

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.
June 19, 2014

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Chair Solarz presiding. Other Board members present: Dr. Charles Sharps and Dick Vigue. Board Members absent: Melissa Cribbins. 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. Media present: None. Timm Slater of the Bay Area Chamber was present. Chair Solarz opened the meeting at 7:15 a.m.

Chair Solarz asked if there were any corrections or additions to the May 29, 2014 Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Mr. Vigue and passed unanimously.

Mr. Schab presented proposed Resolution No. 333 titled "Adjustments to General Water Rates, Fire Services and System Development Charges". He said if the Board decides to act on the recommendation given by the Budget Committee at their June 12, 2014 meeting, this resolution would formalize their recommendation regarding the fiscal year 2014-15 budget. Mr. Schab stated the proposed resolution reflects the budget presented to the Budget Committee and the rates that would be adjusted to include a 1.75% rate adjustment, as well as the System Development Charge increase of \$100 per equivalent dwelling unit. Motion was made by Dr. Sharps to accept the recommendation of the Budget Committee regarding the fiscal year 2014-15 budget. The motion was seconded by Mr. Vigue and passed unanimously. Dr. Sharps moved they adopt Resolution No. 333 as proposed. The motion was seconded by Mr. Vigue and passed unanimously. The resolution read as follows:

Resolution No. 333

**ADJUSTMENTS TO GENERAL WATER RATES
FIRE SERVICES
AND
SYSTEM DEVELOPMENT CHARGES**

WHEREAS, by and pursuant to the authority vested in the Coos Bay-North Bend Water Board (Water Board), pursuant to the respective charters of the Cities of Coos Bay and North Bend, Oregon, and the laws of the State of Oregon, said Water Board has the right and authority to fix rates to be paid by users of water from the Water Board system, to make and determine reasonable classifications of various rates, and to promulgate and make effective regulations and service fees in connection with the operation of said water system; and

WHEREAS, Water Board has reviewed current rates and charges in relationship to the operational and capital needs of the utility and found them insufficient to meet Water Board's goals; and

WHEREAS, Water Board has determined that the needs of the utility must be appropriately funded;

NOW, THEREFORE, BE IT RESOLVED, that general water rates, fire services and System Development Charges for all classifications of water users within and without the corporate limits of the Cities of Coos Bay and North Bend, Oregon, established by duly adopted resolutions of Coos Bay-North Bend Water Board, shall be amended by the attached Exhibit "A" to be effective July 1, 2014, for all bills rendered on or after July 1, 2014.

EXHIBIT A

GENERAL WATER RATES

Rate per 100 cubic feet for all consumption over 300 cubic feet			Minimum charge for consumption metering from 0 to 300 cubic feet per month		
<u>Classification</u>	<u>Inside</u>	<u>Outside</u>	<u>Meter Size</u>	<u>Inside</u>	<u>Outside</u>
Residential	\$2.725	\$3.624	Meter Surcharge	\$0.00	\$5.00
Multiple-residential	2.136	3.113	5/8-inch	18.50	25.84
Commercial	2.167	3.159	3/4-inch	19.64	27.50
Industrial	1.879	2.517	1-inch	24.25	33.96
Public/Other	1.969	2.865	1 1/2-inch	35.80	50.12
Untreated		0.322	2-inch	53.12	74.37
			3-inch	93.54	131.00
			4-inch	151.31	211.84
			6-inch	295.72	414.00
			8-inch	468.97	656.58
			10-inch	671.14	939.60

FIRE SERVICES

To be charged monthly at the rate of \$4.67 per inch of diameter of service pipe in addition to any meter rate

<u>Fire Service Line Size</u>	<u>Monthly Fee</u>
2" or less	\$ 9.34
3"	14.01
4"	18.68
6"	28.02
8"	37.36
10"	46.70

SYSTEM DEVELOPMENT CHARGES

METER SIZE	EDU's	SDC
5/8"	1.0	\$ 2,890
3/4"	1.5	\$ 4,335
1"	2.5	\$ 7,225
1.5"	5.0	\$ 14,450
2"	8.0	\$ 23,120
3"	15.0	\$ 43,350
4"	25.0	\$ 72,250
6"	50.0	\$144,500
8"	80.0	\$231,200
10"	115.0	\$332,350

NOTE: THE ABOVE GENERAL WATER RATES AND SYSTEM DEVELOPMENT CHARGES SHALL BE IN EFFECT FOR ALL CHARGES MADE AND BILLED AS OF THE JULY 1, 2014, BILLING DATE.

Operations Director Ron Hoffine stated the paving and sidewalk work performed at the Pony Creek Treatment Plant by Benny Hempstead Excavating is complete, and final payment has been requested. The Dyer Partnership prepared the design drawings and administered the project through bidding and construction. Aaron Speakman of The Dyer Partnership submitted their recommendation for final payment. The original contract amount was \$84,108. There was one deductive change order bringing the final contract amount to \$81,910.40. Mr. Hoffine said staff is satisfied with the work and recommends final payment to Benny Hempstead Excavating in the amount of \$81,910.40. After a brief discussion, Mr. Vigue moved they accept the Pony Creek Treatment Plant Project as complete, and authorize final payment to Benny Hempstead Excavating in the amount of \$81,910.40. The motion was seconded by Dr. Sharps and passed unanimously.

