

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

Minutes
Regular Board Meeting

August 1, 2024
7:00 a.m.

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Chair Carmen Matthews presiding. Other Board members present: Rob Kilmer, and Greg Solarz. Board Members absent: Bill Richardson. Water Board staff present: Ivan D. Thomas, General Manager; Monica Kemper, Finance Director; Jeff Miller, Water Treatment Supervisor and Interim Operations Manager; Matt Whitty, Engineering Manager; Jason Mills, Distribution Supervisor; Aimee Hollis, Customer Relations Manager; Vince Stonesifer, Field Service Technician; and Stacey Parrott, Executive Assistant & HR Specialist; Board Legal Counsel Melissa Cribbins was present. Media present: None. Kelly Kimball of Brown and Caldwell was present.

Chair Matthews opened the meeting at 7:00 a.m. and led the Board and assembly in the Pledge of Allegiance.

Chair Matthews asked if there were any corrections or additions to the July 18, 2024, Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Mr. Kilmer and passed unanimously.

Chair Matthews asked if there were any public comments and there were none.

General Manager Ivan Thomas, recognized Vince Stonesifer Field Service Technician for his 30 years of dedicated service to the Coos Bay – North Bend Water Board. The Board congratulated him on his retirement and expressed their appreciation for his contributions over the years.

Regarding adoption of the 2024 Coos Bay – North Bend Water Board SCADA (Supervisory Control and Data Acquisition) Master Plan, General Manager Mr. Thomas, introduced Kelly Kimball of Brown and Caldwell to present the Master Plan to the Board of Directors.

Mr. Kimball presented the SCADA (Supervisory Control and Data Acquisition) Master Plan to the Board, summarizing the project's approach, identifying existing challenges, and outlining the proposed solutions. The presentation included a review of the current SCADA systems, highlighting the need for upgrades due to outdated hardware and software, and emphasized the importance of both short-term and long-term projects to address these issues. The plan also considered potential cybersecurity vulnerabilities and funding strategies for the upgrades.

Mr. Kimball explained that SCADA is a combination of hardware and software used to automate and monitor the water treatment and distribution systems. SCADA plays a vital role in ensuring that the plant operates efficiently, providing real-time data and control over various processes, from water treatment to distribution. The need for a SCADA Master Plan arose due to outdated equipment, unreliable support, and the need for improved data access and reporting.

He explained that short-term projects are designed to address immediate needs and reduce risks, ensuring the continued safe operation of the plant. These projects include: Manual mode analysis and network investigation; migration of select sites to Mission System; hardware and software RFP; cybersecurity vulnerabilities report; and engagement with additional support providers. Long-term projects are aimed at modernizing the entire control system over the next several years, ensuring it meets future needs and regulatory requirements. These include: water treatment plant control system upgrade; development of standard for SCADA System; integration of distribution system data; and future evaluation and optimization.

The presentation highlighted that the SCADA Master Plan is essential for maintaining and enhancing the water treatment plant's operations, ensuring that it can meet current demands and future challenges. The plan includes a timeline stretching from 2024 to 2028 for the implementation of these projects, with a focus on securing funding and minimizing disruptions during the upgrades. Mr. Kimball concluded by addressing questions from the Board.

After a brief discussion, Mr. Kilmer moved to approve Resolution No. 408 to adopt the 2024 Coos Bay – North Bend Water Board SCADA Master Plan. The motion was seconded by Mr. Solarz and passed unanimously. The Resolution reads as follows:

COOS BAY - NORTH BEND WATER BOARD

RESOLUTION NO: 408

A RESOLUTION ESTABLISHING THE INTENT OF THE COOS BAY - NORTH BEND WATER BOARD TO ADOPT THE 2024 COOS BAY – NORTH BEND WATER BOARD SCADA MASTER PLAN PREPARED BY BROWN & CALDWELL

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 pursuant to the provisions of Oregon law; and

WHEREAS, the Water Board has previously entered into an agreement with Brown & Caldwell in December 2023 to conduct a SCADA (Supervisory Control and Data Acquisition) Master Plan, recognizing the necessity for a robust and resilient SCADA system for effective monitoring and control of the Water Board's automated water treatment processes and pump stations; and

WHEREAS, Brown & Caldwell has provided the Board with a draft of the SCADA Master Plan which documents and plays a critical role in ensuring that the SCADA systems align with operational requirements, adapt to evolving technologies and demands, and provides a roadmap to full replacement of the treatment plants' SCADA system; and

WHEREAS, the SCADA Master Plan provides analysis of the existing SCADA system and its functionality, while offering roadmaps for both short-term solutions and long-term solutions through the replacement of the system over the next several years, aligning with the Water Board's recently adopted Water System Master Plan; and

WHEREAS, the SCADA Master Plan serves as a single point of reference for the most critical SCADA development over the next 5-10 years; and

WHEREAS, the draft of the SCADA Master Plan has been reviewed by staff throughout its creation and has been presented for final review; and

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOS BAY
- NORTH BEND WATER BOARD AS FOLLOWS:**

a) The Coos Bay - North Bend Water Board hereby adopts the 2024 SCADA Master Plan prepared by Brown & Caldwell, to be presented by Kelly Kimball at the August 1, 2024, Board of Directors meeting, as the official SCADA Master Plan for the Coos Bay - North Bend Water Board.

b) The 2024 SCADA Master Plan prepared by Brown & Caldwell is hereby made a matter of public record for the Coos Bay - North Bend Water Board, and copies of said document are available for public inspection at the offices of the Coos Bay - North Bend Water Board.

c) This resolution shall be effective as of its date of adoption.

