

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.
April 16, 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, and Greg Solarz. Board members absent: Melissa Cribbins. Water Board staff present: Rob K. Schab, General Manager; Matt Whitty, Engineering Supervisor; Rick Abbott, Distribution Supervisor; Bryan Tichota, Customer Relations Supervisor; Jeff Howes, Finance Director; Reshma Parrish, Water Quality Technician; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey 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 March 26, 2015 Regular Board meeting minutes. There being none, 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.

Operations Director Ron Hoffine reviewed the bids received for the 2015 Timber Sale in the Pony Creek Watershed. Three bids were received as follows:

<u>Bidder</u>	<u>Bid Amount</u>
Scott Timber Company, Roseburg	\$497,096.00
Southport Forest Products, Coos Bay	\$467,182.00
Swanson Group Manufacturing, Glendale	\$462,930.20

Mr. Hoffine said the timber volume was projected at \$1.244 million board feet; however the cruise report provided a more detailed estimate of timber volume and current market conditions have diminished the stumpage value. Expenses from the sale receipts will include Stuntzner Engineering's fees not-to-exceed \$47,800, and reforestation in the approximate amount of \$12,000. Logging will most likely occur next calendar year with revenues booked in FY 2017. After a brief discussion, Mr. Vigue moved they award the 2015 Timber Sale to Scott Timber Company in the amount of \$497,096.00. The motion was seconded by Mr. Solarz and passed unanimously.

Engineering Supervisor Matt Whitty presented staff's request regarding the proposed "E" Street Main Replacement Project. The existing main has experienced multiple breaks and is in poor condition. Staff proposes the replacement of 738 feet of 2-inch asbestos cement pipe with 350 feet of 2-inch diameter PVC pipe on "E" Street in Eastside. This project is included in the current fiscal year's budget in the amount of \$22,900. Mr. Whitty stated after initial design work, staff estimates the project can be completed at or below budget utilizing in-house design and the utility's crew. After a brief

discussion, Dr. Sharps moved to authorize staff to design and install the “E” Street Main Replacement Project. The motion was seconded by Mr. Vigue and passed unanimously.

Distribution Supervisor Rick Abbott reviewed the quotes received for two new Chevrolet Colorado pickups. Quotes were requested from one local dealership and three dealerships through the Oregon Procurement Information Network (ORPIN). ORPIN has price agreements with several automobile and truck dealerships in Oregon. Solicitation documents were sent to Chevrolet dealerships only, and locally to Ken Ware Chevrolet.

The bid tabulation is shown below.

<u>Dealership</u>	<u>Quote for 2WD Pickup</u>	<u>Quote for 4WD Pickup</u>
Hubbard Chevrolet, Hubbard	\$20,101.46	\$23,866.00
Suburban Chevrolet, Sandy	\$20,318.00	\$24,223.00

Both of these quotes include delivery to Coos Bay. Quotes were not received from Ken Ware Chevrolet or Ron Tonkin Chevrolet of Portland.

The current fiscal year’s budget includes \$19,800 for one new 2WD pickup for use by the Meter Readers. The amount of \$24,200 is included in the current budget for a new 4WD pickup for use by the Engineering Technician. Mr. Vigue asked why bids were solicited only from Chevrolet. Mr. Abbott stated the Dodge dealers do not bid, and prior Ford trucks didn’t last as long as the Chevrolets. After a brief discussion, Mr. Vigue moved they award purchase of the two new pickup trucks from Hubbard Chevrolet: \$20,101.46 for the 2WD and \$23,866.00 for the 4WD. The motion was seconded by Dr. Sharps and passed unanimously.

Regarding the proposed Barham/Ocean Boulevard Main Replacement Project, Engineering Supervisor Matt Whitty stated while staff was conducting a hydrant flow test for a budgeted 2-inch galvanized iron main replacement on Barham Terrace, it was discovered that a 91-foot segment of unlined cast iron main was in very poor condition. The cast iron pipe provides service to Barham Terrace and Cedar Avenue, as well as the neighborhood of North 14th Street and Highland Avenue, including 4 hydrants and approximately 60 homes. Flow from the hydrant during the test was less than 500 gallons per minute at a location that should provide in excess of 2,000 gallons per minute. Staff has informed the Coos Bay Fire Department of the low flow hydrants and started design of a replacement pipe. Dr. Sharps asked if Ocean Boulevard would be dug up to replace this pipe. Mr. Whitty said it would not as it is on the west side of Ocean Boulevard in the grass area.

