

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

**Virtual Meeting  
Tuesday, July 14, 2020**

Zoom Link: <https://us02web.zoom.us/j/88427905496>  
Meeting ID: 884 2790 5496

President Lester called the regular meeting via a Zoom teleconference to order at 9:30 a.m., Tuesday, July, 14, 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, Water Resources Manager Mark Morgan, Construction Project Manager Todd Smith, Telecom Business Manager Angela Bennink, Telecom Superintendent Paul Avis, Telecom Community & Contracts Specialist Allison Cotner, Information Systems Manager Melissa Dennis, IT Manager Paul Green, GIS Manager Katrina Harris, GIS Analyst Chelsea Strugal, Customer Service Representative Jackie Adams, and Executive Administrative Assistant Corine Vichi

**Visitors:** Scott Bauer (Northwest Municipal Advisors), Nancy Neraas (Principal, Foster Garvey PC)

**Approval of Agenda of the July, 14, 2020 Board Meeting**

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

**Approval of Minutes of June 23, 2020**

Commissioner Pauley moved that the minutes of the June 23, 2020 Board Meeting Minutes be approved as submitted. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

**Approval of Payments through July, 14, 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, July, 14, 2020, the Board, by unanimous vote, does approve for payment Warrant Numbers 57362 through 57453 in the amount of \$490,848.04 for Accounts Payable of which sixteen (16) exceeded \$5,000 and \$250,577.41 for payroll direct deposit through Automated Clearing House Services.

**Old Business**

None

**New Business**

General Manager Bob Hunter welcomed both Scott Bauer with Northwest Municipal Advisors and Nancy Neraas Principal, Foster Garvey PC to briefly provide the Board with background on reviewing the proposal by all banks for both the LTGO and water bonds being refinanced, and discussion on the best interest rate offered by Kitsap Bank including the methodology of the resolutions brought before the Board. Discussion ensued.

**Resolution No.20-07-14A Authorizing the Issuance and Sale of a Limited Tax General Obligation and Refunding Bond in the Principal Amount of not to Exceed \$4,400,000 for the Purpose of Providing Funds to pay the costs of certain Acquisitions and Improvements**

After discussion and upon the recommendation of General Manager Bob Hunter, Commissioner Pauley moved to approve Resolution No.20-07-14A Authorizing the Issuance and Sale of a Limited Tax General Obligation and Refunding Bond. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

**Resolution No.20-07-14B Authorizing the Issuance and Sale of Water System Revenue and Refunding Bonds for the Purpose of Providing Funds to pay the costs of Acquiring land and to Refund Certain Outstanding Water System Revenue Bonds**

After discussion and upon the recommendation of General Manager Bob Hunter, Commissioner Pauley moved to approve Resolution No.20-07-14B Authorizing the Issuance and Sale of Water System Revenue and Refunding Bonds. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY

**Recommendation to Approve Keyport and Green Mountain Acres Water System Plan Part B**

After discussion and upon the recommendation of Water Resource Manager Mark Morgan, Commissioner Pauley moved to approve the Keyport and Green Mountain Acres Water System Plan Part “B” as submitted for final approval by the Department of Health. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY

**Recommendation to Award Construction Contract for RT-255358 NCLUD Templar Lane Fiber Construction Project**

Telecom Business Manager Angela Bennink reported the bid opening for this project was held on July 7, 2020. The project was advertised through the Kitsap Sun. The low bid was \$68,440.00 (excluding WWST) from Tercom Construction, Inc. The Engineer’s estimate was \$94,760.00 (excluding WSST). Commissioner Pauley made a motion to award the contract as submitted which was seconded by Commissioner Civilla. MOTION PASSED UNANIMOUSLY.

**Customer Service**

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

**Water Resources/Education**

**Emergency Update**

Water Resources Manager Mark Morgan reported that all regular data collection efforts are back up and running. The Education Department remains on hold, however Education Manager David Vasquez is assisting water resource with lead and copper sampling, which is performed every summer. Mr. Morgan also reported that 41 Consumer Confidence Reports (CCRs) were completed by the July 1, 2020 deadline and posted on the Kitsap PUD webpage.

Mr. Morgan stated that as with customer service all is well with the water resource department.

