

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 6, 2014

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Vice-Chair Cr. Charles Sharps presiding. Other Board members present: Melissa Cribbins and Dick Vigue. Board Members absent: 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 absent. Attorney Jane Stebbins was present. Media present: None. Vice-Chair Vigue opened the meeting at 7:00 a.m.

Vice-Chair Sharps asked if there were any corrections or additions to the January 2, 2014 Regular Board meeting minutes. Mr. Vigue moved the minutes be approved as written. The motion was seconded by Ms. Cribbins and passed unanimously.

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

Regarding the Financial Auditor Selection Procedure, Mr. Schab said Hough, MacAdam & Wartnik have been the Board's auditors for 6 fiscal years and have provided excellent service. Staff is asking the Board to consider one of the following: Extend the current contract with Hough, MacAdam & Wartnik one year at a time; extend the current contract with Hough, MacAdam & Wartnik for three additional years, or develop and issue a Request for Proposals for auditing services. Dr. Sharps moved and Ms. Cribbins seconded the motion to table this matter until a later date when Mr. Solarz is in attendance. Mr. Vigue abstained due to a conflict of interest caused by his professional work.

Finance Director Jeff Howes said the Board's actuary, Milliman, Inc., has completed the actuarial review of the pension (Addendum 1 of their Consulting Services Agreement). Milliman, Inc. has provided their proposal to perform additional actuarial services from February 1, 2014 through June 30, 2018 (Addendum 2). Mr. Schab stated Milliman, Inc. has worked for the Board for many years in monitoring the pension. After a brief discussion, Ms. Cribbins moved they approve Addendum 2 of Milliman's Consulting Services Agreement and authorize the General Manager to execute documents as needed. The motion was seconded by Mr. Vigue and passed unanimously.

Regarding the Service Center Ceiling and Lighting Project, Mr. Schab said the project is now complete and all close-out documents have been submitted by Samuels & Locati Architects. The original bid from Blue Earth Services and Technology, LLC was \$85,444 with the final construction costs, including four change orders, totaling \$91,425.71. The total project cost, including staff time and architectural fees, was \$96,992.20. Dr. Sharps asked why the project came in so much higher than estimated. Mr. Schab said staff underestimated the budget for the project. After a brief discussion, Mr. Vigue moved they accept the Service Center Ceiling and Lighting Project as complete and authorize final payment to Blue Earth Services and Technology, LLC. The motion was seconded by Ms. Cribbins and passed unanimously.

Distribution Supervisor Rick Abbott presented staff's request to solicit bids for a new mini-excavator and a skid steer loader. These vehicles would be purchased in accordance with the Vehicle Replacement Program. The new mini-excavator would replace the JCB backhoe, a 1997 4WD with 5,700 hours. Cumulative corrective maintenance costs total amount \$27,000 and its' initial purchase price was \$57,700. The new mini-excavator estimated cost is \$88,000. The amount of \$90,000 is included in the current year's budget. Mr. Abbott said staff proposes to surplus the vehicles to be replaced.

The new skid steer track mounted loader would replace the Bob Cat loader, a 2005 wheel mounted skid steer with 725 hours. The rotation period established in the Vehicle Replacement Program for this vehicle is 15 years. Cumulative corrective maintenance costs total approximately \$5,700. Its' initial purchase price was \$35,500. The new loader is estimated to cost \$63,000. The amount of \$43,000 is included in the current year's budget. Dr. Sharps inquired why staff needs a new skid steer loader as the miles on the Bob Cat loader are relatively low. Mr. Hoffine stated the Bob Cat does not meet the utility's expectations as it is not capable of going in the sand dunes, does not maneuver well in mud, and cannot load material into the 10-yard dump truck. Mr. Abbott said the utility reserves \$95,000 each year toward the Vehicle Replacement Program. Yearly purchases less than \$95,000 increase carryover to the Vehicle Replacement Program's reserves into the following year. After these purchases, the Vehicle Replacement Program's reserve at the end of fiscal year 2014 would total approximately \$167,000. Mr. Vigue moved they approve staff's request to solicit bids for a mini-excavator and loader from qualified dealers within the state and present the bids to the Board for consideration of award at a future meeting; and to surplus the JCB backhoe and Bob Cat Loader. The motion was seconded by Ms. Cribbins and passed unanimously.

