

PUBLIC UTILITY DISTRICT NO. 1  
OF ASOTIN COUNTY, WASHINGTON  
MEETING MINUTES  
August 25, 2020

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President Judy Ridge presiding, the Public Utility District No. 1 of Asotin County Meeting was called to order at 10:00 a.m. The meeting was held by teleconference in accordance with the Washington State Governor's Proclamation 20-28, dated March 24, 2020, due to the novel Coronavirus (COVID-19) and Proclamation 20-28.8, updated July 31, 2020, extending the original and subsequent Proclamations.

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ROLL CALL: PRESENT    Commissioners: Judy Ridge, Greg McCall and Don Nuxoll.

Staff: Tim Simpson and Bob Sischo.

MINUTES OF MEETING AND VOUCHER APPROVAL

**MOTION** by Commissioner Don Nuxoll and seconded by Commissioner Greg McCall to approve the consent agenda approving the minutes of the August 11, 2020 Regular Meeting and payment Electronic Payroll Vouchers #5642EFT – #5658EFT in the amount of \$35,294.35 and Electronic Accounts Payable Vouchers #20082001 and #20082002 and Accounts Payable Vouchers #40994 – #41028 in the amount of \$73,318.02. The question was called for on the motion. The motion passed 3-0.

COVID-19 UPDATE

The manager reported that Proclamation 20-28.8 requiring public meetings to be held remotely, with remote public access, is scheduled to expire next Tuesday, September 1st. An update about the proclamation should be announced late this week or next Monday, August 31. The manager asked the Commission how they would prefer to proceed with future meetings if the proclamation is extended with the exception for Phase 3 counties. The Commissioners stated that their preference would be to continue to wait for the expiration and/or announcement regarding the proclamation before making a decision regarding the next regular scheduled meeting on Tuesday, September 8.

The manager reported that revenue from delinquent account fees and disconnects, to date, is down approximately \$46,000 as compared to last year. The total dollar amount of delinquent accounts currently past due is \$76,413, up approximately \$48,000 from the last report. He stated that the increase is directly due to larger bills from irrigation in July. At the last report, 99 doors were tagged for billing cycles 1-3 and 58 payments were received. 171 door tags for billing cycles 4-6 will go out today.

OLD BUSINESS

There were no items presented under Old Business.

NEW BUSINESS

There were no items presented under New Business.

MANAGER'S REPORT

Well No. 5 Repairs – the manager reported that water samples taken for Well No. 5 continue to be positive for Coliform Bacteria. Staff continue to chlorinate and flush the well every day. The well will not be placed back into service until a water quality sample returns satisfactory. He stated that this is not uncommon for a well that has undergone repairs and replacement of pump, casing and shaft.

Operations Activity – the manager reported that the operations crew completed the eleven water service replacements located on 4th, 5th and Morrison Streets prior to Clarkston’s sidewalk replacement project. The crew has spent the last week installing six (6) new services. On Wednesday, August 26, the crew will begin a water main replacement project on 13<sup>th</sup> Street between Fair and Bridge Streets replacing 600 feet of steel main and updating 15 customer service lines.

Contractor Activity – the manager reported that Knife River has completed the water main project on 14<sup>th</sup> Street between Fair and Bridge Streets including paving. The City has followed up with concerns about their paving requiring a section to be removed and repaved. He stated that at a meeting held on Friday, August 14 with their local superintendent and project manager, we expressed our concerns regarding the work being performed. Concerns expressed were; the lack of project progress and meeting contract deadlines, the lack of available skilled workforce to perform the work and comply with the contract, the lack of job site direction and leadership and the lack of equipment availability and material organization. Knife River staff acknowledge that our concerns were valid and stated their crew was inexperienced. Immediately after the meeting, the project manager contacted Craig Riehle, Director of Operations, and stated that they would like to finish this section of the project next week and give it their full attention. In addition, they stated that they would bring in a more experienced crew to complete the next section of the project (Poplar through Elm Streets) but they would not be able to start until September 14th. As follow up to the meeting, a letter was sent to Knife River outlining our concerns and stating that they could finish this section of the project but they would be unable to proceed with the next section until the concerns outlined were addressed in a detailed written plan.

The manager stated that unfortunately, on Monday, August 17, after stating they would give the project their full attention, we experienced the same lack of job site leadership and lack of skilled workers. There was no supervision and when we contacted the superintendent, as requested, he did not return our call. By the end of the day there were only two Knife River employees left onsite and our staff, once again, had to step-in and assist them in getting our customers back in service before the posted deadline. In addition, we had to supply material for the job and the service line was left, exposed above ground from the failure of their employees to conduct work in a timely manner. The fact that we had to supply our staff and material in order for them to perform their contract is unacceptable.

In a letter written to their project manager on Tuesday, August 18<sup>th</sup> outlining the issues, the manager stated that effective immediately, he is suspending work on the project. He also stated that, based on the issues outlined at the meeting last week and documented in the letter provided to them, Knife River is in default of the contract with the PUD and termination is under consideration. The manager stated that the project manager requested the opportunity to complete the work with paving completed on Friday, August 21. The request was granted. A letter was sent to their surety bond company notifying them of the PUD was considering a declaration of default by the contractor and contract termination. A copy of the letter was sent to the authorized agent for Knife River. We have received no response to date.

2019 Audit – the manager reported that the 2019 Audit Exit Conference was held this morning via teleconference with the Washington State Auditor’s Office Audit Lead, Andrew Chilton and Assistant Audit Manager Tara Alfano. Commissioner Ridge attended the Conference along with the manager and Director of Finance and Administration. There was one recommendation provided as a result of the Audit. The recommendation dealt with the removal of an asset from the books. The issue was corrected immediately upon discovery and was immaterial to the financial statements. This is the PUDs 33rd consecutive clean audit. The Commissioners expressed appreciation to staff for another good audit.

PURMS Health Insurance – the Director of Finance and Administration, Bob Sischo, stated that after extensive review, PURMS will replaced the FirstChoice health insurance network with Aetna effective January 1, 2021. The move will save PURMS approximately two million dollars annually and they believe it will be a better network for members utilities and their employees especially those located on the border states of Oregon and Idaho. He stated that our PUD should also see a reduction in costs. New insurance cards will be distributed to employees and commissioners in December.

#### COMMISSIONER’S REPORT

Commissioner Ridge will remotely join the Public Power Council meeting on Thursday, September 3rd.

#### ADJOURNMENT

There being no further business the meeting was adjourned at 10:30 a.m.