

COOS BAY-NORTH BEND WATER BOARD
P O BOX 539 – 2305 Ocean Boulevard
Coos Bay, Oregon 97420

Minutes
Regular Board Meeting

7:15 a.m.
July 22, 2014

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Chair Sharps presiding. Other Board members present: Melissa Cribbins, Richard Vigue and Greg Solarz. Water Board staff present: Rob K. Schab, General Manager; Ron Hoffine, Operations Director; Matt Whitty, Engineering Supervisor; Jeff Howes, Finance Director; Bryan Tichota, Customer Relations Supervisor; Rick Abbott, Distribution Supervisor; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Shannon Souza of Sol Coast Consulting & Design was present. Media present: None. Chair Sharps opened the meeting at 7:00 a.m.

Chair Sharps asked if there were any corrections or additions to the June 19, 2014 Regular Board meeting minutes. Mr. Vigue moved the minutes be approved as written. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Schab presented proposed Resolution No. 334 titled “Resolution to Ratify and Adopt a Change in the Insurance Company to Supply Workers’ Compensation Insurance for Water Board Employees”. Mr. Schab stated Mr. Ellingsen of Nasburg Insurance suggested obtaining a quote from SAIF Corporation for workers’ compensation insurance. The quote supplied by SAIF was approximately \$96,000 per year less than the anticipated CIS premium. SAIF’s coverage is substantially the same as CIS. After a brief discussion, Mr. Solarz moved to adopt Resolution No. 334 as proposed. The motion was seconded by Ms. Cribbins and passed unanimously. The resolution read as follows:

RESOLUTION NO. 334

COOS BAY - NORTH BEND WATER BOARD

RESOLUTION TO RATIFY AND ADOPT A CHANGE IN THE INSURANCE COMPANY TO SUPPLY WORKERS’ COMPENSATION INSURANCE FOR WATER BOARD EMPLOYEES

WHEREAS, The Coos Bay – North Bend Water Board (hereinafter “Water Board”) had contracted with CityCounty Insurance Services (CIS) for Workers’ Compensation Insurance coverage for the coverage period beginning on July 1, 2013 and ending on July 1, 2014 ; and

WHEREAS, the premium for Worker’s Compensation insurance coverage was increased by CIS for the July 1, 2014 to July 1, 2015 coverage period; and

WHEREAS, Water Board staff was approached by a representative of SAIF Corporation and provided a quote for Workers’ Compensation coverage for July 1, 2014 to July 1, 2015 at a substantially reduced premium that would be charged by CIS for the same

Worker's Compensation insurance coverage; and

WHEREAS, after investigation the General Manager of the Water Board determined that a change in the company providing Workers' Compensation insurance to the Water Board from CIS to SAIF Corporation was in the best interests of the Water Board; and

WHEREAS, in order to move the Workers' Compensation insurance coverage from CIS to SAIF the decision to change insurance carriers had to be made by June 30, 2014; and

WHEREAS, the General Manager made the change in the insurance carrier providing Worker's Compensation insurance coverage to the Water Board from CIS to SAIF on June 30, 2014.

NOW THEREFORE, be it resolved by the Board of Directors of the Coos Bay - North Bend Water Board, Coos County, Oregon as follows:

1. The Board of Directors hereby ratifies and confirms the decision made by its General Manager, Rob K. Schab, to change the Workers' Compensation insurance carrier from CIS to SAIF Corporation, effective June 30, 2014 and, further authorizes its General Manager to sign all documents convenient or necessary to implement the change in Worker's Compensation insurance carriers.
2. This resolution shall be effective as of June 30, 2014.

Adopted by the Board of Directors this 22nd day of July, 2014.

NUNC PRO TUNC June 30, 2014.

