

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

**Virtual Meeting
Tuesday, August 25, 2020**

Zoom Link:

<https://us02web.zoom.us/j/87033872889?pwd=Z3V2NW5ESEJcWVNVHpCV2J3aG44dz09>
Meeting ID: 870 3387 2889

President Lester called the regular meeting via a Zoom teleconference to order at 9:30 a.m., Tuesday, August 25, 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, Water Resource Manager Mark Morgan, Assistant Superintendent of Operations Nick Bayard, Telecom Business Manager Angela Bennink, IT Manager Paul Green, GIS Manager Greg Berghoff, and Customer Service Representative Amanda Cheatham

Approval of Agenda of the August 25, 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 August 11, 2020

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

Approval of Payments through August 25, 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 25, 2020, the Board, by unanimous vote, does approve for payment Warrant Numbers 57623 through 57692 in the amount of \$336,600.83 for Accounts Payable of which eight (8) exceeded \$5,000 and \$252,352.64 for payroll direct deposit through Automated Clearing House Services.

New Business

Recommendation to Accept as Complete RT-254861 (Hansville, WA) Eglon Feeder Fiber Construction Project

Telecom Business Manager Angela Bennink reported this is for connecting the Cliffside cabinet to Eglon where it meets with the fiber for Sunrise LUD. Splicing began yesterday, September 24, 2020. Commissioner Pauley made a motion to accept as complete the RT-254861 Eglon Feeder Fiber Construction Project. Commissioner Civilla. MOTION PASSED UNANIMOUSLY.

Recommendation to Award Construction Contract for RT-255752 NCLUD Knudsen Fiber and Path

Telecom Business Manager Angela Bennink reported that this is a project on Gross Road in Bremerton with a \$120,000.00 estimate that came in lower. The customer was initially allowed to opt out. With tax and all materials, the project will cost \$77,000. Signs will be placed along the road to notify citizens in the area and telecom staff will be reaching out to those who have filled out the survey to see if anyone else wishes to be included. Any funds obtained from other homeowners will be applied to this project. Commissioner Pauley made a motion to award the construction contract for RT-255752 NCLUD Knudsen Fiber and Path, which was seconded by Commissioner Civilla. MOTION PASSED UNANIMOUSLY.

Customer Service**Utility Billing Scam**

Customer Service Representative Amanda Cheatham reported that the utility has received a few calls from customers who questioned a call they received by someone claiming to be from KPUD. The call was to obtain a payment over the phone to allegedly stop interruption in service due to a past due balance on their account. The phone number this individual left was for Snohomish PUD and is assumed to be a fraudulent attempt to get money from unsuspecting people. Ms. Cheatham said that the department is thankful those people called in to KPUD prior to paying the person on the phone. An alert will be added to the District website to inform customers of the fraudulent phone calls.

Water Resources/Education

Water Resource Manager Mark Morgan reported that follow-up sampling for the Vinland Water System (Poulsbo, WA) is complete and the sample results have exceeded the action level. A corrosion control study will be started and will take a year to complete.

Resampling the Avellana and Brianwood Wells (Silverdale) for PFAS is in process as well. KPUD is sampling only as a precaution.

Mr. Morgan also reported that he is wrapping up the Consolidation Feasibility Grant application for Bill Point Water System (Bainbridge Island). He will follow up in the fall to evaluate possible funding for consolidating the Bill Point, Island Utility and South Bainbridge Water Systems through the Drinking Water State Revolving Fund (DWSRF).

Water Operations**Emergency Update**

Assistant Superintendent of Water Operations, Nick Bayard reported that the crew is currently resampling the Bill Point Water System (Bainbridge Island) and working with the Department of Health on the issues they are having with the system. They are working to hire an exploratory diver to evaluate the inside of the reservoir.

Mr. Bayard also reported that the SCADA system is being updated and Operations staff is working with the Telecom staff and construction crew.

Mr. Bayard provided information on a discolored water situation on August 15, 2020 in the Point Monroe (Bainbridge Island) area. The crew did a spot check and discovered slightly elevated chlorine residuals. They flushed water mains in the area and the system cleared easily.

