

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 7, 2016

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Chair Cribbins presiding. Other Board members present: Richard Vigue, Dr. Charles Sharps and Greg Solarz. Board members absent: None. Water Board staff present: Ivan D. Thomas, General Manager; Ron Hoffine, Operations Director; Matt Whitty, Engineering Supervisor; Rick Abbott, Distribution Supervisor; Jim Kaylor, Water Treatment Supervisor; Jeff Howes, Finance Director; Bryan Tichota, Customer Relations Supervisor; Vince Stonesifer, Field Services Technician; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Chris Moore, representative for Country Club Estates was present. Chair Cribbins opened the meeting at 7:00 a.m.

Chair Cribbins asked if there were any corrections or additions to the March 16, 2016 Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Dr. Sharps and passed unanimously. Chair Cribbins asked if there were any corrections or additions to the March 24, 2016 Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Dr. Sharps and passed unanimously.

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

Mr. Thomas stated the Board has had ongoing discussions regarding Country Club Estates' request for water service. He introduced Mr. Chris Moore, who was present representing Country Club Estates (CCE). Mr. Thomas asked Mr. Moore to give the Board some history, as well as CCE's present situation and future outlook.

Mr. Moore stated he has lived at CCE for 5 years and prior to his arrival there was communication from other CCE's property owners indicating the aquifer was not going to support the property. The developers had an unrestricted license/permit from the County that regulated the community well. Mr. Moore indicated 3 wells feed into the community well, however one of the wells contained a lot of murky water. At this point, CCE started looking at other alternatives. Rex Miller worked with the planning commission and performed the initial permitting process to put a waterline in the slough. During this process, it was indicated CCE needed to communicate with Oregon Health Authority Drinking Water Services (OHA). CCE's first attempt of getting approval of the engineering of the line in the slough was denied by OHA because there is a 30-inch cover requirement. CCE appealed this decision and resubmitted information through Stuntzner Engineering. CCE received a conditional approval from OHA. Due to the fact one part of the water

line goes under an easement of the rail, CCE could not obtain insurance as a homeowners association. CCE felt it was in their best interest to form a Special Water District as a governmental entity. This not only allows them to obtain the necessary insurance, but also would allow CCE to enter into an intergovernmental agreement with the utility.

Mr. Moore said CCE is looking into placing a holding tank on the slough side that would have additional filtration, then travels over to a pump house on CCE's side, and pumped up into a community well. The next step is to ensure they have adequate filtration. Mr. Moore said he is aware CCE would be charged a SDC by the utility, but because this is such an atypical installation, they are not looking to have a meter to service the whole community, water would only be used as needed to top off their well. CCE does not want to incur additional expenses until they know if an agreement can be reached with the utility, as it puts a taxing situation on the current homeowners. Mr. Moore stated homeowners were already charged a special assessment two years ago to initiate this project and dues for the homeowners were increased this year. Mr. Moore expressed CCE will still need to maintain all the waterlines and systems as they currently do.

Mr. Coffey inquired as to the homeowner's current rates for water and special assessments. Mr. Moore said dues are \$700/year for maintaining the community (roads, etc.). The system charge is \$35/quarter; flat rate minimum charge is \$50/quarter; quarterly usage rate for 2,000 to 4,000 gallons is .008/gallon; and over 4,000 gallons is .01 per gallon.

Mr. Coffey asked what the homeowner pays on an average. Mr. Moore said approximately \$800 per year for water. Mr. Thomas asked if this was in addition to the \$700 per year. Mr. Moore confirmed it was in addition to the \$700 maintenance fee. The Special Water District will handle all billing issues if an intergovernmental agreement is entered into. Mr. Moore said each home has their own separate meter and some of the homeowners have holding tanks.

Chair Cribbins asked Mr. Thomas what type of decision he is looking for from the Board members today. Mr. Thomas said a decision does not need to be made immediately, but to take the information given by Mr. Moore, and reconvene within a month to discuss what terms and agreements the Board wants to offer CCE in an intergovernmental agreement.

Mr. Vigue asked Mr. Moore if CCE has adequate water at this time. Mr. Moore stated that is correct. Mr. Vigue inquired if CCE had an agreement with the utility, is there any possibility a future homeowner's association could build an additional home on their lot. Mr. Moore said each homeowner is restricted to one outbuilding with their current agreement. Mr. Moore commented this issue could be included in the utility's intergovernmental agreement. The six vacant properties have been for sale. Mr. Moore said most importantly CCE wants to make sure this will work out financially for all parties.

Dr. Sharps asked Mr. Moore if the Board's terms requested payment in the amount of \$75,000 (the approximate fee for 25 Service Development Charges) what would CCE's position be? Mr. Moore said CCE would have to go with a different plan. Dr. Sharps said the Board could consider setting up a payment plan. Mr. Moore said a payment plan might be a possibility. After a brief discussion, the Board thanked Mr. Moore for his information on Country Club Estates.

