

CORBETT WATER DISTRICT APPROVED MINUTES

Special Meeting: 6:00 P.M.

Thursday, May 4th 2006
Corbett, Oregon

Commissioners Present: Malcolm Freund, Robert Gaughan, Bob Colclessor, Marion Kirkham, and Jeff Hargens.

Also present were District Manager Frank Sterzinar and District Clerk Jamie Simms.

Audience Members Present: Donna Colclessor and Linda Hargens.

Chairman Freund called the special meeting to order at 6:05 p.m. at the Corbett Fire Hall.

Approval of the Agenda.

Commissioner Colclessor moved to adopt the Agenda as presented. Motion seconded by Commissioner Gaughan. Motion passed unanimously.

Vote for Board Member.

The vote for Board member done by ballot at the previous meeting was incorrect, because the ballots needed to record the way each Commissioner had voted. Commissioner Gaughan said he had previously voted for Brian James to be a Commissioner because Brian had spent numerous hours volunteering his services to the District. He has now had a chance to meet Jeff Hargens and he feels that Jeff would be a good candidate to serve on the Board of Commissioners.

The District Clerk read the ballot results: Commissioners Freund, Gaughan, Kirkham, and Colclessor each voted for Jeff Hargens. Jeff Hargens was unanimously appointed to the Board.

Discussion of Water Treatment Plant Contract Closure.

Clackamas has asked for three additional months to be added to the final completion date of March 16th, 2006. Brian Lee and Frank have agreed that the final completion date is April 6th, 2006 because that was when the plant was running, although the water in the filter pond was unusable and the computer at the Treatment Plant has continued to have problems.

Frank explained that the filter pond needed to grow the necessary bacteria before it would be usable. The water going into the filter pond is so clean that it has slowed down the process to season the tank. The pond currently has a shmutzdeck built up, but the NTU level is too high. The water entering the tank has an NTU level of .035 - .050, while the water leaving the tank is 2.15 NTU. This needs to be .3 before the water can be distributed to the community.

Frank said the dirt within the sand has raised the NTU levels. Commissioner Hargens asked if the sand had met the required specifications in the contract. Frank said the sand met the Engineer's specification, his concern was directed towards the dirt/material contained within the sand. This material is being washed out of the sand but it could take several months before it is clean enough to use the water. When the filter pond was first turned on the turbidity level was so high that it pegged the turbidity meter making it unreadable for about three days. The sand is specially designed, filtered and screened from Morris

Brothers. Frank thinks cleaning the tank would help decrease the NTU level, but in order to clean the tank it has to be running at full pressure, which requires 500 gallons per minute (gpm). The District cannot provide the tank with the required water flow at this time, and Frank does not think this will happen until sometime after the upcoming summer. Currently, the Community demands 750-800 gpm and our water rights allow us to pull 900 gpm from Gordon Creek. There are three layers of rock and two layers of sand in the tank that make it impossible to stir the sand to help move the material quicker.

Frank spoke about issues with Taurus's system integrators. The computer at the Treatment Plant has yet to produce the daily report required by the State and the construction contract. Frank feels that Taurus is incompetent. Currently Frank is gathering all of the Treatment Plant logs that document the computer problems.

Frank is currently dealing with a sales rep from Taurus who has been working on the Access database program. The sales rep was at the Treatment Plant with a brand new Windows Access manual trying to program the computer. District staff has given Taurus a list that matched the contract which stated what documents the program was required to produce. Currently the computer does not come close to producing the required reports that are stated in the contract.

The current reports produced by the computer states 12 digit numbers but the instruments sending the information can only send 2 decimal places, so erroneous numbers are occurring. These numbers have to be averaged out of the database. District staff has notified Taurus how to make the necessary changes to the program to make the numbers correct, but Taurus has yet to make the corrections. District staff cannot make the necessary changes because it would void the warranty.

Frank has done some research on liquidated damages and has found that it is difficult to collect on liquidated damages between substantial completion and final completion dates. The general contractor for Clackamas Construction previously stated in a workshop that liquidated damage claims would end up in a legal situation.

Clackamas Construction has been withholding money from their sub Springhill. Springhill was the subcontractor responsible for pouring the concrete for the tank. The tank did not pass the water leak test and had to be drained and repaired two separate times before it finally could pass the third leak test. The failure of the leak test slowed down the project by three months and increased engineering fees by \$30,000. Springhill will not issue a letter of guarantee to the General Contractor for their work on the tank, both companies have Attorneys working on the issue. Frank said Clackamas is making Springhill accountable for the additional \$30,000 in engineering fees so the District would not have to pay.

Everything is hung-up because the contract has not been closed out. Frank would like for the contract to be closed and for the retainage to be released. Clackamas needs to settle with other subs and close out those portions of the contract, leaving only the Springhill issue to be worked out.

