

**WORKSHOP NOTES  
OF KITTITAS COUNTY PUD #1  
August 30, 2011**

A workshop was held at 10:05 AM of August 30, 2011.

**Present at the Workshop were:**

John Hanson, President  
Paul Rogers, Vice President  
Roger Sparks, Secretary  
Chuck Ward, General Manager

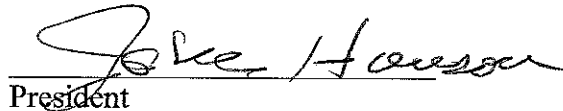
**Purpose of Workshop:**

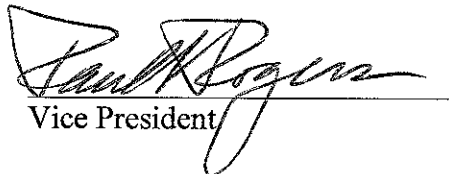
Executive Session was called at 10:08 AM per RCW 42.30.140 paragraph (4)(b) to discuss a collective bargaining strategy position for 52 minutes. The Board came out of Executive Session 11:00 AM and extended the Executive Session for 30 more minutes. The Board came out of Executive Session at 11:30 AM and the Workshop was adjourned at 11:30 AM.

**The workshop ended at 11:30 AM.**

ATTEST:

  
Secretary

  
President

  
Vice President

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**MINUTES OF THE BOARD OF COMMISSIONER'S  
MEETING  
OF KITTITAS COUNTY PUD #1  
August 30, 2011**

The meeting of the Board of Commissioners of Public Utility District #1 of Kittitas County was called to order by President John Hanson at 1:15 P.M.

**ROLL CALL:**

John Hanson, President  
Paul Rogers, Vice President  
Roger Sparks, Secretary

**OTHERS PRESENT:**

Charles E. Ward, General Manager  
Matt Boast, Engineering Manager  
Larry Felton, BPA Account Executive  
Melissa Podeszwa, BPA Energy Efficiency Representative

**PUBLIC COMMENTS:**

Larry Felton of BPA spoke about and referenced the following Benton PUD slides that weigh economic development versus the impacts of large loads on TRM rate designs.

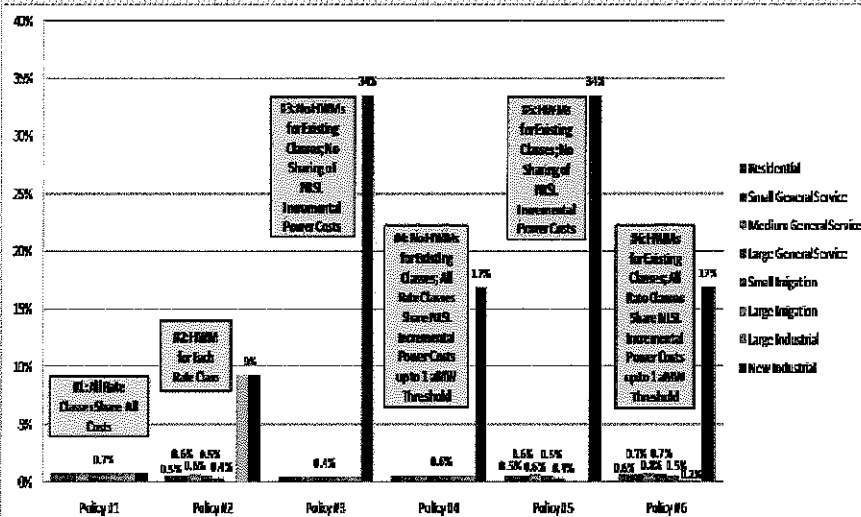
**Key Assumptions in Base Case Analysis**

