Public Utility District No. 1 of Kitsap County

The Board of Commissioners Meeting

January 28, 2020

President Lester called the meeting to order at 9:30 a.m., Tuesday, January 28, 2020, in the Main Conference Room at 1431 Finn Hill Road, Poulsbo, Washington.

Districts Represented: President Debra Lester - North Kitsap, Vice President Heather Pauley - Central Kitsap, Secretary Jim Civilla - South Kitsap

KPUD Staff: General Manager Bob Hunter, Attorney William Broughton, District Engineer Bill Whiteley, Superintendent of Operations Dave Epperson, Water Resources Manager Mark Morgan, Construction Project Manager Todd Smith, Telecom Business Manager Angela Bennink, Superintendent of Telecom Paul Avis and Customer Service Representative Amanda Cheatham

Visitors: Jim Boldt (Duckabush Communications), Russ Cordiner and Sherry Cordiner (Sunrise Beach Community)

Commissioner Lester led the Pledge of Allegiance

Approval of Agenda of the January 28, 2020 Board Meeting

Commissioner Civilla moved that the Agenda of the January 28, 2020 Board Meeting be approved. Commissioner Pauley seconded the motion. MOTION PASSED UNANIMOUSLY.

Approval of Minutes of January 14, 2020

Commissioner Pauley moved that the minutes of the January 14, 2020 Board Meeting Minutes be approved as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Approval of Payments through January 28, 2020

Vouchers audited and certified by the auditing officer as required by RCW 42.24.080 and those expense reimbursement claims certified as required by RCW 42.24.090 have been recorded on a listing, which has been made available to the Board. As of this date, January 28, 2020, the Board, by unanimous vote, does approve for payment Warrant Numbers 56575 through 56661 in the amount of $638,118.11 for Accounts Payable of which fifteen (15) exceeded $5,000 and $244,728.01 for payroll direct deposit through Automated Clearing House Services.

Old Business

None

New Business

Recommendation to Award Construction Contract for RT-246645 Big Valley LUD No.26

Telecom Business Manager Angela Bennink reported the bid opening for this project was held on January 21, 2020. The project was advertised through the Kitsap Sun Newspaper and online. One (1) bid was received. The low bid was $904,492.00 (excluding WSST) from Tercom Construction, Inc. The Engineer’s estimate was $1,086,028.26 (excluding WSST). Telecom Business Manager Bennink reported that reasons given by non-bidders were varied. Scheduling conflicts and lack of bonding were two key reasons for the lack of bids. Commissioner Pauley made a motion to award the contract as submitted which was seconded by Commissioner Civilla. MOTION PASSED UNANIMOUSLY.
Recommendation to Advertise and Hold Bid Opening for RT-253622 Twin Spits Distribution Fiber Construction Project

After discussion and upon recommendation of Telecom Business Manager Angela Bennink, Commissioner Civilla moved to authorize advertisement for bid and bid opening of the Twin Spits Distribution Fiber Construction Project. Commissioner Pauley seconded the motion. MOTION PASSED UNANIMOUSLY.

Customer Service

No Report

Construction

Water System Comprehensive Plan Update: Engineer Bill Whiteley reported that Part B is in the process of being completed. A meeting has been scheduled with the Department of Health on February 7, 2020 to discuss the scope of the update.

Phase 8 Water Main Installation: Construction Project Manager Todd Smith reported that installation of the main has been completed and new services are now being installed to catch up.

Washington Blvd Main installation: Project Manager Smith is working on the contract to schedule this project with a projected date of February 18th to begin the main installation.

Water Resources/Education

Subbase Bangor: Water Resources Manager Mark Morgan spoke about information, sent by the Navy, regarding Perfluorooctanesulfonic acid (PFOS) in areas around the base. As KPUD and Silverdale Water District have wells close by, both will be proactive in making sure customers are properly notified to avoid any alarm. Information will be given to Customer Service should any customer call in with concerns. KPUD has tested for PFOS previously and the results were negative. State mandated testing will occur within the next few years as well.

