

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

Minutes
Regular Board Meeting

July 12, 2017
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 Sharps presiding. Other Board members present: Bob Dillard and Greg Solarz. Board members absent: Melissa Cribbins. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Bill Hagan, Operations Manager; Jerre Cover, Water Treatment Supervisor; Rick Abbott, Distribution Supervisor; Vince Stonesifer, Field Services Technician; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Jeff Austin, from Utility Service Co., Inc. (SUEZ) was present. Media present: None. Chair Sharps opened the meeting at 7:00 a.m. and asked Mr. Solarz to lead the council and assembly in the Pledge of Allegiance.

Chair Sharps asked if there were any corrections or additions to the June 29, 2017 Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Mr. Dillard and passed unanimously.

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

Regarding proposed award of the ACH Tank Replacement, Water Treatment Supervisor Jerre Cover presented the quotes received by The Dyer Partnership for the ACH tank replacement as follows:

Pacific Excavation, Inc.	\$65,500
Chambers Plumbing, Inc.	\$74,748
Stettler Supply Company	\$78,845
Boede Construction	\$106,670

The Dyer Partnership was previously approved by the Board for design, solicitation of quotes, contract administration and inspection services for replacement of the current ACH tank at the Pony Creek Water Treatment Plant. There was one quote irregularity. The quotes were responsive and responsible and it is The Dyer Partnership's recommendation to award replacement of the ACH tank to Pacific Excavation, Inc. in the amount of \$65,500.

Mr. Cover stated the project cost was estimated at \$70,000, including engineering costs. Pacific Excavation's quote of \$65,500, and the project engineering cost of \$12,375 will bring the total project cost to \$77,875. The additional costs in the amount of \$7,875 would be funded by capital reserves. Mr. Dillard asked if this includes removal of the existing tank. Mr. Cover stated it

is not included. Mr. Thomas commented if a sodium hypochlorite conversion is done, the old ACH tank would be removed at that time with a new sodium hypochlorite tank put in its place.

After a brief discussion, Mr. Solarz moved to award a contract for ACH Tank Replacement to Pacific Excavation, Inc. in the amount of \$65,500. The motion was seconded by Mr. Dillard and passed unanimously.

Water Treatment Supervisor Jerre Cover presented estimates received for the removal and disposal of chemical waste materials. An inventory list was distributed to three hazardous waste disposal companies and estimates were received as follows:

Wastexpress	\$38,085.80
Pegex	\$31,325.40
Clean Harbors Environmental Services, Inc.	\$23,330.81

Mr. Dillard asked if a chain of custody would be provided. Mr. Cover stated he wasn't sure but he would inquire about this. Mr. Cover commented he spoke with the representative from Clean Harbors Environmental Services, Inc. and was told the estimate could potentially increase once the chemicals have been profiled, but most likely not by more than \$2,000. Funds are available in surplus from the fiscal year 2017 budget and in the capital projects reserve due to other projects coming in under budget. Mr. Dillard moved to authorize the General Manager to enter into an agreement with Clean Harbors Environmental Services, Inc. for the removal and disposal of the chemical waste in the amount of \$23,330.81 with no more than a ten percent contingency. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Solarz questioned why the chemical removal project was not included in the current fiscal year's budget. Mr. Thomas stated staff anticipated taking it from reserves as funds were adequate. Mr. Solarz voiced his concerns taking funds from reserves and Dr. Sharps agreed. Dr. Sharps stated in the future if a proposed project is not budgeted and being funded from capital reserves, he would like staff to include the current balance of capital reserves and the amount to be taken out.

Regarding the proposed sole source contract with Utility Service Co., Inc. (SUEZ) for Water Tank Maintenance for Steel Welded Tanks and Reservoirs, Mr. Thomas stated a presentation on a tank maintenance program was made before the Board in May. SUEZ was the contractor mentioned in the presentation as they were the only contractor that could be located with such a program. The Board requested staff research other tank maintenance contractors to see if they offered programs such as was presented. Four tank maintenance contractors were contacted: CMT, Fine Painting and Allied Services, Hunnicutts-Bellingham, and Pittsburgh Tank.

Three of the four contractors responded stating they did not offer a program that completed tank maintenance work and coatings in advance of payments spanned over a number of years. In addition, they do not offer more than a typical one year warranty for the work once completed. CMT commented they would not do this as they do not do lead abatement. Fine Painting did not respond. It appears SUEZ is the only contractor which offers this type of tank maintenance program.

Staff, together with the Board's attorney and SUEZ, have drafted a contract for Brights Mill tank, which was included in the Board member's packet. A revised cost estimate was provided to the Board members with a cost and scope of work for each tank spread over a ten year period. Work

on all seven of the Water Board's steel welded reservoirs would be completed within the first five years of the contract. This would include interior and exterior renovations of all coating systems on each tank, repair of each tank up to OSHA safety standards, and wash outs and cleanings on a periodic basis. Payments for the initial construction work would be spread out over the first eight years of the program. Years nine and ten are estimated at a much lower cost just to remain in the SUEZ tank maintenance program. If the Board decides to stay in the tank maintenance program and have an indefinite warranty, a new contract would be entered into for renewal for each tank if and when the Board decides to continue with the program in the future.

Mr. Dillard asked for clarification of an indefinite warranty. Mr. Thomas stated as long as the Board pays to stay in the program and pays for the visual inspections and chemical clean washouts every 3 years, the warranty continues and SUEZ performs any maintenance. For example, if the tank has to be recoated 10 years later, or if it needs repaired, SUEZ would warranty that work. Mr. Austin stated even during the initial phase of the contract (the first 8 years) the contract can be cancelled at any point in time and the only funds that are owed are for the work performed up to that time. The contracts are renewable annually. As long as the utility is in the maintenance program is a perpetual warranty that SUEZ is responsible to maintain the tanks.

Mr. Solarz moved to approve the sole source contract with SUEZ for each tank in the amount of \$1,900,964 over an 8 year period, and approve payment of these services in the amount of \$70,000 in year one of the agreements to SUEZ upon successful completion of the scope of work as identified in the cost summary. The motion was seconded by Dr. Sharps.

Mr. Solarz moved to amend his original motion to include authorizing the General Manager to sign seven individual contracts with SUEZ. The motion was seconded by Dr. Sharps and passed unanimously.

The Board's next regular meeting was set for Thursday, August 3, 2017, at 7:00 a.m.

At 7:35 a.m. Chair Sharps directed they go into executive session for the purpose of discussing potential litigation pursuant to ORS 192.660(2)(h). They returned to open session at 8:02 a.m.

There being no other business to come before the Board, Chair Sharps adjourned the meeting at 8:02 a.m.

Approved: _____, 2017

By: _____
Chair Charles J. Sharps, Ph.D.

ATTEST: _____