Regarding proposed award for a new utility box, Distribution Supervisor Rick Abbott stated staff received requotes for a new utility box with crane to set on the new 1¼-ton Ford F450 crew truck chassis. The tabulation is shown below along with the original quotes received March 3. The Board rejected all original quotes at the March 16 meeting and authorized the solicitation of new quotes with revised specifications.

<u>Fabricator</u>	<u>Utility Box and Crane Models for Original Quote</u>	<u>Original Quote, \$</u>	<u>Utility Box and Crane Models for Requote</u>	<u>Requote, \$</u>
Pacific Truck Colors, Tualatin	Knapheide 6132D5460J Body and Stellar EC 3200 Crane	\$32,393.00	Knapheide 6132D5460J Body and Stellar EC 3200 Crane	\$37,019.50
Knapheide Truck Equipment Company NW, Troutdale	Knapheide 6132D5460J Body and Venturo ET12KX Crane	\$38,274.00	Knapheide 6132D5460J Body and Venturo ET12KX Crane	\$38,274.00
Carco Industries, Tualatin	Auto Crane Titan 16 84CA Body and Auto Crane 3203 PRX FM Crane	\$39,178.00	Auto Crane Titan 16 84CA Body and Auto Crane 3203 PRX FM Crane	\$38,378.00
Advanced Truck Body & Equipment, Central Point	Auto Crane Titan 16 84CA Body and Auto Crane 3200 PRX FM Crane	\$40,615.00	Knapheide 6132D560J Body and Auto Crane 3203 PRXF FM Crane	\$37,191.00
Advanced Truck Body & Equipment, Central Point	-	-	Auto Crane Titan 16 Body and Auto Crane 3203 PRXF FM Crane	\$36,690.00

The new quotes conform to the revised specifications.

The utility's vehicle purchases so far this fiscal year include a 2WD pickup for meter readers in the Customer Service Section, a 4WD pickup for the Engineering Section, and a 1¼-ton truck chassis for the Distribution Section. The purchases, shown with budgeted and actual costs, along with the proposed purchase of the utility box are:

	<u>Budget</u>	<u>Actual</u>
2WD pickup for Meter Readers	\$22,000	\$19,445
4WD pickup for Engineering Section	25,000	22,704
1¼-ton crew truck for Distribution Section	<u>63,800</u>	
Truck chassis		39,783
Utility box with crane (proposed)		<u>36,690</u>
Totals	\$110,800	\$118,622

Total expenditures from the Vehicle Replacement Program this fiscal year are proposed to be \$7,822 over budget. The overage is primarily because the utility box/crane is much more expensive than anticipated. Staff believes the quotes received on the utility box/crane reflect the true cost of the equipment and that staff's budget numbers last spring were low. With this purchase, the Vehicle Replacement Program reserve account will total about \$213,000 at the end of the fiscal year. The program is well funded. Dr. Sharps moved to award purchase of the utility box with crane to Advanced Truck Body & Equipment in the amount of \$36,690. The motion was seconded by Mr. Vigue and passed unanimously.

Regarding the draft System Development Charges Report, Mr. Thomas stated Mr. Ghilarducci presented the draft System Development Charges (SDC) methodology review and proposed rate adjustment resulting from the changes in the SDC methodology. If the proposed draft is accepted by the Board, staff proposes to move forward with publishing the System Development charges draft report for public review. The utility is required to give a 60 day notice of the proposed SDC plan prior to the meeting scheduled on June 16, 2016 to have it available for public inquiries. After a brief discussion, Dr. Sharps moved to authorize staff to publish the final draft System Development Charges Report and have it available for public inquiries between April 15, 2016 and June 16, 2016. The motion was seconded by Mr. Solarz and passed unanimously.

Water Treatment Supervisor Jim Kaylor stated staff is required to send out a Consumer Confidence Report annually. This report is finalized for calendar year 2015. Quarterly sampling is performed for various constituents and disinfectant byproducts which are required to be sent to the State (OHA) by certain due dates. All data was submitted to the State for the last quarter and an email was received acknowledging their receipt. On February 2, 2016, a Notice of Violation was received from OHA stating they had received all the data except for the disinfection byproducts. The data was resubmitted to OHA, however because the data was not received until February, the original due date was missed resulting in a Notice of Violation. The utility is required to report this violation in the Consumer Confidence Report and staff has done so. Mr. Kaylor said in an effort to eliminate this in the future, the lab processing the samples has been directed to send all results to the utility, as well as to OHA.

The Board's next regular meeting was set for Thursday, April 21, 2016, at 7:00 a.m.

At 7:45 a.m. Chair Cribbins directed they go into executive session for the purposes of discussing personnel issues pursuant to ORS 192.660(2)(a) and labor negotiations pursuant to ORS 192.660(2)(d). They returned to open session at 9:18 a.m. There being no other business to come before the Board, Chair Cribbins adjourned the meeting at 9:18 a.m.

Approved: _____, 2016

By: _____
Chair Melissa Cribbins