

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 11, 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: Dr. Charles Sharps, and Greg Solarz. Board members absent: Dick Vigue. 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; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Chair Cribbins opened the meeting at 7:00 a.m.

Chair Cribbins asked if there were any corrections or additions to the January 21, 2016 Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Mr. Solarz and passed unanimously.

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

The Board members, at their January 21st Regular Board meeting, directed staff to modify the utility's Local Public Contracting Rules to include language to procedurally handle tie quotes, proposals, and bids.

Proposed Resolution No. 342 prescribes language to procedurally handle tie quotes, proposals, and bids. Amendments would include: Section 4.2.4 for Procurement of Goods and Services; Section 5.2.9 for Personal Service Contracts; Section 6.10 for Disposition of Surplus Personal Property; and Section 8.12 for Public Improvements and Construction Services. After a brief discussion, Dr. Sharps moved to adopt Resolution No. 342 as proposed. The motion was seconded by Mr. Solarz and passed unanimously. The resolution read as follows:

RESOLUTION NO. 342

COOS BAY-NORTH BEND WATER BOARD

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COOS BAY-NORTH BEND WATER BOARD, ACTING AS THE LOCAL CONTRACT REVIEW BOARD ADOPTING PERMANENT AMENDMENTS TO THE WATER BOARD'S PUBLIC CONTRACTING RULES AND PRESCRIBING RULES OF PROCEDURE FOR PUBLIC CONTRACTING

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

WHEREAS, ORS 279A.065 (5) provides that a local contracting agency may adopt its own rules of procedure for public contracts that:

(A) Specifically state that the Model Rules adopted by the Attorney General do not apply to the contracting agency; and

(B) Prescribe the rules of procedure that the contracting agency will use for public contracts, which may include portions of the model rules adopted by the Attorney General; and

WHEREAS, The Water Board has previously adopted rules of procedure governing the solicitation and award of public contracts by Water Board Resolution No. 287. The public contracting rules adopted by the Water Board in Resolution No. 287 are now in need of amendment to proscribe the procedure which will be utilized in the event a solicitation results in a tie quote, proposal or bid.

NOW, THEREFORE, BE IT RESOLVED:

1. The Water Board's Public Contracting Rules, Section 4.2, is hereby amended by adding Section 4.2.4 as follows:

Section 4.2.4: In the event that the Water Board issues a solicitation under Section 4: Procurement of Goods and Services in the event any solicitation, whether the solicitation is a request for quotes, a request for proposals, a bid or any other legally authorized solicitation mechanism, results in a tie quote, proposal or bid, the contract may be awarded pursuant to the following criteria:

1. The contract shall be awarded to the entity that is an Oregon business, meaning that the principal office of the business is located in the State of Oregon and the business is registered as an Oregon business;
2. In the event more than one business who submitted a bid, quote or proposal is an Oregon business, or no business that submitted a bid, quote or proposal is an Oregon business, then the contract shall be awarded by means of a coin flip. The Water Board will notify each entity who submitted a quote, proposal or bid of the time and place of the coin flip so representatives of each entity may be present at the time selected. In the event one or more representatives of the involved entities do not appear for the coin flip, then the Water Board staff may proceed to flip a coin to determine which entity will be awarded the contract and then notify that business.

2. The Water Board's Public Contracting Rules, Section 5.2, is hereby amended by adding Section 5.2.9 as follows:

Section 5.2.9: In the event that the Water Board issues a solicitation under Section 5: Personal Service Contracts, in the event any solicitation, whether the solicitation is a request for quotes, a request for proposals, a bid or any other legally authorized solicitation mechanism, results in a tie quote, proposal or bid, the contract may be awarded pursuant to the following criteria:

1. The contract shall be awarded to the entity that is an Oregon business, meaning that the principal office of the business is located in the State of Oregon and the business is registered as an Oregon business;
2. In the event more than one business who submitted a bid, quote or proposal is an Oregon business, or no business that submitted a bid, quote or proposal is an

Oregon business, then the contract shall be awarded by means of a coin flip. The Water Board will notify each entity who submitted a quote, proposal or bid of the time and place of the coin flip so representatives of each entity may be present at the time selected. In the event one or more representatives of the involved entities do not appear for the coin flip, then the Water Board staff may proceed to flip a coin to determine which entity will be awarded the contract and then notify that business.

