

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

Minutes
Regular Board Meeting

7:00 a.m.
February 4, 2015

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: Richard Vigue, Melissa Cribbins and Greg Solarz. Board members absent: None. Water Board staff present: Rob K. Schab, General Manager; Ron Hoffine, Operations Director; Matt Whitty, Engineering Supervisor; Rick Abbott, Distribution Supervisor; Bryan Tichota, Customer Relations Supervisor; Jeff Howes, Finance Director; Darlene Atkison, Customer Service Representative; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present and Jane Stebbins, Stebbins & Coffey, was present. Randy Dixon, Operations Administrator for the City of Coos Bay 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 January 15, 2015 Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Ms. Cribbins and passed unanimously.

Chair Sharps asked if there were any public comments, and there were none.

Regarding the Everest Pump Station Project, Engineering Supervisor Matt Whitty said the Everest Road distribution system has seven service connections with pressure below the minimum 20 psi. An inspection by the Oregon Health Authority recommended increasing pressure to these seven services. In response the utility included the following two projects in the fiscal year 2015 budget: A new pump station with an estimated cost of \$73,000 and a new 2-inch diameter water main to serve the pump station estimated at \$29,200. Staff proposes to design the pump station, and bring it back to the Board at a later date for authorization to request bids for a package pump station to be installed by the utility's crew with the requisite new 2-inch water main. After a brief discussion, Mr. Vigue moved to authorize the in-house design of the new Everest Road pump station and water main. The motion was seconded by Mr. Solarz and passed unanimously.

Operations Director Ron Hoffine stated Jordan Cove Energy is proposing to purchase untreated water to directly convey wastewater to lagoons adjacent to TransPacific Lane and maintain flows through the ocean outfall pipe. Wells 45 and 46 of the utility's West Wellfield would supply the water. Jordan Cove currently purchases untreated water through a meter near the Dunes Control House from water supplied by the utility's East Wellfield. The water is collected and stored in nearby basins and pumped with their equipment about 11,000 feet to the lagoons. The proposed project will save Jordan Cove substantial costs in energy and lost water. Jordan Cove's work would include design of the service and contractor installation of piping, vault, water meter and valves. The utility's work would include hot tap connections to the main, purchase and test the meter, plan review, administration and construction observation of the contractor's work. Total estimated costs to be deposited by Jordan Cove are \$8,000. After a brief discussion, Mr. Vigue moved to authorize the

General Manager to sign the contract and proceed with the Jordan Cove Energy Project Industrial Wastewater Project. The motion was seconded by Ms. Cribbins and passed unanimously.

Regarding Laskey-Clifton Corporation's proposed Change Order No. 2 on the Ocean Boulevard Main Replacement Project, Operations Director Ron Hoffine said Change Order No. 2 includes nine items, some that were completed as construction occurred on the project and some items that are waiting for approval. The change order totals \$19,561.74. Mr. Hoffine briefly reviewed the nine items and said the time extension for this change order totals 127 days which will establish a new Substantial Completion date of April 6, 2015. Work remaining on the project includes electrical work associated with the MCC bucket, paving, and cleanup. Discussions have taken place with the City of Coos Bay regarding the depth of asphalt to replace in the water line trench. The existing asphalt depth is 12 inches while the project design specifies 8 inches. The City has expressed concern over this difference and is asking for assurance through engineering analysis that the proper depth of asphalt be placed. The utility is evaluating this with The Dyer Partnership for a cost effective solution. After a brief discussion, Mr. Vigue moved to authorize Change Order No. 2 to Laskey-Clifton Corporation in the amount of \$19,561.74 and for an additional 127 calendar days. The motion was seconded by Ms. Cribbins and passed unanimously.

