

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.  
January 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: Dr. Charles Sharps, Dick Vigue and Greg Solarz. Board members absent: None. Water Board staff present: Ivan D. Thomas, General Manager, Rob K. Schab; Ron Hoffine, Operations Director; Matt Whitty, Engineering Supervisor; Rick Abbott, Distribution Supervisor; Jim Kaylor, Water Treatment Supervisor; Bryan Tichota, Customer Relations Supervisor; Jeff Howes, Finance Director; Darleen Atkison, Customer Service Representative; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Shannon Souza of Sol Coast Consulting & Design was present. Chair Cribbins opened the meeting at 7:00 a.m.

Chair Cribbins asked if there were any corrections or additions to the December 10, 2015 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.

Regarding the proposed vegetation control in the Pony Creek and Joe Ney Watersheds, Operation Director Ron Hoffine stated Stuntzner Engineering and Forestry had been retained, via Task Order 1, to inspect various timber units and report their recommendations on vegetation control need and strategies. The units inspected were the borrow area for the new Upper Pony Creek Dam (portion of Unit 96) and Units 3, 31 and 32. The borrow area portion is 35 acres just northerly of the dam, Unit 3 is 25 acres adjacent to Libby Lane in the Joe Ney Watershed, and Units 31 and 32 total 40 acres on the easterly side of the Pony Creek Watershed. The cost of these services was \$3,000. Staff is proposing Task Order 2 for preparation of contract documents for vegetation control in Units 3, 31 and 32 as well as the solicitation of contractor quotes and contract administration. The total amount of proposed Task Order 2 is not to exceed \$3,000. Mr. Hoffine suggested this type of work should continue in order to see the long term benefits of timber growth. After a brief discussion, Dr. Sharps moved to authorize Task Order 2 with Stuntzner Engineering and Forestry, authorize the solicitation of quotes for the work as described, and present quotes to the Board at a future meeting for consideration of award. The motion was seconded by Mr. Solarz and passed unanimously.

Finance Director Jeff Howes presented Resolution No. 341 "Banking Signature Authorizations" stating due to changes in staffing, this requires updating signing authority for various banking and investment accounts. Proposed Resolution No. 341 will update signing

authorization for financial activities at Umpqua Bank. After a brief discussion, Mr. Solarz moved to adopt Resolution No. 341 as proposed. The motion was seconded by Mr. Vigue and passed unanimously. The resolution read as follows:

### **Resolution No. 341**

#### **BANKING SIGNATURE AUTHORIZATIONS**

WHEREAS, the Coos Bay-North Bend Water Board (hereinafter "Water Board"), requires banking services to efficiently carry out its collection and payment functions; and

WHEREAS, the Water Board issued a request for proposals for banking services in January 1998 and subsequently accepted the proposal of Security Bank at its February 26, 1998, regular Board meeting; and

WHEREAS, the Cities appoint new members to the Board at various times;

WHEREAS, the Water Board deems it necessary to authorize Board Members to sign banking checks;

WHEREAS, Umpqua Bank (formerly Security Bank) requires a Corporate Authorization Resolution;

NOW, THEREFORE, BE IT RESOLVED that the Water Board authorize Ivan D. Thomas to sign all documents pertaining to authorized changes in its bank checks, sign on payroll and petty cash accounts, and have access to information on all accounts. Furthermore, to remove Rob K. Schab as evidenced by attached signature letters on file with Umpqua Bank.

Regarding award of the 2016 Vehicles, Distribution Supervisor Rick Abbott stated quotes were solicited from local dealers as well as through the Oregon Procurement Information Network (ORPIN) for the following new vehicles: One 2WD pickup, one 4WD pickup, and one 4WD 1 ¼-ton truck chassis. ORPIN has price agreements with several automobile/truck dealerships in Oregon for the various manufacturers. Each dealership is eligible to bid on utility vehicles, and solicitation documents were sent to each. Locally, Tower Motor Company, Ken Ware Chevrolet, and Verger Chrysler Plymouth Dodge were invited to bid.

The new 2WD pickup will be used by the Meter Readers, replacing Truck #7, a 2007 Chevrolet C15 with 61,000 miles. The amount of \$22,000 is included in the current fiscal year's budget for this purchase.

