

**MINUTES OF THE BOARD OF COMMISSIONER MEETING  
OF KITTITAS COUNTY PUD #1  
DECEMBER 30, 2014**

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

**Roll Call:**

Paul Rogers, President  
Rogers Sparks, Vice-President  
Shan Rowbotham, 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 5.7 – Add Customer Payment Options-Credit Cards, Bank Accounts  
Item 7.2 – Add Election of 2015 Officers  
Item 7.3 – Add Minutes Discussion  
MOTION: Commissioner Rowbotham moved to approve agenda as Amended.  
SECOND: Commissioner Sparks seconded  
VOTE: 3-0 Approved

**Consent Agenda**

Item 4.1 – November Warrants – Pull for discussion (Rowbotham)  
Item 4.4 – Special Meeting Minutes 12/16/14-Pull for discussion (Rowbotham)  
Consent Agenda Items: November 25, 2014 Regular Meeting Minutes  
November 25, 2014 Workshop Meeting Minutes  
Resolution 825 – Transfer & Invest Funds December  
2014  
Commissioner Rowbotham motioned to approve the Consent Agenda as amended.  
Commissioner Sparks seconded

**Vote: Approved 3-0**

Discussion on Pulled Items:

***Item 4.1 – November Warrants:***

- Bud Clary Chevrolet \$35,079.45 – (Rowbotham) was this purchased off the state bid? OM Vosburgh stated that it was.
- EES Consulting \$4,686.57 – (Rowbotham) what project is this for? GM Boast stated it was for the rate study.
- Ellensburg Cement Products \$7,750.55 – (Rowbotham) what was this for? OM Vosburgh stated it was the gravel for the Alpine project.
- Encompass Engineering \$970.03 – (Rowbotham) what was this for? Gm Boast stated it was for the Boundary Line Adjustment for the Kingdom Hall Church property we purchased.
- HD Supply Power Solutions \$5,326.56 – (Rogers) what was this for? OM Vosburgh stated it was for wire.
- Impulse Systems NW \$2,204.26 – (Rowbotham) what was this for? OM Vosburgh stated it was for repair of our Thumper.
- Jerrold HR Solutions \$2,500.00 – (Rowbotham) what is this for? GM Boast stated that this is a Management coach for FM Pratt for 10 weeks.
- PCS \$4,685.94 – (Rogers) how come so high? FM Pratt stated that this number includes statements, postage, processing and regular maintenance fees.
- Proglass Inc \$3,887.68 – (Rowbotham) What is this? OM Vosburgh stated this is for transformer sleeves.
- The Copy Shop \$3,485.11 – (Rowbotham) Why so high? FM Pratt stated that this if for creation and application of our new logo at the facility and vehicles.
- Traho Architects \$4,789.60 – (Rowbotham, Rogers) what are they doing for us? GM Boast stated that they are contracted for preliminary design and layout of the future warehouse and contract was already in place prior to the decision to delay construction.
- Utilities Plus \$3,150.00 – (Rowbotham) what do they provide? GM Boast stated that they do all of our locates.
- WESCO Distribution \$125,169.72 – (Rogers) What is this? OM Vosburgh stated this is 35kv wire for the Lauderdale project in 2015.
- Paycheck/Kelly Carlson – (Rowbotham) Why so high? AA Carlson stated that she had cashed out two weeks of PTO.

**MOTION:** Commissioner Rowbotham motioned to approve the November 2014 warrants as submitted.

**SECOND:** Commissioner Rogers seconded

**VOTE:** Approved 3-0

***Item 4.4 – December 16, 2014 Special Meeting Minutes***

Commissioner Rowbotham stated that he felt the minutes did not accurately reflect the lengthy discussion that occurred regarding the 2015 budget. He requested the wording be changed to reflect this as follows:

*2014 Budget Amendment (Paragraph)*

Add: Costs for Fire in Vantage, Costs for January 2014 Ice storm, costs for Lyons Road project and Brickmill Road Project.

*2015 Budget (Last Paragraph)*

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

*Add Paragraph to read:*

The Commissioners had a lengthy discussion on why the expenditures were over what was budgeted and how Staff can improve on the monitoring of the budget and more accuracy in the budget estimates. The Commissioners also is requiring board approval in the future for any unbudgeted projects.

**Financial Reports**

FM Genine Pratt reported on the following:

**5.1** FM Pratt presented the financial narrative and reported on the following:

- Finance is working hard to close out all old work orders.
- The inventory balance is below what 2013 was.
- Exempt/Obsolete items are out of inventory, on pallets and ready to surplus.
- The meters are balanced.
- The State Auditor will be here Jan. 5 to begin our audit, he hasn't nailed a time down yet. Commissioner Rogers requested FM Pratt let him know the time so he can be present.

