Public Utility District No. 1 of Kitsap County

The Board of Commissioners Meeting

March 10, 2020

President Lester called the Regular meeting to order at 9:30 a.m., Tuesday, March 10, 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


Commissioner Lester led the Pledge of Allegiance

Visitors: Roxanne Moye (Citizen), Kim Colebrook (Vinland Point HOA), Jeremy Platt (Citizen)

Approval of Agenda of the March 10, 2020 Board Meeting

Commissioner Civilla moved that the Agenda of the March 10, 2020 Board Meeting be amended. Commissioner Pauley seconded the motion. MOTION PASSED UNANIMOUSLY.

Approval of Minutes of February 25, 2020

Commissioner Pauley moved that the minutes of the February 25, 2020 Board Meeting Minutes be approved as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Approval of Payments through March 10, 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, March 10, 2020, the Board, by unanimous vote, does approve for payment Warrant Numbers 56738 through 56809 in the amount of $384,231.38 for Accounts Payable of which fifteen (15) exceeded $5,000 and $246,298.56 for payroll direct deposit through Automated Clearing House Services.

Visitor

Commissioner Lester welcomed Mr. Kim Colebrook, President of the Vinland Pointe HOA and thanked him for providing the Board with documentation to review prior to today’s meeting. Mr. Colebrook thanked the Board and provided a brief history of his position in the HOA and the struggles he has encountered with the irrigation system. Mr. Colebrook directed them to the documentation provided and summarized the KPUD billing spreadsheet, billing analysis, irrigation system map and instructions created. Mr. Colebrook closed by requesting a reduction in meter fees.

The Board thanked Mr. Colebrook for attending today’s board meeting and bringing his concerns and request to them and stated that they and staff would look over the information provided and come back with a response at the board meeting scheduled for March 24, 2020.

Old Business

None
New Business

Resolution No.20-03-10A Authorizing the Issuance and Sale of a Telecommunications System Revenue Bond, 2020A in the principal amount of $25,400 to finance improvements in Local Utility District No.32 and accepting the offer of Kitsap Bank to purchase the bond.

After discussion and upon the recommendation of the Telecom Business Manager Angela Bennink, Commissioner Pauley moved to adopt Resolution No.20-03-10A Authorizing the Issuance and Sale of a Telecommunications System Revenue Bond, 2020A in the principal amount of $25,400 to finance improvements in Local Utility District No.32 and accepting the offer of Kitsap Bank to purchase the bond. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Resolution No.20-03-10B Authorizing the Issuance and Sale of a Telecommunications System Revenue and Refunding Bond, 2020B in the principal amount of $810,000 to finance improvements in Consolidated Local Utility District No.2000 and accepting the offer of Kitsap Bank to purchase the bond.

After discussion and upon the recommendation of the Telecom Business Manager Angela Bennink, Commissioner Civilla moved to adopt Resolution No.20-03-10B Authorizing the Issuance and Sale of a Telecommunications System Revenue and Refunding Bond, 2020B in the principal amount of $810,000 to finance improvements in Consolidated Local Utility District No.2000 and accepting the offer of Kitsap Bank to purchase the bond. Commissioner Pauley seconded the motion. MOTION PASSED UNANIMOUSLY.

Resolution No.20-03-10C Declaring Certain Property Surplus-One 2001 Ford F-250 truck, VIN 1FTNF20L41EAS2570

After discussion and at the recommendation of Construction Project Manager Todd Smith, Commissioner Pauley moved to adopt the resolution which declares one 2010 Ford F-250 truck, VIN 1FTNF20L41EAS2570 be declared surplus to the needs of the District. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Recommendation to Award Construction Contract RT-253622 Twin Spits Distribution Fiber Construction Project

Telecom Business Manager Angela Bennink reported the bid opening for this project was held on March 3, 2020. The project was advertised through the Small Works Roster. Three (3) bids were received. The low bid of $44,850.00 (excluding WSST) was submitted by Cannon Construction, Inc. The Engineers estimate was $42,987.00 (excluding WSST). Commissioner Civilla made a motion to award the construction contract to MLS which was seconded by Commissioner Pauley. MOTION PASSED UNANIMOUSLY.

Recommendation to Approve Update and Replace the District’s Personnel Manual, Appendix A, Policy on Harassment

After discussion and upon the recommendation of Superintendent of Operations Nutsford and Attorney Broughton, Commissioner Pauley moved to Update and Replace the District’s Personnel Manual, Appendix A, Policy on Harassment. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Recommendation to Award Purchase Order for RFQ-4841 Cabinets

Telecom Business Manager Angela Bennink reported the bid opening for this project was held on March 9, 2020. The project was advertised through the Kitsap Sun Newspaper. One (1) bid was received. The low bid was $203,471.94 (excluding WSST) from Codale Electric Supply Inc. The Engineer’s estimate was $250,000.00 (excluding WSST). Commissioner Civilla made a motion to award the contract as submitted which was seconded by Commissioner Pauley. MOTION PASSED UNANIMOUSLY.
Visitors

Commissioner Lester welcomed all guests and indicated that she is aware of the telecom concern that will be addressed for Ms. Roxanne Moye, and inquired if Mr. Jeremy Platt had any concerns relating to the agenda he would like to have addressed. Mr. Platt indicated that it has to do with telecom and personally getting an overview of how things are working in order to best respond to questions his HOA may have.