3. The Water Board's Public Contracting Rules, Section 6, is hereby amended by adding Section 6.10 as follows:

Section 6.10: In the event that the Water Board issues a solicitation under Section 6: Surplus Personal Property, to sell surplus personal property, in the event any solicitation, whether the solicitation is a request for quotes, a request for proposals, a bid or any other legally authorized solicitation mechanism, results in a tie quote, proposal or bid for the surplus personal property, the property may be sold pursuant to the following criteria:

1. The sale shall be made to the entity that is an Oregon business, meaning that the principal office of the business is located in the State of Oregon and the business is registered as an Oregon business;

2. In the event more than one business who submitted a bid, quote or proposal for the surplus personal property is an Oregon business, or no business that submitted a bid, quote or proposal is an Oregon business, then the sale shall be awarded by means of a coin flip. The Water Board will notify each entity who submitted a quote, proposal or bid of the time and place of the coin flip so representatives of each entity may be present at the time selected. In the event one or more representatives of the involved entities do not appear for the coin flip, then the Water Board staff may proceed to flip a coin to determine which entity will be awarded the contract and then notify that business.

4. The Water Board's Public Contracting Rules, Section 8, is hereby amended by adding Section 8.12 as follows:

Section 8.12: In the event that the Water Board issues a solicitation under Section 8: Public Improvements and Construction Services, in the event any solicitation, whether the solicitation is a request for quotes, a request for proposals, a bid or any other legally authorized solicitation mechanism, results in a tie quote, proposal or bid, the contract may be awarded pursuant to the following criteria:

1. The contract shall be awarded to the entity that is an Oregon business, meaning that the principal office of the business is located in the State of Oregon and the business is registered as an Oregon business;

2. In the event more than one business who submitted a bid, quote or proposal is an Oregon business, or no business that submitted a bid, quote or proposal is an Oregon business, then the contract shall be awarded by means of a coin flip. The Water Board will notify each entity who submitted a quote, proposal or bid of the time and place of the coin flip so representatives of each entity may be present at the time selected. In the event one or more representatives of the involved entities do not appear for the coin flip, then the Water Board staff may proceed to flip a coin to determine which entity will be awarded the contract and then notify that business.

5. That the Water Board shall regularly review changes in the Public Contracting Code and the Model Rules to ensure that the Local Public Contracting Rules adopted by the Water Board are consistent with current law.
6. That any prior Resolutions, or parts of prior Resolutions, in conflict herewith are hereby repealed.

Statutes implemented ORS 279A; 279B; and 279C.

Regarding the South Empire Boulevard Water Line Relocation Project, Mr. Thomas stated the utility received the loan commitment letter from Oregon Transportation Infrastructure Bank (OTIB). The project was completed in 2015 prior to the loan closing using Water Board reserve funding. The commitment letter lists the loan terms and conditions set forth by OTIB for reimbursement of those funds as follows:

Loan Amount:	\$808,000
Interest Rate:	1.34%
Loan Term:	10 Years
Payment Start:	September 1, 2019
Maturity Date:	March 1, 2029
Loan Fee	1% deducted from proceed

The commitment letter has been signed by Rodger Craddock, Coos Bay City Manager, and Terence O'Connor, North Bend City Administrator. If accepted by the Board, once the commitment letter has been returned to OTIB, the loan agreement and promissory note will be sent for resolution from each City and the Water Board to pledge repayment of the loan. When resolutions from both Cities and the Water Board have been accepted by the OTIB office and the Department of Justice, funds can be disbursed. After a brief discussion, Mr. Solarz moved to approve the loan commitment letter from OTIB and authorize the General Manager to execute the letter as proposed. The motion was seconded by Dr. Sharps and passed unanimously.

Regarding Country Club Estates, Mr. Thomas stated he has had an opportunity to speak with Mr. Chris Moore, the representative for Country Club Estates (CCE), concerning serving CCE with water from the utility's water supply. The Board has had discussions with CCE in the past and was in agreement that the utility would serve water to CCE pending CCE's approval from Oregon Health Authority and any other permitting agencies. To date, no decisions have been reached regarding cost of water service and the agreement for such service. CCE is in the process of deciding if it should fund its own water treatment process that is required by the Oregon Health Authority if the utility were to supply water to them. CCE has gone through the process to become a special water district and suggest the utility enter into an intergovernmental agreement to serve water to CCE outside of its normal practices and procedures. Mr. Moore has also requested the Board review options and come to a consensus on the charges it would apply to these special conditions.