Mr. Schab presented proposed Resolution No. 335 titled "Resolution Extending Workers' Compensation Coverage to Volunteers of Coos Bay-North Bend Water Board for Policy Year 2014-15. Insurance will be provided by SAIF Corporation. The estimated premium for coverage is less than \$6.00 per year. Dr. Sharps moved they adopt Resolution No 335 as proposed. The resolution read as follows:

Resolution No. 335

A RESOLUTION EXTENDING WORKERS' COMPENSATION COVERAGE TO VOLUNTEERS OF COOS BAY-NORTH BEND WATER BOARD FOR POLICY YEAR 2014-15

WHEREAS, ORS 656.031 provides that workers' compensation coverage will be extended to the classes of volunteer workers listed on the attached Volunteer Election Form;

NOW, THEREFORE, be it resolved that Coos Bay-North Bend Water Board elects to provide workers' compensation coverage as listed below:

1. Unpaid volunteer Board Members will be provided with workers compensation based on providing administrative duties and hours volunteered. The assumed hourly wage for unpaid volunteer Board Members will be the assumed minimum wage filed by the National Council on Compensation Insurance for the year in which the volunteer services are provided.

2. A roster of active volunteers (non-public safety) will be kept monthly for reporting purposes. It is acknowledged that SAIF may request copies of these rosters during year-end audit; and
3. Unanticipated volunteer projects or exposure not addressed herein will be added to Coos Bay-North Bend Water Board's coverage agreement (1) by endorsement, (2) with advance notice to SAIF, and (3) allowing two weeks for processing. It is hereby acknowledged that coverage of this type cannot be backdated and must be pre-approved; and
4. This resolution will be updated annually.

Regarding reforestation of the 2013 timber sale in Pony Creek Watershed, Operations Director Ron Hoffine said the sale is now complete and staff proposes to purchase seedlings and arrange for contract planting. Final accounting of the sale shows 1,384 MBF timber removed with \$451,207 in gross revenues. Stuntzner Engineering and Forestry (SEF) administered the sale for us and their fees total \$29,970 to date. Reforestation administration remains and is estimated to total \$2,500. The not to exceed budget for SEF is \$51,000.

Mr. Hoffine stated seedlings are scarce this time of year due to increased harvesting statewide and large fires last year. Staff proposes to purchase quality seedlings where and when they come available through sole source procurements. Regional nurseries include IFA Nurseries, Inc., PRT Growing Services and Weyerhaeuser. SEF was able to reserve 9,000 Douglas fir seedlings for the utility from PRT Growing Services in the amount of \$4,293. After a brief discussion, Ms. Cribbins moved they approve the sole source purchasing of Douglas fir seedlings from PRT Growing Services in the amount of \$4,293, authorize the purchase of other quality seedlings from nurseries when they become available, and authorize staff to solicit quotes from forestry contractors for planting labor for presentation to the Board at a future date for consideration of award. The motion was seconded by Mr. Solarz and passed unanimously.

Engineering Supervisor Matt Whitty presented staff's request for approval of remaining task orders for Stuntzner Engineering to perform surveying services. Over the past several years Stuntzner Engineering has provided surveying services for one or two projects per year. Mr. Whitty said due to numerous capital projects in fiscal year 2015, staff proposes to utilize Stuntzner Engineering for additional surveying support in an estimated amount of \$10,900, as follows:

Madrona Avenue design survey (complete)	\$ 700
North 8 th Street construction staking (complete)	1,500
5 th Avenue design survey	700
Sheridan Avenue design survey	1,800
State Street design survey	700
Juniper Avenue design survey	1,000
Barham Terrace easement retracement	2,000
South Barry design and right-of-way survey	2,500

After a brief discussion, Mr. Vigue moved they approve the remaining task orders for Stuntzner Engineering at an estimated cost of \$10,900. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding the proposed 5th Avenue 2-inch Main Replacement Project, Engineering Supervisor Matt Whitty explained the existing 60 year old water main has had three main breaks in the past two years. Staff proposes to replace 330 feet of 2-inch diameter asbestos cement

pipe with 330 feet of 2-inch diameter PVC pipe on 5th Avenue in Eastside. The current fiscal year budget includes \$19,400 for this project. Mr. Whitty said the proposed project is scheduled for construction by the utility's crew in mid-August. After a brief discussion, Dr. Sharps moved they authorize the 5th Avenue 2-Inch Main Replacement Project as recommended by staff. The motion was seconded by Ms. Cribbins and passed unanimously.