**Water Operations**

**Island Utility Water System (Bainbridge Island) Update**

General Manager Bob Hunter reported on behalf of Assistant Superintendent of Operations Nick Bayard that the repair on the Island Utility water tank’s failed fill line should be completed today. Construction Project Manager Todd Smith agreed that after speaking with staff earlier today repairs are moving forward as planned.

**Keyport Naval Base Update**

Mr. Hunter reported that between this week and next week staff is working on finalizing the SCADA set up through Keyport and will start moving 200gpm into the Keyport Base beginning July 20, 2020. Discussion ensued.

**Maintenance and Operations**

Mr. Hunter indicated that all meter readings have been completed for this month. He also reported that moving to tablets for individual staff meter reading due to the COVID-19 situation has turned out to be very successful for staff and provided a cost benefit to the District. Staff has also cleaned eight (8) of the Hansville reservoirs within the last two months in-house, stating this is a great savings to the District.

**Engineering****Emergency Update**

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

**Meadowmeer (Bainbridge Island) Update**

Mr. Whiteley reported that the approval was received on the Meadowmeer hyperchlorination design. Staff will provide more reporting on the pH recordings and how it affects corrosion control going forward.

**Miscellaneous Updates**

Mr. Whiteley reported that he has been working on modeling for South Bainbridge and North Bainbridge Island as well as the North Peninsula water systems in response to requests for fire flow.

**Construction****Regional Phase 8 Bore**

Construction Project Manager Todd Smith reported he will be meeting with Armadillo Boring on July 15, 2020 to discuss details and schedule the boring contract

**Baker Hill Transfer Station Site Fencing**

Mr. Smith is meeting with Viking Fence on July 16, 2020 to finalize the fencing layout. He also reported that KPUD In-House Crew will do minor site grading on July 20, 2020.

**Well Sites Fiber Upgrades**

Mr. Smith reported he is continuing to work with Water Operations and Telecom to install conduit and fiber at selected sites.

**Group "A" Generator Plugs**

Mr. Smith is working with Ryan Holt, Water Operations Lead Operator to install and upgrade generator receptacle at selected sites for use with the new Towable Generator that is in the works to purchase.

**Assistant Manager****Emergency Update**

Assistant Manager Jason Nutsford informed the Board that he continues his efforts to get other face covering options for field crews because of the heat and working in masks. He is investigating additional hand sanitizers as well. Plexiglas barrier material is backordered but the District will have in place before reopening lobby for customers.

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

Mr. Nutsford responded to Commissioner Lester's request to seek funding for the WiFi project. He stated that he brought up the cost to the Program Delivery Manager that assists the District with the FEMA Public Assistance Grant and they indicated that they didn't think it would be covered but that we could submit it and find out for sure.

**Water Main Easement**

Mr. Nutsford informed the Board that he will come before them with a recommendation to grant an access easement to the District's neighboring property owner regarding the project to relocate the water main near the Fort Ward reservoir. He stated the road is already required to be there for Fire Services access and granting it would have no impact on our ability to serve.

**Procurement Update**

Mr. Nutsford thanked Attorney Broughton for his tremendous help in researching and finding options to assist in the District's procurement of equipment and materials. Mr. Broughton has invited Shelley Andrews with Omnia Partners, a National purchasing cooperative to attend an upcoming board meeting to speak about this new cooperative and how they can assist us to make procurement purchases. Discussion ensued.

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

GIS Manager Katrina Harris stated there is nothing new to report for the emergency update. Staff continues to work remotely and all is going well.

**Current Activities**

GIS Manager Harris reported that since the last meeting staff has wrapped up the remapping for the Coordinated Water System Plan (CWSP) for Rocky Point that is now part of Bremerton, and entering Phase 7, as Phase 8 is being wrapped up and updated into the 811 Dial Before you Dig Center.

GIS Manager Harris reported that staff has finished the 2020 design list that included Bainbridge Island, Fletcher Bay and Holly. Ms. Harris also reported that staff is working with Telecom Business Manager Angela Bennink on the WiFi Hot spot locations, which GIS now has mapped out and is waiting on feedback from Ms. Bennink on how to communicate it to the community.

**Emergency Update**

GIS Manager Katrina Harris stated there is nothing new to report GIS continues to work as previously reported and all is well.

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

Telecom Business Manager Angela Bennink stated staff continues to function fully and working out in the field, otherwise there was nothing new to report for the emergency update.