Water Operations

Superintendent of Operations, Dave Epperson announced that KPUD has hired Matt Collins. He started employment on January 27, 2020 and has been introduced to the other departments.

Assistant Manager

Assistant General Manager, Jason Nutsford announced that Chelsea Sturgal has also been hired as a GIS Analyst and will be working with Katrina Harris GIS Manager beginning February 10, 2020.

Telecom Operations

Residential Update: Telecom Business Manager Angela Bennink reported that O’Hara Hills and Pirates Cove have moved from LUD to NCLUD formations. There was a contractor error with the placement of a cabinet and it had to be moved, delaying the project. Splicing will be finalized before making the line active.

Puget Sound Energy: Meetings will be held quarterly now. The pole line adjustment on Parcels Road will delay the project. The project start date will be dependent on permitting.

Big Valley Pole Project: The line may need to be moved underground, which could delay the project.

Bremerton Port Conversation: The Telecom Department is looking into the potential customer base for those moving in near the Bremerton Airport.
MINUTES 01-28-20

NoaNet: Business Manager Bennink reported that an update on Energy Northwest will not be available until May.

Manager

New Facility Update: Construction Project Manager Todd Smith reported that the Asbestos removal is complete and demolition took place. Approval was given to post “No Trespassing” and “Future Site of KPUD” signs on the property.

Medicare Buy-Out Update: General Manager Bob Hunter has met with a large portion of the staff to discuss questions. He stated that March 1, 2020 is the deadline for employees to opt in or out of the new plan. Other retirement training opportunities were discussed.

Kitsap Environmental Coalition: Mr. Hunter and Commissioner Lester met with members of KEC to discuss climate change and ways they can work together to help with water conservation and quality. The meeting was productive and positive.

King County Right-of-Way: King County is now charging Special Purpose Districts fees for using their right-of-way. Manager Hunter stated that this could have an impact on cities, water and sewer utilities and PUDs in the future. Discussion ensued.

Kitsap Aquifers and Well Sites Presentation: Groundwater Resource Manager Joel Purdy has created a presentation about aquifers in Kitsap County and drilling well sites. He has presented to the field crew during our snow event at the beginning of January and other presentations are being scheduled.

Financial: General Manager Hunter met with Neal Williams of Hearthstone and Telecom Business Manager Angela Bennink to discuss inventory for the Telecommunications Department. Discussion ensued.

Employee Recognition: Since implementing the Employee Recognition Program, several employees have been recognized for their contributions to KPUD. Jesse Cooper in Water Resources was recognized for his work in getting water samples handled, the Epperson Family was acknowledged for their time in the production of our KPUD water video and Rita Flaherty in Finance was recognized for her efforts in creating and maintaining the Safety Committee.

Legal Counsel

Attorney William Broughton spoke to the issues surrounding the King County Right-of-Way ruling.

Commissioners

Commissioner Pauley spoke about the WASWD training that she attended. She spoke to Tracy Flood with the Bremerton NAACP on diversity. Tracy is interested in helping KPUD with reaching more citizens about employment opportunities.

Commissioner Civilla will attend the KEDA Breakfast presentation on the state of the economy. He reminded his fellow commissioners that the F1 Filing deadline is April 14, 2020.

Commissioner Lester is looking forward to hearing IT Manager Paul Green’s presentation on Cyber Security, scheduled for February 11, 2020. She would like to get the Board Retreat on the schedule soon.

Commissioner Lester also requested information on the Leak Adjustment Policy and the time required for a customer to submit their request. This will be made available at the next meeting.
Executive Session

Commissioner Lester announced an executive session pursuant to RCW 42.30.110 (1)(g) to begin at 11:25 a.m. It was estimated that thirty (30) minutes would be needed to discuss personnel performance. The meeting was reconvened at 11:55 a.m. No action was taken.

The meeting was recessed at 11:55 a.m., and will reconvene at 12:01 p.m. for a public hearing regarding Local Utility District No. 30 (Sunrise Beach Community), LUD No. 31 20-Year NCLUD Formation Hearing and Final Roll Hearing, and LUD No. 32 6-Year NCLUD Formation Hearing and Final Roll Hearing.