Mr. Schab stated the utility issued a Request for Proposals (RFP) for professional services for the Final Design of the Matson Creek Fisheries Habitat Project. Three organizations were recipients of the RFP: ESA Vigil-Agrimis, Ducks Unlimited and Coos Watershed Association. Ducks Unlimited did not submit a proposal. Coos Watershed and ESA Vigil-Agrimis joined resources and provided a proposal. This was the only proposal submitted. Staff evaluated the proposal using the criteria listed in the RFP. Shannon Souza, the utility's Project Manager for this effort, reviewed the proposal and confirmed all criteria of the RFP had been met by ESA Vigil-Agrimis. The total design fees proposed by ESA VA are \$48,894. The project budget included \$68,900 for design, permitting and project/agency management, of which \$20,700 is under contract with Sol Coast Consulting & Design. After a brief discussion, Mr. Solarz moved to award a contract for design services for the Matson Creek Fisheries Habitat Restoration Project to ESA Vigil-Agrimis in an amount not to exceed \$48,894, and authorize the General Manager to negotiate final contract terms and execute the contract documents for the Project. The motion was seconded by Ms. Cribbins and passed unanimously.

Regarding the proposed amendment to Sol Coast Consulting & Design's Professional Services Agreement, Mr. Schab said the Matson Creek Fisheries Habitat Restoration Project is linked to the fish passage waivers the Board received from Oregon Department of Fish and Wildlife. Further permitting is required through the Army Corps of Engineers and consulting agencies. Sol Coast Consulting and Design is currently providing consulting services on the project and in the securing of fish passage waivers for the project. The proposed increase of services in the amount of \$11,000 includes the creation of permit documents, pre-application communications with agencies and the design engineer, as well as creation of draft bid documents for the construction of the Matson Creek Restoration. Mr. Schab said the permitting was originally anticipated to be completed by the design firm, however staff is proposing to reallocate this work to Sol Coast. After a brief discussion, motion was made by Mr. Vigue to accept the proposal for permitting services from Sol Coast Consulting & Design in an amount not to exceed \$11,000. The motion was seconded by Ms. Cribbins and passed unanimously.

Regarding the Terramar Pump Station, Engineering Supervisor Matt Whitty said the Terramar pump station was constructed in 1977 and provides service to over 100 homes. The pump station has two domestic pumps that operate alternately, and a fire pump. One of the domestic pumps was replaced in 2010 due to failure of the pump. The remaining pump is in poor condition and replacement parts are not available. Staff proposes replacement of the pump with interior pump station pipe replacement. The estimated cost for replacement is \$19,500. Mr. Whitty said the current budget

contains \$18,000 for this project. After a brief discussion, motion was made by Ms. Cribbins to authorize the installation of a new variable frequency drive controlled pump at Terramar Pump Station at an estimated cost of \$19,500. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Schab advised the Board the job description for the General Manager was last updated in 1990. The Board was provided a draft of an updated job description in their Board packet. Mr. Coffey suggested the following language be added to the Minimum Skills section: "or satisfactory equivalent combination of experience and training which demonstrates the knowledge, skills, and ability to perform the above duties". Mr. Schab commented if a candidate does not have one of the skills or experiences listed, a justification would need to be documented as to why skills they do have are transferrable to the skills and abilities for this position. Mr. Solarz commented the updated draft does not contain language referring to authorizing purchases of material and equipment and prepares bidding documents or assigns these tasks as appropriate. Mr. Schab said he would add language to the essential job functions to include the General Manager administers and oversees the purchasing policies of the Board. A revised draft of the job description will be prepared, reviewed by Mr. Coffey, and presented to the Board at a later date.

The Board's next regular meeting was set for Wednesday, February 18, 2015, at 7:00 a.m.

Customer Relations Supervisor Bryan Tichota gave an overview of the utility's bill collection practices addressing concerns raised by the Board at their December 18, 2014 Regular Board meeting (24-hour shut off notices).