The new 4WD pickup will be used by the Engineering Section, replacing Truck #8, a 2007 Ford F150 with 84,000 miles. The amount of \$25,000 is included in the current fiscal year's budget for this purchase.

The truck chassis will be used as a crew truck and fitted with a new utility box and crane that will be bid and purchased separately. It will replace Truck #5, a Ford F450 with 56,000 miles. The amount of \$63,800 has been budgeted in the current fiscal year for a new crew truck with utility box/crane.

The quote tabulation is as follows:

2WD Pickup

<u>Dealership</u>	<u>Regular Cab ½-ton</u>	<u>Extended Cab Compact</u>
Gresham Ford, Gresham	\$20,571.89	-
Suburban Chevrolet, Sandy	\$19,977.00	\$22,318.00
Withnell Dodge, Salem	\$19,717.00	-
Tower Motor Co, Coos Ba	\$20,427.03	-
Bruce Chevrolet, Hillsboro	\$19,840.00	\$22,415.00
Ron Tonkin Dodge, Gladstone	\$19,793.00	-
Power Ford Lincoln, Newport	\$20,471.00	-
<b>Power Chrysler Jeep Dodge, Newport</b>	<b>\$19,445.00</b>	-
Landmark Ford Lincoln, Tigard	\$20,437.00	-

4WD Pickup

<u>Dealership</u>	<u>Regular Cab ½-ton</u>	<u>Extended Cab Compact</u>
Gresham Ford, Gresham	\$22,878.89	-
Suburban Chevrolet, Sandy	\$22,928.00	\$25,593.00
Withnell Dodge, Salem	\$22,863.00	-
Tower Motor Co, Coos Bay	\$22,746.25	-
<b>Bruce Chevrolet, Hillsboro</b>	<b>\$22,704.00</b>	\$26,550.00
Ron Tonkin Dodge, Gladstone	\$23,156.00	-
Power Ford Lincoln, Newport	\$22,768.00	-
Landmark Ford Lincoln, Tigard	\$22,743.00	-

1 ¼-Ton Truck Chassis

<u>Dealership</u>	<u>Quote Amount</u>
Gresham Ford, Gresham	\$39,787.91
Withnell Dodge, Salem	\$41,365.00
Tower Motor Co, Coos Bay	\$40,045.42
Ron Tonkin Dodge, Gladstone	\$41,908.00
Power Ford Lincoln, Newport	\$40,194.00
<b>Landmark Ford Lincoln, Tigard</b>	<b>\$39,783.00</b>

All quotes were substantially based on the specifications with minor standard equipment substitutions only. Staff will issue a Request for Quotes for a new utility box with crane to fit the new truck chassis in mid-January for consideration of award by the Board at a later meeting. A new utility box/crane with installation is estimated to cost about \$30,000.

After a brief discussion, Dr. Sharps moved to surplus Trucks #7, #8, and #5, and award purchase of the 2016 vehicles to the low bidders as follows:

2WD pickup truck to Power Chrysler Jeep Dodge in Newport for \$19,445.00;  
4WD pickup truck to Bruce Chevrolet in Hillsboro for \$22,704.00; and  
1 ¼-ton truck chassis to Landmark Ford Lincoln in Tigard for \$39,783.00.

The motion was seconded by Mr. Solarz and passed unanimously

Regarding the proposed updated 5-year Capital Improvement Plan, General Manager Ivan Thomas stated Mr. Whitty has prepared an update of the plan earlier than normal in the annual process due to the upcoming System Development Charge outlook to be presented to the Board at a future meeting. Current funding for capital improvements comes from water sales and timber sale revenue. The current funding level for fiscal year 2017 is \$1,258,400. This funding level is proposed to increase in annual increments resulting in a funding level of \$1,385,100 in fiscal year 2021.

The plan includes funding for several categories of infrastructure including water mains, pump stations, reservoirs, dunes, treatment, telemetry and miscellaneous projects. Funding for treatment, telemetry and miscellaneous projects is a constant \$155,000 per year over the five year period. Funding for mains, pump stations and reservoirs increases annually, beginning at \$1,103,400 in fiscal year 2017 and ending at \$1,385,100 in fiscal year 2021.

