

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY  
REGULAR MEETING OF COMMISSIONERS  
June 18, 2012

The regular meeting of the Board of Commissioners was called to order by President Doug Aubertin at 9:01 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: None

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

Reports:

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

1. Requests for new line extension work is less than normal.
2. The crew continues to work on maintenance projects. The jumper replacement project continues.
3. Approval to proceed with the work on the new three-phase Keller Ferry landings has been received
4. The Manilla Creek line reroute is moving slowly.
5. NoaNet has made the payment for the line upgrade west of Republic. Materials have been ordered and the work will be completed this summer.
6. Two large maintenance projects have been identified with the work to be completed this summer. The line upgrades will eliminate outages which have been occurring on the two lines.
7. Work has been scheduled to repair the storage building at the Strassburg Substation.
8. The rock crushing operation, which was temporarily operating in the Curlew area, has now completed the work and moved out. An asphalt batch plant will move in this week and a new line is being installed for this operation.
9. No information has been received from the consumer in the Danville area who was not interested in providing a line extension route for a potential Utility customer. Attorney Graham added that his last correspondence had given the consumer until July 1 to contact the Utility. Possible options were discussed with the Board in agreement that, in the event no contact is made by the consumer, Attorney Graham will write another letter advising that the Utility will pursue property condemnation.
10. The possibility of providing generators to businesses in the Keller area during the July 16 planned outage was discussed. Contacts have been made but no requests for generators have been received. Commissioner Aubertin reported that an individual from the Keller area has volunteered to coordinate a picnic, similar to the one held in Republic. Manager Friederichs has been in contact with the person as well to coordinate the food order.

The Attorney's Report was presented by Steve Graham:

1. Research has begun regarding the possible change in regulations with respect to the Washington State Parks Department property. A pending proposal would require the Utility to apply to have lines cross State Parks property and, along with the application would come a significant application fee and annual charges. An additional portion of the proposal includes "Rails to Trails" property which will also require a significant application fee as well as annual charges. This portion of the proposal could prove to be very costly as applications would be required for each line crossing the old railbed. Manager Friederichs will visit with the Ferry County Commissioners about the potential impact on the Utility if the old railway is turned to the State.
2. An update of the Request for Public Records was presented. Based on the modified request sent after the May Board Meeting, the information requested was provided by the State. A discussion of the alleged infractions followed. The Board was pleased that the State found that the allegations were proven false and unfounded and that the Utility and Commissioner Davis were in no way at fault.

A brief recess was called at 10:02 a.m. with the meeting reconvening at 10:12 a.m. Mr. VanSlyke did not return to the meeting.

The Manager's Report was presented by John Friederichs:

Commissioner Aubertin requested a simplified explanation of B.P.A.'s rate changes be put together for the Board as he would like to provide the information to others.

Correspondence:

1. A coordinated emergency disaster drill is being planned for the Republic area. The Utility will not participate due to the nature of the planned vehicular accident.

Commissioner Kroupa exited the meeting at 10:16 a.m., returning at 10:17 a.m.

2. The Utility has received information from Energy Northwest regarding the annual billing for the Columbia Generating Station. No assessment to the Utility was made in 2012.

Commissioner Aubertin reported that he attended the licensing renewal event at Energy Northwest for the Generating facility. He put his expenses on a Utility credit card and has asked Energy Northwest to reimburse the Utility for the expenses. He has since been advised by Energy Northwest that they are unable to reimburse the Utility for the expenses. The process he is to use was provided.

Meetings:

1. The July WPUDA meeting will be held in Leavenworth, WA on the 18<sup>th</sup> through the 20<sup>th</sup> with Commissioner Davis and Manager Friederichs to attend.
2. The September WPUDA meeting will be held in Ellensburg with Commissioner Davis and Manager Friederichs to attend.

General Business:

1. The minor flooding issue in the office building in May resulted in no lasting damage. The janitor's insurance company has been in contact with the Utility and will cover costs. A letter has been received from the janitorial contractor giving the Utility 60-days notice of their intent to terminate the contract. A discussion followed.
2. A brief discussion of the Parks & Recreation property issue was held.
3. B.P.A.'s load projection data was discussed at length. Comparison of the 2011 and 2012 power billings were made with discussion following. At this time, based on the billings received from B.P.A., it is not possible to predict what a monthly billing to the Utility will be. It is hoped that more time and information will improve the Utility's ability to forecast costs.

The Conservation Report was presented by Manager Friederichs:

1. Two very small commercial projects are being finalized.
2. The Ferry County Memorial Hospital is again planning for a heating boiler upgrade and has contact the Utility as well as Bonneville Power regarding any financial assistance available to them for the work.
3. A new director has been assigned to the NoaNet project.

Resolution 12-05 "A Resolution to Establish a Management Benefits Policy" was adopted by a motion which was made by Commissioner Kroupa, seconded by Commissioner Davis and unanimously carried.

Manager Friederichs reported that Todd Orestad, Apprentice Lineman, participated on the Lineman's Rodeo held in Wenatchee. Mr. Orestad did very well and brought home several trophies again. The Board asked that Manager Friederichs extend their congratulations to Mr. Orestad.

Commissioners:

Commissioner Davis:

1. Attended no WPUDA nor TEDD meetings.

Commissioner Kroupa:

1. Attended no outside meetings.

Commissioner Aubertin:

1. Attended the Columbia Generating Station license renewal party at the Energy Northwest facility. Was a very nice event with several state and local dignitaries in attendance. Several individuals commented on the attendance of a Commissioner from a small Utility such as Ferry.
2. Highlights of the Energy Northwest meeting were presented.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of June 10, 2012 were \$1,520,419.53 with restricted funds of \$1,224,986.98. There were thirteen outages in the month of May for a year-to-date total of forty-seven compared to twenty-eight for the same period in 2011. 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. Information regarding B.P.A. charges for the month of May were presented with a discussion following. The information provided reflected significant fluctuations in B.P.A.'s predictions and our actual consumption.

The meeting recessed at 11:55 a.m. for lunch reconvening at 12:58 p.m.

The meeting was opened at 1:00 p.m. for the purpose of a Public Rate Hearing with no visitors present. Auditor Nush presented information pertinent to the proposed changes to the Rate Schedules. 250 watt metal halide lights will now be offered to customers at a cost of \$10 per unit for non-metered and \$4 per month for metered lights. Rates Schedules 400 and 500 were updated to include a section entitled "Monthly Rate Exception". Resolution 12-06 "A Resolution to Amend and Clarify Rate Schedules" was presented and adopted by a motion which was made by Commissioner Davis, seconded by Commissioner Kroupa and unanimously carried.

Auditor Nush continued her report:

2. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 8643 through 8745, direct payroll deposits numbers 901616 through 901645, Electronic Fund Transfer number 15, 16 and 17 in the total amount of \$747,183.17 were approved by a motion made by Commissioner Davis, seconded by Commissioner Aubertin and unanimously carried.
2. The Financial and Statistical Report was reviewed by the Board with questions answered.

Lobbying: None

With nothing further to come before the Board, the meeting was adjourned at 1:42 p.m.

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

\_\_\_\_\_  
President

ATTEST:

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Vice-President

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Secretary

APPROVED:

\_\_\_\_\_  
Manager