

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

**Virtual Meeting  
May, 12, 2020**

**Zoom Link:** <https://us02web.zoom.us/j/86094451529>  
**Meeting ID:** 860 9445 1529

President Lester called the regular meeting via a Zoom teleconference to order at 9:30 a.m., Tuesday, May, 12, 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 Analyst Chelsea Strugal, Customer Service Representative Jackie Adams and Executive Administrative Assistant Corine Vichi

**Visitors:** None

**Approval of Agenda of the May, 12, 2020 Board Meeting**

Commissioner Pauley moved that the Agenda of the May, 12, 2020 Board Meeting be approved as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

**Approval of Minutes of April 28, 2020**

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

**Approval of Payments through May, 12, 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, May, 12, 2020, the Board, by unanimous vote, does approve for payment Warrant Numbers 57081 through 57141 in the amount of \$296,970.12 for Accounts Payable of which seven (7) exceeded \$5,000 and \$261,128.86 for payroll direct deposit through Automated Clearing House Services.

**Old Business**

None

**New Business**

**Resolution No.20-05-12A Telecommunications LUD No.21 (NE Sawdust Hill Rd, Poulsbo)  
Setting time, date and place of Final Assessment Roll Hearing**

After discussion and upon the recommendation of Telecom Business Manager Angela Bennink, Commissioner Pauley moved to pass this Resolution setting a date and time for a hearing on formation of Telecom Local Utility District No.21 (NE Sawdust Hill Rd, Poulsbo), setting the hearing date for Tuesday, June 9, 2020 at 12:01 p.m. as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

**Resolution No.20-05-12B Telecommunications LUD No.25 (Norman Rd, Kingston) Setting time, date and place of Final Assessment Roll Hearing**

After discussion and upon the recommendation of Telecom Business Manager Angela Bennink, Commissioner Pauley moved to pass this Resolution setting a date and time for a hearing on formation of Telecom Local Utility District No.25 (Norman Rd, Kingston), setting the hearing date for Tuesday, June 9, 2020 at 12:11 p.m. as amended. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

**Resolution No.20-05-12C Telecommunications LUD No.27 (Heron Pond Ln, Poulsbo) Setting time, date and place of Final Assessment Roll Hearing**

After discussion and upon the recommendation of Telecom Business Manager Angela Bennink, Commissioner Pauley moved to pass this Resolution setting a date and time for a hearing on formation of Telecom Local Utility District No.27 (Heron Pond Ln, Poulsbo), setting the hearing date for Tuesday, June 9, 2020 at 12:21 p.m. as amended. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

**Resolution No.20-05-12D Establishing an Electronic Signature Policy for the Kitsap Public Utility District**

After discussion and upon the recommendation of Assistant Manager Jason Nutsford and Attorney William Broughton, Commissioner Pauley moved to approve Resolution No.20-05-12D Establishing an Electronic Signature Policy for the Kitsap Public Utility District as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

**Recommendation to Award Construction Contract for RT-254861 Kingston, Eglon Feeder Fiber Project**

Telecom Business Manager Angela Bennink reported the bid opening for this project was held on May 5, 2020. The project was advertised through the Small Works Roster. Five (5) bids were received. The low bid was \$62,170.00 (excluding WSST) from MLS Enterprise, Inc. The Engineer's estimate was \$103,845.20 (excluding WSST). Commissioner Civilla made a motion to award the contract as submitted which was seconded by Commissioner Pauley. MOTION PASSED UNANIMOUSLY

**Recommendation to Award Construction Contract for RT-253579 LUD No.30 (Kingston) Sunrise Beach Fiber Project**

Telecom Business Manager Angela Bennink reported the bid opening for this project was held on May 5, 2020. The project was advertised through the Small Works Roster. Two (2) bids were received. The low bid was \$41,000.00 (excluding WSST) from MLS Enterprise, Inc. The Engineer's estimate was \$73,425.20 (excluding WSST). Commissioner Pauley made a motion to award the contract as submitted which was seconded by Commissioner Civilla. MOTION PASSED UNANIMOUSLY

**Letter to WA Congressional Delegation on COVID-19 Water/Wastewater Assistance**

After discussion and upon the recommendation of General Manager Bob Hunter, Commissioner Pauley moved to approve the letter to the Washington Congressional Delegation on COVID-19 Water/Wastewater Assistance. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

**Customer Service**

Customer Service Representative Jackie Adams stated that the customer service department is doing well and the only new item to report at this time is the consideration of purchasing a check reading scanner in order to limit the number of bank visits by digitally uploading directly to the bank. This is in the early stages of researching and will have more information available at a future board meeting.

**Construction****Emergency Update**

Engineer Bill Whiteley stated there is nothing new to report or changes in the emergency update.