Distribution Supervisor Rick Abbott presented staff's request to solicit bids and purchase new vehicles in accordance with the Vehicle Replacement Program (VRP). One new pickup truck would be a compact 2 WD extended cab for use by the Meter Readers to replace Truck #7, a 2007 Chevrolet with 46,000 miles. The rotation period established in the VRP is 8 years. Corrective maintenance costs total approximately \$2,700. The amount of \$19,800 has been budgeted in the current fiscal year for this purchase. Staff is proposing to surplus Truck #7.

The other new pickup truck would be a ½ ton 4WD extended cab for use by the Engineering Section. This vehicle would replace Truck #8, a 2007 Ford F150 with 70,000 miles. The rotation period established in the VRP is also 8 years for this truck. The amount of \$24,200 has been budgeted in the current fiscal year for this purchase. Staff is proposing to surplus Truck #8. Mr. Abbott said the surplus of Truck #7 and #8 within the established rotation period would capture substantial salvage value before additional corrective maintenance is needed.

Mr. Abbott stated the utility's existing Forklift was purchased used in 1995 and staff proposes to purchase a new 8,000 lb capacity machine for use in the Distribution Section. It is used extensively for unloading deliveries, moving material at the Service Center and in the pipe yard. The rotation period in the VRP for the Forklift is 20 years. The amount of \$47,000 is included in the current year's budget. Staff proposes to surplus the existing Forklift.

Staff is also proposing to purchase a new valve maintenance trailer to replace an existing small vacuum trailer that was purchased in 1997. The new valve maintenance trailer would consist of a powered unit for vacuuming valve boxes, high pressure water jet system, a hydraulic valve operator with telescoping valve wrench, and a laptop computer with valve maintenance software. The amount of \$60,000 is included in the current year's budget. Staff proposes to surplus the small vacuum trailer #80.

Dr. Sharps inquired if Trucks 7 and 8 needed to be replaced at this time, as they are just approaching 8 years old. Mr. Abbott said it would be in the utility's best interest in order to minimize corrective maintenance costs. After a brief discussion, Ms. Cribbins moved they approve staff's request to solicit bids for two pickup trucks from Coos Bay and North Bend dealers, authorize solicitation of bids for a forklift and valve maintenance trailer from qualified dealers, then presenting the bids to the Board for consideration of award at a future meeting, and surplus the vehicles being replaced as recommended. The motion was seconded by Mr. Vigue and passed unanimously.

Regarding Dyer Partnership Engineering Services, Operations Director Ron Hoffine said The Dyer Partnership was retained as the utility's engineering consultant for planning and design of fiscal year 2014 projects. Staff proposes an extension of their contract for an additional 3 years, through June 30, 2017, with each project to be negotiated separately by task order. The Dyer Partnership worked on 4 projects during fiscal year 2014 and their fees have been within the budgeted amounts on all projects. Under a separate contract, Dyer completed design of the Ocean Boulevard Main Replacement Project. This is an ongoing project to be complete by November 2014. Staff anticipates the need for Dyer's services for two projects in fiscal year 2015: design, construction and construction administration for replacement of the

Bay Park Reservoir, and planning for the expansion of the Englewood water system. Mr. Hoffine said Dyer Engineering has agreed to stay with the same rate schedule for the next three years. After a brief discussion, Mr. Solarz moved to authorize Dyer Engineering's contract extension through fiscal year 2017 as presented. The motion was seconded by Ms. Cribbins and passed unanimously.