To restore fire and service flows, staff proposes replacement of the 91-foot segment of unlined cast iron main with 6-inch diameter PVC at an estimated cost of \$8,000.00. Staff proposes utilizing budgeted funds for this project by postponing the Barham Terrace Main Replacement Project to Fiscal Year 2016. The Fiscal Year 2015 budget for Barham Terrace is \$22,500. After a brief discussion, Mr. Solarz moved to authorize staff to postpone Barham Terrace Main Replacement Project, and design and install the Barham/Ocean Boulevard Main Replacement Project at an estimated cost of \$8,000. The motion was seconded by Mr. Vigue and passed unanimously.

Regarding the position of Water Treatment Supervisor, the utility has been unsuccessful in recruiting for this position for over a year. In the interim, the General Manager has been the designated Direct Responsible Charge Operator for the treatment process. The General Manager and Operations Director plan to separate service from the utility in less than a year, thus it is imperative to obtain full time leadership at the Treatment Plant.

Mr. Schab advised the Board staff has had discussions for water treatment plant supervisory services with Mr. Jim Kaylor, a principle in the firm Water Quality and Training, Inc. Mr. Kaylor visited the utility for an interview which was very successful. Reference checks have been made and were very positive. Mr. Kaylor has agreed to provide Water Treatment Supervisor services by contract for one year with a second year option at the Board's discretion. The annual budget for these services would be \$125,450.00 based on a rate of \$65.00 per hour for 1,930 hours. After a brief discussion, Dr. Sharps moved to authorize the General Manager and Board attorney to draft a Personal Services Agreement with Water Quality and Training, Inc. and finalize negotiations with Mr. Kaylor, with an anticipated start date for services of June 1, 2015. The motion was seconded by Mr. Vigue and passed unanimously.

Operations Director Ron Hoffine updated the Board on remaining work to be accomplished on the Ocean Boulevard Main Replacement Project. Mr. Hoffine said paving, installation of control wires and access box adjustment and final cleanup remain; the major work being the trench and final overlay paving. This work stalled last fall due in part to the weather, and discussions with the City regarding the final required paving depth. Project specifications call for a total of 8-inch asphalt depth. During construction it was discovered there was a depth of 12-inch of asphalt. The City expressed concern about the specified 8-inch depth, and following discussions the City indicated consideration of a final 8-inch replacement depth provided a professional engineer substantiate the proposed street section and the utility warrant the performance of the trench replacement for a 5 year period.

The utility retained The Dyer Partnership to address the issue. Dyer's report substantiated the adequacy of the 8-inch section. The city reviewed the report acknowledging the adequacy of the 8-inch trench section, and is considering a shortened warranty period.

Mr. Hoffine said the current construction cost after 2 change orders is \$833,637.49. A third change order is needed that would incorporate any additional paving costs and adjustment in total bid quantities. The contractor, Laskey-Clifton Corporation, estimates \$53,000.00 to place the additional 4 inches of asphalt. Change Order No. 3 could be as much as \$45,000. After a brief discussion, Mr. Vigue moved to authorize the General Manager to sign Change Order No. 3 in an amount not to exceed \$45,000, and present Laskey-Clifton Corporation's final pay request and recommendation for final acceptance at a future date. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding the South Empire Boulevard Project, Operations Director Ron Hoffine reviewed alternatives for the design and construction to replace 4,200 feet of water main on South Empire Boulevard between Newmark Avenue and Wisconsin Avenue. One alternative would be to utilize the utility's consultant, The Dyer Partnership, to design the new water main and integrate the drawings and specifications into the City's bidding documents (integration project). The second alternative would be for the utility to design, bid, and construction manage a water main project so that all water work would be complete prior to the beginning of the City's work (stand-alone project).

Mr. Hoffine reviewed a spreadsheet that was provided to the Board members in their packet. The spreadsheet outlines design and construction management costs for the two alternatives, further broken out as Option A, Option B, and Option C. Options A and B are for the integration alternative;

Option C is the stand-alone alternative. The spreadsheet also shows estimated construction costs. The construction costs for any of the options are \$1,136,000. The least cost and lowest risk alternative for the utility is a stand-alone project with a contribution to the City to adjust the new storm drain grades, totaling \$1,355,000.

