

**Public Utility District No. 1 of Kitsap County
The Board of Commissioners Meeting**

**Virtual Meeting
April, 28, 2020**

**Zoom Link: <https://zoom.us/s/97088744239>
Meeting ID: 970 8874 4239**

President Lester called the regular meeting via a Zoom teleconference to order at 9:30 a.m., Tuesday, April 28, 2020.

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

KPUD Staff: General Manager Bob Hunter, Assistant Manager Jason Nutsford, 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, Telecom Superintendent Paul Avis, IT Manager Paul Green, GIS Manager Katrina Harris, Information Systems Manager Melissa Dennis, GIS Manager Greg Berghoff, GIS Analyst Chelsea Strugal, Customer Service Representative Sara Andrews and Executive Administrative Assistant Corine Vichi

Visitors: None

Approval of Agenda of the April 28, 2020 Board Meeting

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

Approval of Minutes of April 14, 2020

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

Approval of Payments through April 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, April 28, 2020, the Board, by unanimous vote, does approve for payment Warrant Numbers 57027 through 57080 in the amount of \$560,361.04 for Accounts Payable of which ten (10) exceeded \$5,000 and \$1,177,067.01 for payroll direct deposit through Automated Clearing House Services.

Old Business

None

New Business

Resolution No.20-04-28A Allowing Only Actions and Expenses Deemed Necessary to respond to the COVID-19 Outbreak

After discussion and upon the recommendation of Commissioner Lester, Commissioner Pauley moved to approve Resolution No.20-04-28A Allowing Only Actions and Expenses Deemed Necessary to respond to the COVID-19 Outbreak as amended. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Resolution No.20-04-28B Ratifying the Emergency Purchase of WiFi Hotspot Equipment

After discussion and upon the recommendation of General Manager Hunter, Commissioner Pauley moved to approve Resolution No.20-04-28B Ratifying the Emergency Purchase of WiFi

Hotspot Equipment. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Customer Service

Customer Service Representative Sara Andrews stated there was nothing new to report at this time.

Assistant Manager Nutsford reported that all continues to go well and the same protocols are being followed as mentioned in previous meetings.

Construction

Emergency Update

Engineer Bill Whiteley stated there is no change in the emergency update. Procedures of social distancing and working from home continue to go well.

Water System Comprehensive Plan Update

Mr. Whiteley reported receiving approval on the Keyport chlorination design this morning which paves the way for approval on the Keyport Part B and hopefully for the Green Mountain Acers Part B as well. Mr. Whiteley also reported staff is pushing ahead with the South Bainbridge Island Utility combined water system comprehensive plan.

Water Resources/Education

Water Resources Manager Mark Morgan reiterated Commissioner Civilla's comment that the Kitsap Water Festival event scheduled for today has been canceled this year due to the concerns of COVID19.

Emergency Update

Water Resources Manager Mark Morgan reported that a round of unregulated contaminate monitoring was conducted for the South Bainbridge Island Water System and the North Peninsula Water System monitoring will be conducted the first week of May. Mr. Morgan stated that his staff is working well and Hydrogeologist Joel Purdy is working on water rights reports from home.

Mr. Morgan informed the Board that he is keeping an eye on the lead and copper sampling this summer, which requires contact with the public. How to move forward with this task is on his radar and he will keep the Board updated, perhaps by then the "stay at home" order will be have been lifted. Discussion ensued.

Water System Comprehensive Plan Update

Mr. Morgan informed the Board that SEPA Determinations of non-significance has been published in the Kitsap Sun and staff anticipates coming before the Board at the June 9th Board Meeting for approval.

Subbase Bangor PFAS Study

Mr. Morgan stated there was nothing new to report at this time.

Legionella Concerns

At Commissioner Lester's request, Water Resources Manager Mark Morgan provided an update on the letter George Sidhu at Skagit PUD shared pertaining to concerns about potential growth of Legionella bacteria in building water systems that have been shut down during the COVID-19 outbreak and DOH guidance on this issue. Mr. Morgan has also drafted a letter which is being reviewed and will be sent out to KPUD customers directing them to DOH guidance.

