

PUBLIC UTILITY DISTRICT NO. 1 OF FERRY COUNTY
REGULAR MEETING OF COMMISSIONERS
February 17, 2015

The regular meeting of the Board of Commissioners was called to order by President Dan Fagerlie at 9:00 a.m. Present were Commissioners Fagerlie, Doug Aubertin and Chris Kroupa, Manager John Friederichs, Attorney Steve Graham, Auditor Sue Nush, Engineer/Superintendent Steve VanSlyke and Treasurer Jayne Jurgensen.

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

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

Visitors: None

There were no public comments.

Reports:

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

1. The substation maintenance at the Kuehne Substation in Keller has been completed. A spare transformer has been installed and price quotations for the repair of the original are being obtained.
2. An existing oil processing machine has been put back into use and the Utility can begin processing transformer oil again. This will remove water and particulates making the oil usable.
3. An oxidation inhibitor to keep the transformer oil from breaking down will also be used. Transformer work will be accomplished during the annual B.P.A. outage in July.
4. The Manilla Creek line reroute work continues. The line is being relocated to a better location along Highway 21 between the Old Manilla Creek Road and south of the old log landing.
5. The possibility of adding a District tree trimming crew was discussed. Manager Friederichs provided information gathered from a telephone conversation with the Union Representative, Steve Hendrickson.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph I at 9:17 a.m. for eight minutes for the purpose of discussing potential litigation and Union Contract negotiations. The Board returned to Regular Session at 9:25 a.m. recessing at this time.

Mr. VanSlyke was thanked for his time and he exited the meeting at 9:27 a.m.

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

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph I at 9:27 a.m. for fifteen minutes for the purpose of discussing potential litigation. The Board came out of Executive Session at 9:42 a.m. returning to Executive Session for an additional ten minutes. The Board returned to Regular Session at 9:52 a.m.

A recess was called at 10:04 a. m. with the meeting reconvening at 10:20 a.m.

The Manager's Report was presented by John Friederichs:

Correspondence:

1. A request for sponsorship has been received from the Republic Regional & Convention Bureau. The Utility will again sponsor in the amount of \$150.
2. A request to participate in the Ferry County Pride Month has been received. The Utility will again have a booth at the Conservation Fair. There is the possibility that energy-saving surge suppressors may be available through a B.P.A. incentives program.
3. A sponsorship of the now combined BMW Rally and Republic Motor Cycle Rally has been received. The Utility has sponsored in the past in the amount of \$100. The Board was in concurrence.
4. A letter has been received from the Republic Business and Professional Women requesting an item be donated for their scholarship raffle. The request was unfortunately denied as the Utility cannot donate either funding or material items. The organization representative will be contacted again and our sponsorship requirements explained again.

Meetings:

1. Neither Commissioner Fagerlie nor Manager Friederichs were able to attend an meeting regarding alternative fuels. Primary focus of the meeting was propane and natural gas. Information was provided to Senator Dansel, at his request.

2. Information learned during a CWPU telephone conference call was provided. The Washington State Department of Retirement Systems has advised that those individuals on short-term disability do not accrue service credit toward retirement. It is anticipated that the Union will comment on the matter.

General Business:

1. The contracting issue of unit pricing has yet to be resolved. The WPUDA was to develop a model policy for utilities to use. The policy was to limit the contract period to one year but has yet to be completed. The State Auditors have determined that previously acceptable contracting practices and contracts, reviewed and accepted by them, are no longer legal.
2. The State Auditor is performing an audit of the Washington State Department of Retirement Systems (DRS) to make certain accruals are accurate and the reporting correct. The Utility will be part of this audit. Auditor Nush added that new GASB accounting requirements will impact the Utility in that it will now be necessary to show all funds paid to the State Department of Retirement as a liability on the Utility's books even though the funds are no longer held by the Utility. More information will be made available.
3. Research is being done on a new less expensive drug screening company. Information is available through State Contracting.

Commissioner Fagerlie reported that he will be attending a TEDD meeting on February 25.

4. The Bonneville billing was briefly discussed. The Utility has been billed \$5,281 in additional charges for the month of October of 2014. Billings for November and December have yet to be received.

Conservation information was presented by Manager Friederichs:

1. The Utility will participate in the County Conservation Fair.

Commissioners:

Commissioner Kroupa:

1. Attended the NRU and PPC meetings. Information from these meetings was presented.

Commissioner Aubertin:

1. Attended the quarterly Energy Northwest meeting. A safety recognition award has been received by Energy Northwest's Columbia Generating Station for operating 582 days with no interruption. This is a new record.

Commissioner Fagerlie:

1. Attended a TEDD meeting with information presented. It was questioned whether the Utility had responded to the TEDD letter requesting the names of the 2015 representatives. Treasurer Jurgensen explained that letters had been sent to all trade organizations after the January Board meeting when the 2015 representation to the trade organizations was determined.

The Treasurer's Report was presented by Jayne Jurgensen:

1. Operating Funds available as of February 10, 2015 were \$2,789,090.76 with restricted funds of \$1,861,406.45. There were ten outages in the month of January for a year-to-date total of ten compared to ten for the same period in 2014. The Revolving Loan/Grant Fund repayment report was reviewed.

Commissioner Fagerlie presented information gathered at the New Commissioner Orientation to fellow Board members and Attorney Graham.

Manager Friederichs questioned the date for the Excellence in Governance Workshop to be presented by Energy Northwest. The Workshop will be considered an open public meeting and may be a portion of a regular Board Meeting or on a different day. The Board will consider dates and advise Manager Friederichs for scheduling.

The Auditor's Report was presented by Sue Nush:

1. The voucher listing was reviewed with the Board and questions answered. Warrants Numbers 12303 through 12385 direct payroll deposits numbers 902703 through 902737, Electronic Fund Transfer numbers 322 through 324 in the total amount of \$683,805.12 were approved by a motion made by Commissioner Aubertin, seconded by Commissioner Kroupa and unanimously carried.

Commissioner Kroupa exited the meeting at 11:25 a.m. returning at 11:27 a.m.

2. The Financial and Statistical Report was reviewed by the Board with questions answered.
3. Information on Bonneville Power Administration monthly billing was presented and discussed at length. The possibility of adding true-up options for some of the larger accounts was discussed. The fluctuations in the monthly charges is creating a new situation for the Utility. Statistics show that B.P.A.'s estimate of costs are now lower than actual charges.

4. The RCW explaining when commissioners are compensated for mileage and what is considered their duty station was reviewed. Commissioners may be compensated for mileage from their residence as that is considered their duty station. The mileage is compensated at the current IRS mileage rate and is not taxable.

The meeting recessed for lunch at 12:00 noon reconvening at 12:45 p.m.

Commissioner Fagerlie did not return to the meeting as he was to travel to Olympia for the WPUDA meeting. The meeting was Chaired by Vice-President Aubertin.

The Board went into Executive Session as per RCW 42.30.110 Subsection 1, paragraph I at 12:45 p.m. for ten minutes for the purpose of discussing potential litigation. The Board returned to Regular Session at 12:55 p.m.

With no further business, the meeting was adjourned at 12:55 p.m.

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

President

ATTEST:

Vice-President

Secretary

APPROVED:

Manager