**Water System Comprehensive Plan Update**

Mr. Whiteley reported that he and staff are anticipating the approvals for the Keyport Part B and the Green Mountain Acres Part B. He also reported staff is moving ahead on the South Bainbridge Island Utility Part B.

**Washington Blvd Updates**

Construction Project Manager Todd Smith indicated he had nothing new to report. He stated that Operations Superintendent Dave Epperson will discuss more on the Bainbridge Island, Meadowmeer Update during his report. Mr. Smith did mention that the Construction crew has been at Meadowmeer this week and they have implemented using the COVID-19 phase 1 back to work plan. It is going well.

General Manager Hunter requested that Construction Project Manager Todd Smith expand on the efforts of what is being done in working with construction crew and telecom. Mr. Smith responded with information regarding binders on the educational side that are being applied to meet with the State requirements for social distancing.

**Water Resources/Education****Emergency Update**

Water Resources Manager Mark Morgan reported that Water Quality Technician Jesse Cooper took six (6) coolers full of samples of unregulated contaminate monitoring yesterday and delivered them to the lab in Burlington completing that task. Mr. Morgan will be meeting with Hydrogeologist Joel Purdy tomorrow for an update on the Newberry Well Pump test, which is going well.

**Water System Comprehensive Plan Update**

Mr. Morgan reported that he has completed and published the SEPA Determinations of non-significance for the reuse project at the Port Gamble Resource Recovery Facility, which produces Class A reclaimed water that will be used to irrigate the landscape around the facility and drain field. He also stated that a subsequent phase will extend the irrigation to adjacent properties for agricultural use. Mr. Morgan thanked Information Systems Manager Melissa Dennis for posting on the District's webpage, Operations Administrative Assistant Susan Soine for advertising in the Kitsap Sun. The notice was also published in the SEPA Registry through the Department of Ecology and is open for comments.

**Legionella Concerns**

Water Resources Manager Mark Morgan briefly went over the letter that was sent out to the schools, and included in the board packet, directing them to the Department of Health guidelines on how to safely reopen facilities that have been shut down for a long period of time. Discussion ensued.

**Water Operations**

Superintendent of Operations Dave Epperson informed the Board that the District has an internal management team consisting of five (5) senior members that meet on a regular basis to discuss the Governor's updates, including receiving updates from the districts emergency on call center and the local health district every day. Occupational Safety and Health Administration, Washington

Industrial Safety and Health Act, Washington State Department of Labor & Industries and Centers for Disease Control and Prevention.

#### **Meadowmeer Update (Bainbridge Island)**

Mr. Epperson stated that unless the Board had questions this item was removed from the agenda at the last meeting, as staff is now providing management services to Meadowmeer. Discussion ensued.

#### **Emergency Update**

Mr. Epperson stated that it is starting to feel like the District is out of emergency mode. Staff is well coordinated and working efficiently together with a lot of clarity that is being provided through forums that are made available to all staff. He stated that there is a lot of work getting accomplished. There are no health issues that management is aware of at this time. Childcare is the one issue that will be ongoing and management will continue to be flexible and work with staff.

Commissioner Lester mentioned that child care facilities that are opening up and a list that would be available to our staff. Ms. Bennink responded that she sent out a list this morning to all staff that was compiled by the school districts of childcare availability. Discussion ensued.

#### **SCADA Improvement Project update**

Superintendent of Operations Epperson shared with the Board that it has come to his attention that Z Engineers, contracted with the District, is going out of business and integrating with another firm and will no longer be providing SCADA services. Staff has been working with them for a while to get this project finished. Mr. Epperson and Assistant Superintendent of Operations Nick Bayard have been meeting with the owner Brian Ziesmer to discuss finishing this contract. Mr. Epperson will provide more information at the next meeting.

#### **Assistant Manager**

#### **Emergency Update**

Assistant Manager Jason Nutsford stated the District is continuing to procure needed items such as masks, gloves and signage to place around the buildings. Construction Project Manager Todd Smith has been working on procurement on the construction side for the field crew making sure there are enough barricades to help with distancing and sanitizing stations. All departments continue to function as they have in a safe manner.

#### **Federal Emergency Management Agency (FEMA) Update**

Mr. Nutsford reported reaching out to the Program Delivery Manager that will help coordinate and answer questions for going through FEMA Grant process. Mr. Nutsford provided stated that there is a COVID-19 Public Assistance Grant available. However it has been classified under Emergency Protective Measures/Category B Event, which limits the scope of what can be claimed. He initially was thinking that the purchase of technological equipment needed for this event would be considered in this grant. Unfortunately the Program Delivery Manager indicated that those types of costs are considered normal or expanded coverage of a business expenses and are not covered under this grant. Mr. Nutsford will continue to research other grants that may be available to the PUD. Discussion ensued.