The project schedule for a stand-alone project, Option C, to include design and construction management is tight but achievable. Mr. Vigue asked if the Board opted for a stand-alone project, when it would begin. Mr. Hoffine stated right away. Critical to the schedule is the timeline for 80% and 100% design reviews by the utility and the City, each for 7 days. A special Board meeting would be of great importance for authorization to advertise for bids. A 75-day construction period is shown to achieve substantial completion. After a brief discussion, Dr. Sharps moved to authorize staff to proceed with a Water Board stand-alone project, Design/Construction Management Option C, as outlined. The motion was seconded by Mr. Vigue and passed unanimously.

Mr. Schab presented an overview of the current exempt salary analysis report that was conducted. He explained the purpose of this review is to ensure salaries are in line with market values, and will help in the design of salaries for the purpose of recruitment for the General Manager position this year, and for the new positions of Operations Manager and Engineering Manager to be filled in 2016.

The two main areas to focus on are external market equity, or how the utility is paying in relationship to the external market, and internal equity as to relative placement of positions within an organization's salary schedule by job duties, requirements and responsibilities. Exempt employees were asked to review their job descriptions and make corrections based on the actual work or responsibilities they have. They were also asked to score their position attributes according to a factor evaluation point system format. Market salary data was collected from the Cities of Coos Bay, North Bend, Astoria, Roseburg, Brookings and Newport.

Mr. Schab explained utilizing this data and current salary structure, a regression analysis equation was developed to generate salary ranges based on a factor evaluation of each job. The result of reviewing market data, the current salary schedule, and use of the equation provided guidance in recommending the following proposed annual salary schedule.

<u>Position</u>	<u>Current Salary</u>	<u>Proposed Salary</u>	<u>Action Date</u>
General Manager	\$109,340	\$97,164-\$124,020	recruitment 2015
Operations Director	\$79,620-\$101,616	\$79,620-\$101,616	July 1, 2015 (eliminate 2016)
Engineering Manager	New position	\$78,648-\$100,380	2016
Finance Director	\$75,324-\$96,144	\$75,324-\$96,144	July 1, 2015
Operations Manager	New position	\$71,472-\$91,224	2016
Engineering Supervisor	\$70,056-\$89,424	\$70,056-\$89,424	July 1, 2015 (eliminate 2016)

WTP Supervisor	\$57,060-\$72,828	\$61,908-\$79,008	July 1, 2015
Distribution Supervisor	\$55,512-\$70,692	\$61,320-\$78,264	July 1, 2015
Customer Relations Supervisor	\$55,392-\$70,692	\$61,320-\$78,264	July 1, 2015
Administrative Assistant	\$41,568-\$53,064	\$41,568-\$53,064	July 1, 2015

The net effect of these changes would result in approximately a \$25,000 increase in payroll costs for FY2016. This does not reflect potential changes in the compensation package for the new General Manager, to be recruited in the first half of FY2016. The net effect in the first half of calendar year 2016 from the elimination of two positions and addition of two new positions related to operations and engineering would increase annual payroll cost by approximately \$3,000. This cost could vary depending on at which step in the salary range the positions are initially filled.

Exempt Employees would receive the same general wage adjustment as bargained with represented employees. The adjustment scheduled on July 1, 2015 is a 2.5% increase. To ease the integration cost of the proposed salary adjustments and to more accurately reflect changes in consumer cost, a 1.0% increase is proposed for Exempt Employee salaries on July 1, 2015. After a brief discussion, Mr. Vigue moved to adopt the proposed salary ranges for Exempt Employees as presented, and further approve a 1% general wage adjustment in the salaries effective July 1, 2015. The motion was seconded by Dr. Sharps and passed unanimously.

The Board's next regular meeting was set for Thursday, May 7, 2015 at 7:00 a.m.

Engineering Supervisor Matt Whitty gave an update regarding the water main project on North Main Street. The utility is waiting for the City of Coos Bay to determine the grade of the road. The utility will replace the water main once the City has completed their work.

Mr. Schab reviewed the succession plan milestones activity stating recruitment for General Manager is scheduled for June 1, 2015, and recruitment for Operations Director is scheduled for November 1, 2015.

At 8:05 a.m. Chair Sharps directed they go into executive session for the purposes of discussing personnel issues pursuant to ORS 192.660(2)(a) and current and potential litigation pursuant to ORS 192.660(2)(h). They returned to open session at 8:22 a.m. There being no other business to come before the Board, Chair Sharps adjourned the meeting at 8:25 a.m.

Approved: _____, 2015

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

ATTEST: _____