Water Operations**Emergency Update**

Superintendent of Operations Dave Epperson provided a general update as discussed at the WPUD Association meeting he attended with Commissioner Lester. He started that he has been following along as it helps him with the 20+ staff the he has in the department. He reported that as of yesterday there have been 148 confirmed cases of COVID spread throughout the county with 2 deaths reported. In the last two weeks the county as averaged 1 new case per day. The previous two weeks before that was about 4.5 cases per day. Things are trending in the right direction. All of operations staff are healthy and are doing a very good job. Operations have not had to adjust the water system operational plan that's been in place as everyone has been able to remain healthy.

Mr. Epperson stated that as the Governor changes things, operations continue to look at how the department adjusts its work. One of the things operations has been doing is looking at reprioritizing the capital budget, maintenance and department goals. He stated it was a good process to go through considering that construction starting back up.

Mr. Epperson reported that as far as construction is concerned, operations has started to receive more inquires for water availability. Demand has been half of what would normally would have sold by now. Discussion ensued.

Meadowmeer Update (Bainbridge Island)

Mr. Epperson informed the Board that staff is now providing management services to Meadowmeer, a Group A Water System on the north end of Bainbridge Island. Staff will continue to work with Meadowmeer to help address a punch list of work items. This item can be removed from future agendas.

Washington Blvd Update (Kingston)

Construction Project Manager Todd Smith reported that yesterday staff was switching over some of the final services. Superintendent of Construction Mike Flaherty and Mr. Smith were out there readjusting some of the services that were put in to readjust them to the right elevation. They are still working on possibly raising or replacing a hydrant. Mr. Smith stated that its been busy and going okay.

Assistant Manager**Emergency Update**

Assistant Manager Jason Nutsford stated in conjunction with Operations Manager Dave Epperson, staff is looking into formalizing office procedures once more staff starts to phase in. Mr. Nutsford also reported contracting out on a short term basis for some janitorial services. Our two janitorial staff members have been unable to attend to the office due to COVID-19 guidelines.

Technology Purchases

Mr. Nutsford informed the Board that more laptops will need to be purchased as many staff loaned their personal laptops for work needed to be done remotely. However, there continue to be security concerns as well as the ability for the IT Manager Paul Green to be able to control what happens on that laptop such as updating issues. Mr. Green would like to purchase nine more laptops in order to make those changes and promote the needed security measures than can be conducted on a PUD issued computer. The purchases are being made through the Department of Enterprise Services. Discussion ensued.

Washington Paid Family Medical Leave Update

Mr. Nutsford informed the Board that in response to the questions asked concerning the collection of taxes from the commissioners' salary associated with the Washington Paid Family Medical

Leave, the tax does apply and there is not an exemption for government elected officials. Mr. Nutsford mentioned he would forward the email sent to him.

Electronic Signatures

Commissioner Civilla inquired as to any further information regarding the electronic signatures. Assistant Manager Nutsford responded that he has met with Attorney Bill Broughton to discuss DocuSign. For the way in which the District plans on using it, there will not be a significant cost for having a signature on an official document. DocuSign is one of the bigger names in the digital signature world. Attorney Bill Broughton is working on a resolution to bring before the Board at the next meeting. Discussion ensued.

Telecom Operations

Emergency Update

Telecom Superintendent Paul Avis reported that some of the items he has stated as non-essential have a bit more impact than previously believed. In order for GIS Analyst Chelsea Strugal to work on GIS updates, certain splice case audits need to be conducted. Telecom will start to audit those to insure GIS is able to do their design work as needed.

Telecom Business Manager Angela Bennink reported that the Telecom Department is maintaining restrictions on staff entering residences with the hope that they will be able to move towards a more normal installation method soon.

Kitsap County Hot Spots

Ms. Bennink stated that discussions regarding the hot spots continue with great community support. Port of Bremerton is one of the areas that telecom will be installing hot spots. The Port has identified an office in which it can be placed overlooking the parking lot. Kitsap County is also very supportive. There are concerns which have been repeated by public agencies on how to keep everything safe and used appropriately. The District will be working with the Sheriff's Department to potentially put in place a policy where the hot spots are off from 11:00 pm to 5:00 am at all locations to help keep them more secure. More discussions will be held to decide on a time that will work with parents that need to bring students by after working hours.

