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

Virtual Meeting  
Tuesday, August 11, 2020  

Zoom Link:  
https://us02web.zoom.us/j/87033872889?pwd=Z3V2NW5ESEJcWVVVHpcCV2J3aG44dz09  
Meeting ID: 870 3387 2889

President Lester called the regular meeting via a Zoom teleconference to order at 9:30 a.m., Tuesday, August 11, 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, Superintendent of Operations Dave Epperin, Telecom Business Manager Angela Bemlink, IT Manager Paul Green, GIS Manager Katrina Harris, GIS Analyst Chelsea Sturgal, and Customer Service Representative Amanda Cheatham

Visitors: Pam Keeley (citizen) and Beverly Parsons (citizen).

Approval of Agenda of the August 11, 2020 Board Meeting

Commissioner Pauley moved that the Agenda of the August 11, 2020 Board Meeting be approved as amended. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

Approval of Minutes of July 28, 2020

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

Approval of Payments through August 11, 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, August 11, 2020, the Board, by unanimous vote, does approve for payment Warrant Numbers 57527 through 57622 in the amount of $543,828.57 for Accounts Payable of which sixteen (16) exceeded $5,000 and $142,248.30 for payroll direct deposit through Automated Clearing House Services.

Public Comment

Citizen Beatrice Marx was interested in attending, but her questions were related to a project being done by Kitsap County. Assistant General Manager Jason Nutsford provided her with contact information for that project.

Citizen Beverly Parsons did not wish to address the board.

Citizen Pam Keeley addressed the board with a follow up on the relocation of the maintenance facility Bond and Gunderson in Poulsbo. Citizens are concerned with the quality of their water due to the project and she questioned whether KPUD is involved in the conversation. General Manager Bob Hunter responded that KPUD is not currently involved, but he will reach out to the Kitsap County Public Works Director and will provide an update to Ms. Keeley once he has that information. Mr. Hunter added that all projects must have a storm water plan. Commissioner Lester mentioned that Kitsap Environmental Coalition has requested a meeting that has been scheduled for Thursday, August 13, 2020 at 10 a.m.
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New Business

Recommendation to Approval Change Order -02 for RT-246645 Big Valley LUD Construction project

Telecom Business Manager Angela Bennink reported that this change order is to move the electronic cabinet from Twelve Trees to the Edgewater community area. The increase is still under the engineer’s estimate. Commissioner Pauley made a motion to approve the change order which was seconded by Commissioner Civilla. MOTION PASSED UNANIMOUSLY.

Resolution No. 20-08-11 New Sweden (LUD #19) Parcel Split, Parcel No. 4186-003-006-0006

Attorney Bill Broughton reported that this split is due to a reconfiguration of a parcel involved in LUD #19. The resolution will direct the Kitsap County Treasure to modify the assessment for this parcel. Commissioner Pauley made a motion to approve Resolution No. 20-08-11 which was seconded by Commissioner Civilla. MOTION PASSED UNANIMOUSLY.

Customer Service

Customer Service Representative Amanda Cheatham reported that there have been fewer calls from customers regarding the July billing than anticipated.

Water Resources/Education

General Manager Bob Hunter reported for Water Resource Manager Mark Morgan in his absence that the corrosion control program is in progress.

Engineering

No report

Construction

Newberry Well Update

Construction Project Manager Todd Smith reported that he was on site with Groundwater Resource Manager Joel Purdy and Silverdale Water District staff yesterday. General Manager Bob Hunter stated that staff worked for 8 hours yesterday without much movement in the well. Charon Drilling and Pump Tech have been on site to assist. One option is to destroy the building so that bigger equipment can be moved in. General Manager Bob Hunter wishes to initiate other alternatives prior to destroying any existing structures. Assistant General Manager Jason Nutsford has reached out to see if KPUD insurance will cover any costs and Silverdale Water District has been asked to reach out to their insurance as well as this was a joint project between the two utilities. Mr. Nutsford reported that he spoke with PERMS and there is a well exemption in the insurance contract so costs associated with the well will not be covered by insurance. Other costs for this issue may be covered depending on the circumstance. Mr. Nutsford will continue to discuss the situation with PERMS. Discussion ensued.

South Bainbridge Hilltop Main Relocation

Construction Project Manager Todd Smith reported that the relocation for the South Bainbridge Hilltop main is now complete.

South Bainbridge Baker Hill Transfer Station Fencing

Mr. Smith stated that the fencing has been completed. The site is clean and secure.
Regional Phase 8 Bore
Mr. Smith also reported that the boring for Regional Phase 8 has been completed.