Regarding the Service Center First Floor HVAC Project, Mr. Schab said the project is complete. The original project budget was \$49,341, plus two change orders bringing the final project cost to \$51,929.35. Staff is satisfied with the final documentation. After a brief discussion, Ms. Cribbins moved to accept the First Floor HVAC Project as complete, and authorizes final payment to DLB Construction, Inc. The motion was seconded by Dr. Sharps and passed unanimously.

Mr. Schab stated for a number of years the utility has sought alternative mitigation for a portion of the requirements for the Upper Pony Creek Reservoir Fish Passage Waiver. The proposed modification to the Memorandum of Understanding (MOU) with Oregon Department of Fish & Wildlife would eliminate the supplemental flows above the base level flow of 449 gpm. Elimination of the supplemental flows would allow for annual storage of an additional 270 million gallons of water. The additional water would extend the service capacity of Upper Pony Creek Reservoir by approximately 4 years. The water would be immediately available during drought years. Mr. Schab said getting a fish passage waiver for Merritt Dam would be a benefit. Any future upgrade of Merritt Dam for seismic resiliency or on the spillway would trigger a requirement for fish passage. The utility's fiscal year 2015 budget for the Matson Creek Project is \$310,000. The project includes completion of negotiations with ODF&W, design and construction.

Shannon Souza, Sol Coast Consulting, gave a presentation regarding the proposed Amendment to the current MOU on Upper Pony Creek Reservoir and a waiver of fish passage for the lower dam. The presentation outlined the design of the Matson Creek Project and how it would benefit fish better than the current mitigation requirement of winter flow releases into Pony Creek. The project would also support a waiver of fish passage at the lower dam. After discussion, the Board authorized staff to submit Applications for the MOU modification and new waiver at the lower dam.

Engineering Supervisor Matt Whitty presented staff's request to purchase two stations of Autodesk AutoCAD Civil 3D and software. Mr. Whitty said this is design software which will reduce drafting time and allow for an iterative drafting/design process. AutoCAD and Softdesk released a new version of their software and it is currently available under promotional pricing for \$3,359.34 per station through July 25, 2014. Purchasing prior to this date will save the utility \$1,742.64. In addition, staff proposes to purchase two software subscriptions at a cost of \$760.96 each. The subscription provides technical support, software updates, and allows upgrades at a reduced rate. The total cost for these items is \$8,240.60. The amount of \$10,500 has been budgeted in the current fiscal year for this purchase. Ms. Cribbins moved they authorize the purchase of two stations of Autodesk AutoCAD Civil 3D and two annual software subscriptions in the total amount of \$8,240.60. The motion was seconded by Dr. Sharps and passed unanimously.

Regarding the proposed Easement Agreement with Tribal One Broadband Technologies, LLC, dba ORCA Communications, Mr. Schab stated the Easement will allow ORCA to install fiber optic communication cable to an existing AT&T site lease at the Charleston tank site on Seven Devils Road. The Lease Agreement provides for a \$5,000 payment for a

period of 5 years. Three lease periods are provided by the agreement, as well as an additional payment of \$1,000 per 5-year period for each additional communications carrier serviced by this cable. After a brief discussion, Mr. Solarz moved they approve the Easement Agreement with Tribal One Broadband Technologies, LLC, and authorize the General Manager to execute documents pertaining to the agreement. Mr. Vigue and Dr. Sharps voted in favor with Ms. Cribbins abstaining due to a conflict.

The Board's next regular meeting was scheduled for August 7, 2014 at 7:00 a.m.

At 7:55 a.m. Chair Sharps directed they go into executive session for the purposes of discussing current and potential litigation pursuant to ORS 192.660(2)(h) and performance evaluation of General Manager pursuant to ORS 192.660(2)(i). They returned to open session at 8:58 a.m. There being no other business to come before the Board, Chair Sharps adjourned the meeting at 9:00 a.m.

Approved _____, 2014

By: _____
Chair Charles J. Sharps, Ph.D.

ATTEST: _____