Mr. Thomas presented three options for the Board to consider, which were included in their Board packet for review stating he would like to get recommendations from the Board on their thoughts. The options could be used as presented or by using a combination of any of the three. Mr. Thomas commented it was unclear to him whether an agreement was ever reached in prior years as to what would be charged for SDCs and water service. Mr. Hoffine stated staff gave CCE an estimated figure of approximately \$1.3 million for extending the water main down

the highway and over the Sumner Bridge. A survey was done a few years ago asking the CCE landowners if they would be interested in getting water service extended to them. The survey produced very little response. Dr. Sharps inquired what the homeowners of CCE have in mind as far as cost. Mr. Thomas commented in his discussions with Mr. Moore the community did not want to incur extensive costs.

Mr. Thomas stated the Board is being asked to review the options in anticipation of an upcoming motion approval by the Board at a future meeting. The meeting would most likely be attended by representatives of CCE to discuss what option would be approved in a special water service contract between the utility and CCE.

Engineering Supervisor Matt Whitty gave an update to the Board on the status of unrestricted capital reserve funds. Mr. Whitty stated staff tracks reserve funding in several categories. One of the categories is "Reserve for Capital Improvements-Surplus". These funds are unrestricted and utilized if it becomes necessary to fund an unbudgeted project during the fiscal year, or when a planned project exceeds the budgeted amount. This category was projected to have \$255,500 at the end of fiscal year 2016.

Capital costs are tracked by the individual project during the fiscal year. Staff evaluates capital project costs at midpoint of the fiscal year for the remainder of the fiscal year through December 31st and makes a project of capital expenditures for the remainder of the fiscal year end of June 30th.

As of December 31, 2015 the utility's capital expenditures totaled \$2,370,100. Projected capital expenditures for the remainder of the fiscal year are \$680,400 for a total estimated capital expenditure of \$3,050,500. This exceeds staff's budgeted amount by \$165,300. The overage is primarily due to the addition of unbudgeted projects such as \$40,000 for the Upper Pony Creek Seismic Evaluation or remaining costs from the previous fiscal year including \$56,000 for the Ocean Boulevard Project. Staff's projected expenditure on budgeted projects totals \$2,885,500. The fiscal year 2016 budget included \$2,885,200 for capital projects. Mr. Whitty said while some projects were over budget, other projects came in low and balanced the overage. After all remaining projects are complete, the utility is scheduled to have an unrestricted reserve for capital balance of \$90,000 at the end of the fiscal year, June 30th. Mr. Coffey inquired if the loan proceeds from OTIB, once received, would be placed into the unrestricted capital reserve funds. Mr. Whitty confirmed the funds would be put into this fund. Mr. Thomas commented the utility has other reserves that are untouched. Mr. Whitty added there is also an emergency capital reserve fund which has a balance of \$525,000. The Board thanked staff for the update.

Regarding Sol Coast Consulting & Design's Task Order 5, Mr. Thomas stated Task Order 5 consists of completing the as-built construction report and mitigation monitoring plan for the Matson Creek Fisheries Mitigation Project as required by the Oregon Department of Fish & Wildlife (ODF&W). Memorandums of Understanding approving waivers of fish passage at upper and lower Pony Creek Dams have already been received by the utility based on the assurance this portion of the project was to be completed. The ODF&W provided highlighted details as follows:

- Mitigation subject to "as built" survey: resulting stream length, placement/vol. of LWD, frequency and depth of pools, viability of native plantings;
- Biological monitoring of salmonid presence at yrs. 3, 6, and 9;

- Annual (two times per year?) visits for plant maintenance, clearing non-natives from around natives, maintain plant protection if necessary, re-plant (or replace to designated plant survival level.

The total amount of proposed Task Order 5 is not to exceed \$6,080. After a brief discussion, Dr. Sharps moved to authorize Task Order 5 and authorize the General Manager to enter into the amended agreement for professional services with Sol Coast Consulting & Design in the amount of \$6,080. The motion was seconded by Mr. Solarz and passed unanimously.

The Board's next regular meeting was set for Thursday, March 3, 2016 at 7:00 a.m.

At 7:50 a.m. Chair Cribbins directed they go into executive session for the purposes of discussing personnel issues pursuant to ORS 192.660(2)(a). They returned to open session at 8:47 a.m. There being no other business to come before the Board, Chair Cribbins adjourned the meeting at 8:47 a.m.

Approved: _____, 2016

By: _____
Chair Melissa Cribbins