- **2012 Power Supply Prices**
  - Tier 1 Power Supply Price = \$36/MWh
  - Wholesale Market Power Price = \$50/MWh
  - Renewable Energy Price = \$110/MWh
- **Average Annual Load Growth**
  - Residential = 0.7%
  - General Service: Small = 1.2%; Medium = 0.2%; Large = 1.5%
  - Irrigation: Small = -0.2%; Large Irrigation = -0.1%
  - Industrial: Large = -1.2%
- **Current Retail Rates**
  - Residential = 6.5 cents/kWh
  - General Service: Small = 5.9 cents/kWh; Medium = 5.5 cents/kWh; Large = 5.2 cents/kWh
  - Irrigation: Small = 5.2 cents/kWh; Large = 3.8 cents/kWh
  - Industrial: Large = 4.2 cents/kWh
- **Threshold below which marginal power costs associated with serving NLSL are shared with existing customers = 1 MW (Policies #4 and #6)**

February 2011 14

1 aMW Threshold

## Impact of 2 aMW NLSL on 2012 Rates



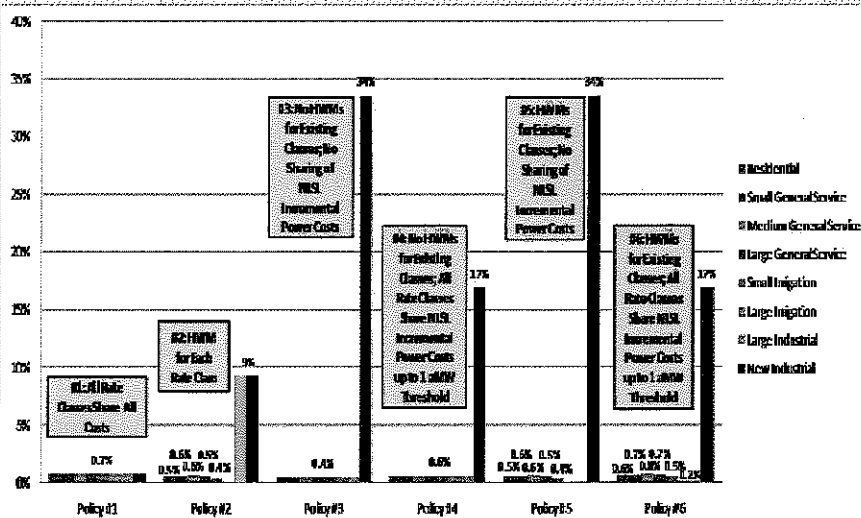
\* Rate impacts shown above are due only to above-HWM power costs and do not include any future rate increases that may be required due to increases in non-power costs or BPA Tier 1 rate increases.

February 2011

4-8

1 aMW Threshold

## Impact of 2 aMW NLSL on 2012 Rates



\* Rate impacts shown above are due only to above-HWM power costs and do not include any future rate increases that may be required due to increases in non-power costs or BPA Tier 1 rate increases.