Assistant Manager

CAREs Act Funding

Assistant General Manager Jason Nutsford has not been able to speak with a representative for CAREs Act Funding. He has looked into multiple programs for utility assistance and will continue to compile information for the Board for a future meeting.

Geographic Information Systems (GIS) Department

GIS Manager Katrina Harris reported that Construction Record Drawing (CRD) logs have been a work in progress over the last few weeks. With the help of Information Systems Manager Melissa Dennis, CRD logs have been created for in-house water projects and outside projects for both telecom and water. The GIS Department has been communicating with various KPUD staff on efficient ways to receive drawings and organizing that information to enter onto the map.

GIS Analyst Chelsea Sturgal has been cross trained on water database maintenance and is working on updating that information. Updates to the sewer log and the Meadowmeer system map are in the works.

Telecom Operations

Kitsap County Wi-Fi Hot Spots

Telecom Business Manager Angela Bennink reported that seven (7) Wi-Fi locations are up and functioning. Port Gamble and South Kitsap locations are still being sought out. There are currently sixty-one (61) total users for Wi-Fi hotspots and Ms. Bennink anticipates more users once school is in session and more people are informed about the locations. Commissioner Civilla questioned Wi-Fi accessibility to the public in South Kitsap. Ms. Bennink responded that she is not aware of the accessibility but KPUD is in search of locations to install Wi-Fi to accommodate the needs of South Kitsap citizens. General Manager Bob Hunter added that the South Kitsap School District declined assistance from KPUD and Washington State to install hot spots for Wi-Fi accessibility as far as placing them on school district property. North Kitsap also declined assistance.

Ms. Bennink also reported that a new Facebook group has been created. “Kitsap PUD Telecommunications” will provide updates on all things broadband related.

Big Valley LUD #26 (Poulsbo)

Ms. Bennink stated that due to Covid-19 related issues, a delay in the delivery for cable will require an extension for the project. Splicing will begin the second week of September and connections should be up in October.

Residential Updates

Telecom Business Manager Angela Bennink reported on several residential projects:

LUD #29 Bridletree (Bremerton) installation has been completed. There is a new home owner who wishes to be added in. They purchased a property in which the previous owner initially opted out;

Commodore Lane (Bainbridge Island) is a new LUD that will be forming in a community near the high school. This was the first community that both Ms. Bennink and (Design Engineer) Paul Avis met with in 2015. There is now a high enough percentage of property owners wishing to opt in so the formation of an LUD can move forward.
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Sound View (Bainbridge Island) is a development with sixty homes and ten of them are closing in September. Seven homes are currently connected and three are using the service. Covid delayed the cabinet shipment by several months so these homes are currently being served by another cabinet location.

Coulter Creek (Port Orchard) is off Lake Flora and has eight (8) homes. KPUD is the only service provider for Sound View and Coulter Creek.

Parcells Road (Kingston) and Carney Lake (Port Orchard) moving forward.

Port Gamble Road (Poulsbo) and Fletcher Bay (Bainbridge Island) are in process.

The crew is currently designing a node on Falcon Ridge (Poulsbo) to serve the Port Gamble Road building. This is a KPUD owned property. Engineers are currently redesigning the build and the project will go out for bid shortly.

Ms. Bennink explained that all of these projects tie in to Capital Projects for 2020.

NoaNet Update

Ms. Bennink also reported that NoaNet will hold a Board of Directors Zoom meeting on August 12, 2020. A long term financial plan will be presented at the meeting.

Ms. Bennink addressed citizen Pam Knudsen and made a correction from the last meeting. The numbers she provided were an estimated bid not the actual bid. The bid opening for NCLUD Knudsen Fiber and Path Construction Project will be held Aug 13 at 1 p.m.

Commissioner Civilla inquired as to how many people are set up with fiber. Telecom Business Manager Bennink responded that there are currently five hundred sixty-five (565) customers connected and she believes that number will increase to the eight hundred fifty (850) mark by the end of 2020. The Telecommunications Department is currently experiencing a three-week delay in processing estimate requests for individuals who are interested in having fiber installed. Staff is working diligently to get caught up with the influx of requests. The need for additional support in the department is high, so Telecom has posted an open position for a Telecom Admin – Community Engagement and Office Support person. Two individuals have applied for the position and interviews will be scheduled soon.

Water Operations

Managed Water System Updates

Mr. Epperson reported on the following water systems:

Bill Point (Bainbridge Island) water system has failed coliform bacteria samples. Staff is continuing to work with the Department of Health (DOH). The tank has been cleaned and is currently being sampled again. The Bill Point community is safe as we work through this.

The Port Madison Water System has been experiencing pressure issues and we have been working with contractors to come to a resolution.