LOCAL UTILITY DISTRICT NO. 30 (Sunrise Beach, Kingston)
TELECOMMUNICATION FORMATION HEARING MINUTES

January 28, 2020

President Debra Lester reconvened the January 28, 2020, 12:01 p.m. regular meeting of the Kitsap PUD Board of Commissioners, at 1431 Finn Hill Road, Poulsbo, Washington.

Districts represented: North Kitsap-Commissioner Debra Lester, President, Central Kitsap-Commissioner Heather Pauley, Vice President, and South Kitsap-Commissioner Jim Civilla, Secretary.

Staff Present: General Manager Bob Hunter, Telecommunication Business Manager Angela Bennink, Attorney Bill Broughton, Recorder Allison Cotner.

Visitors: Russ & Sherry Cordiner.

Commissioner Lester welcomed everyone to the Telecommunications Local Utility District (LUD) No. 30 Formation Hearing for Sunrise Beach, Kingston. She then introduced the Board of Commissioners, the Districts’ Attorney and PUD staff members. The LUD Formation Hearing was called to order.

Commissioner Lester explained pursuant to RCW 54.16, how this LUD is being conducted.

Commissioner Lester explained what is needed to be able to form an LUD.

A Resolution was adopted on December 23, 2019 which declared intention to order the formation of an LUD.

On December 24, 2019 notices announcing the Hearing were mailed to all property owners within the boundaries of the proposed LUD. The Hearing notice was published in the Kitsap Sun on December 26, 2019 & January 4, 2020.

Business Manager Bennink presented a description of the proposed improvements and LUD boundary, and explained the construction costs and individual assessments.

Commissioner Lester opened the hearing for public testimony at 12:03 p.m. She asked Recorder Cotner if there were any letters protesting the formation of the LUD. There were no letters of protest or correspondences.

Public testimony was then requested. There were no objections.

Commissioner Lester stated that the formation resolution would be voted on by the Board today. Commissioner Civilla then read the Summary of Resolution No. 20-01-28A as follows:

“A RESOLUTION of Public Utility District No. 1 of Kitsap County, Washington, ordering certain local improvements and creating a local utility district; providing for the payment of the cost of such improvements by special assessments; and authorizing payment of such assessments into the local utility district bond fund of the District.”
Commissioner Civilla moved that the resolution be adopted to form Telecommunication Local Utility District No. 30 for the purpose of constructing a telecommunication system to serve the Sunrise Beach, Kingston. Commissioner Lester seconded the motion. MOTION PASSED UNANIMOUSLY.

Business Manager Bennink asked the Board to allow staff to bid the Sunrise Beach and Eglon feeder projects. Commissioner Lester moved to allow bidding of the project. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Commissioner Lester closed the hearing at 12:09 p.m. and reconvened the regular meeting.

LOCAL UTILITY DISTRICT NO. 31 (Kitsap County)
TELECOMMUNICATION FORMATION HEARING MINUTES

January 28, 2020

President Debra Lester reconvened the January 28, 2020, 12:15 p.m. regular meeting of the Kitsap PUD Board of Commissioners, at 1431 Finn Hill Road, Poulsbo, Washington.

Districts represented: North Kitsap-Commissioner Debra Lester, President, Central Kitsap-Commissioner Heather Pauley, Vice President, and South Kitsap-Commissioner Jim Civilla, Secretary.

Staff Present: General Manager Bob Hunter, Telecommunication Business Manager Angela Bennink, Attorney Bill Broughton, Recorder Allison Cotner.

Visitors: No attendees.

Commissioner Lester welcomed everyone to the Telecommunications Local Utility District (LUD) No. 31 Formation Hearing for Kitsap County. She then introduced the Board of Commissioners, the Districts’ Attorney and PUD staff members. The LUD Formation Hearing was called to order.

Commissioner Lester explained pursuant to RCW 54.16, how this LUD is being conducted. Commissioner Lester explained what is needed to be able to form an LUD.