#### **Kitsap PUD's COVID-19 Safety Plan**

Mr. Nutsford reported that staff has put together a District wide COVID-19 Safety Plan to ensure continuity of District operations during the COVID-19 pandemic including office and field site specifics. Discussion ensued.

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

GIS Manager Katrina Harris stated there is nothing new to report for the emergency update.

**Current Activities**

GIS Manager Harris reported that Meadowmeer Bainbridge Island and Eldorado water systems have been entered into the system for water and has to the 811 Dial Before you Dig center. Ms. Harris also stated that since the last meeting two more apps have been launched. One is a hydrant numbering app which will roll into hydrant inspections which can be done paperless and the second is a control valve inspection app.

Ms. Harris informed the Board that GIS Analyst Chelsea Strugal continues to work on the backlog of CRDs and is down to the last seven (7) of the remaining 117 CRDs for Telecom. She also informed the Board that GIS is moving into a design phase where she and Ms. Strugal will be working closely with telecom to move forward with four (4) designs that will be challenging as they will be training over Zoom. GIS is continuing with a lot of the database cleanup with telecom and focusing on design.

**Telecom Operations****Emergency Update**

Telecom Business Manager Angela Bennink reported that the Telecom Department continues to perform installations. There will need to be adjustments as there is a need to turn up Express customers and that does require entering their facilities. She also reported that there have been multiple fiber breaks due to squirrels, which have pulled staff out to make repairs from any regularly scheduled projects.

Mr. Avis informed the Board that he has been made aware that one of his employees will be in quarantine for two weeks and his department will work through the employee's absence.

**Kitsap County Hot Spots**

Ms. Bennink reported that the equipment for the ten (10) sites were ordered are expected to come in this week and will be tested before deploying next week. Ms. Bennink stated that telecom continues to work with the state on their WiFi system and by now everyone has heard about their press release last week and the live video presentation that the Washington Public Utility District Association coordinated with the state and NoaNet. Telecom is working with them to turn up one site in Kitsap County this week at the new Community Center where the old Seabeck Elementary School was. The District has been asked to bring fiber in and the state, NoaNet and non-profit privates are performing the installations. Ms. Bennink indicated that there would be more in round two of installations that will be coming soon, which telecom will be coordinating with NoaNet on four more sites that are in north Kitsap. She will reach out to NoaNet to insure that south Kitsap's needs are also being met. Discussion ensued.

**Residential Updates**

Telecom Business Manager Angela Bennink reported that telecom continues to be inundated with people asking for access at their homes. Most are taking the form of NCLUDs. Telecom Superintendent Paul Avis and Outside Plant Engineer Beau Sipple are addressing those while GIS Manager Katrina Harris and GIS Analyst Chelsea Strugal are working on the middle mile projects. Ms. Bennink stated that this is where the aid to construction comes in as those individual home are looked at and where to go from there. She also indicated that there are probably equal numbers of unserved and served people requesting the District to build out.

Ms. Bennink reported that Bridletree is one of the telecoms LUDs in process and is nearly 80% complete. Big Valley in Poulsbo is another large project for telecom and is over 50% completed

and moving faster than expected. At this time the majority of parts are available and in stock. Some parts on order. Telecom received large deliveries of fiber last week and will be able to call back the contractor for the Twin Spits project, another underserved/unserved area, to complete the work they started.

Ms. Bennink informed the Board that telecom continues to move forward with Express customers. The largest ones are the Amazon distribution plant and cell tower site. Discussion ensued.

### **Telecom Budget & Funding**

General Manager Hunter requested this discussion be included as part of the working session.

### **NoaNet Update**

Telecom Business Manager Bennink reported that NoaNet has a Board meeting tomorrow with a straight forward agenda. The topics of interest to Kitsap PUD are the Emergency Response and the funding opportunities that are available. Discussion ensued.

### **Manager**

#### **Emergency Update**

General Manager Bob Hunter stated that as we have all heard from the department heads regarding emergency updates, he cannot say enough good things about the teams that have been put together and the idea that every department compares notes and makes sure everyone is on the same page.

#### **2020 Budget Concerns as a Result of COVID-19**

General Manager Hunter noted that the District won't be sure about the water commodity revenue and he does have concerns about the dollar amount with the decision to defer two months of the commodity charge. Mr. Hunter stated the Superintendent of Operation Dave Epperson's team is monitoring the water usage and believes that bills can be higher than expected. He also indicated the payments on bills seem to be normal. There is not a spike in more people not paying even if they are only paying the basic fee, which is good news. Capital facility charges, which is a big hit on the District's budget has increased since building departments are now issuing building permits, although not nearly what it has been in the past. Discussion ensued.

#### **New Facility Update**

General Manager Hunter mentioned that he provided documentation to the Board over the discussion he had with staff. Commissioner Civilla requested it be discussed further during the working session.

