

**MINUTES OF THE BOARD OF COMMISSIONER MEETING
OF KITTITAS COUNTY PUD #1
JANUARY 27, 2015**

The meeting of the Board of Commissioners of Public Utility District #1 of Kittitas County was called to order by President Roger Sparks at 1:02 P.M.

Roll Call:

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

Staff Present:

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

Guests Present:

Mike Lowe

Public Comments/Introduction of Guests

No Public Comment

Agenda

Item 6.6 – Add Resolution No. 827 – Basin Tree Trimming Contract Acceptance
Item 7.3 – Add NRECA Subscription discussion
MOTION: Commissioner Rowbotham moved to approve agenda as Amended.
SECOND: Commissioner Rogers seconded
VOTE: 3-0 Approved

Consent Agenda

Consent Agenda Items: December 2014 Warrants
 December 16, 2014 Special Meeting Minutes
 December 30, 2014 Regular Board Meeting Minutes
 January 9, 2015 Special Meeting Minutes
 Resolution 828 – Transfer & Invest Funds January 2015

Commissioner Rowbotham motioned to approve the Consent Agenda
Commissioner Rogers seconded
Vote: Approved 3-0

Financial Reports

FM Genine Pratt reported stated that there are no financials this month with inventory and the State Auditor being onsite it has taken a lot of time. She informed the Commissioners that the entrance conference was complete with the State Auditor and went over what was covered. The State Auditor will leave on February 9, 2015.

Commissioner Sparks commented that he had attended the entrance conference and found that there will be two reports from the State Auditor, one being Accountability and the other being Financial Audit. There was discussion on annual audits and if we did these the costs associated (15% more).

Commissioner Rogers suggested we look at this audit result and if needed we could look at annual audits if we found we needed to. There was further discussion on what the Auditor was looking at and on-call contracts is a big one. GM Boast stated we have two on-call contracts with tree trimming and dock crews.

GM Boast stated that the District will be saving money on the audit due to some of the audit that DMT performed. Commissioner Rogers stated that the State Audit will cost \$21,328.00

5.1 FM Pratt presented the financial narrative.

5.2 Consumer Sales & Revenue – Commissioner Rogers questioned the line loss at 7% and wondered if that was for the month or year. FM Pratt stated it was year to date.

Commissioner Rowbotham commented that it was interesting that the customer count is down but there are new services. FM Pratt stated the difference could be the irrigation meter disconnects.

FM Pratt stated that the revenue and cost of power came in to what was very close to budgeted. She is working on a new report with PCS that will work better for the Commissioners and read cleaner.

5.3 Overtime Report – No Action, reports not available.

Old Business

6.1 Board Retreat Objectives – GM Boast went over the listing and noted there are still some in progress. He stated that after the workshop discussion this morning the retreat would be in mid-June instead of April. Commissioner Rowbotham confirmed his agreement to move to June as did Commissioner Sparks.

6.2 Irrigation Rate & New Large Load Policy Review – GM Boast stated that we have a contract with EES (Anna) to help us with the rate study. He proposed a workshop on February 10, 2015 with EES to discuss where we are at with the study. Commissioner Rogers urged staff to move quickly since irrigation season will be upon us soon. Commissioner Sparks noted that even though our rate shift

will be revenue neutral it may still impact some of our customers so we need to be prepared.

6.3 SPCC Project Update: GM Boast submitted hardcopy's of the draft SPCC plan to the two Commissioners and will email one to Commissioner Rogers. He then explained the plan, what it entailed, and that it is a requirement for us to have one.

6.4 20-Year System Study Update: GM Boast stated that EES is doing this project and it is coming along. Commissioner Rowbotham asked when the study would be completed. GM Boast stated that initially it was March 2015, but the consultant is waiting on information from staff that has been a delay.

6.5 Resolution No. 821 – 2015 Agency Participation: Commissioners reviewed the agency listing and staff removed the User Group/Conferences section.

MOTION: Commissioner Rogers moved to approve Resolution No. 821-2015 Agency participation.

SECOND: Commissioner Rowbotham seconded.

Discussion: Commissioner Rowbotham wanted it noted that he was opposed to being a member of the PPC (Public Power Council).

VOTE: 3-0 Approved

6.6 Resolution No. 827 – Basin Tree Trimming Contract: GM Boast went over the resolution with the Commissioners. He stated that the contract is over his signing authority. He stated that we made changes in this contract that will hopefully meet the audit requirements. Commissioner Rogers asked if we put escalation in this contract and staff said that a 2% escalation rate was put in. Commissioner Rogers suggested just doing one-year contracts in the future.

