

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.
January 15, 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 absent. Jane Stebbins, Stebbins & Coffey, was present. Rodger Craddock, Coos Bay City Manager, Randy Dixon, Operations Administrator for the City of Coos Bay; and Aaron Speakman of The Dyer Partnership were 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 December 18, 2014 Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Mr. Vigue and passed unanimously.

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

Regarding the Jordan Cove Energy Project Industrial Wastewater Project, Operations Director Ron Hoffine asked the Board not to act on this agenda item as there are additional negotiations needed with Jordan Cove. After a brief discussion, Mr. Vigue moved to table this matter until a later date. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Schab reviewed the bids received for water treatment chemical purchases to be made during calendar year 2015. There were nine bidders for seven chemicals. All products meet the specifications outlined in the Advertisement for Bids. Based on the expected quantities of treatment chemicals to be purchased and the bids received, expenses will increase for the upcoming year by approximately \$4,000. After a brief discussion, motion was made by Mr. Vigue they award the bids to the low bidder for each chemical. The motion was seconded by Ms. Cribbins and passed unanimously. The low bidders were as follows:

| Treatment Chemical | Bidder | Price Per Ton |
|------------------------------|-----------------------------------|--------------------------|
| Liquid polyaluminum chloride | Northstar Chemicals, Inc. | \$ 512.00 |
| Anhydrous ammonia | Airgas Specialty Products, Inc. | 2,460.00 |
| Liquid chlorine | JCI Jones Chemicals | 850.00 |
| Hydrated lime | Cascade Columbia Distribution Co. | 341.00 |
| Powdered Activated Carbon | Thatcher Company of Montana | 1,252.00 |
| Sodium fluoride | Cascade Columbia Distribution Co. | 1,535.00 |
| Sodium hydroxide | Northstar Chemicals, Inc. | 210.00 |

Regarding the proposed 2015 Timber Sale, Operations Director Ron Hoffine stated this sale is consistent with the utility's Watershed Management Plan. The utility alternates timber sales with the City of Coos Bay. Stuntzner Engineering has identified 35.5 acres in four tracts; three tracts are on the north side of Merritt Lake and one tract is on the south side of Merritt Lake. The tracts contain approximately 1.4 million board feet with stumpage revenue estimated between \$530,000 and \$620,000. Staff proposes to utilize Stuntzner Engineering and Forestry as forestry consultant to prepare bidding documents and administer the work. Dr. Sharps inquired what the time period is for logging the tracts. Mr. Hoffine said approximately 1 ½ years. After a brief discussion, Mr. Solarz moved to authorize a forestry consulting agreement with Stuntzner Engineering and Forestry for the 2015 timber sale in an amount not to exceed \$47,800, authorize the advertisement for timber sale bids contingent upon Board Attorney Jim Coffey's review and approval of bid documents and present the bid results for consideration of award at a later date. The motion was seconded by Ms. Cribbins and passed unanimously.

Operations Director Ron Hoffine reviewed quotes solicited from three contractors for the Pony Creek Watershed 2014-15 Reforestation of the 2013 timber sale. Only one quote was received as follows:

| <u>Contractor</u> | <u>Unit Price per 1,000 Seedlings</u> | <u>Total Quote</u> |
|--|---------------------------------------|--------------------|
| Professional Reforestation of Oregon, Coos Bay | \$330.00 | \$2,970.00 |
| Fortec Forestry, Roseburg | No quote received | |
| Strata Forestry, Inc., Springfield | No quote received | |

Mr. Hoffine stated the solicitation is for labor only for 9,000 Douglas fir seedlings and Stuntzner Engineering and Forestry is administering the work. Seedlings are difficult to find and the 9,000 Douglas fir seedlings have been secured in the amount of \$4,293.00. The complete reforestation of the timber sale will include 15,500 seedlings. The remaining seedlings include 2,000 Port Orford cedar, 3,000 Western hemlock, and 1,500 Sitka spruce. These have been ordered and will be planted in early 2016. After a brief discussion, Mr. Vigue moved they award the 2013 Timber Sale Reforestation labor for 9,000 Douglas fir seedlings to Professional Reforestation of Oregon in the amount of \$2,970. The motion was seconded by Ms. Cribbins and passed unanimously.

