

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY  
REGULAR MEETING OF COMMISSIONERS  
July 17, 2006

The regular meeting of the Board of Commissioners was called to order by President Kathy Ciais at 9:07 a.m. Present were Commissioners Ciais, Gregg Caudell who joined the meeting at 9:12 a.m. and Chris Kroupa, Manager Roberta Weller, Attorney Steve Graham, Auditor Jennine Groth, and Secretary/Treasurer Jayne Jurgensen.

Visitors: Dave Bouchard with NWPPA and Toni Timberman with B.P.A.

All stood for the Flag Salute.

The minutes of the June meeting were corrected and approved by a motion made by Commissioner Kroupa, seconded by Commissioner Ciais and unanimously carried.

Reports:

The Auditor's Report was presented by Jennine Groth:

1. The voucher listing was reviewed with the Board and questions answered. The Board approved Payroll Warrants Number 008990 through 009008 in the amount of \$41,414.24 and 009009 through 009030 in the amount of \$47,041.31 and G&O Warrants Numbers 23526 through 23628 in the amount of \$164,043.56 by motion made by Commissioner Kroupa, seconded by Commissioner Caudell and unanimously carried.
2. The Financial and Statistical Report was reviewed by the Board.
3. The D. Hittle report was presented.
4. The Utility has received a patronage refund from Ruralite in the amount of \$1,481.85.
5. Health insurance premium fees will change on August 1, 2006. The Board was presented information on all available plans. A motion to keep coverage as it currently is was made by Commissioner Kroupa, seconded by Commissioner Caudell and unanimously approved.

The Conservation Report was presented by Manager Weller:

1. Post 2006 B.P.A. Conservation Program guidelines have not changed with the new program set to begin in September. May be changes on the heat pump specifications that will enhance the program.
2. The photovoltaic system at the Keller School is out-performing every other system on the B.P.A. tracking site.
3. The High Energy Cost Grant Program continues to move along. Two solar installations have been completed by the Utility. One has yet to have the customers complete their work and the other is working as planned. Inquiries on solar installations continue to come in. The line extension portion of the program has slowed due to increased interest in line extensions for those who do not qualify under the high cost program.
4. The photovoltaic project for the assisted living facility at the hospital is moving forward. The equipment has been ordered and delivery is pending. The contractor will be in the area in the near future to look over the project again.
5. Word has been received from Senator Cantwell's office that 1.5 million dollars in funding may become available for the biomass-to-energy project.

The General Foreman's report was presented by Manager Weller:

1. The crew has worked for the past three weeks on the Sutton Meadows high energy cost line extension which is approximately 17,000 feet.
2. The crew also spent a week on the Curlew bridge reroute project which has been completed.
3. Poles are being tested west towards Wauconda.
4. The crew is very busy and there are quite a number of work orders ready for construction.
5. The system has not been put on non-reclosure as yet due to fire danger.

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

1. Has researched the utility pole which is located on City property. Feels that the Utility can safely claim eminent domain and keep the pole in its current location.
2. Still working with Mike Walbert of Power Engineers regarding an acceptable contract for the RUS load forecast reporting.
3. The WISHA appeal is still pending. Another hearing has been set for July 25 at which time a trial date and location are to be set.

A brief recess was declared at 9:58 a.m. with the meeting reconvening at 10:02 a.m.

Attorney Graham advised that he would be available in his office and exited the meeting at 10:06 a.m.

Commissioners Reports:

Commissioner Caudell:

1. Encouraged fellow Commissioners to attend the WPUDA meeting scheduled to be held in Omak later in the week.

Commissioner Kroupa:

1. Will be attending an Energy Northwest meeting in Richland later in the month as well as PPC & NRU meetings in Portland in early August.

Commissioner Ciais:

1. Nothing to report.

Mr. Dave Bouchard with NWPPA joined the meeting at 10:25 a.m. Introductions were made and the meeting turned to Mr. Bouchard. He explained that he is a retired utility manager and is now NWPPA's Member Relations Manager and is visiting member utilities. He provided a history of NWPPA and its purpose.

Ms. Toni Timberman with B.P.A. joined the meeting at 10:55 a.m. and was introduced to those present. Manager Weller explained that Ms. Timberman had been invited to provide the Utility with information on B.P.A.'s "Securing Transmission for Network Resources" Workshop.

A brief recess was called at 11:08 a.m. with the meeting reconvening at 11:12 a.m.

Ms. Timberman proceeded to review the material with those present.