Mr. Schab advised the Board's pension attorney, Everett Moreland from the firm of Hershner-Hunter, retired at the end of 2013. Mr. Moreland has recommended Jeff Kirtner, who works with the same firm, Mr. Schab said he met with Mr. Kirtner and reviewed his background. After a brief discussion, Mr. Vigue moved they approve to secure the services of Jeff Kirtner as the Board's pension attorney. The motion was seconded by Ms. Cribbins and passed unanimously.

Regarding the Ocean Boulevard Main Replacement Project, Operations Director Ron Hoffine said The Dyer Partnership has completed the distribution system computer modeling phase and has progressed with project design. The existing water main in Woodland Drive conveys a substantial quantity of water to the northern portion of the distribution system, and Ocean Boulevard/Woodland Drive is the intersecting point of other water mains primary in this conveyance. Mr. Hoffine stated in reviewing Dyer's computer modeling, staff determined a new flow control valve and meter at Ocean Boulevard/Woodland Drive would be strategic in this function. Staff asked The Dyer Partnership for a proposal. Dyer's proposal consists of additional design, bidding, and construction management services totaling \$22,680. Dyer's initial proposal for engineering services on the project was \$86,764. With this amendment, the new total will be \$109,444. After a brief discussion, Dr. Sharps moved to authorize the contract amendment with The Dyer Partnership to perform the additional services outlined in their amendment in an amount not-to-exceed \$22,680. The motion was seconded by Mr. Vigue and passed unanimously.

Operations Director Ron Hoffine stated the current three year contract with S & B, Inc. expired in September 2012, and they have performed some work for the utility since that date. Staff proposes to retain S & B, Inc. for an additional 4 year period as the utility's instrumentation and control consultant on telemetry projects, troubleshooting, and equipment repairs and replacements. S & B, Inc. has performed well for many years and they have the historic knowledge of the utility's system. The proposed contract is structured so each item of work is to be described in a Project Task Order that must be approved by the Board. After a brief discussion, Ms. Cribbins moved they approve the

proposed contract as drafted, and Resolution No. 331 exempting professional services for design and system integration for SCADA System additions from competitive bidding requirements for a 4-year period. The motion was seconded by Dr. Sharps and passed unanimously.

The resolution read as follows:

Resolution No. 331

EXEMPTING A PROFESSIONAL SERVICES AGREEMENT FOR DESIGN AND SYSTEM INTEGRATION SERVICES FOR SCADA SYSTEM ADDITIONS AND MODIFICATIONS WITH S&B, INC., FROM COMPETITIVE BIDDING REQUIREMENTS FOR A 4-YEAR PERIOD

WHEREAS, the Coos Bay – North Bend Water Board (hereinafter “Water Board”) is a joint instrumentality of the Cities of Coos Bay and North Bend, Oregon, organized and operated under the authority granted by the City Charters of Coos Bay and North Bend and ORS 225.050; and

WHEREAS, pursuant to ORS 279A.060 the Water Board is its own local contract review board; and

WHEREAS, the Water Board Contract Review Board has rulemaking authority pursuant to the provisions of ORS 279A.065 (5) (a) to adopt rules to carry out the powers and duties of a local contract review board; and

WHEREAS, the Water Board has adopted its own rules of procedure for public contracts contained in Resolution 287, adopted by the Board of Directors of the Water Board on April 7, 2005, which in Section 5 provides that Personal Service Contracts involving an anticipated fee not to exceed \$75,000 per fiscal year may be awarded by the Water Board following a solicitation of offers made by the General Manager in any manner deemed to be practical or convenient including direct negotiation; and