Residential Updates

Telecom continues to move forward with several big projects that are in process including the Big Valley build. Tercom is moving forward and making great progress on getting drop lines and strand installed. Telecom has received the first request for payment from them which is for 20% of the project and will be in the next AP run approval. The Bridletree contractor is halfway done. Ms. Bennink stated that staff continues to be inundated with residential fiber requests. Telecom is responding to them as fast as it can. There is a backlog of residents who have reached out to the District for service. Telecom is challenged with so much demand at this time but continues to work through it.

NoaNet Update

Telecom Business Manager Bennink reported that NoaNet has been tasked by the State Broadband Office to be the arm directing the hot spot deployment throughout the state. NoaNet is working on installing 60 drive-by locations throughout the state. As an owner of NoaNet it is great to see what they are doing throughout the state to support students in getting internet access.

Ms. Bennink also reported that the NoaNet Board Meeting in May has been moved to a video conference and that information will be provided as soon as it is available.

Geographic Information Systems (GIS) Department**Emergency Update**

GIS Manager Katrina Harris stated that there are no changes at this time in the emergency update. Staff continues to function in the same capacity in working remotely.

Current Activities

GIS Manager Harris reported that staff is currently working on entering the Meadowmeer water system and last week GIS launched the Custom Residential Design-Build (CRD) web app. This feature enables attaching CRDs directly to the map allowing the field crew to see construction drawings on their iPads in the field. GIS has been doing this for Telecom and is now starting to bring water up to that ability as well.

Ms. Harris informed the Board that GIS Manager Greg Berghoff performed a software upgrade yesterday to help with the water CRDs. The GIS Department has been working on a lot of designing for the Telecom side. Last week they worked on Suquamish, Bainbridge Island and Poulsbo. One of the biggest challenges is the inability to meet face to face with Outside Plant Engineer Beau Sipple. Doing this task virtually as well as training at the same time has been a new challenge. It has gone well and the department has laid the groundwork for future efforts. GIS Analyst Chelsea Strugal has been included in these meetings. Chelsea has reduced the backlog of 117 CRDs for Telecom to 16 CRDs.

Ms. Harris stated that GIS is looking at more app development to assist water and telecom.

Manager**Emergency Update**

General Manager Bob Hunter thanked all staff and the Board for their efforts. From technology challenges to board meeting/packet challenges the District's staff continues to step up and make a difference throughout this time.

Mr. Hunter informed the Board that he and staff have been and will continue to discuss a plan in tomorrow's scheduled meeting to support essential services which now includes residential home construction. Staff continues to plan for the reopening of Kitsap PUD in a phased transition. How and when the lobby will be opened to customers is one challenge that continues to be discussed.

Mr. Hunter informed the Board the weekly manager meetings have been adjusted from five days a week to two. This will assist in having more time to get work done.

2020 Budget Concerns as a Result of COVID-19

General Manager Hunter noted property tax revenue received yesterday was in the amount of \$930,000. The previous year was \$917,000. Mr. Hunter stated the use of water is up by 50%. With the increase of homebuilding again the District will see additional revenue as well. Staff has made sure that any connection that needs to be turned on will be installed.

General Manager Hunter reassured the Board that staff continues to monitor how the District will counter potential revenue shortfalls. The June/July billing will include four months of commodity usage. On the telecom side, staff continues to be flooded with requests for service. Mr. Hunter stated that once the bond anticipation note is passed, telecom will have the resources needed to increase connectivity during this time. Discussion ensued.

New Facility Update

General Manager Hunter mentioned that he has been discussing with department heads and staff the new facility. Mr. Hunter informed the Board that once he has compiled all the feedback, he will provide the Board with a document to review.

Retirement Health Care Update

Mr. Hunter was very happy to inform the Board that the VEBA funds have been placed in the each employees account and this line item may be removed from the agenda.

Bill Point Update (Bainbridge Island)

Mr. Hunter stated that staff continues to move forward in developing an estimate for possible water service of Bill Pointe. In discussions with Jeff Kanter, he understands that this will take a backseat to other projects at this time.