**Kitsap County Hot Spots**

Telecom Business Manager Angela Bennink stated that as GIS Manager Katrina Harris mentioned earlier, the WiFi Hot Spots are mapped out and ready. Ms. Bennink stated that with the WiFi Hot Spots will soon be on the District's website and the County's. Ms. Bennink stated that there will be distance learning for students in Kitsap County throughout the 2020-2021 school years. She

informed the Board that she would like to provide a presentation on the usage of the WiFi Hot Spots and possibly provide pictures of what that looks like at the next meeting.

### **Residential Updates**

Telecom Business Manager Angela Bennink reported that the Bridletree Community, Bremerton LUD No.29 is being turned up this week. She indicated that 8 customers have been turned up and 10 are scheduled for today and the remaining customers will be turned up by the end of the week. She also informed the Board that a reporter from the Kitsap Sun is out at Bridletree for a tour of what it is we do. Discussion ensued.

### **Bucket Van Update**

Telecom Business Manager Angela Bennink informed the Board that a new bucket van which allows the splicing done from inside has been located. It has however come in over the \$105,000 budgeted at \$108,340 not including tax and delivery. Staff has not ordered the bucket van and seeks approval from the Board for the additional amount.

### **Recommendation to Approve the Increased Amount of \$3,340 and Purchase the new Telecom Bucket Van**

After discussion and upon the recommendation of Telecom Business Manager Angela Bennink, Commissioner Pauley moved to approve the increased amount for purchase of the new telecom bucket van. Commissioner Civilla seconded the motion. MOTION PASSED UNANIMOUSLY.

### **Telecom Budget & Funding**

Telecom Business Manager Angela Bennink reported that the Distance Learning and Telemedicine (Federal) Grant application was submitted yesterday. This grant is for the Larson Lane Community of 79 residences in Seabeck in the amount of \$1.6 million dollars estimated project with a grant funding of \$1 million dollars and a matching \$600,000 dollars by the community through an LUD. Discussion ensued.

Ms. Bennink reported that the Public Works Board announced their funding availability yesterday as a non-distressed county KPUD does not qualify for a grant. Ms. Bennink will continue to work with Shelley Westfall who is the Public Works Board Broadband Program Director for the possibility of submitting an application or requesting a change in the unemployment numbers due to COVID-19. Ms. Bennink stated that on the positive side Kitsap County is not distressed. She is also still following the EDA CARES Act and the CERB Grant due in September. Discussion ensued.

Ms. Bennink informed the Board that she will be attending a meeting on Monday on different webinars for funding that are available.

### **NoaNet Update**

Telecom Business Manager Bennink reported that NoaNet has received a letter from the State for the Alternatives Research & Development Foundation (ARDF) Fund and will be submitting a letter for ARDF. Ms. Bennink also mentioned that NoaNet is working on long term projects/funding strategic ideas for the company as a whole, which is a tasking given to Chief Executive Officer Dave Spencer by the Board as a goal. Discussions will be held. NoaNet does not have a Board of Directors meeting in July. Discussion ensued.

### **Gross Road Customer Update**

Ms. Bennink responded to Commissioner Civilla's request to update the Board on the outcome of Ms. Pam Knudsen's concerns shared at the last board meeting. Following the meeting an NCLUD contract was sent to Ms. Knudsen in the amount of \$120,000 (including WSST) which she has

signed with the understanding that the District will go out to bid and she may cancel the contract if the bid is more than she is able to afford.

### **Manager**

#### **Emergency Update/2020 Budget Concerns as Result of COVID-19**

General Manager Bob Hunter stated that he will be transitioning back into the office two days a week Mondays and Thursday starting this Thursday after which he may include Wednesdays. Mr. Hunter anticipates after the next couple of months there will start to be more staff in office meetings in the conference room maintaining safety protocols and social distancing and wearing masks which may go on for some time.

Mr. Hunter stated that he had hoped to have a more thorough report regarding the 2020 Budget concerns as a result of COVID-19 but there won't be enough information until mid-August. Mr. Hunter did report on the year to date June expenses which are under budget by \$550,000 mostly related to COVID-19. Year to date June revenues are under budget for water by \$750,000 which is \$140,000 less than last year. He anticipates that the May billing which is coupled with the readings going on now and is the District's largest usage group could make up nearly \$300,000 of that. Discussion ensued.

#### **New Facility Update**

General Manager Hunter reported that Construction Project Manager Todd Smith and his team are doing a great job continuing to keep the site maintained.