Mr. Whitty explained in 2012 the Board adopted the Distribution System Condition Assessment and Replacement Plan (DSCARP). This document made an initial assessment of water mains, pump stations and reservoirs. The components of the utility's distribution system were scheduled for replacement based on anticipated useful life and estimated replacement costs were tabulated. Following adoption of the DSCARP, Rob Schab developed a three decade financial strategy to support the replacement of distribution infrastructure. The funding strategy was designed to produce funding for approximately 80% of the \$69 million in infrastructure needs outlined in the DSCARP.

Mr. Whitty said while updating the CIP, he had additional information regarding the Bay Park Reservoir. This is a steel reservoir which was slated in the DSCARP in the 2040 decade. Following the approval of the budget in June of 2012, staff inspected the Bay Park Reservoir in preparation for interior and exterior recoating and found the steel beams supporting the roof of the reservoir to be in very poor condition. This project was rescheduled for the 2014 budget, including replacement of the roof beams. Staff consulted with The Dyer Partnership for a full assessment of the reservoir's condition. Dyer's recommendation was to replace the reservoir with a 220,000 gallon concrete reservoir at a cost of \$417,000, plus engineering and contingencies, for a total estimated cost of \$740,000. Dyer's estimated cost may be higher than the actual cost, however it does not fit into the long term 30 year plan for funding.

In summary, Mr. Whitty stated the proposed 5-year Capital Improvement Plan includes replacement of infrastructure in accordance with the DSCARP adopted by the Board in 2012. Replacement of the Bay Park Reservoir is not included in the proposed plan as inclusion would delay high priority water main projects; however the need for replacement of this and other reservoirs of familiar construction and age should be addressed. Staff proposes the completion of an update of the DSCARP over the next two years, with a proposed completion date of January 2018. Dr. Sharps stated he wasn't clear on why the CIP is being updated early when usually it is done in April. Mr. Whitty stated every five years an analysis is completed on the System

Development Charges (SDC). Mr. Matson completed an analysis in 2006 and in 2011 the analysis was updated by Mr. Matson and Mr. Howes. The analysis makes the SDC's more defensible. There are requirements that need to be fulfilled under ORS 223 which cover guidelines on what needs to be accomplished before an SDC can be charged. One of the major components in the guidelines is a Capital Improvement Plan with a project list. This is in preparation for the SDC analysis which is scheduled to be brought to the Board for consideration at a future Board meeting.

Mr. Vigue inquired if funds from OTIB had been received. Mr. Schab said he placed a call to OTIB as funds have not been received and was told there was a backlog due to staffing problems.

After a brief discussion, Ms. Cribbins moved to adopt the proposed 5-year Capital Improvement Plan and direct staff to begin a two year effort to complete an engineering condition assessment of the distribution system resulting in an update to the DSCARP by January 2018. The motion was seconded by Dr. Sharps and passed unanimously.

Mr. Schab stated Billeter Marine has completed the Matson Creek Fisheries Restoration Project. The site was inspected by a representative of the Oregon Department of Fish & Wildlife for consistency with the agreed upon constructed mitigation elements of Memorandums of Understanding for waivers of fish passage for Upper Pony Creek and Joe Ney Reservoirs and found acceptable. While this has been documented via agency emails, official documentation to that effect is forthcoming. The site was also inspected by a representative of the engineering design contractor, ESA Vigil Agrimis, as well as the planting designer Coos Watershed Association. Based on their visit, the engineer's representative has recommended final payment to Billeter Marine. The date of substantial completion was November 19, 2015, which commenced the one year warranty provisions of the contract. The construction cost under this contract totaled \$614,542.05. Billeter Marine has requested final payment in the amount of \$92,523.88, bringing the total cost of the project to \$749,724.67. Ms. Souza stated she will be planning a site tour in late March and will confirm the date once scheduled. After a brief discussion, Dr. Sharps moved to accept the Matson Creek Fisheries Restoration Project as complete and authorize final payment to Billeter Marine in the amount of \$92,523.88. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Thomas updated the Board stating he is in receipt of a letter from SEIU giving notification of their intention to reopen the Collective Bargaining Agreement.

Ms. Cribbins inquired if staff has performed a study if the minimum wage is raised to \$15/hour. Mr. Thomas said he is not aware of one but staff could do so.

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

There being no other business to come before the Board, Chair Cribbins adjourned the meeting at 7:35 a.m.

Approved: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Chair Melissa Cribbins