

**MINUTES OF THE BOARD OF COMMISSIONER SPECIAL MEETING
OF KITTITAS COUNTY PUD #1**

April 14, 2015

The Special Meeting of the Board of Commissioners of Public Utility District #1 of Kittitas County was called to order by President Roger Sparks at 11:00 A.M.

Roll Call:

Roger Sparks, President
Shan Rowbotham, Vice President
Paul Rogers, Secretary

Staff Present:

Matt Boast, General Manager General Manager (GM)
Brian Vosburgh, Operations Manager (OM)
Genine Pratt, Finance Manager (FM)
Kelly Carlson, Administrative Assistant

Guests Present:

None

Public Comments/Introduction of Guests

No Public Comments

Agenda

ICMA 401K & 457 Plans: GM Boast went through where we are at in the process of updating the documents and outlined that he has broken the process down into three steps:

- 1) ***Address compliance issues:*** to include research into last 10 years of contributions, missing documentation, and district liability. Once these are done we can submit to the ERISA attorney.
- 2) ***Selection of New Plan Administrator:*** RFP will be created for selection.

3) ***Selection of Investment Manager:*** RFP will be created for selection. Commissioner Rogers stated that he liked ICMA and that a lot of entities go with them. GM Boast stated that he will definitely give ICMA the opportunity to respond to the RFP. FM Pratt stated that it is the record keeping that ICMA is failing to do well. There was continued discussion on how ICMA charges their fees and how we don't really know what we are paying in fees.

GM Boast thought that in order to help the employees in the quickest manner would be to focus on a new 457 Plan. In talking with the attorney this is a pretty easy plan to get up and going quickly. He stated that the 401K plan will take some time to solve and could take up to a year. There was further discussion on labeling the employer contributions as restricted funds until a new plan is complete and funds can be put into employee accounts. Commissioner Rogers asked staff to clarify if employees can leave funds in ICMA but any new contributions go to the new plan.

401K Plan Design: GM Boast went over the plan design decisions he needed from the Commissioners:

Match Requirement – Commissioner Rogers is concerned over requiring a match without getting buy-in from the employees. Commissioner Sparks is still in favor of going back to Social Security instead of a 401K, and asked if any future employees could be required to be on social security. FM Pratt stated that is not an option it is all employees or none. Commissioner Rowbotham also stated that getting buy in from employees is a good idea but not let one employee drive the direction for the entire District.

GM Boast also brought up that there will need to be a “Committee” per the plan document and recommends that this committee be made up of Commissioner, GM, and FM. The committee will need to meet at least twice a year.

Commissioner Sparks requested GM Boast to “poll” the employees to get an idea of acceptance of a required match up to 6.2%. GM Boast will also be meeting with the union rep to discuss these issues.

Eligibility:	100% vested day one
Excluded Employees:	Part-time employees, not vested in DRS employees, temporary employees
Normal Retirement Age:	IRS definition or 59 ½
Vesting:	100% vested immediately
Participant Loans:	Yes on Employee portion only
Hardship Distributions:	Permitted

MOTION: Commissioner Rogers motioned to direct staff to proceed with employee buy in polling for the required match up to 6.2% and report back.

SECOND: Commissioner Rowbotham seconded

VOTE: 3-0 Approved


Line Extension Policy: GM Boast handed out a draft of the update line extension policy for the Commissioners to review and comment at the next meeting.

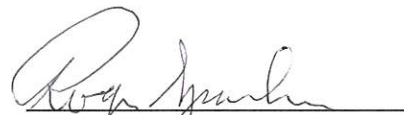
LED Yard lights: GM Boast stated that a new rate class will need to be created for the new light change outs prior to installation. This does not need a public hearing since we are not changing the rate. Commissioner Rowbotham asked why the level of detail and GM Boast said it was due to possible auditor requirements.


Directive: Staff to bring resolution to April 28, 2015 meeting for consideration.

Meeting adjourned at 12:54 P.M.

ATTEST:


Paul Rogers, Secretary


Roger Sparks, President


Shan Rowbotham, Vice President