The meeting recessed at 12:00 noon reconvening at 1:07 p.m. Mr. Bouchard did not return to the meeting.

Ms. Timberman continued her presentation which concluded at 1:42 p.m. at which time she was thanked for her visit and she exited the meeting.

The Manager's Report was presented by Roberta Weller:

Correspondence:

1. Pictures of visitors to the Utility, Cashton and Kaiden Caudell, Commissioner Caudell's grandchildren were shown.
2. A press release announcing the Utility's award of the APPA Deeds Award has been provided for our use when the actual award is received.
3. A letter has been received from the 2006 Ferry County Fair Royalty requesting financial assistance for their travel expenses. A motion was made by Commissioner Kroupa to assist in the amount of \$50 with the funds to go to the Ferry County Fair Association. The motion was seconded by Commissioner Caudell and unanimously approved.
4. A letter has been received from Mr. Tim Sheldon requesting donations to help support his State Senate campaign. No action was taken.
5. Information has been received from Mr. Ken Kukuk regarding utility taxing authority.

Meetings:

1. An NRU meeting has been scheduled for August 2 in Portland. Commissioner Kroupa will attend.
2. Republic will be visited by USDA-Rural Development folks on August 21. The Utility has been placed on their list of stops.
3. Mr. Ken Hustad with B.P.A. has offered to visit the Utility to answer any questions we may have. The possibility of the Board and Manager Weller attending the upcoming NWPPA workshop in Portland, OR was discussed. Manager Weller will research costs. Mr. Hustad will be invited to attend the August Board meeting.

Auditor Groth exited the meeting at 2:10 p.m. for the purpose of traveling to Kittitas County P.U.D. to learn about their new computer system. Mrs. Jurgensen presented information on the same computer system as she had the opportunity to learn about it earlier in the month. A discussion of the potential change to this system followed with Manager Weller to provide detailed cost information at the August meeting.

General Business:

1. A rough draft policy for the use of a leave of absence without pay was presented for review and discussion at the August Board meeting.
2. Deputy Auditor Marilee Schertenleib graduated from Spokane Falls Community College on June 16, 2006. She has earned a degree of Associate in Applied Science - General Business with a 3.8 grade point average. A motion was made by Commissioner Cia's to allow Manager Weller to grant a step increase for the completion of the required courses. The motion was seconded by Commissioner Kroupa and unanimously carried.
3. B.P.A. hired a firm to complete a survey on the transmission and business sides of the organization. Manager Weller asked that they consider bringing fiber into the Strassburg Sub-station as this would be an economical advantage for the area.
4. Manager Weller, General Foreman Sage and Staking Engineer VanSlyke met to discuss the line extension work to be accomplished and, based on the Board's desire to move the High Energy Cost program along, determined that additional help may be beneficial in the Engineering Department. Mr. Curt Brenner has been contacted and will begin working on July 24 for the purpose of staking jobs in the field which will allow Mr. VanSlyke to complete inside requirements.
5. The Board was questioned as to their interest in a P.U.D. picnic. With Board concurrence, Manager Weller will proceed with the event which will be held on August 20 at Manager Weller's lake property.
6. B.P.A. has yet to provide firm information regarding their proposed outages. The crew will also be performing maintenance work during the first outage.
7. Manager Weller questioned the Board's decision regarding a questionnaire she provided them in regard to her performance evaluation. The Board went into Executive Session at 2:45 for approximately thirty minutes for the purpose of discussing personnel. The Board returned to regular session at 3:40 p.m. A motion was made by Commissioner Caudell to give Manager Weller a Step Increase from 27 to 28 effective August 1, 2006. A contract is also in place with the Board for management and staff training. A 2006 goal for staff and management will be training regarding professionalism - staff development. The Board adopted Resolution 06-08 "Resolution Establishing Manager's Compensation". The motion was seconded by Commissioner Kroupa and unanimously carried.
8. The Utility received a complement from a current consumer who expressed gratitude for being able to discuss at length, with Manager Weller, a very involved matter.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of July 10, 2006 were \$1,833,942.92 with restricted funds of \$1,367,436.41. There were twelve outages in the month of June for a year-to-date total of sixty-eight compared to thirty-seven for the same period in 2005. The Revolving Loan/Grant Fund and the High Cost Grant repayment reports were reviewed. A summary of payments received through the credit card process and the expense associated with the program was presented.

Commissioner Caudell asked that an appropriate document be prepared, for Board Signatures, to recognize Ms. Schertenleib's achievement.

Lobbying: None

With no further business to come before the Board, the meeting adjourned at 3:55 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