

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

February 10, 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 10:02 A.M.

Roll Call:

Roger Sparks, President
Shan Rowbotham, Vice President

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:

Anne Falcon, EES Consulting

Public Comments/Introduction of Guests

No Public Comments

Agenda

Irrigation Rate Review: Anne Falcon, EES Consulting, was present to go over the irrigation rate study her firm had completed. She presented a slideshow that incorporated multiple scenarios for the District to consider. The following comments came out of the presentation:

- Commissioner Sparks expressed his concern that he wanted to be sure we were being fair to our agricultural customers. He also stated that the changes in the way BPA bills us could affect the way we bill our customers.
- Commissioner Rowbotham stated that we need to change the rate structure to give our customers a better realistic idea of how we purchase power and that this rate change will be a “catch-up” to what we haven’t been doing. He expressed the necessity to get a stakeholders group together for involvement in this process.
- GM Boast is hoping that after this meeting we have a direction and can start contacting stakeholders to invite them to be part of this process.

Commissioner Rowbotham asked if demand meters are now installed on all irrigation accounts. GM Boast stated that all three-phase meters have demand capabilities, but was not sure how many of the small single phase meters registered demand.

There was extensive discussion on the multiple rate structures/options presented from Anne Falcon for schedules 1003, 1013, and 1006. Commissioner Rowbotham suggested keeping the rate structures simple but effective.

- It was decided to combine rate schedules 1003 and 1013 since 1013 has only 8 customers. In this combined schedule it was narrowed down to three rate options:

- ***Rate options 1003/1013 Schedules:***

- 1) Facility Charge: \$22.00/Month
 Horsepower Charge: \$0
 Energy Charge: \$0.0580 per kWh
 Demand:
 First 50 kW: \$5.50
 Over 50 kW: \$5.50 per kW

- 2) Facility Charge: \$22.00/Month
 Horsepower Charge: \$0
 Energy Charge: \$0.0680 per kWh
 Demand:
 First 25 kW: No Charge
 Over 25 kW: \$5.50 per kW

- 3) Minimum Charge: \$30.00
 Horsepower Charge: \$0
 Energy Charge: \$0.0700 per kWh
 Demand:
 First 25 kW: No Charge
 Over 25 kW: \$5.50 per kW

- ***Rate options 1006 Schedule:***

- 1) Horsepower Charge: \$0
 Seasonal Energy Charge: \$0.0625 per kWh (April-Oct)
 Non-Seasonal Energy: \$0.0625 per kWh (Nov-Mar)
 Demand:
 First 50 kWh: \$5.50
 Over 50 kWh: \$5.50 per kW

- 2) Minimum Charge: \$30.00 per Month
 Horsepower Charge: \$0
 Seasonal Energy Charge: \$0.0655 per kWh (April-Oct)
 Non-Seasonal Energy: \$0.0655 per kWh (Nov-Mar)
 Demand:
 First 50 kWh: \$0
 Over 50 kWh: \$5.50 per kW

After looking at these options and deciding that stakeholders need to be involved, FM Pratt asked if the Commissioners wanted to defer the annual horsepower charge (in current policy) one

month. Commissioners stated that would be a good idea and directed staff to come back with a resolution stating so.

New Large Load Policy:

GM Boast presented a draft resolution with policy attached and proceeded to go over the spreadsheet showing the impacts of “melding” large loads into our rate structure. He stated the current policy gives no guidance on setting rates. He also pointed out that the “look-back” period is currently 12 months and the Board requested 36 months, making the process more difficult. He then went into explaining the data on his spreadsheets that included a 10-year blending, and touched on required contracts for all customers that trigger a large load.

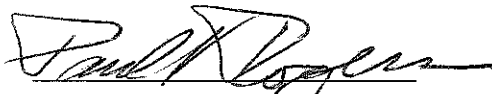
Commissioner Rowbotham stated that a fixed amount for blending may be an issue so suggested staff prepare a couple of different options to present. Commissioner Rowbotham also stressed that whatever contracts we sign do not exceed the October of 2028 deadline since the BPA contract will be up for negotiation and you never know where that is going to go. FM Pratt stated that this should be easy to administer since we do not have a lot of these customers.

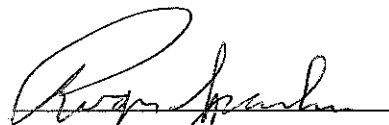
Directives:


- 1) Define “melding” entire load or fixed amount, and “melding” period length.
- 2) Establish a high water mark for existing customers.
- 3) Do not meld past October 2028 – expiration of the BPA contract.

Meeting adjourned at 12:20 P.M.

ATTEST:


Paul Rogers, Secretary


Roger Sparks, President


Shan Rowbotham, Vice President