Telecom Operations

LUD No.29 (Bridletree Community, Bremerton)

Telecom Business Manager Angela Bennink indicated that this would potentially answer Ms. Moye’s concerns as she briefly summarized the processes for the LUD No.29 (Bridletree Community) and the petitioners’ ability to opt out during that process which will be revised after the current issues the District has run into with the late request from several petitioners to opt out. Ms. Bennink provided the current number of participants and total cost per property owner with all the individual property owner that have opted out, stating that there are a total of 43 participants with each property owners portion being a total of $11,035. She also indicated that two property homeowners have been non-responsive, certified letters will go out verifying that they are receiving mail and are either opting out or participating in the LUD, should they opt out the at that point there will be a total of 41 participants with that new estimate at $11,466 per property owner. Ms. Bennink stated that the project is below budget, should there be any change orders there is still a cushion to work with and believe that the assessment estimates overall will come in under $10,000. The estimates can continue to change as others opt in, which will be allowed as long as the contractor is still out in the area.

The Board agreed to allow for Ms. Moye to opt out of the petition as requested in her letter which was shared at the last board meeting due to her current circumstances. The Board also acknowledged the need to change the opt-in/opt-out process for future LUDs.

Residential Updates:

Telecom Business Manager Angela Bennink reported that telecom continues to have quite a bit going on with communities. Ms. Bennink stated she and staff was to meet with the Kingston Arborwood Community, however the meetings were canceled due to COVID-19 concerns. The processes continue to move forward to enable the community.

NoaNet Update

Telecom Business Manager Angela Bennink reported that the meeting has been on and off, at this time the meeting is back on. She stated that seven (7) of the ten (10) board members will be at the meeting as will she. The agenda was provided and Ms. Bennink will forward it the Board and staff, provisions to call in will be made available. Discussion ensued.

Customer Service

Customer Service Representative Jackie Adams stated there was nothing new to report at this time.

Construction

Water System Comprehensive Plan Update

Engineer Bill Whiteley reported that staff is ready to submit the Part A and Part B for Keyport, both are resubmittals and being sent with a cover letter addressing all the questions. Discussion ensued.
Phase 8 Water Main and Washington Blvd Main (Kingston) Update

Mr. Whiteley reported that staff is working on the last placement of the air vac valves and should be ready for pressure testing and bacterial testing within the next week. He also reported that the main is installed in the Washington Blvd, Kingston. Construction Project Manager Todd Smith reported staff is out pressure testing today and staff has four services to run across Washington Blvd. the PUD is coordinating and should have more updates on their schedule at the all hands meeting with the port of Kingston. Discussion ensued.

Water Resources/Education

Subbase Bangor PFAS Study

Water Resources Manager Mark Morgan reported that he received the PFAS results in this morning. The samples went out to a laboratory in South Carolina (SC) and returned to Washington States Edge Analytical Laboratories, each has different laboratory standards. The laboratory in SC reported very low trace amounts that are below Washington’s confidence level. Mr. Morgan stated that there were detects on both Avellana and Brianwood source wells, four on each. He stated that 3 of the 4 on each one has a qualifier that is an approximation as the reported value is below the laboratory quantification level, which is the lowest level that can be achieved. Mr. Morgan provided the results to the Board and informed them that he spoke with the President of the Avellana HOA yesterday as soon as he received the final report he would send out letters to everyone on the Avellana and Briarwood water systems. Mr. Morgan will start working on that today. Discussion ensued.

Mr. Morgan also mentioned that he received a call from the Navy as they resampled the District’s Avellana well and the voicemail indicated that “it was below the threshold” and mailing the results. Mr. Morgan will call back and request more information.

Mr. Morgan will provide the Board with a copy of the letter being sent out to the customers of Avellana and Briarwood. He also recommended that for the peace of mind for the Avellana and Briarwood customers, that the source wells be resampled on a recurring basis semiannually. Discussion ensued.

Assistant Manager

COVID-19

Assistant Manager Jason Nutsford informed the Board that he has included them in the email regarding the COVID-19 letter encouraging employees to stay home when sick and follow certain protocols. He also stated that the District is following Kitsap County Public Health District, Department of Health as well as the CDC and other agencies providing health guidance. Discussion ensued.

Water Operations

Superintendent of Operations Dave Epperson stated that he has nothing new to report, all continues to move forward well.