Hirst Update

General Manager Hunter reminded the Board that Groundwater Resource Manager Joel Purdy is serving as the District's representative for the Hirst/WRIA Planning, which is ongoing. There are two tribes that feel the mitigation measures are inadequate. Mr. Hunter will reach out to the tribes. Once he has spoken with them and they are all on the same page regarding using the USGS Model, the District will provide its recommendation and await the decision from DOE.

Broadband Funds

Mr. Hunter reported that he and Telecom Business Manager Angela Bennink have been meeting with City of Poulsbo Councilman Ed Stern. Mr. Stern is working with Washington cities and others regarding broadband funding which is coming out of transportation funds. Mr. Hunter and Ms. Bennink are assisting Mr. Stern with comments on the right language for open access networks to be used. Discussion ensued.

Drinking Water Week

Mr. Morgan informed the Board that next week is Drinking Water Week. The Washington State Department of Health is presenting General Manager Bob Hunter with a Lifetime Achievement Award for his years of dedicated service to his community.

Legal Counsel**Owner Agent Agreement & Master Land Application**

After discussion and upon the recommendation of Attorney Bill Broughton, Commissioner Pauley moved to approve the Owner Agent Agreement & Master Land Application for additional cell tower antennas on Bainbridge Island be signed by General Manager Hunter. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Mr. Broughton also informed the Board that SmartLink LLC has approached the District about another cell site at Baker Hill on Bainbridge Island. The Bainbridge Island City Manager Morgan Smith has been requesting AT&T to increase the cell coverage on the south end of the island as 911 emergency service personnel are reliant on those services. A proposal will be brought before the Board for constructing a cell tower at the Baker Hill site in the next few weeks. Discussion ensued.

Commissioner Discussion & Agenda Requests

Commissioner Pauley reported attending several webinars last week. Ms. Pauley stated that the NWPPA Training is top notch and was free of charge. How to Thrive During a Crisis, by Erick Rheam and Effective Online Meetings, led by Ann McFarlane were bot excellent. She would highly recommend both should they be provided again.

Commissioner Civilla thanked Water Resources Manager Mark Morgan, GIS Manager Katrina Harris and Executive Administrative Assistant Corine Vichi for their willingness to serve on the search committee for the new general manager. Mr. Civilla also reminded the Board that Ms. Vichi will be scheduling time for each commissioner to meet with her and sign documents.

Commissioner Lester reported that she has been attending the following weekly WPUA Water Committee Meetings focused on COVID-19 providing a lot of good information, Operations Manager Dave Epperson has been attending as well.

The meeting was recessed for a break from 11:08 a.m. until 11:15 a.m.

Working Session

General Manager Bob Hunter started the working session by discussing Strategic Goals. They include insuring all Kitsap residents have access to adequate broadband technology by 1) Continuing to expand middle-mile infrastructure 2) Supporting community-driven buildout 3) Allowing Government to Government service 4) Embracing technologies that increase broadband access and 5) Positioning KPUD to access additional funding sources.

Telecom Business Manager Angela Bennink and Superintendent of Telecom Paul Avis discussed the current state of 2020 Capital Budget and the following issues; Aid to Construction, Inventory, Capital Project Carryover from 2019. Proposed budget changes to meet community demand for broadband for residential builds, cabinets for 2021 installation, Big Valley matching funds, middle mile expansion, core switch replacement, and inventory needs.

General Manager provided the board with bond options. Staff responded to questions from the Board. Handouts were provided and are available upon request.

Resolution No.20-04-28C Authorizing the Issuance and sale of a Telecommunications System Revenue Bond Anticipation Note, 2020 (Taxable Revolving Line of Credit) in the principal amount of not to exceed \$2,000,000

After discussions and upon the recommendation of Telecom Business Manager Bennink, Commissioner Pauley moved to approve Resolution No.20-04-28C Authorizing the Issuance and sale of a Telecommunications System Revenue Bond Anticipation Note, 2020 (Taxable Revolving Line of Credit) in the principal amount of not to exceed \$2,000,000. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Board Meeting

The next board meeting will be held May 12, 2020 beginning at 9:30 a.m. via a Zoom video teleconference a link will be posted.

Adjournment

Having no further business, the regular meeting was duly adjourned at 12:37 p.m.

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Debra Lester

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Commissioner Debra Lester

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Commissioner Heather Pauley

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James Civilla

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Commissioner James T. Civilla

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