Frank would also like to close out the project to get Lee Engineering off of the payroll. Chairman Freund said Lee Engineering was still logging time to the project.

Clackamas has asked for the final completion date to be extended by three months. If this was approved the final completion date would become June 16th, 2006. Commissioner Hargens asked about their justification for the time extension. Frank said the justification was for computer issues. Taurus had been provided the computer in advance so they could work on the computer at their shop. Frank knows Taurus did no such thing because they did not have the special cord required to operate the monitor and District staff had to load the software onto the computer. Taurus claimed they had to wire the computer. There

was no room at the Treatment Plant for a desk because of the three foot clearance space required near an electrical box. District staff purchased and assembled a rack mounted system and Tice Electric wired the rack for the computer install.

Taurus had originally not ordered a dialogic card for the computer, which created most of the original computer issues. It took approximately two week for the required card to be installed. Frank believed that all of the issues with the computer could have been resolved quickly. Taurus believed the computer errors were because the computer was not a Dell. Taurus installed a Dell computer; the problem ended up being a faulty dialogic card and not the computer itself. Frank said that instead of Taurus troubleshooting the problem they decided to pull items out and replace them one at a time. Frank witnessed the System Integrator being upset about not being able to fix the problem. The System Integrator told Chairman Freund that the District tried to go cheap and buy a cheap computer and that the District had been told that only a Dell computer would work. Chairman Freund said the original computer was top of the line, and the new Dell computer exhibited the same problems as the old computer. Frank said the Dell failed the very first day; the entire main frame had to be wiped clean and started all over.

Taurus also forgot to order the battery backup for the computer, so the District ended up purchasing the battery. Taurus tried to say the battery was in conflict with the software from the UPS. Frank said this was another example of Taurus deciding to pull items and replace them, rather than troubleshooting the problem.

Frank said he has a problem with Taurus and he has made that clear with Lee Engineering and Clackamas Construction. He felt that if Taurus knew their job, the problems would not have occurred. Frank has done everything he can to help Taurus, and he will not bend to accept a three month extension because he felt it was an insult.

Commissioner Gaughan asked about the warranty from Taurus. Frank at a prior workshop said he wanted to be trained on the system and Taurus questioned why he needed training. Frank gave the following example: When you buy a new car, you want to know how to drive that specific car and learn what all the buttons do. He said that the big car at the Treatment Plant hauls 3,300 people and he needs to know how to drive it. Frank wants his staff trained, and Taurus responded by saying look at the manual. Frank has yet to receive a copy of the manual, even though he has been told he would have had six copies a long time ago.

Frank is firmly against the three month extension for time lost dealing with computer issues. Commissioner Hargens asked if Clackamas and any of their subs did any other work at the Treatment Plant that would justify time extensions. Frank replied no.

Commissioner Hargens questioned what the actual damage to the District in liquidated damages were. There is an additional \$30,000 in engineering fees alone for the tank failing the required leak test. Chairman Freund asked about the additional cost for changing the conduits for the electricity at the Treatment Plant. Frank will have to research the exact dollar amount.

Commissioner Hargens would like to see the final completion date to be April 6, 2006 and for the warranty not to start until the computer can produce the required reports by the contract, and once the District has received the required manuals.

Chairman Freund asked about what date the contract stated for the tank water to be usable to the community. Frank said the tank passed the structural integrity, there is water flow, but the turbidity level

needs to be decreased and there was still the issue with the computer. Frank has installed the chart recorder as a backup to the computer, because he does not trust the computer not to lock up again.

Frank would like for staff to be trained on the new equipment installed at the Treatment Plant. Chairman Freund questioned if Frank would feel confident in Taurus's training. Frank replied no, but if staff worked on the machine it would void the warranty. There is a three day class in Seattle that would cover the required training, but the cost for the class is \$1,500. Frank has found a local programmable logic controller class that is similar to the computer program installed at the Treatment Plant for \$395 for the three day class.

Linda Hargens asked if the District had been charged for the second computer. Frank replied no, Taurus supplied the new Dell computer at their own cost.

Commissioner Hargens asked when the retained amount would be paid. Frank said the retainage would be released upon completion.

Commissioner Hargens moved for Frank to send a letter to Lee Engineering and Clackamas Construction stating the following: substantial completion is April 6, 2006, with liquidated damages of \$21,500, however 100% completion has not been achieved and the warranty period will not start until 100% completion, the retainage will not be paid until completed, completion of training per the contract and supply of operators manual per the contracts. Motion seconded by Commissioner Colclessner.

Frank will have the Board review the letter and as well as the District's Attorney before its sent out.

Motion passed unanimously.

Commissioner Kirkham said in the past the District had discussed concerns of the affect of Measure 37. He said the Measure would still require permitting that the District would have to approve.

Commissioner Gaughan moved to adjourn. Motion seconded by Commissioner Hargens. Motion passed unanimously. Meeting adjourned at 7:55 p.m.