

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY  
REGULAR MEETING OF COMMISSIONERS  
December 21, 2009

The regular meeting of the Board of Commissioners was called to order by President Nathan Davis at 9:00 a.m. Present were Commissioners Nathan Davis, Chris Kroupa and Doug Aubertin, Manager John Friederichs, Auditor Rory Miller, Sue Nush Customer Service Representative and Secretary/Treasurer Jayne Jurgensen. Attorney Steve Graham joined the meeting at 9:03 a.m.

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

Visitors: Alex Wirt

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

Mr. Wirt spoke with the Board again regarding the EMS Ambulance building to be located on P.U.D. property at the location of the Windsor Substation. A lengthy discussion followed. The Board was in concurrence that Mr. Wirt work with Manager Friederichs to identify the location for the building.

Attorney Graham exited the meeting at 9:50 a.m.

Mr. Wirt thanked the Board for their time and exited the meeting at 9:52 a.m.

Auditor Miller introduced Sue Nush, Customer Service Rep., as the Auditor Trainee.

Reports:

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

1. The crew is currently working on a line extension just North of Republic.
2. The crew has been replacing cross arms as time allows.
3. Pole testing work has been completed for the year.
4. All contact work has been completed for the season.

A recess was called at 9:53 a.m. with the meeting reconvening at 9:58 a.m.

Commissioner Kroupa cited the Minutes of the January 19, 2009 Board Meeting at which time Mr. Wirt and Mrs. Weller visited with the Board regarding the EMS ambulance building.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A thank-you has been received from the City of Republic for hanging the town Christmas decorations.
2. A letter has been received from Mr. Dan Peterson, Pend Oreille County P.U.D., advising that he was not interested in becoming the WPUDA Executive Director unless all are in favor. Commissioner Davis added that the WPUDA Commissioners have created a committee to search for an executive director.
3. A thank-you has been received from the Ferry County Fair for the 2009 sponsorship. The Board was in concurrence that the Utility should again support the 2010 Fair in the amount of \$300.

Meetings:

1. Attended the WPUDA Manager's Meeting. Of discussion was the impact that the health care bill would have on utilities and labor negotiations. This change could potentially increase costs to utilities by 30% with employees being taxed on any portion of the health care program provided by their utility. This could in effect result in a 15% pay cut for employees. Associated taxes and fees go into effect January 1, 2010.

General Business:

1. NERC is suggesting new standards to define transmission operators. The Utility has no transmission lines. This change could impact Kinross and the line into the mill site. B.P.A. has been contacted regarding the possibility of their assuming ownership with no decision at this time.
2. The System 36 Computer was taken to a company in Seattle. Not certain at this time whether data can be retrieved.
3. Have received no response to the inquiry regarding the Utility paying it's portion of the Packwood debt. B.P.A. is now asking all utilities, who own a portion of Packwood, to let them know, by the end of 2009, what will be done with the output. In the District's case, the 1% share will be removed from the high watermark calculation. Clallam P.U.D. may be interested in taking the District's 1% share if the renewable energy credits were included. Ken Hustad has been contacted regarding the issue.
4. Work continues on the line truck upgrade. The State has heavy duty cab and chassis under contract with Freightliner. Mike Brown, Mechanic, is gathering specifications from suppliers.
5. Information has been received from Energy Northwest regarding the Modular Nuclear project. A motion was made by Commissioner Kroupa to proceed with the Utility's participation in Phase 1 at the cost of \$7,000. The motion was seconded by Commissioner Aubertin and unanimously carried.

Attorney Graham returned to the meeting at 10:42 a.m.

6. The Customer Service Policy Handbook has been reviewed and brought current. Copies were provided to the Board for review and discussion at the January meeting. The possibility of assessing a 1% penalty on late payments or a 2% discount for paying on time were discussed. Attorney Graham advised that the 2% discount would be problematic whereas the 1% late fee would not.

7. The possibility of closing the office the day after Thanksgiving was presented. Historically, there is very little business and only a hand full of people work on the day. The day is not a recognized holiday by the Union and employees would be given the opportunity to take personal leave or a floating holiday in lieu of working. The Board was in agreement.
8. Resolution 09-08 "Resolution A Resolution Declaring Property Surplus and Disposition of the Same" was adopted by a motion made by Commissioner Davis, seconded by Commissioner Kroupa and unanimously carried.
9. The January Board meeting will be held on Monday the 18<sup>th</sup>. The Martin Luther King Holiday is not a recognized holiday for the Utility.

The Conservation report was presented by Manager Friederichs:

1. Quite a number of window projects are being accomplished. B.P.A. has been contacted regarding utilizing a separate fund established some time ago for the District.

The Attorney's Report was presented by Attorney Graham:

1. The first Steinbock case has been ruled in favor of the Utility by the Court of Appeals. The second case has a hearing date of January 15, 2010 to hear a Motion to Dismiss. Kathy Ciais, Roberta Weller and Gregg Caudell were all named in the second case and all are being kept apprised of the status. Attorney VonSauer has indicated that he will complete a deposition with Mrs. Weller.

Commissioners:

Commissioner Kroupa:

1. Attended no outside meetings.

Commissioner Aubertin:

1. Attended the Annual WPUDA meeting.

Commissioner Davis:

1. Attended the November WPUDA meeting with an overview of the topics of discussion presented.
2. Attended the Annual WPUDA meeting.
3. Attended the TEDD meeting. It was announced that a purchaser has been found for the Hitch n'Post.
4. Attended a broadband meeting held in Colville. The Board was queried as to its participation in the project. All were in agreement that a letter of support would be appropriate with Manager Friederichs to see to such.

The meeting recessed at 11:50 a.m. for lunch reconvening at 12:55 p.m.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of November 10, 2009 were \$747,119.41 with restricted funds of \$1,527,806.96. There were ten outages in the month of November for a year-to-date total of one-hundred thirty-three compared to one hundred seventy-four for the same period in 2008. The Revolving Loan/Grant Fund and the High Cost Grant repayment reports were reviewed.

The Auditor's Report was presented by Rory Miller:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 5211, 5219, 5289 through 5297, 5300 through 5420 void warrants 5324, 5298 and 5299 direct payroll deposits numbers 9900671 through 9900699 and electronic fund wire transfer numbers 94 through 97 in the total amount of \$579,159.87 were approved by a motion made by Commissioner Davis, seconded by Commissioner Kroupa and unanimously carried.
2. The Financial and Statistical Report was reviewed by the Board.
3. A presentation was made on the RUS debt and B.P.A. funds.

Lobbying: None

With nothing further to come before the Board, the meeting was recessed at 2:11 p.m.

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

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Vice-President

\_\_\_\_\_  
Secretary

APPROVED:

\_\_\_\_\_  
Manager