**5.2 Consumer Sales & Revenue** – FM Pratt went over the report and stated the cumulative revenue is down approximately \$100K due to meter changouts in 2013. The Commissioners had a discussion on the large commercial being down almost 12% and what the impacts of this are. They also discussed the 7.23% line loss and net metering numbers.

**5.3 Collection Activity Report** – No Action

**5.4 Board Expenses** – Commissioner Rogers wanted to discontinue this report. Commissioner Rowbotham stated he wanted to keep this in front of them but would consider some modifications to the report.

**MOTION:** Commissioner Rogers motioned to discontinue the report.

**SECOND:** Motion died for lack of a second.

**Discussion:** Commissioners discussed the report and directed staff to remove the Association fees from this report and continue to put in board packet.

#### **5.5 Top Ten Consumers – No Action**

**5.6 Trial Balance Report** – Commissioner Rowbotham is requesting staff look into presenting this information a little differently (presented sample to GM) in the future. He had a couple of questions on wind farm revenue, and FM Pratt stated that the issue was due to a billing date. Commissioner Rogers stated that on page 24 of the report there are three lines that read “State Auditor”, FM Pratt stated that she is continuing to clean up account codes so this will not happen.

**5.7 Bank Accounts/Credit Card Customer Payments** (Commissioner Rogers)- Commissioner Rogers expressed his interest in promoting incentives for customers who sign up for our electronic payment options. He stated that we should promote these more and be receptive to most forms of payment.

*Directive: Commissioner Rogers directed staff to prepare a proposal that includes credit card policy review, current forms of payments we offer, possible incentive amounts and impacts, and how may customers use each of our payment options. Bring back to them in January 2015.*

### **Old Business**

**6.1 Board Retreat Objectives** – GM Boast proposed that the Commissioners consider changing the timing of when they hold their budget retreat (normally April). He proposed that August may be a better time since it is the beginning of budget planning. The Commissioners followed with discussion on the pros/cons of changing the timing.

*Directive: Commissioner directed staff to put on the January 2015 agenda.*

**6.2 Irrigation Rate & New Large Load Policy Review** – GM Boast is working with EES and hopes to have a draft in January 2015.

**6.3 SPCC Consultant Selection:** No Action, URS Consulting doing this project.

**6.4 20-Year System Study:** GM Boast stated that EES is doing this project and it is coming along. He also stated that they are currently waiting on information from

the district at this time. Commissioner Rogers wanted to ensure that staff addressed the Beverly trestle in their evaluations.

**Directive:** *Commissioners request that EES Consulting come before them with a draft study prior to finalization.*

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

**MOTION:** Commissioner Sparks moved to approve Resolution No. 821-2015 Agency participation as amended.

**SECOND:** Commissioner Rogers seconded.

**VOTE:** 3-0 Approved

**6.6 Resolution No. 824 – Adoption of the 2015 Budget:** Commissioner Sparks questioned the forecasted rate increases. GM Boast stated that the increases will be 3.3% for October 2015 and 5% for 2018.

*Commissioner Rowbotham commented as follows:*

- Operations revenue (Pg. 5 of 18) - need to separate kWh and revenue, in that you need to increase the revenue not the kWh sales.
- 2014 Budget (Pg. 7 of 18) please include the 2014 budget actuals for comparison purposes.

*Commissioner Rogers commented as follows:*

- General fund – concerned that the general fund drops lower each year.
- Staffing levels – stated he is against any additional FTE's. GM Boast stated that the position proposed is a ½ to ¾ time unbenefited position. Commissioner Rogers requested staff to prepare a report that reflected the last three years of overtime that includes the storms detailed out.
- Tree Trimming – questioned staff on the 2014 tree trimming budget, OM Vosburgh stated that it was \$280K, and decreased in 2015 to \$220K. OM Vosburgh also stated that we have seen the benefit through less outages caused by fallen trees.
- Lauderdale tie – questioned staff on length of project. OM Vosburgh stated that it entails a little over a mile of underground (6000'). Commissioner Rogers asked if these projects will be bid out, staff ensured they would.
- Pole Replacements – Commissioner Rogers asked how many poles will be replaced; GM Boast stated that approximately 40 would be replaced.
- Electronic sign – opposed to a new electric sign and thinks a scaled down non-electric sign would be sufficient.
- Mini Scada – opposed and cannot see the payback on this.

- Computer hardware/software – concerned over this big number and wonders if we are getting any long-term benefit out of this.

