

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

Minutes
Regular Board Meeting

January 17, 2019
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 Cribbins presiding. Other Board members present: Greg Solarz, and Bob Dillard. Board members absent: Dr. Charles Sharps. Water Board staff present: Ivan D. Thomas, General Manager; Jeff Howes, Finance Director; Jerre Cover, Water Treatment Supervisor; Rick Abbott, Distribution Supervisor; Bryan Tichota, Customer Relations Supervisor; Jeff Page, Operations Manager; Jason Mills, Distribution Technician; 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. and lead the Board and assembly in the Pledge of Allegiance.

Chair Cribbins asked if there were any corrections or additions to the December 20, 2018, Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Mr. Dillard and passed unanimously.

Mr. Cover reviewed the bids received for water treatment chemical purchases to be made during calendar year 2019. There were eight bidders for six chemicals. All products meet the specifications outlined in the Request for Quotes. Based on the expected quantities of treatment chemicals to be purchased and the quotes received, expenses will increase for the upcoming year by approximately \$4,877. After a brief discussion, motion was made by Mr. Solarz to accept all quotes and award the chemical quotes to the supplier with the low quote for each chemical type. The motion was seconded by Mr. Dillard and passed unanimously. The suppliers with low quotes were as follows:

| Treatment Chemical | Bidder | Price Per Ton |
|------------------------------|---------------------------------|--------------------------|
| Liquid polyaluminum chloride | California Aluminum Chemical | \$ 572.00 |
| Anhydrous ammonia | Airgas Specialty Products, Inc. | 2,300.00 |
| Hydrated lime | Cascade Columbia | 414.00 |
| Powdered Activated Carbon | Cal-Pacific Carbon | 1,540.00 |
| Sodium fluoride | Cascade Columbia | 1,833.00 |
| 25% Sodium hydroxide | Cascade Columbia | 249.45 |

Regarding the proposed 4th Amendment to the Lease Agreement with PacifiCorp, Mr. Thomas stated In December 2001, the Water Board signed a property lease agreement with PacifiCorp (Pacific Power) to lease property for utilities located on Water Board owned property. In 2006, 2011 and 2016 the Water Board and PacifiCorp renewed the agreement per the terms and conditions in the original lease agreement for five year extensions. The rent is set to increase on an annual basis per the December Portland-Salem Consumer Price Index for Urban areas (CPI-U).

The CPI has recently changed the geographic area used when sampling to determine changes in prices. The change occurs every 10 years. With the 2018 revision, the 2010 Decennial Census is utilized and there is a reduction in urban areas from 87 to 75. The Portland-Salem CPI-U did not meet the population threshold and will no longer be calculated by the US Bureau of Labor Statistics, therefore being discontinued.

With the Portland-Salem CPI-U being discontinued, staff researched several different national CPI's for comparison. In negotiations with land managers at PacifiCorp, it was determined that the Seattle CPI-U was comparable in total annual CPI adjustments and volatility of CPI on an annual basis.

Mr. Thomas stated the annual payment in the proposed 4th Amendment is in error and should be changed from \$4,204.84 to \$4,368.83.

After a brief discussion, motion was made by Mr. Dillard to authorize the change in the annual payment as noted and authorize the General Manager to enter into the 4th Amendment to the Lease Agreement with PacifiCorp. The motion was seconded by Mr. Solarz and passed unanimously.

Distribution Technician Jason Mills presented staff's request for telemetry upgrades to the Glasgow pump station (Quail Road) and Glasgow Heights pump station and reservoir (Robin Road). The proposed project includes replacing two aging S&B remote telemetry units (RTUs), one at Glasgow pump station and one at Glasgow Heights Reservoir and pump station. The existing S&B telemetry equipment is obsolete and also relies on Frontier Communication's aging telemetry. Staff recommends installing Mission Communications cellular RTUs to monitor and control these pump stations as the utility has had good success with these at other Water Board facilities. These pump stations will be the fourth and fifth sites to be fully controlled by the Mission SCADA.

This project also includes installation of bypass taps at the Glasgow Heights Pump Station for keeping customers in service when the electrical work is being performed. This bypass can be used for auxiliary pumping in future power outages.

