will be scheduled for the purpose of providing information to the Utility's consumers. The Utility has yet to learn whether the State of Washington will be providing reimbursement for any of the storm related expenditures.

Reports:

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

1. A price proposal for the repair of the line between 10-Mile and 13-Mile which was damaged by the July 20<sup>th</sup> storm has been received. The needed repairs will be scheduled in the very near future. This project has been identified as reimbursable with the State Emergency Management Team as it was identified prior to the cut-off date. The cost of any such repairs will be covered by the Utility as no additional funds will be drawn from the Line of Credit account.
2. Due to the need to identify storm related issues the pole testing program has slowed.
3. Some of the substation feeders have been identified as problematic in that the direct burial cable may be failing.
4. The contract lineman who has been working for the Utility since last fall, will be leaving within the next two weeks. This will result in the crew being short handed. Another person has been injured and will not be able to work for six to eight weeks. At this time, the new construction work is manageable. Todd Orestad is filling the Serviceman position in the absence of Justin Koepke. Todd can fill in on the crew if necessary.

Commissioner Kroupa reported that he has been contacted by the Washington State Game Department regarding a Utility consumers request to have an osprey platform installed on their property. The consumer has expressed concern regarding the Utility's removal of the birds nesting material and the fact that many of the trees in the area had their tops damaged during the wind storm. A discussion followed. The Board was in concurrence that the Utility would not install a platform for the consumer. The possibility of this work becoming a wildlife project for the Ferry County Conservation District was discussed.

The Board thanked Mr. VanSlyke for his report and he exited the meeting at 9:58 a.m.

Attorney Graham advised that an Executive Session was not needed.

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

1. No additional information has been received regarding the pending litigation case.
2. The case against the gentleman who allegedly assaulted a contract tree trimmer last summer is still pending. The Board directed Manager Friederichs to write a letter to Prosecuting Attorney Sandona with a carbon copy to the Ferry County Commissioners expressing the Utility's interest in the matter and it's desire to have the case handled as a priority as the tree trimmer has been permanently damaged.
3. Discussed the proposed rail/trail easement agreement with Prosecuting Attorney Sandona. Mr. Sandona has yet to fully review the document and advise the Ferry County Commissioners. The matter was discussed with changes to the document identified and to be made. The document will be forwarded to the Board and Attorney Graham for a final review. Upon the completion of the

review by all, Manager Friederichs and Attorney Graham will meet with the Ferry County Commissioners.

4. Additional research has been completed on the evaluation process of the Manager's position. A discussion followed with Attorney Graham to continue the process. The Board is desirous of having a process in place for future evaluations.

A recess was called at 10:40 a.m. with the meeting reconvening at 10:54 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A letter has been received from a consumer regarding an osprey platform. This matter was discussed earlier in the meeting.

Meetings:

1. An Energy NW Executive Board meeting will be held in Portland, OR. Commissioner Aubertin will not attend as he is not a member of the Executive Board.
2. Commissioner Fagerlie will attend a one-day WPUDA meeting to be held in Olympia on June 27. Manager Friederichs will attend via telephone.
3. Commissioner Fagerlie and Manager Friederichs will attend the July WPUDA meeting.

Commissioner Fagerlie reported that he is unable to access his P.U.D. email with either the P.U.D. provided laptop computer or his personal home computers.

4. Commissioner Kroupa will attend the August NRU and PPC meetings.

General Business:

1. The annual E-911 billing has been received for dispatching services for the Utility's after hours outages. The charges were calculated at \$6,519. Additional information will be requested to support the billing.
2. The May B.P.A. Power billing charges were discussed.
3. The newly mandated "Call Before You Dig" legislation is proving to be a financial impact on the District. The District is assessed a fee for each request for locate sent to us even though some of the calls are for areas outside our service territory, i.e., Inchelium and Chesaw. The WPUDA has been contacted regarding a possible change to the law. The question has also be posed as to whether the Utility can assess a fee to the individual requesting the locate as the service is advertised as free. Attorney Graham will review the law.
4. Information relevant to a disconnect of service for a customer, in the Curlew area, who failed to keep their payment arrangements was presented. The current process in place to work with delinquent accounts is proving successful in that the total delinquent revenue is significantly less than in prior years.
5. CWPU meetings continue in preparation for the upcoming health benefits changes and the labor/union negotiations for the next contract period.

Commissioner Fagerlie questioned the expenses associated with the B.P.A./P.U.D. picnic held on the day of the system-wide outage. Commissioner Kroupa advised that Attorney Graham has previously advised that the Utility's expenses are legitimate as so many of the consumers benefit from the picnic. B.P.A. reimburses the Utility for that portion of the total expenses they can legally cover. Manager Friederichs advised that there will be at least three more scheduled outages following the July 21 2013 outage. B.P.A. will begin working on the system this week performing work that can be accomplished with the system hot.

The meeting recessed at 12 noon for lunch, reconvening at 1:12 p.m. with Auditor Nush joining the meeting.

The Conservation report was presented by Manager Friederichs:

1. The joint program between the Ferry Conservation District and the Utility to aid irrigation customers is struggling. If the program isn't finalized by June 30, 2013 the funding will be withdrawn.
2. A few small conservation opportunities are available.

Commissioners:

Commissioner Kroupa:

1. Explained in detail the Columbia Generating Station which is the current nuclear generating facility and how it came into being and the Hanford Nuclear Facility and how it came into being during World War 2 to harness nuclear power. He expressed concern that the two entities are often melded together and confused. The Columbia Generating Station has been operating very safely for a number of years and have had no nuclear accidents.
2. Was unable to attend the special PPC meeting held in Portland due to health issues.

Commissioner Fagerlie:

1. Will attend a WPUDA meeting in Olympia next week.

Commissioner Aubertin:

1. Attended the Annual NWPPA Conference and reported on the speakers.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Information was provided regarding a High Energy Cost Grant customer. Attorney Graham will again contact the customer regarding payments.
2. A summary of consumer assistance payments for the period June 1, 2012 through May 31, 2013 was presented.
3. Planning is in place for the B.P.A./P.U.D. picnic to be held July 21 in the Republic City Park during the system-wide outage. An outage has been scheduled in the Keller area the following day.
4. Operating Funds available as of June 10, 2013 were \$2,206,313.36 with restricted funds of \$1,143,424.22. There were fourteen outages in the month of May for a year-to-date total of sixty-one compared to forty-seven for the same period in 2012. The Revolving Loan/Grant Fund and the High Energy Cost Loan repayment reports were reviewed.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 9935 and 10032, direct payroll deposits numbers 902002 through 902018; 202019 through 202018 and 902022 through 902038 Electronic Fund Transfer numbers 252 through 253 in the total amount of \$803,568.67 and void warrants number 9367 were approved by a motion made by Commissioner Fagerlie, seconded by Commissioner Aubertin and unanimously carried.
2. The Financial and Statistical Report was reviewed by the Board with questions answered.
3. Bonneville Power Administration did credit the Utility \$432 for the REC Credits on the May Power Billing.
4. Man-hours calculated for the other crew assistance during the storm should be 6,973 not 69,073 as shown in the May Board Meeting Minutes

Lobbying: None

With nothing further to come before the Board, the meeting was adjourned at 3:37 p.m.

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

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President

ATTEST:

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Vice-President

\_\_\_\_\_  
Secretary

APPROVED:

\_\_\_\_\_  
Manager