Manager

New Facility Update

General Manager Bob Hunter stated that Construction Project Manager Todd Smith has some pictures of the signs and the site to share. Mr. Smith indicated that he did not have them with him and will email them to the Board.
MINUTES 03-10-20 Page 5

Medicare Buy-Out Update

General Manager Hunter provided a handout with bullet points that he feels need to be presented within a policy. The first bullet indicated the options available, the second indicated the amount the PUD is contributing twice monthly to the HR Veba account until the employee reaches the age of 65, and the third applies to an employee still being able to elect the Medicare buy-out however the buyout will be fixed to the April 1, 2020 amount if they opted out at this time. Discussion ensued.

Employee Recognition Program

Mr. Hunter shared the following employee recognition for Superintendent of Operations Nick Bayard, nominated by Cross-Connection Control Inspector Terry Raymond for his effort in taking the lead on an overtime leak during night flushing’s.

Bill Point Water System, Bainbridge Island

General Manager Bob Hunter reported that Bill Point has approached the District with a petition of interest signed by 80 of the 84 property owners. The have requested information on what it would cost for the PUD to take over the Bill Point water system and a separate estimate for adding fiber to the homes. Discussion ensued.

Meadowmeer Community, Bainbridge Island

Mr. Hunter indicated that the community of nearly over 300 homes, has approached the District to manage their water system, this will be discussed further during the Strategic Planning meetings of the potential acquisition for either the District or the City of Bainbridge Island. Discussion ensued.

Indianola Spit, MBR Proposal

Mr. Hunter informed the Board that he has a conference call meeting scheduled with Department of Health today at 3:00 p.m. to discuss what the District is proposing as a solution. He mentioned that Reclaimed Waste Water Resource Manager John Poppe and Dale Richwine of Richwine Environmental, Inc., have written the proposal, and will be attending along with a Kubota representative. He will provide the Board with the documentation and are welcome to attend if they are able.

Kitsap Bank

Mr. Hunter also reported that he has two more loan proposal, one for the Urdahl property which is 1.2 million dollar 15 year loan and a second for a 2 million dollar revolving line credit to fund future Telecommunication LUD’s. Mr. Hunter will forward the proposals to the Board in order to discuss further during the Strategic Planning meeting. He will also forward to the District’s Bond Counsel for here feedback.

Legal Counsel

Attorney William Broughton reported the Kitsap PUD has been dismissed from the Washington Federation State Employee Et al. litigation surrounding a public records request to 50 governmental agencies requesting public employees’ dates of birth and other personal information.

Commissioners

Commissioner Civilla inquired on the Governance Policy sent out to the Board, if this would be discussed today or at the Strategic Planning meeting. Commissioner Lester responded that it will be addressed during the first part of the Strategic Planning meeting on March 12, 2020. Commissioner Lester also indicated that there is a page from the Governance Policy that the commissioners will need to sign.
MINUTES 03-10-20

Commissioner Civilla also indicated that the Mission Statement needs to be updated to current, revised mission. Staff responded that it does need to be updated.

Commissioner Pauley reported that she attended a Port of Bremerton meeting with Telecom Business Manager Angela Bennink and stated that it was a very good meeting. She also reported that Robert Gay tasked the PUD with a poster size list to simplify the speeds and meanings of a meg vs gig.

Commissioner Lester followed up on today’s agenda requests, insuring the Vinland Pointe request is added to the next Board of Commissioner meeting with options and suggestions from staff. She also requested that for the Strategic Planning meeting the 2019-2024 Goals included in the packet and the one page from the Governance Policy available to sign.

Commissioner Lester also reported that she will be meeting with Bainbridge Island Real Estate Agent Jason Shutt at 1:30 p.m. today. She met him at the last Bainbridge Island Chamber of Commerce’s Economic Forecast Luncheon, he is very interested in KPUD is and what we’re doing.

The meeting was recessed for a short break at 11:20 a.m., followed by a Working Session at 11:30 p.m.

Working Session

Commissioner Lester opened the floor to discuss the format of the Strategic Planning agenda; she also provided a copy to the Board and staff attending on March 12 and March 13. The packet included an example of a Board of Commissioners’ Group Agreement, a proposed job announcement that will be discussed with Water Resource Manager Mark Morgan, GIS Manager Katrina Harris and Executive Administrative Assistant Corine Vichi regarding the new GM Hire and development, course of action and timeline presented by Commissioner Civilla presented and a timeline from one of the executive searches to help map out a calendar. Staff then went through the Strategic Planning Agenda for feedback on possible changes and to provide a better understanding of who will be presenting.

Board Meeting

The next Board meeting will be held March 24, 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 11:50 a.m.

Approved via Teleconference (03/24/2020)
Commissioner Debra Lester

Approved via Teleconference (03/24/2020)
Commissioner Heather Pauley

Approved via Teleconference (03/24/2020)
Commissioner James T. Civilla