

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
September 8, 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 20-28.9, updated September 2, 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 Greg McCall and seconded by Commissioner Don Nuxoll to approve the consent agenda approving the minutes of the August 25, 2020 Regular Meeting and payment of Payroll Vouchers #2034 – #2036 and Electronic Payroll Vouchers #5659EFT – #5675EFT in the amount of \$40,036.38 and Electronic Accounts Payable Vouchers #20090401, #20090801, #20091701 and #20092501 and Accounts Payable Vouchers #41029 – #41066 in the amount of \$335,711.05. The question was called for on the motion. The motion passed 3-0.

COVID-19 UPDATE

The manager reported that the governor extended the Open Public Meetings Act Proclamation, number 20-28.9, requiring public meetings to be held remotely, with remote public access through Thursday, October 1st. In the updated proclamation, the exception for agencies in Phase 3 counties was removed.

The manager reported that revenue from delinquent account fees and disconnects, to date, remains the same as the last report at approximately \$46,000 as compared to last year. The total dollar amount of delinquent accounts currently past due is \$37,604, down approximately \$39,000 from the last report. At the last report, 171 door tags for billing cycles 4-6 went out and 57 payments were received. This week 96 doors tags will be sent out for billing cycles 1-3.

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 Well No. 5 was chlorinated on Tuesday, August 25 and the next day the well was flushed for 3 hours. When staff went to complete additional flushing of the well it would not completely start again and made some unusual noises on startup. The well had been operating properly since reinstallation on August 6th. Collier Electric was contacted to investigate and Director of Operations Craig Riehle, Operations Foreman Bob Wimer and the manager met the electrician at the well. The motor starter was set to start again and when it kicked on the motor starter shook violently and the well shut down.

Avista was contacted immediately for an emergency power shut off so our electrician could investigate further but they were not available until 10:00 am the next day, August 27th. Specialty Pump was also contacted to participate in the investigation to ensure that the issue wasn't the motor or any of the new components in the well. Our electrician and Specialty Pump checked the windings on the motor and it checked out. Then they decoupled the shaft from the motor and it spun freely as it should. The motor starter was then checked and they found that there was a failure that could not be repaired and if it were to be used again it will likely damage the motor costing more money. The manager stated that the starter was likely damaged as a result of the original well failure and it just finally showed up. The current motor starter was installed in 1992 as a part of public works project.

The manager stated that, due this emergency and the need to get the well operational, he had no choice but to purchase a new motor starter. A Benshaw motor starter that meets our specifications was available and was ordered. The starter was shipped Monday, August 31 and will arrive the week of September 14th. The cost for the starter, surge protection components, shipping, sales tax and installation will be approximately \$63,000. The emergency falls within adopted Resolution No. 20-477.

Operations Activity – the manager reported that on Monday, August 31st, the operations crew began installation of 600 feet of new 6-inch PVC water main on 13th Street between Fair and Bridge Streets. The line was installed by noon on Wednesday, September 2nd. This project replaces 600 feet of steel main and updates 15 customer service lines. The line was chlorinated, flushed and sample. Customer service lines will be tied over to the new main when the sample returns satisfactory.

Contractor Activity – the manager reviewed previous discussion with the Board regarding issues with Knife River's work on the 14th Street Water Main Replacement Project, the letter suspending the work and the consideration of termination and a letter which was sent to their surety bond company notifying them that the PUD was considering a declaration of default by the contractor and contract termination. He reported that on Friday, August 28, an email was received from Knife River's regional operations manager stating it was his understanding there was a resolution on this matter. A reply was sent stating that a resolution on the matter had not been reached and that termination was still under consideration. A follow up call by their operations manager was received by the manager where he stated the same.

On Monday, August 31, the manager received a call from the surety bond company. The manager spoke with their contact expressing that the PUDs position was to not call the bond. A conference call was setup the same day with Knife River's authorized agent, their contract and risk manager and their general manager for the Lewiston area as well as the operations and project managers. On the call with Knife River, after explaining all of the issues encountered on the project and the unacceptable need to supply labor, material and equipment for a project we are paying them to complete, it was clear their management was unaware of the severity of matter. The manager stated to them that it is the PUDs desire to pay for work completed, minus PUD costs associated with assisting on the project, and go our separate ways due to the inconvenience of having to provide staff support for the project. The manager stated to them that we have no confidence in their ability to complete the entire project without issues.

On Tuesday, September 1, the PUD again received an email from Knife River's regional operations manager with a proposal to complete the next section of water main replacement sending two experienced staff and utilizing the current staff we had issues with. The manager responded by stating that as discussed during the conference call, they had the opportunity to remedy the issues expressed to supervisors since starting the project and identified in the meeting held on August 14th. He stated that they chose to not give the project their full attention the following Monday resulting in PUD staff having

to complete their work resulting in the manager suspending the project and providing notification that termination of the contract was under consideration. After stating many of the issues faced, detailed in a document sent to them, he finalized the email by stating that a final payment application for work completed to date, less items completed by PUD staff, will be sent for their review.

On Tuesday, September 2, the manager received a call from Sean Marsh, Contract and Risk Manager requesting clarification of the email asking if it was our intention to terminate the contract out of convenience. The manager stated that this was our intention. He was agreeable to this amicable result and expressed his apologies for their staffing issues and the problems faced during the project. He also stated that he was unaware of these issues until last week and that in the future he hopes we have successful projects together. He followed up this conversation with an email confirming the discussion.

On September 3rd, the manager sent a notification letter to Jesse Rosin, Authorized Agent for Knife River Corporation stating that the PUD is terminating their contract for convenience per the Standard General Conditions of the Construction Contract, Article 16 – Section 16.03. This section states that the PUD is terminating without cause and without prejudice meaning Knife River can bid on future projects without exception. The manager stated that he believes this a good outcome for both entities and he is certain that if they are awarded a PUD bid in the future, they will give it their full attention and supply the skilled labor and equipment necessary to complete the construction contract.

COMMISSIONER'S REPORT

Commissioner Ridge remotely joined the virtual Public Power Council (PPC) meeting on Thursday, September 3. She reported that the recently appointed interim Bonneville Power Administration (BPA) Administrator and CEO, John Hairston, attended the meeting. He reported on the process for selecting a new Administrator as well as current staffing with regards to COVID-19, BPA strategic processes and their continued work with PPC and the region on preserving rates. PPC spoke to the group about the outreach to Congress and the Department of Energy regarding the necessary qualifications of the next Administrator. Issues regarding fish and river temperatures were also addressed and discussed.

Commissioner McCall and Commissioner Ridge will be remotely joining the Washington PUD Association virtual committee and Board meetings September 16-18.

ADJOURNMENT

There being no further business the meeting was adjourned at 10:33 a.m.