Mr. Tichota said a non-delinquent bill is due 15 business days after the bill is generated. Mr. Solarz inquired as to the number of days from which the meter is read prior to generating a bill. Mr. Tichota stated generally 3 to 4 days from the read date to the billing date. A second bill, containing a previous balance of \$20.01 or more, is considered delinquent and is due 5 business days after being generated. No penalties are incurred by the customer with the issuance of a delinquent bill. If a customer is unable to make payment prior to the due date on the delinquent bill, arrangements may be made for payment at a later date. If payment of the past due amount is not received by the due date or agreed upon promise date, the customer will receive a door-hanger as early as the next business day and a \$5.00 service fee will then be applied to the customer's account. The utility currently processes approximately 2,000 delinquent bills and delivers 1,000 door-hangers monthly.

Payments to accounts can be made in multiple ways. The utility receives payments by mail in the lobby (drive-up window or night drop) and online through the customer's banking institution. Payments received by mail are posted the day they are received. When the utility receives online payments, staff needs to manually review each payment to ensure account numbers are correct which can take up to a full day. Staff has taken steps the last couple of months to expedite the processing of online electronic and check payments. These included changes in online check handling and processing methods, helping to assure payments are handled on a first-in, first-out basis and to alleviate the potential for delays in posting these payments.

Mr. Vigue inquired about the possibility of changing the 24-hour door hanger to a 48-hour door hanger, and making a bill due 30 days from the date of the billing. Mr. Schab stated the Board can make changes and the Rules and Regulations would need to align with changes being made. Dr. Sharps said this is a concern to be addressed by the Board. Mr. Schab said staff will create a graph of the utility's payment timelines and will bring this back to the Board at a later date, to determine whether changes need to be made to the current rules.

Operations Director Ron Hoffine gave an update on the South Empire Boulevard Project. The utility is continuing to accommodate the City's project and work toward a resolution for replacing the water main. The utility received notice from the City on December 23, 2014 that the Water Board must relocate the water main in South Empire Boulevard from Newmark to Fulton Ave in advance or as part of the City's street project. The utility has already submitted a design to the City for replacing the water main over a proposed box culvert between Fulton and Wisconsin Ave. The Dyer Partnership has been retained by the utility and working on hydraulic modeling of the distribution system in the Empire area to determine what pipe size in South Empire Boulevard would be most suitable. The primary consideration is flows to Charleston and the fish plants. The Charleston area uses 25% of all water produced by the utility. Currently, there is a 10-inch pipeline in South Empire Boulevard. The Dyer Partnership has proposed three alternatives to consider:

- 1) new 10-inch pipe in South Empire Boulevard from Newmark to Fulton Avenue with a new 16-inch pipe from Fulton to Wisconsin Ave - \$1.3 million; or
- 2) new 6-inch pipe in South Empire Boulevard from Newmark to Fulton Avenue with a new 16-inch pipe from Fulton to Wisconsin Ave - \$1.1 million; or
- 3) new 6-inch pipe in South Empire Boulevard from Newmark to Fulton Avenue with a new 16-inch pipe from Fulton to Wisconsin Ave, and a new 10-inch pipe in Marple Street from Newmark to Fulton Avenue along with a new 12-inch pipe in Fulton Avenue from Marple to South Empire Boulevard - \$2.0 million.

The estimated costs were prepared by Water Board staff and are pre-design so they do not allow for any unknown conflicts which might be found with the City of Coos Bay's project that is already 95% designed.

Mr. Hoffine said all alternatives above would suffice for current and future demands in the area, including Charleston, however Alternative 2 would not provide redundancy in the distribution system in the event one of the other pipelines in that area should fail. Staff's recommendation in the pre-design phase would be to install a 10-inch pipe (Alternative 1), as this would be most cost effective.

The Board's next regular meeting was set for Wednesday, February 18, 2015, at 7:00 a.m.

At 8:30 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). They returned to open session at 9:30 a.m. Mr. Solarz moved for staff to negotiate with The Dyer Partnership for design of a new water main for Alternative 1 on South Empire Boulevard. The motion was seconded by Ms. Cribbins and passed unanimously.

There being no other business to come before the Board, Chair Sharps adjourned the meeting at 9:35 a.m.

Approved: _____, 2015

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

ATTEST: _____