MOTION: Commissioner Rowbotham motioned to Approve Resolution No. 827 – Basin Tree Trimming Contract.

SECOND: Commissioner Rogers seconded

VOTE: 3-0 Approved

New Business

7.1 Year –End Inventory Report: GM Boast stated that the year-end inventory count has been completed. He is not ready to put numbers forward yet but soon. He stated the warehouse is a “closed” warehouse and only open to warehouseman and operations manager. OM Vosburgh said the process is working well so far and the lineman seem to be okay with the new changes. Commissioner Sparks asked what the crew does on weekends during outages, and OM Vosburgh stated that we have a process forms in place for these occasions. OM Vosburgh noted

that staff is also creating binders with all stock codes and tagging all shelve items in the warehouse for inventory control measures.

7.2 **Conservation Update:** GM Boast informed the Commissioners that the District had received an additional \$7061.22 in EE funding from BPA. This funding came from other utilities that could not use the funding. This brings our total EE funding amount to \$195,973.22. Admin Carlson stated that we currently have used \$93,197.35 of the current budget. Commissioner Rogers thought that our LED yard light project would take up a big portion of this.

7.3 **NRECA Subscriptions:** GM Boast wanted to poll the Commissioners on if they wanted to continue to receive this publication for \$172.00 per year. There was little discussion but asked staff to inquire if we could get it digitally.

Operations Report

8.1 Project Status and Schedule:

OM Vosburgh reported on the following:

- **Inventory** – inventory count is complete and working to organize the warehouse. The warehouse is “closed” to all but the warehouseman and Ops Manager.
- **Beverly Trestle** – OM Vosburgh stated the crew is rebuilding the regulator bank at the Beverly trestle that was damaged in the fire.
- **Basin Tree** – OM Vosburgh stated that once the contract is signed by the GM and Commissioners Basin Tree will be given the go ahead to be onsite in mid-February.

8.2 **Work in Progress Monthly Activity** – OM Vosburgh informed the Commissioners that the District currently has 30 projects on the books. He also stated we are out to bid for transformers. Commissioner Rowbotham asked if we were looking at the cost of life cycle when reviewing the bids, and OM Vosburgh state that we would be reviewing both cost of life cycle and unit cost. Commissioner Sparks inquired if there is any forecast on the development in the County. OM Vosburgh felt there had been more interest in pivot installation by farmers.

Engineering Report

9.1 **Security Light/LED Replacement Project:** GM Boast stated that the LED’s are out to bid and will open on January 30, 2015. Once reviewed we hope to award soon after that so the crew can begin installations. He stated that we are working to see if we can offer a rebate to our customers that are interested in changing out their old yard lights for the new ones. Commissioner Sparks asked if we would be surplusing the old lights and GM Boast stated that we would surplus if there is

value or dispose of if not value. Commissioner Rowbotham stated that Solid Waste can take the old lamps at no charge for disposal if needed.

9.2 Inactive Meter Recovery: GM Boast reported that he doesn't yet have an exact number but it is under 100. Upon our inspection we have identified one theft that we are currently handling with the customer. Commissioner Rowbotham asked if we had reported to law enforcement and GM Boast replied that we have invoiced the customer for what he had used and if he doesn't pay we will get law enforcement involved.

9.3 Itron/Tantalas Metering: GM Boast stated that he has some hesitation to move forward with this since it will be a sole source and part of a pilot project. He doesn't want to change from Itron. Commissioner Rowbotham suggested waiting to see how it works with others before jumping in.

9.4 Engineering Look Ahead: No Action

9.5 Outage Report: No Action

Managers Report:

No Managers report.

Commissioners Repo

Commissioner Rogers

- Confirmed his request to have GM Boast attend WPAG and PPC to follow the rate case closer

Commissioner Rowbotham –

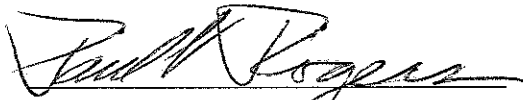
- Legislative Bills – There are a lot of bills that directly affect the utilities and WPUDA is doing a good job of keeping us informed and updated.
- Energy Northwest Board Meeting – will be attending

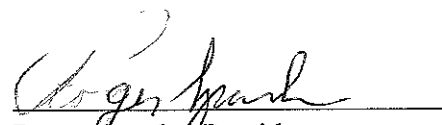
Commissioner Sparks–


- Nothing

Meeting adjourned at 2:49 P.M.

ATTEST:


Paul Rogers, Secretary


Roger Sparks, President


Shan Rowbotham, Vice President