Regarding the proposed Scope and Budget for Fiscal Year 2014-15 Environmental Consulting Services of Sol Coast Consulting and Design, Mr. Schab said it includes three areas: Surface Water Management Plan required by the Forest Service Special Use Permit; water rights certification and extension services and monitoring and report preparation for wildlife, wetland and fisheries managements plans. The proposed budget for these services is in the amount of \$45,585. After a brief discussion, Dr. Sharps moved they approve the scope and budget as presented in an amount not to exceed \$45,585. The motion was seconded by Mr. Vigue and passed unanimously.

Engineering Supervisor Matt Whitty advised the Board regarding the proposed Madrona Street Main Replacement Project. The existing 2-inch cast iron main was installed in the 1950's. The pipe is buried shallow, exposed in at least one location. The alley adjacent to 1954 Madrona does not allow traffic at the alley entrance and the alley is presently barricaded against use. The estimated cost for replacement of the cast iron main with 6-inch diameter PVC pipe is \$35,300. This project is included in the fiscal year 2013-14 capital budget. After a brief discussion, motion was made by Mr. Vigue to authorize the replacement of the 2-inch diameter cast iron water main on Madrona Street at an estimated cost of \$35,300. Motion was seconded by Dr. Sharps and passed unanimously.

Finance Director Jeff Howes reviewed the quotes received for new meter reader mini-computers, docking stations and software. Request for Proposals were sent to 6 companies, and 5 companies responded with proposals for seven different systems. A scoring matrix was used to include 15 points for personnel and company experience; 15 points for references; 30 points for level of

service; 15 points for installation costs; and 25 points for maintenance service and cost. Following are the quotes received:

COMPANY	UNIT	SCORE	PROPOSED COST
HD Supply; Atlanta, GA	Trimble Nomad	88	\$11,769
Datamatic; Plano, TX	Roadrunner Nomad/RouteSTAR	72	\$13,414
Ferguson; Uniontown, PA	Sensus AR5501/AutoRead	92	\$13,500
Elec Sys; Olathe, KS	Radix FW950/UMS 7.0	53	\$13,985
Datamatic; Plano, TX	Nomad LE/Route STAR	71	\$16,564
General Pacific; Fairview, OR	Trimble Ranger 3/ReadCenter	72	\$24,776
General Pacific; Fairview, OR	Itron FC-300/MV-Rs	78	\$20,000

Mr. Howes stated the current year's budget includes \$15,000 for new meter reading equipment. Based on the scoring matrix, staff recommends award of new meter reading mini computers, docking stations, and software to Ferguson in the amount of \$13,500. After a brief discussion, Mr. Vigue moved they award the purchase of new meter reading minicomputers, docking stations and software to Ferguson in the amount of \$13,500. The motion was seconded by Dr. Sharps and passed unanimously.

Regarding election of Board Officers, Mr. Solarz moved they follow the regular rotation of officers. The motion was seconded by Mr. Vigue and passed unanimously. Officers for the following year are as follows: Chair – Dr. Charles Sharps; Vice-Chair – Melissa Cribbins; Secretary – Richard Vigue; and Member – Greg Solarz.

The Board's next regular meeting was scheduled for July 24, 2014 at 7:00 a.m., and has since been reset to Tuesday, July 22, 2014 at 7:00 a.m.

Operations Director Ron Hoffine explained Menasha has been logging the lands adjacent to the Libby Reservoir. There is a narrow strip of standing timber (13 conifers) remaining along Water Board's property. These trees are susceptible to blow down as a result of this job. The trees are 50 to 60 feet high and are within 20 feet of the Libby Reservoir. Mr. Hoffine met with Menasha, their contract logger, and the utility's forester, Steve Frichtl of Stuntzner Engineering and Forestry. Menasha is willing to purchase the timber at \$50/MBF (the timber volume is 0.79 MBF). Mr. Hoffine said this is an opportune time for the utility to get rid of the hazard trees, as the logger and equipment are on site this week. Mr. Frichtl's recommendation is to sell the trees to Menasha to ensure the safety of the reservoir. A proposed Agreement for Sale of Timber would be entered into, to include Menasha's insurance coverage. After a brief discussion, Mr. Solarz moved they authorize the sale and removal of the hazard trees as described, and authorize the General Manager to execute the Agreement for Sale of Timber to Menasha. The motion was seconded by Mr. Vigue and passed unanimously.

There being no other business to come before the Board, Chair Solarz adjourned the meeting at 7:40 a.m.

Approved _____, 2014

By: _____
Chair J. Gregory Solarz

ATTEST: _____