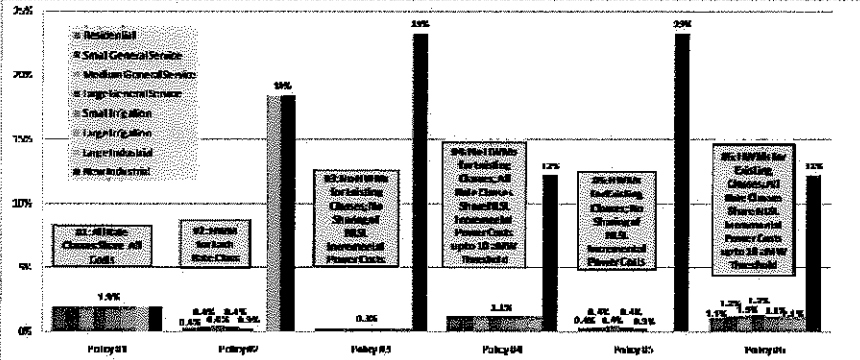
February 2011

4-8

20 aMW Load

2012

10 aMW Threshold

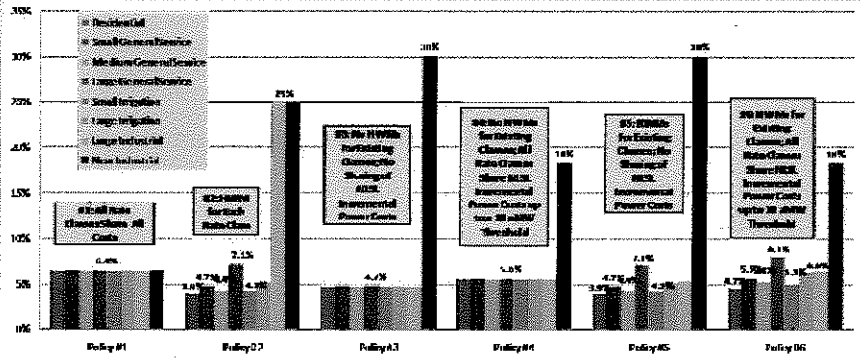


\* Rate impacts shown above are due only to above-FWFM power costs and do not include any future rate increases that may be required due to increases in non-power costs or BPA Tier 1 rate increases.

20 aMW Load

2016

10 aMW Threshold



\* Rate impacts shown above are due only to above-FWFM power costs and do not include any future rate increases that may be required due to increases in non-power costs or BPA Tier 1 rate increases.

Melissa Podeszwa of BPA gave an overview of the conservation program and upcoming changes for the 2012 rate period, as well as, the projected FY12/FY13 Energy Efficiency Incentive (EEI) budget for Kittitas PUD. BPA estimates Kittitas PUD's FY12/FY13 rate period EEI budget to be approximately \$171,807 based on the amount allocated to the regional EEI fund and Kittitas PUD's expected TOCA percentage of approximately .12%.

Preference Customer	Initial Proposal TOCA 2012	IP Adjusted TOCA 2012	FY 2012 EEI Allocation	Initial Proposal TOCA 2013	IP Adjusted TOCA 2013	FY 2013 EEI Allocation	EEI Allocation Rate Period Total 2012/2013
Kittitas PUD	0.001213	0.001228	82,318	0.001213	0.001225	89,489	171,807

The percentage that will be available for performance payment next year is up to 30% of the EEI at .08/kwh on top of the incentives provided for projects. The important caveat is that there has to be projects to receive the performance payment – no admin documentation is necessary, just project documentation. Melissa also handed out a reimbursement summary for the program components or measures.

Commissioner Rogers asked what the calculated savings would be for a ductless heat pump and the amount the PUD could claim for the administration cost?

**APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING:**

Commissioner Roger Sparks moved to accept the following:

- Workshop, July 26, 2011
- Regular Board Meeting, July 26, 2011
- Workshop, August 1, 2011 as corrected

Commissioner Paul Rogers seconded the motion and it carried unanimously.

**CLAIMS FOR APPROVAL:**

Claims from 16387-16521 and 9900025 in the amount of \$711,429.03 were presented for approval. Commissioner Roger Sparks moved for approval of claims, Commissioner Paul Rogers seconded the motion, and it carried unanimously.

**MANAGER'S REPORT:**

**Monthly Update:**

**Clallam PUD Packwood Agreement**

The contract for assignment was expected to be ready for execution in August, but it has not been delivered yet. Still waiting on the contract.

## Residential Energy Consumption Chart

Sales for the month of July, 2011	MWh	Revenue	Actual % of Budget	
			MWh	Revenue
Budgeted 2011	1,422	\$ 133,218	201%	211%
Actual 2011	2,859	\$ 280,513	<b>Actual % of 2010</b>	
Actual 2010	2,940	\$ 275,435	102%	97%
Year to Date sales			<b>Actual % of Budget</b>	
Cumulative Budget 2011	35,274	\$3,087,919	101%	103%
Cumulative Actual 2011	35,728	\$3,167,984	<b>Actual % of 2010</b>	
Cumulative Actual 2010	33,146	\$2,921,107	108%	108%

## Roza Point-of-Delivery

We have not heard from the Bureau to date concerning verbal permission to add load until the contract can be completed and a more permanent source provided. We are continuing to pursue the contract with the Bureau.