Adopted this _____ day of _____, 2024.

COOS BAY-NORTH BEND WATER BOARD

By: _____
Carmen Matthews, Chair

ATTEST:

Regarding the amendment to the professional services agreement with Brown and Caldwell for expansion of SCADA master planning services, Interim Operations Manager Jeff Miller stated that in December 2023, the Water Board contracted with Brown & Caldwell to conduct a SCADA system master plan. Brown & Caldwell has now completed the work that was identified in the initial phase of that SCADA Master Plan. Through the process of completing the work, Brown & Caldwell collaborated with Water Board staff to help identify next steps and the desired future state of the Water Board's SCADA system. These steps provided a roadmap with the goal of replacement of the Board's water treatment plant SCADA system.

The Water Board's roadmap to SCADA system replacement isn't as simple as preparing a design and replacement of the current system. The schedule for replacement depends on top level planning and several intricate steps to meet the goal. Water Board staff expects this work to take approximately 1-2 years to complete so a full replacement can be designed and coordinated in the next 3-5 years.

Brown & Caldwell has prepared a scope of work to complete the next steps in the SCADA master planning roadmap. These include a water treatment plant manual mode and Profibus analysis, preparation of PLC and software RFPs, and a basis of design report to assist in planning at the next phases of the project. The fiscal year 2025 capital improvement budget has \$205,000 budgeted for SCADA system master planning projects. Staff is requesting the Board of Directors authorize the General Manager to sign the first amendment to the professional services agreement with Brown & Caldwell in the amount of \$204,929 for additional SCADA system master planning services.

Mr. Solarz motioned to authorize the General Manager to sign the first amendment to the professional services agreement with Brown & Caldwell in the amount of \$204,929 for additional SCADA system master planning services. The motion was seconded by Mr. Kilmer and passed unanimously.

Regarding adoption of resolution to amend the retirement income plan for employees of Coos Bay – North Bend Water Board, General Manager Ivan Thomas stated that the Water Board owns and operates a defined benefit closed pension plan that serves employees hired before January 1, 2011. The Water Board employs Milliman to manage the rules and regulations of the pension plan. Staff have identified a needed update to the plan that protects the Water Board from IRS penalty in certain scenarios.

At times it is advantageous for the Water Board to temporarily employ retirees on a part-time basis due to their specific knowledge or special skillset. After researching the rules of the closed pension plan, the plan does not specifically allow the Water Board to rehire retirees in any capacity without chance of IRS penalty. Staff consulted with the Milliman legal team for a solution. Milliman suggests an amendment to the plan that would permit the Water Board to rehire former employees that have retired in the plan and are at least age 62. The proposed amendment would allow the Water Board to rehire those who retire from this plan directly or through an employment firm on a part-time basis. Milliman has prepared Resolution Number 409 with specific language that allows amendment of the plan with Board of Directors adoption.

After a brief discussion, Mr. Kilmer moved to adopt Resolution No. 409 approving Milliman to amend the Water Board's defined benefit closed pension plan to allow for rehiring of retirees on a part-time basis who are age 62 or older. The motion was seconded by Mr. Solarz and passed unanimously. The Resolution reads as follows:

**COOS BAY - NORTH BEND WATER BOARD
RESOLUTION NO: 409**

A RESOLUTION ESTABLISHING THE INTENT OF THE COOS BAY - NORTH BEND WATER BOARD TO AMEND THE RETIREMENT INCOME PLAN FOR EMPLOYEES OF COOS BAY-NORTH BEND WATER BOARD

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 pursuant to the provisions of Oregon law; and has the authority to adopt resolutions; and

WHEREAS, the Water Board has adopted the 2015 Restatement of the Retirement Income Plan for Employees of Coos Bay-North Bend Water Board, which has been previously amended (as previously amended, the "Plan"); and

WHEREAS, Article XV. of the Plan provides that the Water Board may amend the Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOS BAY - NORTH BEND WATER BOARD AS FOLLOWS:

1. Article V.6. is added to the Plan effective for participants who have a severance of employment on or after July 1, 2024:

"6. For purposes of the first sentence of Article V.1., a Participant will be treated as having had a severance of employment for purposes of starting retirement benefits if, after attaining age 62 and after June 30, 2024, the participant (i) ceases working in the position the Participant was last working in before ceasing work (the "prior position"), (ii) starts retirement benefits under the Plan, and (iii) is rehired into, is treated by the Employer in its employment records as having been terminated and rehired into, or is treated by the Employer in its employment records as having been terminated and leased back to the Employer by an employee-leasing company into, a part-time or temporary position with the Employer (the "new position"), regardless of how soon after ceasing work in the prior position the individual begins providing services in the new position, regardless of any pre-arrangement that such rehire, deemed rehire, or lease-back would occur, and even if the individual is later determined never to have had an actual termination of employment in connection with ceasing work in the prior position and beginning to provide services in the new position. For clarity, this provision does not apply to a Participant who merely transfers employment from one position to another within the Employer without being treated by the Employer as having had a severance of employment and then a rehire, deemed rehire, or lease-back, into a new position."