Regarding award of 16 new computers and one new server, Finance Director Jeff Howes said quotes were solicited and received as follows:

| 16 New Computer Towers pre-loaded with Windows 7 Professional | | | |
|---|---------------------------|-----------------|-------------|
| Company | Intel Processor Part# | Individual Cost | Total Cost |
| Dell - Texas | 15-4590 Quad Core 3.3 GHz | \$631.24 | \$10,099.84 |
| CDW-G - Illinois | 15-4590 Quad Core 3.3 GHz | \$740.23 | \$11,843.68 |
| CTL Corp - Oregon | 15-4560 Quad Core 3.2 GHz | \$710.00 | \$11,360.00 |
| Comp-U-Talk Oregon | 15-4570 Quad Core 3.2 GHz | \$739.00 | \$11,824.00 |

| One New Server Tower pre-loaded with Windows Server 2012 Standard | | | |
|---|-----------------------|-----------------|------------|
| Company | Intel Processor Part# | Individual Cost | Total Cost |
| CDW-G - Illinois | 2 Xeon E5-2430V2 | \$3,665.29 | \$3,665.29 |
| CTL Corp - Oregon | 2 Xeon E5-2430V2 | \$4,051.01 | \$4,051.01 |
| Comp-U-Talk Oregon | 2 Xeon E5-2440V2 | \$5,191.00 | \$5,191.00 |

Mr. Howes said the low quotes from Dell and CDW-G both meet the required specifications. Staff recommends purchase of 16 new computers from Dell in the amount of \$10,099.84, and purchase of a new server from CDW-G in the amount of \$3,665.29. The cost for installation and setup is estimated at an additional \$5,000.00. The current fiscal year budget includes \$27,000 for these purchases. Dr. Sharps asked if any training is needed. Mr. Howes stated there will not be a need for training. Staff proposes to surplus and dispose of the old towers through Comp-u-Talk. Ms. Cribbins inquired if all confidential information will be removed. Mr. Howes assured that would be accomplished. After a brief discussion, Ms. Cribbins moved to accept the quote from Dell in the amount of \$10,099.84 for 16 new computer towers pre-loaded with Windows 7 Professional, accept the quote from CDW-G in the amount of \$3,665.29 for one new server tower pre-loaded with Windows Server 2012 Standard, and authorize staff to work with Comp-u-Talk to complete the installation. The motion was seconded by Mr. Vigue and passed unanimously. Motion was made by Ms. Cribbins to authorize the surplus and disposal of the old towers through Comp-U-Talk, and have Comp-U-talk remove data from the hard drive, disposing of the old towers through the local disposal site. The motion was seconded by Dr. Sharps and passed unanimously.

Regarding the Glasgow Reservoir Roof Project, Mr. Schab said utility personnel have inspected the Glasgow Reservoir Roof Project and the contractor has provided all close-out documents as required by contract. The project was completed on schedule and for the bid amount of \$44,450. The contractor, DSL Builders has submitted their final pay request in the amount of \$3,362.50. After a brief discussion, Dr. Sharps moved to accept the project as complete, authorize final payment to DSL Builders in the amount of \$3,362.50, and authorize the General Manager to execute close-out documents related to the project. The motion was seconded by Mr. Solarz and passed unanimously.

The Board's next regular meeting was set for Wednesday, February 4, 2015, at 7:00 a.m.

Dr. Sharps introduced and welcomed Randy Dixon and Rodger Craddock from the City of Coos Bay. Mr. Schab said Mr. Dixon and Mr. Craddock would help to answer any questions the Board may have regarding issues on the South Empire Boulevard Project. The City of Coos Bay, in collaboration with ODOT, is designing a street improvement project on South Empire Blvd between Newmark Avenue and Wisconsin Avenue. The project includes street widening, curbs and gutters, sidewalks, storm drain improvements, and landscaping. Construction is anticipated to begin in the summer of 2015.

Mr. Hoffine gave an overview of what has taken place to date regarding the South Empire Boulevard Project. Mr. Hoffine expressed sharing of communication and coordination

between the utility and the City of Coos Bay has been very good. Aaron Speakman is the utility's engineer for design of the pipeline over the box culvert.

The utility first received notice of the South Empire Boulevard Project in 2011. Water Board staff attended a conceptual meeting with Civil West, the City's consulting engineer. Subsequently, the utility's FY2013 budget included \$11,300 to replace 100 feet of 2-inch galvanized water main and modify 23 water services. In early 2013, the utility learned the City was successful on grant funding and the project would move forward.

Water Board staff attended a kickoff meeting in August of 2013 and received a Notice of Utility Conflicts letter from Civil West in October 2013. The letter stated the utility must submit a final relocation plan and schedule, and Water Board facilities conflicting with the design of the street improvements were to be relocated or adjusted no later than May 22, 2014. Early in the project, it was staff's understanding that any conflicts were limited to service lines and meters. The utility received plan/profile and cross sections from Civil West in late 2013. As a result of this, 43 conflicts were identified, to include storm drain conflicts and significantly reduced finish cover over much of the existing water main. Mr. Hoffine stated Mark Hampton of Civil West was accommodating with his efforts to design around the water main. However, the storm drain conflicts and less-than-required cover over the existing water main continued to be of concern to the utility.