**Meeting Information** – Manager Ward presented information from the following meetings he had attended:

### PPC

The General Manager did not attend the August PPC meeting due to being on vacation. The following documents were either e-mailed, faxed, or will be handed out at the Board meeting to the Commissioners.

- Budget Plan and BPA

### WPUA

WPUA did not have any August meetings. The following documents were either e-mailed, faxed, or will be handed out at the Board meeting to the Commissioners.

- NW Power and Conservation Council Presentation
- Assoc. of WA Business Handout
- Chair Upthegrove Draft Proposal
- Renewable NW Project Handout
- NW Energy Coalition Handout
- Caan Testimony

### WPAG

The General Manager did not attend the WPAG meeting due to other commitments. The following documents were either e-mailed, faxed, or will be handed out at the Board meeting to the Commissioners.

- WPAG Iberdrola Complaint FERC Comments Final

- WPAG Consent and Waiver Request
- WPAG Redispatch 9<sup>th</sup> Cir Petition
- WPAG Redispatch 9<sup>th</sup> Cir Petition Certificate of Service
- WPAG Redispatch 9<sup>th</sup> Cir Petition Att A
- WPAG Redispatch 9<sup>th</sup> Cir Petition Corp Disclosure
- WPAG APAC IOU Stay Motion Response Final
- WPAG PGE IOU Stay Motion Response Final
- WPAG Avista IOU Stay Motion Response Final

**Other Information**

- None

**OLD BUSINESS**

***Policy #101, Public Records Policy:*** A draft of Policy #101, Public Records Policy was included in the packet for review and was discussed at the meeting. Commissioner Paul Rogers moved to accept Policy #101, Public Records Policy. Commissioner Roger Sparks seconded the motion and it carried unanimously.



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## PUBLIC RECORDS POLICY

	<b><u>PURPOSE/OBJECTIVE</u></b> .....	<b>2</b>
<b>1.0</b>	<b><u>DEFINITIONS</u></b> .....	<b>2</b>
<b>2.0</b>	<b><u>REQUEST FOR RECORDS</u></b> .....	<b>2</b>
<b>3.0</b>	<b><u>RESPONSE TO REQUEST</u></b> .....	<b>3</b>
<b>4.0</b>	<b><u>INFORMATION EXEMPT FROM PUBLIC RECORD</u></b> .....	<b>3</b>
<b>5.0</b>	<b><u>DISCLOSURE PROHIBITED</u></b> .....	<b>4</b>
<b>6.0</b>	<b><u>DELIVERY OF RECORDS</u></b> .....	<b>5</b>
<b>7.0</b>	<b><u>RECORD COPY CHARGE</u></b> .....	<b>5</b>
<b>8.0</b>	<b><u>DISCLAIMER OF LIABILITY</u></b> .....	<b>6</b>
	<b><u>PUBLIC RECORD REQUEST FORM</u></b> .....	<b>7</b>

## **PURPOSE/OBJECTIVE:**

The purpose of this policy is to establish the processes Public Utility District #1 of Kittitas County, Washington (District) will follow to provide the public full access to public records, mindful of an individual's privacy rights and the desirability of the efficient administration of the government. This policy is intended to provide information to persons wishing to request access to public records of the District and establish processes for both requestors and District staff that are designed to best help the public in obtaining such access.

In 2005, the Washington State Attorney adopted advisory "model rules" for state and local agencies, found in the Washington Administrative Code (WAC) at Chapter 44-14 WAC, to help them develop their own effective policy. The model rules are advisory only and do not bind the District, but the District has reviewed and incorporated applicable provisions of the model into this policy.