Adopted this _____ day of _____, 2024.

COOS BAY-NORTH BEND WATER BOARD

By: _____
Carmen Matthews, Chair

ATTEST:

Regarding the approval of the invoice for the Tank Asset Management Program for Fiscal Year 2025 to Utility Service Co., INC. (SUEZ), Mr. Thomas stated that in fiscal year 2018, the Water Board entered into an agreement with Utility Service Co, Inc. (SUEZ) to refurbish and maintain its steel welded water storage reservoirs. To date, all seven reservoirs have been refurbished and put back into service with new epoxy coating systems.

The initial agreement with SUEZ (now Veolia) was signed several years ago. The company has since transitioned from Suez to Utility Service Co., INC and most recently

to Veolia. The work involves the refurbishment and coating of seven steel-welded reservoirs, this work was completed upfront in the first four years of the agreement. Over the past seven years, payments have been made to cover this work. The current invoice represents the last large payment for these services.

It was discussed that the plan is to continue in the maintenance program provided by Veolia, which would include regular inspections, flush-outs, and coating warranties. The estimated cost for the next fiscal year is approximately \$120,000, subject to adjustments by the Consumer Price Index (CPI). This maintenance program ensures that any coating failures are addressed at no additional charge, providing ongoing protection and service to the seven reservoirs. Veolia is currently performing the required inspections and flushes on the seven tanks. This regular maintenance is crucial to maintaining the integrity of the reservoirs. The payment amount of \$294,811.34 is included in the current capital improvements plan, and the budget for this year was adjusted from last year's amount of just over \$300,000.

A motion was made by Mr. Solarz to approve the FY 2025 payment for the tank asset management program to Utility Service Co., INC. for \$294,811.34. The motion was seconded by Mr. Kilmer and passed unanimously.

The Board's next regular meeting was set for Thursday, August 15, 2024, at 7:00 a.m.

Updates were given as follows:

- Rate & SDC Methodology Study - RFP was sent out for the SDC Methodology Study, we received two responses; one was too busy for proposal, one was from a familiar firm, FCS, which conducted the previous SDC study in 2016. The proposal is under review, and a decision will be made next week. The plan is to bring the firm before the Board for approval at the next meeting. It was noted that SDC studies and rate studies have not been conducted since 2002, it is time to update them.
- Contract for Meter Change out/AMR Install - An RFP was issued for contractors to install the next cycle of AMRs. The submission deadline has passed, and two proposals were received. The total number of AMRs to be installed is 930. The details, including the final cost, will be reviewed, and a contract recommendation will be presented to the Board at the next meeting.
- Sale of 2024 Surplus/Scrap Materials - A quote was obtained from regional scrap yards for the sale of surplus steel, cast iron, scrap meters, and copper tubing. The highest bid was from Pacific Recycling, which resulted in a sale worth \$27,627. The scrap materials have been cleared from the site, contributing positively to the organization's resources.
- Guillotine Saw Package - The new guillotine saw has been received, and staff has been trained on its use. However, it has not yet been used on cast iron pipes. While the saw performs well on AC (Asbestos Cement) pipes, it is currently not permitted for legal use on these materials. Staff is awaiting an opportunity to utilize the saw for its intended purposes.
- FY2023 Timber Sale - The timber sale project has commenced, with road building and active logging underway. Truckloads of logs were hauled out recently, with more

expected as work progresses. The logging is expected to be completed by December 31 of this year. Communication has been maintained with neighboring properties, and no major concerns have been raised regarding the ongoing operations.

At 8:03 a.m. Chair Matthews directed they go into executive session for the purposes of discussing performance evaluation of General Manager pursuant to ORS 192.660(2)(i). The Board returned to open session at 8:21 a.m.

Chair Matthews stated the Board had conducted a performance review of the General Manager. Mr. Kilmer moved they renew General Manager Ivan Thomas' contract for the coming year, amending the current contract authorizing an annual salary increase from \$158,964.64 to \$162,938.76 retroactive to July 1, 2024; a 1% increase in deposit into the Boards Nationwide 401A retirement plan retroactive to July 1, 2024; increase in vehicle allowance from \$400 per month to \$500 per month retroactive to July 1, 2024; and authorize continuation of reimbursement of education loan payments in an amount up to \$900 per month for 12 consecutive months. The motion was seconded by Mr. Solarz and passed unanimously.

There being no other business to come before the Board, Chair Matthews adjourned the meeting at 8:22 a.m.

Approved: _____, 2024

By: _____
Carmen Matthews, Chair

ATTEST: _____