Mr. Bayard also reported that the third round of meter reading with our new tablets will begin next week.

Sand Spit/Point Monroe Update (Bainbridge Island)

Commissioner Lester received call from customer regarding water quality and asked about protocol for situations like these. Assistant Superintendent Nick Bayard asked that any calls to commissioners be directed to the main KPUD number. This will connect customers with the after-hours call center and a technician will be dispatched if needed. If a call comes in during the day, calling the main number 360-779-7656 will get a call logged in the system.

Engineering

District Engineer Bill Whiteley reported that things are running smoothly. The Water System Plan update has been returned from the County with their comments. Improved planning information was requested for Plan B. Water Resource Manager Mark Morgan has been communicating with them and Mr. Whiteley will take over to get additional clarification.

The South Bainbridge model and improvements for the 10 year and 20 year plan is in process. Mr. Whiteley will meet with Operations staff to finalize projects that are being scheduled.

Mr. Whiteley also reported that the construction project for Baker Hill (Bainbridge Island) fencing is progressing.

General Manager Bob Hunter asked for an estimate on the bridge crossing project in Seabeck. Mr. Whiteley responded that they received an estimate for approximately \$55,000. This project has not been included in the budget, but Mr. Whiteley believes the project cost can be reduced, based on some things that are not needed but included in the estimate.

Newberry Hill Well Update (Silverdale)

Commissioner Lester asked about the Newberry Well. General Manager Bob Hunter responded that there is no positive change to the situation. The next step will be to camera the well to view the cause of the pump blockage.

Attorney Bill Broughton has been in touch with Public Utility Risk Management Services (PURMS) about insurance coverage for this loss. The cause of the pump failure will be important in determining whether insurance will cover the cost to repair/replace. Mr. Broughton is communicating with Groundwater Resource Manager Joel Purdy to determine what ultimately caused this issue and will continue to work with PURMS about the potential for insurance coverage. Mr. Hunter stated that if the building is destroyed but the well is saved, the rebuild will be manageable. Discussion ensued.

Assistant Manager

Assistant Manager Jason Nutsford added to the Customer Service report, that the scam notice has been added to the Kitsap PUD website.

Mr. Nutsford reported that management is re-evaluating personal protection equipment for KPUD staff to make sure everyone is using the most effective form of protection.

CARES Act Funding

Assistant Manager Jason Nutsford reported that he has looked into using CARES Act Funding for utility payment assistance and found that there is nothing currently set up for water or telecommunication services. Further communication is ongoing to look into future funding for this purpose.

Commissioner Civilla asked about higher balances and the need for payment arrangements. Customer Service Representative Amanda Cheatham responded that the department has not seen a high volume of customers needing to make arrangements at this time. Ms. Cheatham stated that this may be more evident once the late fees and service interruptions are resumed.

Geographic Information Systems (GIS) Department

Assistant Manager Jason Nutsford reported for GIS Manager Katrina Harris. GIS is working with KPUD Inspector Jeff Holt and the construction crew to gather GPS locations. This will enable them to add pieces of infrastructure into mapping more accurately. The regional infrastructure Phase 8 has been added to our mapping program. The department is currently working on telecom design projects and an upgrade to the ESRI software.

Telecom Operations

Emergency Update

Telecom Business Manager Angela Bennink reported that two staff members are working from home.

Kitsap County Hot Spots

Ms. Bennink also reported that the number of users has doubled in the last two weeks and a steady increase is projected moving forward. The Olalla Bible Church is a potential connection location as well as the gas station across the street from the boat launch in Olalla. A build would be required for that location. PUD will focus on working with the church first. School begins next week for several districts.

Residential Updates

Telecom Business Manager Angela Bennink reported on several residential projects:

Fiber Installation for the Sunrise Beach project (Kingston) is wrapping up and splicing for those homes will begin after that.

The Big Valley (Poulsbo) project progress was impeded and a change order to extend 45 days was approved at the last board meeting. Supplies should be delivered next week to continue this project.