The Public Records Act (the Act), Chapter 42.56 RCW, and this policy will be interpreted in favor of disclosure. In carrying out its responsibilities under the Act, the District will be guided by the provisions of the Act describing its purposes and interpretation.

### **1.0 DEFINITIONS (For purposes of this Policy only):**

Words or phrases used in this policy are defined below. Additional definitions of words and phrases may be found in RCW Chapter 42.56.010.

- 1.1 "Public Record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.
- 1.2 "District" refers to the Public Utility District No. 1 of Kittitas County

### **2.0 REQUEST FOR RECORDS**

All persons desiring to inspect or receive a copy of any public record of the District must make their request to the General Manager, or his/her designee, on forms specified by the District.

### **3.0 RESPONSE TO REQUEST**

Within five business day, the District will either:

1. Provide the record(s); or,
2. Acknowledge the request and give a reasonable estimate of how long it will take to fully respond; or,
3. Deny the request in writing, with reasons for the denial (this could also include a denial of part of the request and granting of the remainder). The District will give specific exemption or law upon which the denial is based.

If a request is not clear, the District may request further clarification.

If the District denies the request, a request may be made to conduct an internal review of the denial within two (2) business days after denial. At that time, the District's denial is considered final and court review or in some cases Attorney General's Office review may be sought by the person making the request.

The District may notify persons to whom the record pertains that release of the record has been requested. The District, or a person to whom the record applies, may ask a court to prevent an inspection of the record. If a court order preventing disclosure is sought, the records request is on hold until further order of the court.

### **4.0 INFORMATION EXEMPT FROM PUBLIC RECORD**

The following shall be exempt from public inspection and copying:

1. Personal information and any files maintained for employees, appointees or elected officials to the extent the disclosure would violate their right to privacy.
2. Personal information required of any customer of the District to the extent the disclosure would violate their right to privacy.
  - a. Except as provided by Chapter 8.26 RCW, the contents of any real estate appraisals made for or by any agency, including the District, relative to the acquisition of property by the District until the project is abandoned or until such time as all of the property has been acquired, but in no event shall disclosure be denied for more than three years after the date of appraisal.

- b. Valuable formulas, designs drawings and research data obtained or produced by the District, its officers, employees and agents.
- c. Preliminary drafts, notes, recommendations and intra-agency memorandums in which opinions are expressed or policies formulated or recommended, except that a specific record shall not be exempt when publicly cited by an agency in connection with any agency action.
- d. Records which are relevant to a controversy to which the District or any of its officers, employees or agents is a party, but which records would not be available to another party under the rules of pretrial discovery for causes pending in superior courts.
- e. Applications for employment, including name of applicant, resume and other related material submitted with respect to an applicant.

The exemptions of this section shall be inapplicable to the extent that the information, the disclosure of which would violate personal privacy or vital governmental interests, can be deleted from the specific records sought. No exemption shall be construed to permit the nondisclosure of statistical information not descriptive of any readily identifiable person or persons.

## **5.0 DISCLOSURE PROHIBITED**

The District shall not be required to permit public inspection and/or copying of any record to the extent public disclosure is prohibited, restricted or limited by state or federal laws.

## **6.0 DELIVERY OF RECORDS**

Once the request has been properly made and the records prepared per this policy, the person making the request is required to do the following to receive the public records:

1. Appear in person at the District Headquarters (address below) for delivery of the requested public records. Public records will only be released to the person making the request.

Public Utility District #1 of Kittitas County  
1400 Vantage Highway  
Ellensburg, Washington 98926

2. Provide proper identification such as a driver's license.
3. Pay the associated cost for reproducing the public records.
4. Sign for the delivery of the public records requested.

Records will also be provided by mail if requested. For delivery by mail, the person making the request must arrange payment in advance for the actual costs of postage, the mailing container, and any copying charges assessed pursuant to section 7.0.

