

**WORKSHOP NOTES OF THE BOARD OF
COMMISSIONERS OF KITTITAS COUNTY PUD #1
JULY 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 11:00 A.M.

Those Present:

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

Audit Compliance Plan:

Commissioner Sparks stated that he had met with the FM and was pleased and also recommended his seat mates take the opportunity if they haven't already.

GM Boast explained that both he and OM Vosburgh had prepared responses to Commissioner Rowbotham's request for staffs plan in becoming fully compliant in all areas.

OM Vosburgh presented his report focusing on the bidding/procurement processes that have been put in place. He stated that he feels a bit restricted with the \$2500 spending limit and suggested that once we feel everyone has the processes down we could raise this limit to \$5000 as long as it's within the state limits. Commissioner Rogers suggested following the State' limits and felt our policies are too restrictive for staff. Commissioner Rowbotham agreed to look at the spending limit in a few months and see how things are going.

There was further discussion on project bidding and the pros and cons to using our crew vs contract crew and the impacts to the district. OM Vosburgh stated that we have the labor but there are some projects we don't have the necessary equipment to do the job so that's another consideration for a contract crew.

OM Vosburgh then talked through the inventory process and what we have put into place to improve our counts. He felt there is still training that needs to be done and knows that he will need to have a more "hands on" approach with the warehouseman to improve processes.

The topic of maintenance quotes/contracts like on our specialized equipment and OM Vosburgh stated that he is still struggling with how to quote these services but is working on them.

GM Boast then went over his response report and stated that he took a little different approach than OM Vosburgh. He wanted to depict how he plans to oversee the process as a whole to include State audit, outside audit, and internal audit. He proceeded to go over his presentation that included a compliance cycle, implementation plan, and recommendations. Commissioner Sparks suggested that if there are issues that are especially challenging note these and then look to see if some of the processes or policies need to be modified.

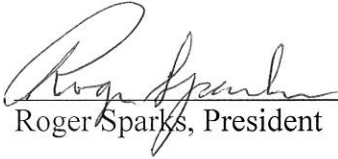
Commissioner Rogers stated the importance of all employees understanding the written policies so they know why they are doing what they are doing.

Loss Reporting:

Commissioners and Staff discussed the best method to report losses like copper/power theft. The Commissioners were informed of the requirements to inform the State of such issues and will depend upon staff to create a reporting policy and/or method.

Workshop adjourned at 12:00 P.M.


ATTEST:



Roger Sparks, President



Paul Rogers, Secretary



Shan Rowbotham, Vice President