**MOTION:** Commissioner Rowbotham motioned to Adopt the 2015 Budget as submitted.

**SECOND:** Commissioner Sparks seconded

**VOTE:** 2-1 Approved (Rowbotham-yes, Sparks-yes, Rogers-no)

### New Business

**7.1 Year –End Inventory Schedule:** GM Boast stated that staff is working hard on this now and expects to have a report to the Commissioners in January 2015.

**7.2 Election of Officers:** Commissioner Rowbotham questioned Commissioner Sparks if he was concerned with being an officer with upcoming litigation, Sparks commented he was fine with it.

**MOTION:** Commissioner Rogers nominated Commissioner Sparks to serve as the 2015 President of the Board, Commissioner Rowbotham as Vice-President, and Commissioner Rogers as Secretary.

**SECOND:** Commissioner Sparks seconded

**VOTE:** 3-0 Approved

**7.3 Minutes content:** Commissioner Rowbotham stated his concern with the “vagueness” of the minutes. He feels there is/was some very important information being left out of the minutes. He then put out the option of recording all meetings then staff could transcribe from the recording. Commissioner Rogers stated that he liked the “laid-back” atmosphere of the meeting but agreed there could be more detail in the minutes. Commissioner Rowbotham stated that if we decide not to record then we need to assist staff in getting exactly what we want to include in the minutes. Commissioner Sparks stated that it is important that the decisions are clear and understood by staff. Commissioner Rogers stated that he would like to think about it for a month.

Workshops – Commissioner Rowbotham also brought up the subject of consistency of the workshop meetings and that he would like to have a workshop prior to every regular meeting. Commissioner Rogers also likes to have workshops and states it gives the Board an opportunity to have free discussion prior to regular meeting.

**Direction:** Commissioners directed staff to put on the January 2015 agenda.

**Executive Session:**

At 3:00 p.m. Commissioner Rogers announced the Board would recess into Executive Session for 30 minutes to discuss agency matters relating to RCW 42.30.110 (i). At 3:30 Commissioners came out of executive session and went back in for another 15 minutes. At 3:45 Commissioner came out of executive session and went back in for 5 minutes. At 3:50 Commissioners came out of executive session and reconvened. ***No action was taken.***

***At this time Commissioner Rogers left the meeting for the duration.***

**Operations Report**

**8.1 *Project Status and Schedule:***

OM Vosburgh reported on the following:

- ***Lauderdale Project*** – Michels is offsite and this project will be ready for completion in the spring.
- ***Safety Meeting*** – OM Vosburgh stated the District will use Vivid online for safety training for the crew. Commissioner Rowbotham asked what schedule we had purchased and OM Vosburgh stated that we bought 12 sessions (one a month) for \$4000.
- ***Future Projects*** – OM Vosburgh stated that we have 34 projects on the books.

**8.2 *Work in Progress Monthly Activity*** – No Action

**8.3 *Work Order Reports:*** Commissioner Rowbotham complimented staff on the improvement of closed work orders. He stated it shows that staff is working hard to get these cleaned up.

**Engineering Report**

**9.1 *Security Light/LED Replacement Project:*** GM Boast stated that this project will be bid out in 2015. Commissioner Sparks asked if these lights are “dark sky” and staff assured him they are.

**9.2 *Inactive Meter Recovery:*** GM Boast reported that according to the internal audit that meters left in the field when disconnected must be booted. He stated that there is no way to verify annually that these are not energized, so we are doing checks now and bringing them in.

**9.3 *Itron/Tantalas Metering:*** GM Boast stated that he had met with Gen Pac and others to discuss this metering program and the installation of collectors. He

stated that Gen Pac beginning a pilot program out there that is compatible with our existing system.

**9.4 *Engineering Look Ahead:*** No Action

**9.5 *Outage Report:*** Commissioner Rowbotham asked about the outage on Thanksgiving and why this wasn't on the report. AA Carlson stated that the interruption report needed more information before she could enter it into our outage system. Staff will include the second half of November in the upcoming outage report in January 2015.

**Managers Report:**

No Managers report.

**Commissioners Report**

***Commissioner Rogers***– Absent

***Commissioner Rowbotham*** –

- WPAG Report – Residential exchange program, BPA Conservation Funding and rate impacts, and Energy & Balance Market.


***Commissioner Sparks***–

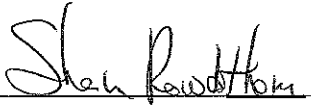
- New Insurance cards.

**Meeting adjourned at 4:20 P.M.**

ATTEST:

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Paul Rogers, Secretary

  
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Roger Sparks, President

  
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Shan Rowbotham, Vice President