In Feb 2014, an email was sent to the City of Coos Bay addressing the utility's concerns over the increasing cost and tight schedule. Staff estimated \$300,000 to remove the conflicts which would create a tremendous impact to the utility's capital budget. At this point, it was the utility's understanding the deadline to remove all conflicts had been extended to November 2014. Staff expressed they did not believe they could design, bid and construct within the upcoming nine months. The City was advised that the existing 10-inch AC water main was 50 years old, and had another 20 to 30 years of life remaining, but that working around or over it would affect it. By relocating pipe sections, working around the main, disturbing soils and installing structures, or working over the main with reduced cover, major water main breaks would likely occur over a period of time after the new street construction. The utility recognized replacing the water main with new was preferable, but without available funding through the City project or the utility at an estimated \$1.5 million, the utility took the position to eliminate or minimize water main conflicts during the design and require the City's contractor to protect the existing main in place.

On September 2, 2014, staff met with the City and their consultants to discuss the utility's participation. From that meeting, it was understood that the utility's obligation included approximately 28 water meter relocations at the utility's cost, six fire hydrant relocations or adjustments at the City's cost, and 300 feet of water main relocation over the new box culvert between Fulton Avenue and Wisconsin Avenue at the utility's cost. The Dyer Partnership finished the design over the box culvert in December of 2014 and a waiver from construction standards for shallow pipe bury was issued by Oregon Health Authority. Bid advertisement was scheduled for January 6, 2015, with a Notice to Proceed anticipated for March 2, 2015. Construction cost was estimated at \$113,500.

On December 23, 2014, Jim Hossely, Director of Public Works for City of Coos Bay, presented the utility with a letter stating that the City's consultant looked further into the protect-in-place issue and declared it to be too risky, and the entire pipeline must be replaced. Mr. Hoffine summarized that we now have a big project before the utility, a short timeline to meet,

and a lot of money we are expected to spend for a pipeline that we understood was going to be designed around and protected-in-place.

Dr. Sharps asked if the issue now is a potential \$1.1 million project to replace the asbestos cement pipe line. Mr. Hoffine said the directive is to replace the pipeline the full distance of the project, approximately 4,000 feet. Dr. Sharps inquired if it would still be a 10-inch pipe. Mr. Hoffine stated that is to be determined. Dr. Sharps inquired if this has to be done, or is there a choice. Mr. Schab stated most likely unless there can be some additional evaluation of protect-in-place, and accommodations on some of the conflicts that staff have now seen on the 95% design plans; it would appear that the utility probably needs to replace the main. Mr. Schab said he recommends that the Board engage Dyer Partnership to evaluate the optimal pipe size to make the project as least expensive as possible. A larger pipe may be needed once an analysis is completed to maintain flow on the Bay Crossing which is a big concern to the utility, because of Jordan Cove coming in as well as the Charleston Fish Plants. This service area brings in 25 percent of water sales. It is important to optimize with those two constraints in mind and move forward. Mr. Vigue asked what the time frame was. Mr. Hoffine said the directive is to have a new pipe in place before the beginning of the street project (May 2015), a very short duration. Ms. Cribbins inquired if this could be done within that time frame. Mr. Hoffine said he didn't think so. Mr. Vigue asked if the pipeline work would be done concurrent with the South Empire Boulevard Project. Mr. Hoffine said it could be which would likely be less expensive. Dr. Sharps asked Mr. Dixon and Mr. Craddock if they had any input. Mr. Dixon commented there are some cost savings with the scope of the utility's work as part of the overall project because of mobilizing with one contractor. Mr. Vigue asked if a contractor has been chosen. Mr. Dixon said no as the project has not gone out to bid yet. The City is anticipating a bid release date in May, with a start date in July.

Mr. Solarz asked what the total grant amount was. Mr. Craddock said approximately \$6 million. Dr. Sharps asked if any of the grant money would be for replacement of the water line. Mr. Dixon clarified what the grants were for: Multi-mobile and transportation enhancement meaning what you can improve for capacity and what you can improve for bicycles, busses and walking. One grant was originally for \$1.3 million for multi-mobile, and \$2.1 million for travel enhancement. The City had to originally match between the two of these in the amount of \$759,000. During the design concept of the project, federal regulations changed which affected acquisition of property. The City went back to the program manager of the multi-mobile and travel enhancement project, and the funding was increased. Dr. Sharps said it is his understanding the Board needs to authorize a plan to figure out the pipe size needed, and then figure out how it will be funded. Mr. Schab said that would be a further request to work with the City. The City has moved forward asking the State to try and find funds for this. Mr. Schab commented he feels the utility should be eligible for funding. Dr. Sharps commented from the reports given, it would be in the best interests of both parties to do this project as one unit. Mr. Schab and Mr. Dixon agreed.

Ms. Cribbins moved they contract with The Dyer Partnership to analyze what the optimal main size for replacement of the water line in an amount not to exceed \$9,000. The motion was seconded by Mr. Solarz and passed unanimously.

At 8:00 a.m. Chair Sharps directed they go into executive session for the purposes of discussing personnel issues pursuant to ORS 192.660, and current and potential litigation pursuant to ORS 192.660(2)(h). They returned to open session at 9:05 a.m. There being no other business to come before the Board, Chair Sharps adjourned the meeting at 9:06 a.m.

Approved: _____, 2014

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

ATTEST: _____