A Resolution was adopted on December 23, 2019 which declared intention to order the formation of an LUD.

On December 24, 2019 notices announcing the Hearing were mailed to all property owners within the boundaries of the proposed LUD. The Hearing notice was published in the Kitsap Sun on December 26, 2019 & January 4, 2020.

Commissioner Lester opened the hearing for public testimony at 12:17 p.m. She asked Recorder Cotner if there were any letters protesting the formation of the LUD. There were no letters of protest or correspondences.

Public testimony was then requested. There were no objections.

Commissioner Lester stated that the formation resolution would be voted on by the Board today. Commissioner Civilla then read the Summary of Resolution No. 20-01-28B as follows:

"A RESOLUTION of Public Utility District No. 1 of Kitsap County, Washington, ordering certain local improvements and creating a local utility district; providing for the payment of the cost of such improvements by special assessments; and authorizing payment of such assessments into the local utility district bond fund of the District."

Commissioner Civilla moved that the resolution be adopted to form Telecommunication Local Utility District No.31 for the purpose of constructing a telecommunication system
to serve the Kitsap County. Commissioner Lester seconded the motion. MOTION PASSED UNANIMOUSLY.

Commissioner Lester closed the hearing at 12:20 p.m. and reconvened the regular meeting.

LOCAL UTILITY DISTRICT NO. 31 (Kitsap County)
FINAL ASSESSMENT ROLL HEARING MINUTES

January 28, 2020

President Lester convened the regular meeting and called the Final Assessment Roll Hearing to order at 12:20 p.m., Tuesday January 28, 2020, at 1431 Finn Hill Road, Poulsbo, Washington.

Districts represented: North Kitsap-President Debra Lester; Central Kitsap-Vice President Heather Pauley; and South Kitsap-Secretary Jim Civilla.

Staff Present: General Manager Bob Hunter, Attorney Bill Broughton, Telecommunications Business Manager Angela Bennink, and Recorder Allison Cotner.

Visitors: No Attendees.

Commissioner Lester welcomed everyone to the Local Utility District (LUD) No. 31, Kitsap County, Final Assessment Roll Hearing. She then introduced the Board of Commissioners and Staff, and explained the need for the hearing and the format it would follow.

At 12:23 p.m. he opened the hearing for public testimony and asked the Recorder if there were letters of protest to be read, of which there were none, nor was there any oral testimony.

Commissioner Lester moved that the hearing be closed to public testimony at 12:23 p.m. Commissioner Pauley seconded the motion. MOTION PASSED UNANIMOUSLY.

Commissioner Civilla read the Summary of Resolution No. 20-01-28C as follows:

“A RESOLUTION of the Commission of Public Utility District No. 1 of Kitsap County, Washington, modifying, approving and confirming the assessments and assessment roll of Local Utility District No. 31 for the improvement of the telecommunication facilities in Kitsap County, as provided by Resolution No. 20-01-28C, levying and assessing the cost and expense thereof against the several lots, tracts, parcels of land and other property as shown on the assessment roll and pledging the assessments on such roll to be paid into the Bond Fund of the District.”

After which he moved that it be adopted. Commissioner Pauley seconded the motion. MOTION PASSED UNANIMOUSLY.

Commissioner Lester closed the hearing at 12:25 p.m. and reconvened the regular meeting.

LOCAL UTILITY DISTRICT NO. 32 (Kitsap County)
TELECOMMUNICATION FORMATION HEARING MINUTES

January 28, 2020

President Debra Lester reconvened the January 28, 2020, 12:26 p.m. regular meeting of the Kitsap PUD Board of Commissioners, at 1431 Finn Hill Road, Poulsbo, Washington.

Districts represented: North Kitsap-Commissioner Debra Lester, President, Central Kitsap-Commissioner Heather Pauley, Vice President, and South Kitsap-Commissioner Jim Civilla, Secretary.

Staff Present: General Manager Bob Hunter, Telecommunication Business Manager Angela Bennink, Attorney Bill Broughton, Recorder Allison Cotner.
Visitors: No attendees.

