

**WORKSHOP NOTES OF THE BOARD OF
COMMISSIONERS OF KITTITAS COUNTY PUD #1
JANUARY 27, 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 11:20 A.M.

Those Present:

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

Guests: None

GUEST COMMENTS:

None

DISCUSSION:

Internal Audit Report:

GM Boast would like to recommend to the Board that they recognize receipt of Internal Audit report, outside audit report along with the State Audit report. He thinks this will be a good thing to do since the State Auditor references these audits in their report. Commissioner Sparks agreed that if the State Auditor is using these audits in their report we should approve/accept all at once at the exit of the State Auditor. Commissioner Rogers agreed.

GM Boast stated that the internal audit document was an informational report not an action document but would be good to use in concurrence with the other two audits.

Strategic Planning Retreat Schedule:

GM Boast stated that the district usually has this in the April timeframe but wanted to suggest possibly holding it in mid-June. He feels that April is too soon in the year for financial reports and not close enough to budget preparation. He stated that these documents are vital to plan effectively. Commissioner Rogers stated that this meeting is to look at the long-term view and felt that what we are currently doing is okay. Commissioner Sparks also agreed that April works well for the district.

GM Boast thought it would be beneficial to have the 20-year plan complete prior to the retreat to use as a planning document. OM Vosburgh stated that the warehouse inventory is taking up a lot of time to organize and balance. He informed the Commissioners that he had "closed" the warehouse to all but our warehouseman in an effort to get control on our inventory. He suggested a later date for the retreat if possible.

Commissioners all agreed to move the Strategic Planning Retreat to mid-June 2015.

Customer Payment Options:

FM Pratt stated that with the State Auditor here she has not had time to prepare a report for the Commissioners on this and would like to defer it to the next workshop.

Commissioner Rogers would like to get more automated and not have to hire more people, streamline more. FM Pratt stated that we have automation now but feels we need to market our

options better. Commissioner Rogers suggested she network with her WFOA peers and see what they may have for suggestions.

Board Packets/Minutes:

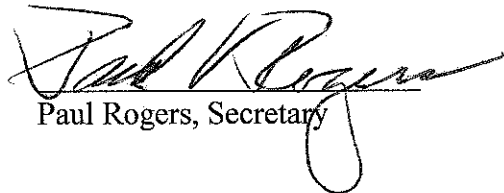
Commissioner Sparks stated that he is comfortable with the minute's process as it is now. He is not interested in recording the meetings. Commissioner Rogers also would like to keep the process the way it is and is opposed to recording the minutes. Commissioner Rowbotham was just looking for more detail in the minutes and commended staff on the detail of the December 2014 minutes. Commissioners agreed that the meetings would not be recorded.

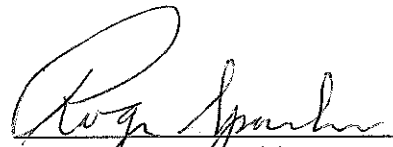
EIM/SCED (Energy Imbalance Market):

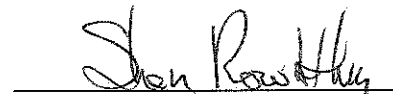
GM Boast stated that BPA has planned a workshop on February 11, 2015 at 10:00 a.m. and was wondering if the Commissioners were interested in attending and that he would be going. He realizes that KCPUD is not part of the group and not into generation but would be a good opportunity to learn more. Commissioner Rogers stated that the PPC (Public Power Council) is all over this and the Energy Northwest Forum had quite the discussion on this. Commissioner Rogers explained that BPA thinks there will be an advantage to use/sell power outside of our area. He stated that it would be good for GM Boast to be informed and aware of what's going on around us and what may affect our rates.

Workshop adjourned at 12:00 P.M.

ATTEST:


Paul Rogers, Secretary


Roger Sparks, President


Shan Rowbotham, Vice President