## **7.0 RECORD COPY CHARGE**

Payment for the costs associated with the reproduction of public record which may be disclosed, shall be made to the District upon approval of request and reproduction of the public record. All costs incident to such reproduction shall be includable factors, including but limited to labor and mailing costs. Where the cost is for a certified copy, there shall be an additional charge to cover the additional expense and time required for certification.

Costs associated with the reproduction of public record which may be disclosed, shall be as follows:

A. Copies	\$ 0.25 per page
B. Employee time maintaining the integrity of original document.	Actual Cost
C. Copies made by individual requesting copies (copying cannot disrupt normal business operation)	\$ 0.12 per page

## **8.0 DISCLAIMER OF LIABILITY**

As provide in the Public Records Act, neither the District nor any officer, employee, official, or custodian shall be liable, nor shall a cause of action exist, for any loss or damage based upon a release of public records if the person releasing the records acted in good faith in attempting to comply with this policy and procedure.

**PUBLIC RECORD REQUEST FORM**

**REQUEST for PUBLIC RECORD**

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Pursuant to the Revised Code of Washington RCW 42.56.070, I hereby request to examine and/or copy the following public records.

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Information of individual making request:

Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Representing: \_\_\_\_\_

Address: \_\_\_\_\_

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Nature of Request: To Inspect Records  To Obtain a Copy

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**District Response**

Request Granted: Yes  No  Partial  Total Cost: \$ \_\_\_\_\_

Legal Review Required: Yes  No

Counsel: \_\_\_\_\_ Date: \_\_\_\_\_

Request Denied for the Following Reasons: \_\_\_\_\_

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General  
Manager: \_\_\_\_\_ Date: \_\_\_\_\_

## **NEW BUSINESS**

***Wage Increases for Non-Union Employees:*** The General Manager requested a 2011 wage increase of 1.7% for all the PUD's non-union employees effective July 1, 2011. Commissioner Paul Rogers moved to approve the wage increase effective July 1, 2011. Commissioner John Hanson seconded the motion. Commissioner Rogers and Commissioner Hanson voted for the wage increase and Commissioner Sparks voted against the wage increase. The motion carried.

***Rodeo Parade:*** The PUD will have a float in the 2011 Rodeo Parade on September 3, 2011. The Float will consist of the PUD Quad being driven by Matt Boast with his boys walking along side handing out candy to the crowd. Following the Quad will be the General Manager driving the PUD Tahoe pulling a trailer with banners on each side showing our logo and stating "Serving the Customers of Kittitas County for 75 Years".

## **FINANCIAL REPORTS:**

The following financial reports were presented:

- Delinquency Report (with Delinquent Accounts Graph)
- Comparison Year-to-Date, January 1 through July 31, 2011
- Profit and Loss Statement, July 31, 2011
- Balance Sheet, July 31, 2011
- Consumer Sales & Revenue Data, July 31, 2011
- Summary of Cash Activity, 2011

## **OPERATIONS REPORT:**

***Monthly Operations Report*** – The operations summary for July shows 4 new services, 5 altered services, 1 relocations/removal, and 1 system improvement.

### ***Contractor Project Update (Operations)***

- Michels Power is presently on our property working on the ACX Line Extension, they have all poles set on Vantage Highway, and are about 85% complete on the Ferguson Rd portion. They will be stringing wire during the week of August 22<sup>nd</sup>.

***Future Operations Work*** – Currently there are 45 service requests, of which 33 are for new services, 2 altered services, 9 new plats, and 1 pole replacement.