Correct Equipment is the regional distributor for the Mission Communications RTU and pressure transmitters therefore staff has only one source for this equipment. Using the same provider, Mission, for the utility's remote sites allows for the efficient monitoring and control of our system. Mission Communications has proven itself a reliable, user friendly and cost effective telemetry solution.

These telemetry upgrades include the purchase of two Mission M852 RTUs with tank and well control package and two new pressure transmitters for the Glasgow pump station in the amount of \$10,440.30. Electrician installation costs for this project are estimated to be \$4,000. Estimated costs for Board staff labor and mileage are \$3,500. Motor protection relays will be installed during this project costing \$250.00. Parts for the auxiliary pumping bypass will cost \$700. The total estimated cost for this project, including a small contingency, is estimated at \$19,500. This project is included in the current fiscal year's budget in the amount of \$23,200.

After a brief discussion, Mr. Solarz moved to authorize the purchase and installation of Mission Communications upgrades to the Glasgow pump station and Glasgow Heights pump station/reservoir in the amount of \$19,500. The motion was seconded by Mr. Dillard and passed unanimously.

Engineering Manager Matt Whitty presented staff's request for the design and replacement of 190 feet of 2-inch asbestos cement pipe with 190 feet of 2-inch diameter PVC pipe on "E" Street in Eastside. This main serves three homes on a gravel portion of "E" Street. The existing main has experienced multiple breaks and is in poor condition. This project was budgeted for installation by the utility's personnel and is included in the current fiscal year's budget at an estimated cost of \$16,400. Motion was made by Mr. Solarz to authorize staff to design and install the "E" Street main replacement at an estimated cost of \$16,400. The motion was seconded by Mr. Dillard and passed unanimously.

Operations Manager Jeff Page stated in response to the availability of affordable housing in Oregon, Senate Bill 1051 was passed and became effective on July 1, 2018. Senate Bill 1051 requires that cities and counties of a certain population amend their development codes to allow a second dwelling on parcels where residential development is allowed. These second dwellings are known as accessory dwelling units (ADUs).

Our water services and meters are based on instantaneous demand. The estimated instantaneous demand is determined by a fixture count. An ADU will affect instantaneous demand of a property and may require an upgrade to a service or meter. If a service or meter is not upgraded the customer may experience a reduction of water pressure.

We have received some inquiries from existing customers regarding placement of an ADU on their property. Staff is considering several different options regarding applying service to the ADUs and what would be charged for a system development charge. In March of 2018, the Oregon Department of Land Conservation and Development published guidance on implementing the ADU requirement contained in Senate Bill 1051. This document was provided to the Board Members along with a memo from staff.

Ms. Cribbins asked what the maximum size is for ADUs. Mr. Page stated the City of North Bend limits the size of ADUs to 800 square feet or 75% of the primary dwelling's floor area, whichever is smaller and the City of Coos Bay limits the size to 1,000 square feet.

Mr. Coffey commented the drive behind Senate Bill 1051 is to try to make ADUs more available for urban areas. The Water Board needs to address this legislation regarding the system development charge and a resolution needs to be adopted by the Board to implement whatever options are agreed upon.

Mr. Thomas commented the utility's policy currently states one meter per lot. Once the Board decides how staff is to address an ADU, the utility's Rules and Regulations will need to be modified and approved.

After a brief discussion, it was the Board's consensus for staff to contact other utilities to gather information as to how they are handling accessory dwelling units/system development charges and bring the information to the Board at a future meeting.

The Board's next regular meeting was set for Thursday, February 7, 2019, at 7:00 a.m.

Updates were given as follows:

- High Service Pump Drive Replacement – The second drive that was installed would not run correctly with the SCADA. S&B started rewriting the SCADA program and got the drive working, however something malfunctioned and the new drive burnt. Pictures have been sent to the drive manufacturer.
- OSHA has been notified that chlorine gas is no longer on the premises
- Mr. Thomas will give a presentation to the Coos Bay City Council on February 5 and to North Bend City Council on February 11 giving a brief history and overview of the Water Board

At 7:30 a.m. Chair Cribbins directed they go into executive session for the purpose of discussing personnel issues pursuant to ORS 192.660(2)(a). They returned to open session at 7:40 a.m.

There being no other business to come before the Board, Chair Cribbins adjourned the meeting at 7:55 a.m.

Approved: _____, 2019

By: _____
Chair Melissa Cribbins

ATTEST: _____