#### **Bill Point Update (Bainbridge Island)**

Mr. Hunter stated that staff continues to move forward in developing an estimate for possible water service of Bill Point.

#### **Finance Manager**

General Manager Hunter reported that he has requested assistance from Attorney Bill Broughton using templates and information from both Mason PUD 3 and Jefferson PUD to put together a job description. Mr. Hunter stated that the next step is to develop a job announcement which Water Resources Manager Mark Morgan will help create.

Commissioner Lester requested that a clean version be provided with the changes discussed at the next meeting in order to address any further questions or comments.

**Legislative Efforts**

General Manager Bob Hunter informed the Board that a request was made from Representative Drew Hansen to help with school districts and government to government fiber. Mr. Hunter reported that staff is working on that and he has put together a team with Consultant Jim Boldt, Lisa Thatcher, Telecom Business Manager Angela Bennink who are currently working with staff in Olympia to try and develop something. Discussion ensued.

**General Managers Calendar**

Mr. Hunter informed the Board that he has a Managers meeting on Thursday and will be unable to attend the WPUD Association Water Committee meeting

Mr. Hunter also mentioned that he spoke with Mike Means the Department of Health Office Director this morning. He has requested the District's assistance in developing a better Satellite Management Agency (SMA) Program. Discussion ensued.

**Legal Counsel**

Attorney Bill Broughton stated there was nothing new to report.

**Commissioner Discussion & Agenda Requests TJ**

Commissioner Civilla inquired if the District was subject to HIPAA violations. Attorney Broughton responded yes. Mr. Civilla also inquired if the District had had any public record requests. Clerk of the Board and Records Officer responded only one, not regarding COVID-19.

Commissioner Civilla also congratulated General Manager Bob Hunter for being awarded the state health department's Lifetime Achievement Award.

Commissioner Pauley shared that Senator Randal hosted an online town hall chat last week regarding higher education and difficulties with WiFi. She then contacted General Manager Hunter for a status update on the WiFi Hotspots, he provided a list of WiFi Hotspots from Telecom Business Manager Angela Bennink and she forwarded it to Senator Randal's Legislative Assistant which was posted on their social media mentioning Kitsap PUD.

Commissioner Pauley also mentioned the Representative Derek Kilmer reached out to local electeds to see if there were any concerns or issues going on with KPUD or otherwise. She had a great conversation with him regarding eRate, WiFi, Government to Government issues and how education was being impacted. Mr. Kilmer again said to her that if the District ever needs any support or help with anything to feel free to call him.

Commissioner Lester reported that Superintendent Dave Epperson, Commissioner Pauley and she continue to attend the WPUD Association Water Committee COVID-19 meetings every Thursday at 1:00 pm and she was also able to also listen to the press conference of the Wifi Hotspots. She stated it was great to attend both and to see all the great work all the PUDs and the privates are collaborating on the Hotspots throughout the state.

Commissioner Lester also reported receiving three different phone calls from people in Bellingham and Whatcom County regarding the work the District is doing in Kitsap County. Word is getting out on how the PUD is very progressive and people are interested in our LUD process and how we get community infrastructure built.

Commissioner Lester thanked General Manager Hunter and Assistant Manager Nutsford for following up with Dave Shorett from the Bainbridge Parks Foundation regarding property that the District may potentially grant an easement.

The meeting was recessed for a break from 11:31 a.m. until 11:37 a.m.

**Working Session**

Commissioner Lester welcomed everyone back and stated the telecom working sessions defining the various unserved and underserved as well as new construction for how the District is building out and prioritizing.

Telecom Business Manager Angela Bennink provided a summary on the idea of what underserved, unserved, served and whether that's infrastructure, equity and accessibility, which are the differences that need to be looked at by a PUD. Superintendent of Telecom Paul Avis discussed self-imposed goals and the digital divide. Discussion ensued.

General Manager Bob Hunter provided information regarding the breakdown for District's projected debt payment and proposed borrowing of four million dollars for fiber infrastructure. Discussion ensued.

After discussion and upon the recommendation of Telecom Business Manager Angela Bennink and General Manager Bob Hunter, Commissioner Civilla moved to approve moving forward with borrowing \$4,000,000 from Kitsap Bank, \$2,800,000 for Telecom Expansion, \$1,200,000 for the land acquisition and if at all possible on a draw basis. Commissioner Pauley seconded the motion. MOTION PASSED UNANIMOUSLY.

**Board Meeting**

The next board meeting will be held May 26, 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 12:40 p.m.

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*Debra Lester* 6/10/2020  
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Commissioner Debra Lester

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*H. Pauley* 6/10/2020  
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Commissioner Heather Pauley

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*James Civilla* 6/10/2020  
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Commissioner James T. Civilla