***System Improvements*** – Nothing at this time.

***Out to Bid*** – Nothing at this time.

***Bids Awarded*** – Bid Call #02-11 for Michels Power dock crew for the ACX project.

**ENGINEERING REPORT:**

***GIS Mapping Project:***

The following is a list of the status of the mapping;

34kV Trans - Complete  
E1 ----- Complete  
E2 ----- Complete  
S1 ----- Complete  
S2 ----- Complete  
P1 ----- Complete  
P2 ----- Complete  
P3 ----- Complete  
J1 ----- Complete  
T1 ----- GPS Complete, 70% Drafted  
T2 ----- GPS Complete, 25% Drafted  
R1 ----- Complete  
M1 ----- Complete  
V1 ----- GPS Complete, 85% Drafted  
A1 ----- GPS Complete, 65% Drafted  
Work Orders 2007 to Present – 70% GPS, 25% Drafted

No change in the status of the mapping this month.

***Dolarway Road***

Conduit installation is in progress (east/west portion is complete, the road crossing at the Ellensburg Sub remains).

***ACX Haypress Facility***

PUD is on schedule for the project (Michel's Power will be finished with the 4 weeks of contract labor on the 1<sup>st</sup> of September). Any remaining work for ACX will be completed by the PUD line crew.

***Hazard Mitigation Steering Committee Planning***

No new action.

***Automated Meter Infrastructure (AMI) Business Case***

Staff is working with Landis and Gyr to finalize pricing for PLC and RF. Business case will be presented at the September board meeting with a staff recommendation.

***BPA Transmission Interconnection Request (Roza)***

No new action.

***Engineering (look ahead and projects in progress)***

- 1) Energize ACX New Press
- 2) Plan for ACX cutovers (Existing Services)
- 3) 34kV Regulators
- 4) Automated Meter Infrastructure Business Case
- 5) Meter Program Review with staff
- 6) GIS Mapping (2011 completion goal – Staking package prep)
- 7) System One-line Map
- 8) Strategic Plan/ Quarterly Budget Review/ 2012 Budget
- 9) State Bid Law Workshop
- 10) FuturaGIS Staking and WO Management Demo

**COMMISSIONER REPORTS:**

Commissioner Rogers stated he had received two questions from a customer and former employee. The two questions the customer wanted to know is as follows:

- 1) If the District was charging an interest rate to ACX for the work being done and if so, what was the interest rate?
- 2) What policy allows the District to give a revenue credit to ACX?

**FUTURE MEETINGS**

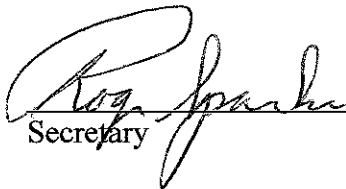
August 31, 2011	PPC Forum	Portland, OR
September 1, 2011	PPC	Portland, OR
September 3, 2011	Rodeo Parade	Ellensburg, WA
September 7, 2011	Energy Northwest Member Forum	Tri-Cities, WA
September 8, 2011	Energy Northwest Tours	Tri-Cities, WA
September 14-16, 2011	WPUA	Long Beach, WA
September 27, 2011	Board Workshop	10:00 Building B
September 27, 2011	Regular Board Meeting	1:00 Building B

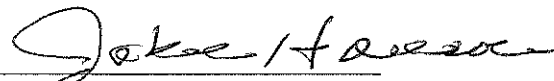
The Regular Session recessed at 4:30 PM until the next day, Wednesday, August 31, 2011 at 1:00 PM.

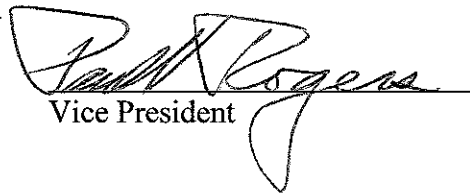
The Regular Session reconvened at 1:00 PM on Wednesday, August 31, 2011. Executive Session was called at 1:00 PM per RCW 42.30.140 paragraph (4)(b) to discuss labor issues for 2-1/2 hours. The Board came out of Executive Session 3:30 PM and reconvened the Regular Board Session. A special Board meeting was scheduled for Tuesday, September 6, 2011.

**The Regular Board Session adjourned at 3:45 PM.**

ATTEST:

  
Secretary

  
President

  
Vice President

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