The Fern Cliff system has been dealing with alarm issues on their tank when it gets low. There was a leak found and repaired that is anticipated to resolve the issue.

West Sound Academy (Poulsbo), has an ongoing coliform issue. Due to Covid, buildings have been empty so water has not been used. Unregulated samples have been taken and they have received a passing result.

The Meadowmeir system has been disinfected and staff is trying to remedy their water quality situation. We will need to work with them on next step in order to address their Aeration tank.
and/or Well Fill Line bacterial issue. They would also like to look into completing previously planned Capital Improvement projects.

Maintenance and Operations

Superintendent of Operations Dave Epperson reported that operators lead by Ryan Holt are doing a great job this summer to manage systems remotely. Due to Covid, no seasonal employees were hired to handle grounds maintenance so the crew is now working on getting back on track with landscaping and other grounds maintenance issues.

Mr. Epperson also stated that they anticipate the peak season being behind us, so the crew is now moving on to valve system maintenance and water system flushing will follow. Tank maintenance is also being managed currently. Sanitary surveys have increased and a meeting will be scheduled with Office of Drinking Water staff to discuss KPUD water systems.

Manager

Emergency Update

General Manager Bob Hunter continues to have conversations with staff as they transition back to a normal work week and have children that may require childcare or alternative options for distance learning. A work management plan must be in place by August 31 for those employees with children.

Mr. Hunter also stated that KPUD did not hire staff as anticipated due to Covid, so that work load is being assumed by current staff. He emphasized that the KPUD Staff is terrific and work hard to support one another with the work load.

2020 Budget

General Manager Bob Hunter reported that 2020 Budget information was sent to the Commissioners and things look pretty good currently. Grant money has been received for the Big Valley LUD project, but will go toward paying down that loan. Water sales have been down for May and June, compared to last year, which could be due to wetter weather not requiring the usual summer water use. Telecom revenue is less than projected for the year, but it is anticipated that this amount will be higher than the projections when we arrive at the end of the year. Lack of construction because the County was closed due to Covid and not issuing building permits, also contributed to lower revenue than projected in the budget. Projects not completed in 2020 due to Covid will be pushed to 2021, dependent on the future Covid situation. Mr. Hunter stated that the preliminary 2021 Budget will be completed in the next week. Discussion ensued.

Bill Point Update (Bainbridge Island)

General Manager Hunter reported that he and staff are submitting a $30,000 consolidation grant application for three water systems, including Bill Point on Bainbridge Island. The process is lengthy and the LUD could be formed as late as 2022.

Legislative Efforts

General Manager Hunter is continuing to work with legislators on retail authority bills.

Personnel Challenges

Mr. Hunter also reported that the cost of housing in Kitsap County is increasing rapidly and many employees are finding it difficult to live in the area. He is reviewing the livable wage in response. Superintendent of Operations Dave Epperson added that he has employees who are working on relocating and this issue is a concern for many.
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Finance Director

General Manager Hunter reported that the first round of interviews for Finance Director have been scheduled for September 16 and 17, 2020. Interview questions will be compiled by senior staff with financially technical questions being added by Commissioner Civilla and staff at Cornerstone CPA Firm.

Legal Counsel

Attorney William Broughton reported Supreme Court continues to issue water rights and water law opinion. Challenges about in-stream flow were provided and the court sided with the Department of Ecology. KPUD will request environmental studies about in-stream flows and determine their impact on KPUD.

Commissioner Discussion

Commissioner Civilla commented that this budget cycle will be different for staff and board members. He proposed a small face-to-face gathering rather than meeting remotely.

Commissioner Pauley reported that she was pleased to see Senator Randall’s office had shared the Kitsap Sun’s KPUD article on social media. She has been following the local primary races and is finding the results interesting.

Commissioner Lester reminded the group that she will be meeting with the Kitsap Environmental Coalition on August 13, 2020 at 10 a.m. She reported that she has offered to be mentor for the new Skagit PUD Commissioner Germaine Kornegay and Whatcom County PUD Commissioner Atul Deshmule has reached out regarding broadband.

Commissioner Lester will be scheduling a meeting with Telecom staff for tomorrow or Friday, August 14, 2020.

General Manager Bob Hunter and Telecom Business Manager Angela Bennink will meet with the Bainbridge Island City Manager about broadband. KPUD will attend a Bainbridge Island City Council meeting in October to present on the Broadband project.

Agenda Requests

Commissioner Lester requested a Budget Calendar, Workshop Dates and an Insurance Review related to wells be added to the agenda.

Board Meeting

The next board meeting will be held August 25, 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 adjourned at 11:16 a.m.

[Signatures]

Commissioner Debra Lester

Commissioner Heather Pauley

Commissioner James T. Civilla