WHEREAS, the Water Board finds that the proposed contract with S & B, Inc. is a continuation of a prior personal services contract, that this contract was solicited by direct negotiation and that the contract will not involve an annual fee per fiscal year in excess of \$75,000.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The above recitals are true and accurate and are hereby incorporated herein by this reference.
2. The proposed contract with S & B, Inc., identified as “Professional Services Agreement for Design and System Integration Services for SCADA System Additions and Modifications” for a period of four (4) years, submitted to the Water Board with this resolution, is hereby approved and Board Manger, Rob Schab is authorized to sign the contract.

Regarding S & B, Inc.’s proposed Task Order/Attachment A-1, Operations Director Ron Hoffine said this task order is to provide design and system integrations services for a new flow valve and meter for the Ocean Boulevard project. Their design would ensure power and controls for the valve and meter, operable from the Pony Creek Treatment Plant. This work is needed to supplement The Dyer Partnership’s Additive Alternate design at the Ocean Boulevard/Woodland Drive intersection. Ms. Cribbins moved they authorize Project Task Order/Attachment A-1 for S & B, Inc. as outlined at the not-to-exceed amount of \$7,108. The motion was seconded by Dr. Sharps and passed unanimously.

Operations Director Ron Hoffine reviewed a request from Robert Wright of WPI #3 LLC to use a private engineer for design and a contractor for construction of a water main in Hauser Depot Road and

Sandy Way. The selected engineer is Stuntzner Engineering and Forestry, and the selected contractor is Roy D. Garren, Inc. from Winston. The proposed project consists of 2,300 feet of new water main from the end of the utility's existing main in Hauser Depot Road westerly under the railroad tracks and onto Sandy Way. Mr. Wright's development consists of four parcels along Sandy Way: 2 residential lots, a possible RV park, and an industrial parcel with unknown future development. Mr. Hoffine said he received positive remarks on Mr. Wright and Mr. Garren. Mr. Vigue asked what the timeline is. Mr. Hoffine stated it would be sometime this spring. After a brief discussion, motion was made by Mr. Vigue to approve the developer's (Robert Wright) request for the engineer, Stuntzner Engineering and Forestry, and for the contract, Rob D. Garren, Inc. The motion was seconded by Ms. Cribbins and passed unanimously.

Regarding the Treatment Plant Re-roofing Project, Mr. Schab said the project is now complete and all close-out documents have been submitted by Samuels & Locati Architects. The original bid from Red Sky, Inc. was \$74,224. The total project cost, including staff time and architectural fees, was \$80,871.44. The amount of \$81,600 was included in the current year's budget. After a brief discussion, Dr. Sharps moved they accept the Treatment Plant Re-roofing Project as complete and authorize final payment to Red Sky, Inc. The motion was seconded by Ms. Cribbins and passed unanimously.

The Hauser Reservoir Roof Replacement Project is complete and all close-out documents have been submitted by Samuels & Locati Architects. DSL Builders was awarded the construction contract in the amount of \$67,950. The total project cost, including staff time and architectural fees, was approximately \$101,300. This project was included in the current year's budget in the amount of \$95,300. Dr. Sharps inquired why the project cost came in so high. Mr. Schab stated staff time was underestimated. After a brief discussion, Mr. Vigue moved they accept the Hauser Reservoir Roof Replacement Project as complete and authorizes final payment to DSL Builders. The motion was seconded by Ms. Cribbins and passed unanimously.

The Board's next regular meeting was scheduled for February 20, 2014 at 7:00 a.m.

There being no other business to come before the Board, Vice-Chair Sharps adjourned the meeting at 8:15 a.m.

Approved \_\_\_\_\_, 2014

By: \_\_\_\_\_  
Vice-Chair, Charlie Sharps

ATTEST: \_\_\_\_\_