Work on the Twelve Trees Fiber node that will serve the north end of Big Valley and the Edgewater area is continuing this week.

Many of the NCLUDs are wrapping up now. Quite a few installations are being completed, including Big Valley and Sunrise Beach. There are currently just under 600 connections, with 850 still projected to be done by end of the year.

NoaNet Update

Telecom Business Manager Angela Bennink presented a proposal and survey from NoaNet regarding options for financing. The NoaNet Board will be meeting September 10 to further discuss this issue. Discussion ensued.

Federal and State Funding Opportunities

No new information on the grant application. There is \$8.8 million available from the state to fund student access to the internet. Ms. Bennink will look into whether Kitsap PUD will be able to apply to receive any of that money.

Manager**Emergency Update**

General Manager Bob Hunter reported that he and Assistant General Manager Jason Nutsford have been discussing personal protective equipment for staff and the best practices with new information that has come out. Telecom Staff that have children have stated that they won't need assistance from KPUD to adjust work schedules. The Water Operations staff report has not come in at the time of the meeting.

2020 Budget Concerns as a Result of COVID-19

Mr. Hunter reported that Binding Water Letter applications have come in less frequently, but the number of new connections are fairly consistent to last year's numbers. Water usage is beginning to balance out with warmer weather.

New Facility Update

General Manager Bob Hunter requested to remove this line from the agenda as there is no new information. The board approved the removal.

Bill Point Update (Bainbridge Island)

Mr. Hunter added to Assistant Superintendent of Water Operations Bayard's report that Kitsap PUD staff have been working closely with Jeff Kanter of the Bill Point Water System (Bainbridge Island). Mr. Hunter expressed his appreciation for the work that staff has done regarding the potential consolidation of the Bill Point, Island Utility and South Bainbridge Water Systems.

Finance Director

General Manager Hunter has prepared a list of proposed interview questions and will forward them to those involved on the interviewing committee and the Board for comment. The District continues to receive additional completed applications for this position.

Legislative Efforts

A bill was received from Washington State Representative Drew Hansen to give retail authority to KPUD, Port Districts, tribes and most cities.

2021 Budget

Mr. Hunter sent an email to the board for approval of the 2021 Preliminary Budget, which was seconded by Commissioner Civilla. MOTION PASSED UNANIMOUSLY.

Mr. Hunter also reported that due to COVID-19, a few of the staff have asked him about leave carry over. Some staff members have leave they have been unable to use due to travel bans. He will propose additional carry over, but will require staff use it consistently. More information will be forthcoming.

General Manager Hunter reported that interviews for the Telecommunications Administrative Assistant will begin this week.

General Manager Bob Hunter and Telecom Business Manager Angela Bennink will meet with City Manager for Bainbridge Island tomorrow. They will discuss the presentation that will be presented to the City Council.

Legal Counsel

No Report

Commissioner Discussion

Commissioner Lester wanted to mention that she is speaking with KPUD IT Manager Paul Green about internet connectivity. She has challenges with the equipment she has currently and is communicating with her neighbors about potentially connecting with KPUD fiber in the future.

Commissioner Lester met with the Kitsap Environmental Coalition last week. She expressed her gratitude to Assistant Manager Jason Nutsford, Water Resource Manager Mark Morgan and Superintendent of Operations Dave Epperson for their assistance to address concerns this group had. The support from staff helped tremendously.

Commissioner Lester stated that Kitsap PUD was mentioned in Cascade Weekly regarding Whatcom PUD and information on the elections.

Commissioner Lester is scheduling a meeting with Christy Carr for the first part of September 2020. Telecom solutions will be discussed for the south end of Bainbridge Island.

Board Meeting

The next board meeting will be held September 8, 2020 beginning at 9:30 a.m. via a Zoom video teleconference. A link will be posted.

MINUTES

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Adjournment

Having no further business, the regular meeting was adjourned at 11:29 a.m.

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Commissioner Debra Lester

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Commissioner Heather Pauley

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Commissioner James T. Civilla