

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

**August 18, 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 9:00 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:**

Tyson Read – EES Consulting  
Alan Dashen – A. Dashen & Associates

**Public Comments/Introduction of Guests**

No Public Comments

**Agenda**

***Distributed Generation:*** GM Boast presented a spreadsheet containing all net metered customers. He stated there are 63 customers with a majority being solar. The regulating RCW requires a connected rating of 92kw and the District has 530.34kw, a little more than 5 times more than required which will cause us to easily reach the \$100k threshold of State credits. He informed the Commissioners that getting the word out about possibly ending the program has caused a flood of applications. GM Boast recommended that the Commissioners consider a temporary moratorium on net metered interconnections until further research can be done to determine impacts to the District. Commissioner Rowbotham cautioned GM Boast to choose his words wisely when drafting a resolution for this action.

Commissioner Rowbotham then further explained that there is two separate credits on these projects, State and PUD. He then stated that there is the possibility of still allowing people to meter into the system but the PUD would need to look at what the reimbursements/credits would look like if they were still offered. GM Boast would like direction from the Commissioners on where they want to go with this. Commissioners directed GM Boast to prepare a resolution and supporting documentation for the next meeting for board consideration.

***20 Year Plan – Tyson Read, EES Consulting***

Tyson Read of EES Consulting was present to discuss the 20-year plan. He presented Commissioners and staff with 99% draft plans for reference and proceeded to go over the plan in detail. After going through the plan Commissioner Sparks expressed his concern that Roza was still being shown as an isolated system and that no solution was being addressed, Mr. Read stated that he would look into this further for possible options. Commissioner Rogers stressed the

importance of redundancy in the system. Mr. Read stated that the number one priority for the District would be the oil containment project at the Jenkins substation. He then proceeded to go into the project prioritization in the next 20 year cycle.

***The Board then recessed for lunch at 12:00 pm***

***The Board reconvened at 1:00 pm.***

***Bond Sale & Rates Discussion – Alan Dashen, A. Dashen & Associates***

Alan Dashen was present to discuss the Districts options to refinance debt. He then presented the Commissioners with a handout and proceeded to go over. Discussion followed on bonding options, bonding vs bank loan, bond rating, PUD rates and the bond issuance process.

Commissioner Rowbotham stated that he is not sold on refinancing right now and that the District needs to have a good plan in place to determine if we need funding and if so how much. FM Pratt then presented the option of bank financing and would like the board to consider.

Commissioner Rogers is concerned that we may be making a mistake by putting new money off for a year or so and could lead to a detriment to the PUD financials.

GM Boast stated that there are two things the board needs to decide on, level of need for funding and impacts of BPA's rate increase. Mr. Dashen then stated that he will proceed with a bond process but at a slower pace and it can be stopped at any time.

***Customer Service Fees***

Danae Cramer presented the Commissioners with a recap of historical fees and supporting information for the current fees in place. There was discussion on how our current fees have been responded to by our customers. Commissioner Rowbotham expressed concern over the \$80 new customer fee and stated that it is too high and should be around \$50. FM Pratt stated that if we dropped the fee to \$50 it would be a drop in revenue of approx. \$16k. Commissioner Rogers expressed concern that we are higher in our fees than other utilities in comparison. The Board directed FM Pratt to drop the new account to \$50 and revise the following:

- Connect/reconnect – Increase
- After hours connect – Increase
- Transfer – reduce
- Meter test fee (2<sup>nd</sup>) – Increase

***Customer Refunds***

Commissioner Rowbotham stated he was contacted by a customer that was owed a refund and felt it was taking a very long time for him to get his check. He stated that we should be able to respond to our customers better than we are and that situations like this are poor customer service. There was further discussion on how we could improve upon this process in the future.

***Rate Increase Discussion***

GM Boast presented a spreadsheet that included several scenarios on rate increase amounts and what the impacts would be. He stated that this would help to determine if we would need to borrow or if we would need a rate increase. Commissioner Rogers stated that he suggests the staff bring a resolution to the next meeting depicting at 2% rate increase.

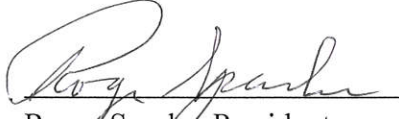
**At this time Commissioner Rogers left the meeting 4:30 pm.**


Commissioners Rowbotham and Sparks held further discussion on GM Boasts spreadsheets and looked at possible scenarios. There was no direction at that time.

**Adjourned at 4:55 P.M.**

ATTEST:

  
Paul Rogers, Secretary

  
Roger Sparks, President

  
Shan Rowbotham, Vice President