

DRAFT 02/12/2026 minutes

Port Ludlow Drainage District (PLDD)

February 12, 2026

Board of Commissioners Meeting #0346

Zoom/In Person Meeting Minutes

1. **CALL TO ORDER:** Commissioner Nilssen called the regularly scheduled meeting to order at 10:00 a.m.
2. **ROLL CALL:** Commissioner 3 Michael Nilssen, Chair, was in attendance via zoom, along with Commissioner 2 Dean Cole in person, comprising a quorum. Also present was Leigh Christianson, District Administrative Coordinator and Stacey Clear from Gray and Osborne was present via Zoom. Cliff O'Brien Port Ludlow Associates (PLA) was also present.
3. **Approval of Agenda:** the agenda presented was reviewed. Commissioner Cole moved to approve, Commissioner Nilssen seconded, all approved.

4. Commissioner Communications

Commissioner Cole reported no relevant commissioner communications. Commissioner Nilssen also reported no communications.

5. **Public Comments:** no public comments were heard on zoom or in person.

6. Consent Agenda:

Commissioner Cole moved to approve the consent agenda of January 8, 2026 minutes and the voucher summary: Voucher Summary: Voucher numbers V25-138 through V25-149 in the amount of \$5,934.59; payroll \$1,355.79, \$18.50 supplies, and services \$4,560.30.

Commissioner Cole moved to approve the consent agenda; Commissioner Nilssen seconded and the motion carried.

7. Old Business

Port Ludlow Associates (PLA 70 Breaker Lane, parcel #821172002) Mr. Cliff O'Brien mentioned that he will email the plans for the project asap. Cliff stated that his company was in process of getting the various permits required from Jefferson County submitted by the end of March, and it would probably take 12 months before final approval. Previous discussions centered around removing the portion of the project that falls within the PLDD

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border. The points of entries would be on Oak Bay Road and also near the Kitsap Bank. 52-57 lots are being considered. Breaking ground should happen around Jan. 2027. He noted personnel changes in the Community Development department and will forward contact information. The area in question consists of five parcels, an open space and a right of way that are within the current PLDD boundaries of that area and those parcels will need to be amended. Discussion ensued regarding who and how the boundary changes would be handled; with PLA, the County, and/or the State Boundary Review Board. This could be addressed with an Interlocal Agreement also. Commissioner Nilssen would like to speak directly with some of the employees of Jefferson County Community Development to help spearhead these changes. None presented any objection. Commissioner Cole was in favor of making an interlocal agreement and a hatch on that area of the map would define the ILA. Commissioner Nilssen thanked Cliff and his group for working together and the great communication.

Inventory List: Commissioner Nilssen thanked Commissioner Cole, Stacey Clear from Gray and Osborne and Russ Lowry from Yard Dogs on the work done on the inventory list. Commissioner Cole noted that about one year ago, the District had started to look at updating the Comprehensive Plan. Discussion ensued, including related costs, and it was determined it would be in the best interest of the district to review the entire District Inventory every year or every other year as needed. On February 6th all three members made an in-person review of all the sites. Stacey rated the drainage systems as a 9.95 out of 10! Many kudos to Yard Dogs for the great amount of care they take. Stacey reviewed the inventory list for all complete with notes and photos. Only a small area was noted for minor changes. As far as future reviews, Stacey recommends every other year and September/October would be a good time frame and it only took three hours this time. That task will be added to the administrative calendar. Once again, thanks to Stacey and Russ Lowry and his crew. The updated inventory link will be posted on the web and a mention in the E-Navigator.

8. New Business

9. Financial Reports:

Financial Reports – Nilssen: Commissioner Nilssen had reviewed the financial reports that had been emailed to the commissioners earlier and he feels the district is in good shape. To recap the 2025 year: started out the year with \$56,500 and ended with \$65K. Investments started with \$148K and ended with \$150K and all the interest earned being deposited back into the investment pool with interest around 4%. \$85,900 gross receipts from the county, disbursements of \$75K. The financial statements were in order also and came in under budget on most expenses. He felt the district was doing well. For the 2027 he anticipates making some tweaks and looking at possibly getting the annual assessment reduced.

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Yard Dogs: this business is required to pay state retail taxes on its services. They have not included this amount in past contracts but included it in this year's contract, however without delineating the increased cost. There was confusion between state retail taxes and Business and Occupation (B&O) taxes. We will pay the additional retail sales tax as noted in the amended contract.

Financial Reports: Commissioner Nilssen reviewed the financial reports just this morning and did not note any issues. Since it is the beginning of the year no rate payments have been submitted.

State Audit Report: The SAO report was completed and "nothing came to our [SAO] attention in the areas we review caused us to believe the District was not in substantial compliance with applicable state laws, regulation and its own policies, or had not provided adequate controls over the safeguard of public resources." The entire report is posted on the District website, and a link to it was delivered via E Navigator to local residents. Commissioner Nilssen congratulated the team on the work done. Falge Bookkeeping did a great job in putting the report's information together. A data sharing agreement was submitted by the SAO and, after attorney review, it was also signed by Commissioner Nilssen. Commissioner Cole thanked Commissioner Nilssen for his work on these financial reports.

10. Administrator Report:

Unclaimed Warrants: Christianson stated that the county has implemented new rules on checks that have been issued but not cashed. When there is an outstanding or "lost" check the receiver has to complete a form and have it notarized in order to receive a replacement. Christianson will need to review those reports a little more closely every month. Falge also receives these county reports.

Records Retention: Christianson stated that she had attended the training on records retention so is aware of procedures. 99.9% of our records are virtual and stored on the cloud. There is time to review all the documents stored in the basement and Christianson will review again the timelines and procedures for storing and/or sending documents to the State Archives.

Elections RCW 85.38.110 Eligible Voter's list: Christianson will clarify with the Jefferson County Elections office that the list only needs to be prepared when an election is forthcoming, not every year. It requires a lot of staff time to assemble that list.

Christianson performance review: Commissioner Nilssen has found an employee performance review form that Commissioners could submit their comments. Nilssen will send out the form to Commissioner Cole and will review any wage rate adjustments in

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comparison with other industries. Nilssen suggested making any wage adjustments retroactive and making sure this is placed on the administrative calendar. He would like to schedule an executive session to discuss, either in person or virtually. Commissioners recommend that Christianson review the commissioners also!

Future of the District: Commissioner Cole reminded all that a discussion was set to be held regarding the future of the district. Commissioner Nilssen stated that he would like to have that discussion also, but requested that it be tabled for this meeting, and to include it on next month's agenda at the end of the meeting. All agreed.

Signing of the Documents was completed in person and via Esign this month.

12. Meeting Adjournment.

The meeting was adjourned at 11:00 am.

Commissioner 1, Michael Nilssen, Chair _____ Date _____

Commissioner 2, Dean Cole _____ Date _____

The Port Ludlow Drainage District (PLDD) posts minutes and meeting recordings on its website.