#### **Finance Director**

General Manager Hunter reported that HR will be reaching out to Inclusv for priority job posting at \$120 for 30 days. He will continue to move forward and start putting the interview team together.

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

General Manager Hunter reported that Chris Wierzbicki, City of Bainbridge Island (COBI) Public Works Director has reached out to him and Bill Point representative Jeff Kanter informing both that COBI is interested in the project. Mr. Hunter will be meeting with Mr. Wierzbicki and will continue to work with the COBI.

#### **Legislative Efforts**

General Manager Bob Hunter reported that lobbyist Lisa Thatcher is engaging with the WPUD Association to insure both are on the same page. He also mentioned hearing from the Governor's office that if a special session occurs, it will be after the November elections.

Mr. Hunter shared with the Board that Senator Christine Rolfes forwarded the Public Works Board announcement which opened up discussion on the issue that the District does not qualify for grants due to Kitsap County being designated non-distressed, based on 2019 unemployment numbers.

#### **Legal Counsel**

Attorney William Broughton circled back on an issue raised a few weeks ago having to do with the South Bainbridge Island water system and the Blossom entities including the MGB Hilltop Vista LLC. After extensive research and thanks to several staff members including Engineer Bill Whiteley, GIS Manager Katrina Harris and Assistant Manager Jason Nutsford, it does not appear that the District has any other assets on the South Bainbridge Island water system that are on Blossom owned or Blossom entity owned properties and determined this is not an issue the District should not encounter going forward. Attorney Broughton requested direction from the board whether or not to proceed with the demand letter approved on July 9, 2020 or move on. General

Manager Hunter and Construction Project Manager Todd Smith provided input on the main relocation project and costs totaling near \$25,000 which has improved the ability of any operator being able to access the shut off valve.

General Manager Hunter's recommendation would be to not file a claim. Hearing that there are no other potential challenging issues with regards to easement, the Board agreed to move on from this and not pursue legal action.

### **Commissioner Discussion**

Commissioner Pauley shared that she has a colleague who is an accounting professor at the University of Washington who has offered to send out our request for a Finance Director. She will discuss it further with the General Manager after the meeting.

Commissioner Pauley also mentioned that she will be attending the WEDA Annual conference virtually today and tomorrow which will focus on diversity and inclusion with a great panel of speakers scheduled. She will share any information provided.

Commissioner Pauley also reported that WPUD Association Executive Director George Cann reached out to her and asked if she would consider Vice Chairing for the WPUD Association Government Relations Committee. She indicated that she would let him know that she is interested.

Commissioner Civilla shared a West Bay experience that receiving a call back from customer service or any department during this time will fair far better than emails and urges everyone to pick up the phone when possible and call.

Commissioner Lester echoed Commissioner Civilla's comment and stated that makes good customer service. She also shared that she will be attending a Jurassic Parliament zoom work shop "Better Meetings Advance Social Justice" on July 16, 2020 at 4:00 p.m. Commissioner Lester requested that Clerk of the Board Corine Vichi forward the information to the other Board members.

### **Agenda Requests**

Commissioner Lester requested a breakdown regarding the community WiFi. If not addressed today it would be appreciated at a future meeting.

The meeting was recessed at 11:06 a.m. for a short break followed by a working session.

### **Working Session**

Commissioner Lester welcomed everyone back at 11:11 a.m. and stated the telecom budget workshop working session be facilitated by Telecom Business Manager Angela Bennink.

Telecom Business Manager Angela Bennink provided a summary of the telecom capital budget update and highlights of the following; 1) Capital Projects, 2) Assets, 3) Aid to Construction, 4) Residential, and 5) Express to Construction. Handouts were provided and available upon request.

### **Recommendation to Re-Allocate \$200,000 extra funds from Capital Construction to Residential Aid to Construction**

After discussion and at the recommendation of Telecom Business Manager Angela Bennink, Commissioner Lester moved to approve to Re-Allocate \$200,000 extra funds from Capital Construction to Residential Aid to Construction as long as it is available. Commissioner Pauley seconded the motion. MOTION PASSED UNANIMOUSLY.

MINUTES

07-14-20

Page 8

**Board Meeting**

The next board meeting will be held July 28, 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 11:50 p.m.

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Commissioner Debra Lester

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Commissioner Heather Pauley

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Commissioner James T. Civilla