Commissioner Lester welcomed everyone to the Telecommunications Local Utility District (LUD) No. 32 Formation Hearing for Kitsap County. She then introduced the Board of Commissioners, the Districts' Attorney and PUD staff members. The LUD Formation Hearing was called to order.

Commissioner Lester explained pursuant to RCW 54.16, how this LUD is being conducted. Commissioner Lester explained what is needed to be able to form an LUD.

A Resolution was adopted on December 23, 2019 which declared intention to order the formation of an LUD.

On December 24, 2019 notices announcing the Hearing were mailed to all property owners within the boundaries of the proposed LUD. The Hearing notice was published in the Kitsap Sun on December 26, 2019 & January 4, 2020.

Commissioner Lester opened the hearing for public testimony at 12:29 p.m. She asked Recorder Cotner if there were any letters protesting the formation of the LUD. There were no letters of protest or correspondences.

Public testimony was then requested. There were no objections.

Commissioner Lester stated that the formation resolution would be voted on by the Board today. Commissioner Civilla then read the Summary of Resolution No. 20-01-28D as follows:

“A RESOLUTION of Public Utility District No. 1 of Kitsap County, Washington, ordering certain local improvements and creating a local utility district; providing for the payment of the cost of such improvements by special assessments; and authorizing payment of such assessments into the local utility district bond fund of the District.”

Commissioner Civilla moved that the resolution be adopted to form Telecommunication Local Utility District No. 32 for the purpose of constructing a telecommunication system to serve the Kitsap County. Commissioner Pauley seconded the motion. MOTION PASSED UNANIMOUSLY.

Commissioner Lester closed the hearing at 12:30 p.m. and reconvened the regular meeting.

LOCAL UTILITY DISTRICT NO. 32 (Kitsap County)
FINAL ASSESSMENT ROLL HEARING MINUTES
January 28, 2020

President Lester convened the regular meeting and called the Final Assessment Roll Hearing to order at 12:30 p.m., Tuesday January 28, 2020, at 1431 Finn Hill Road, Poulsbo, Washington.

Districts represented: North Kitsap-President Debra Lester; Central Kitsap-Vice President Heather Pauley; and South Kitsap- Secretary Jim Civilla.

Staff Present: General Manager Bob Hunter, Attorney Bill Broughton, Telecommunications Business Manager Angela Bennink, and Recorder Allison Cotner.

Visitors: No Attendees.

Commissioner Lester welcomed everyone to the Local Utility District (LUD) No. 31, Kitsap County, Final Assessment Roll Hearing. She then introduced the Board of Commissioners and Staff, and explained the need for the hearing and the format it would follow.
At 12:33 p.m. he opened the hearing for public testimony and asked the Recorder if there were letters of protest to be read, of which there were none, nor was there any oral testimony.

Commissioner Lester moved that the hearing be closed to public testimony at 12:33 p.m. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Commissioner Civilla read the Summary of Resolution No. 20-01-28E as follows:

“A RESOLUTION of the Commission of Public Utility District No. 1 of Kitsap County, Washington, modifying, approving and confirming the assessments and assessment roll of Local Utility District No. 32 for the improvement of the telecommunication facilities in Kitsap County, as provided by Resolution No. 20-01-28E, levying and assessing the cost and expense thereof against the several lots, tracts, parcels of land and other property as shown on the assessment roll and pledging the assessments on such roll to be paid into the Bond Fund of the District.”

After which he moved that it be adopted. Commissioner Pauley seconded the motion. MOTION PASSED UNANIMOUSLY.

Commissioner Lester closed the hearing at 12:35 p.m. and reconvened the regular meeting.

Board Meeting

The next Board meeting will be held February 11, 2020 beginning at 9:30 a.m. at the Kitsap Public Utility District.

Adjournment

Having no further business, the regular meeting was duly adjourned at 12:35 p.m.

Commissioner Debra Lester

Commissioner Heather Pauley

Commissioner James T. Civilla