

**WORKSHOP NOTES OF THE BOARD OF
COMMISSIONERS OF KITTITAS COUNTY PUD #1
FEBRUARY 25, 2015**

The workshop of the Board of Commissioners of Public Utility District #1 of Kittitas County was called to order by President Roger Sparks at 11:07 A.M.

Those Present:

Rogers Sparks, President
Shan Rowbotham, Vice President
Paul Rogers, Secretary
Brian Vosburgh, Operations Manager (OM)
Genine Pratt, Finance Manager (FM)
Kelly Carlson, Admin Assistant

Guests: None

GUEST COMMENTS:

None

DISCUSSION:

Irrigation Rates Discussion:

OM Vosburgh started the discussion with a review of what came out of the previous meeting/discussion. He submitted the rate options sheet with three options as requested by the Commissioners in the last meeting from the consultant. Commissioner Rowbotham stated that the upcoming meeting on March 5, 2015, if we have a capacity crowd he has scheduled the Ellensburg City Council Chambers as a backup.

Commissioner Rogers was concerned with the impact these options would have on the customers. Commissioner Rowbotham stated that the numbers were "tweaked" so that not one person would be affected more than 10%. He then stated that he would like a refined presentation prior to the meeting on March 5 as to show clearly to the customer exactly what the impact to them would be. Commissioner Rogers requested sample billings from customer accounts that are impacted so he could see the impacts.

OM Vosburgh stated that with the old irrigation rate structure it was difficult for Staff to know when a customer would change the size of their pumps and with the new rate structure this will not be a problem.

Directive: Commissioners directed staff to have refined presentation to them by March 3, and also sample billings (two each) of small, medium, and large accounts by March 3. Commissioner Rogers requested Staff to schedule a Special Meeting on March 10, 2015 to discuss further and possibly take action.

Customer Payment/Billing Options:

FM Pratt presented a handout that included our payment options (including graphs) for commissioner review. Commissioner Rogers asked what ACH/Echeck was and FM Pratt stated that their payment would come directly out of the customer's checking account. She also stated that ACH is the least expensive for the District and that we should promote this but it may be a hard sell to the customers due to security reasons the customers aren't comfortable with.

Commissioner Rogers questioned FM Pratt how she planned to market the options available. FM Pratt stated that the District should do a giveaway of two (2) I-Pad Mini's in a drawing, one for customers who sign up for e-statement, and one for customers who sign up for auto-pay. She also stated that for the customers that have already made these moves they would be automatically put in the drawing. She intends to run it for three months this summer and get the word out through billing statements, website, Ruralite, and front counter.

Commissioner Benefits:

FM Pratt presented an informational sheet for the Commissioners on PEBB/Medicare. She stated that in the past the Commissioners were reimbursed for Medicare since Medicare was the primary insurance and NRECA was secondary. Currently the Commissioner are fully covered by PEBB and Medicare as a secondary insurance, so the question arose about reimbursement for Medicare. She also informed the Commissioners that if we could move them to retiree insurance through PEBB it would save the District money.

Commissioner Rogers has spoken with PEBB and was told he would not qualify for PEBB retiree insurance because he is employed with the District. AA Carlson will schedule a conference call with PEBB, Commissioner Rogers, and Commissioner Sparks on March 10th at 10:00 a.m. to gain clarification for all.

FM Pratt stated that if the Commissioner remained as a fully covered employee she would need a resolution from them approving the reimbursement of Medicare if that is what they chose to do.

Directive: Directed Staff to schedule a special meeting on March 10, 2015 at 11:00 for further discussion.

ICMA/ 401K & 457:

FM Pratt presented an informational sheet for the Commissioners on the District's 401K plan. She stated that it is required the District update this document prior to the next pay period end (April 10) to be in compliance. She stated the PUD currently pays 6.2% (Soc. Sec. limit) and the employees are not required to match. Commissioner Rogers stated that the District should follow the social security percentages and limits and recommended setting the maximum amount at \$118K (soc sec limit).

FM Pratt read the recommendations from GM Boast and they went as follows:

- 1) Wage base set at a maximum amount.
- 2) Employee match required.
- 3) Vesting pro-rated over 3-5 years.
- 4) Permanent part-time employees allowed to participate if vested in DRS.

Commissioner Rowbotham asked what we are currently doing, FM Pratt stated that we are following the social security rates and limits but she is concerned about signing warrants without updated documents, not concerned over maximum limit. Commissioner Rowbotham suggested the District follow social security percentage and maximum plus require employee match. Commissioner Sparks raised concern that we are not meeting the legal requirements and that the employee is not required to match. He also stated his concern over the impacts to the employees that are not currently participating/matching (3 employees), it may be quite a hit for them so a heads up to them would be good.

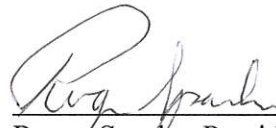
FM Pratt urged the Commissioners to move quickly on this since she will need a decision & documents prior to next payroll (April 10)


Directive: Directed Staff to schedule a special meeting on March 10, 2015 at 11:00 for further discussion.

Workshop adjourned at 1:00 P.M.

ATTEST:


Paul Rogers, Secretary


Roger Sparks, President


Shan Rowbotham, Vice President