

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

**December 16, 2014**

The Special Meeting of the Board of Commissioners of Public Utility District #1 of Kittitas County was called to order by President Paul Rogers at 10:00 A.M.

**Roll Call:**

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

**Staff Present:**

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

**Guests Present:**

None

**Public Comments/Introduction of Guests**

*No Public Comments*

**Agenda**

***Resolution No. 823 – Surplus Equipment #7 & John Deere Lawnmower:*** GM Boast presented this resolution for consideration by the Board. He explained that these two pieces of equipment are surplus to the Districts needs and they have both been replaced. He also stated that staff is considering using an online auction site to dispose.

**MOTION:** Commissioner Sparks motioned to approve Resolution No. 823 as presented.

**SECOND:** Commissioner Rowbotham seconded

**VOTE:** Approved 3-0

***2014 Budget Amendment*** – GM Boast went over the following items regarding the need for a budget amendment in 2014:

- Capital Budget Schedule
- Amended Budget proposal
- Riverbottom & Stevens Road Projects
- AMR project ran over 3 months into 2014
- Alpine project ended up over budget

- Unbudgeted but necessary projects: Smithson/Jenkins Easement; Purchase of Adjacent church property; Smithson project road not included in estimate of project costs; I-90 crossing and pole change out.
- Costs of fire in Vantage
- Costs of January 2014 ice storm
- Costs of the Lyons Road and Brickmill Road projects.
- Meter Costs discussion – FM Pratt presented Commissioners with reports that explained where we are at with meters. She stated that we do have a 10-year supply of meters in stock. There was discussion about some meters in inventory having labor attached to them and that this should not be. FM Pratt stated that she would fix this.
- Team Communication – Commissioner Rogers stated that the team needs to communicate more on project processes. GM Boast stated that we have put processes in place that should highly improve our projects outcome.
- Budget Amendment amount – Commissioner Rogers inquired as to the bottom line for the amendment. FM Pratt stated it was \$774,580. The Commissioners then discussed amending the budget by \$850,000 to cover December of 2014 and any other unforeseen costs that may come up. They stated that if the costs aren't incurred the money does not need to be spent but they do not want to have to do another amendment for 2014.

**MOTION:**            **Commissioner Rogers motioned to amend the 2014 budget in the amount of \$850,000.**

**SECOND:**           **Commissioner Rowbotham seconded**

**VOTE:**              **Approved 3-0**

**2015 Budget** – GM Boast presented the draft 2015 budget proposal to the Commissioners and the following was discussed:

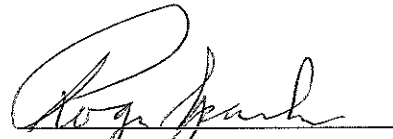
- FM Pratt discussed Bond situations and possible direction of our bonding forecast.
- Discussion on where we could cut expenses
- GM Boast presented a spreadsheet that showed several different scenarios depending upon which dollar figure you plugged in.
- Staff went over 10-year capital projects and the costs to complete these – are these numbers feasible?
- Commissioner Rogers asked in particular about:
  - PCS Costs/Upgrades
  - Customer Incentives
  - Computer Hardware/software costs
  - Mail Machine lease
- Commissioners had a lengthy discussion on why expenditures were over what was budgeted and how staff could improve on monitoring the budget and coming up with more accurate budget estimates. Commissioners also made it clear that staff will be required to obtain Board approval for future unbudgeted projects.


- Commissioners would like Staff to reduce the capital budget so they do not exceed 1.8 million annually through 2019. Also directed staff to reduce the expense budget by \$100K for each year 2015-2019.

**Meeting adjourned at 2:15 P.M.**

ATTEST:

\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
President

  
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Vice President

