

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

Minutes
Regular Board Meeting

June 1, 2017
1:00 p.m.

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Chair Solarz presiding. Other Board members present: Melissa Cribbins, Bob Dillard and Dr. Charles Sharps. Board members absent: None. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Bill Hagan, Operations Manager; Jerre Cover, Water Treatment Supervisor; Jeff Howes, Finance Director; Bryan Tichota, Customer Relations Supervisor; and Karen Parker, Administrative Assistant; Jack Jackson, Laborer; Nathan Brown, Engineering Technician; Monica Kemper, Accounting Technician; Steve Lee, Crew Leader; and Jason Mills, Distribution Technician. Board Legal Counsel Jim Coffey was present. Media present: None. Mike Vaughn and Jeanne Woods representing the Liberty Theatre were present. Rob Schab, Utility Management Consulting, LLC., and Shannon Souza, Sol Coast Consulting & Design, were present. Chair Solarz opened the meeting at 1:00 p.m. Chair Solarz opened the meeting at 7:00 a.m. and asked Mr. Whitty to lead the council and assembly in the Pledge of Allegiance.

Regarding employee recognitions, Mr. Thomas stated an “Employee of the Month” program was instituted in December of 2016. The following employees were recognized for their nomination for the months of December 2016 through April 2017: Jack Jackson, Laborer; Nathan Brown, Engineering Technician; Monica Kemper, Accounting Technician; Steve Lee, Crew Leader; and Jason Mills, Distribution Technician.

Chair Solarz asked if there were any corrections or additions to the May 18, 2017, Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Mr. Dillard and passed unanimously.

Chair Solarz asked if there were any public comments. Mike Vaughn introduced himself as Project Manager for the Liberty Theatre Restoration Project. Mr. Vaughn stated they are in their second phase of the project, upgrading the building and adding restrooms in compliance with ADA standards and building codes. Construction is progressing in a timely manner and mostly within their budget. Mr. Vaughn stated one cost they were not aware of was an upgrade of their water meter; he was told it would cost approximately \$3,000 for the upgrade. Mr. Vaughn contacted staff at the Water Board inquiring what steps needed to be taken to get the meter installed, and said the paperwork on file was in error in that the meter was not in front of the property in question, it was located on the adjacent property, and therefore there was no water meter to upgrade. A new water meter would need to be installed for the new building. Operations Manager Bill Hagan communicated with Mr. Vaughn and advised him of the fees which consist of a System Development Charge of approximately \$8,900 and \$1,000 installation fee. Mr. Vaughn asked the Board if they would consider contributing all or a portion of the System Development Charge.

Jeanne Woods, representing the Liberty Theatre, commented the Liberty Theatre is a non-profit organization, none of the volunteers are paid, with the exception of bands occasionally. The Liberty Theatre is an ongoing community effort and they would appreciate any support the Board could give them. It was the Board's consensus to have staff investigate this matter further and bring back information to the Board at a later date for their consideration.

Rob Schab, Utility Management Consulting, LLC, and Shannon Souza, Sol Coast Consulting & Design, LLC, gave a presentation on the proposed updated Water Management and Conservation Plan (WMCP). The WMCP is a requirement that Oregon Water Resources Department (OWRD) has for holders of municipal water rights and provides the justification and roadmap on how utilities are going to use the water in terms of permits. A complete WMCP was submitted in 2011 which was subsequently approved by OWRD. Timeframes for updates to the plan are triggered by conditions included in Final Orders authorizing extensions in timeframes for municipal water rights to become fully developed. The WMCP also helps the utility align with the Growing Community's Doctrine and its applicability to the Coos Bay-North Bend community.

Basic components of the plan include the following:

- A municipal water supplier description
- A municipal water conservation element with a summary of benchmark progress
- A municipal water supply curtailment element
- A municipal water supply element

In 1996, the Water Board submitted a limited "Phase One" WMCP to OWRD. In 2011, a complete WMCP was submitted by the Water Board and approved by OWRD. This was triggered by the water right permit issued on Tenmile Creek. A Final Order authorizing the extension of the timeframe for development of surface water right 54344 for Tenmile Creek was executed in 2014. As a condition of that order, an update to the WMCP is required by August 29, 2017.

A draft final of the updated WMCP has been prepared under contract by Sol Coast Consulting & Design, LLC and Utility Management Consulting, LLC for review by the Board.

Pending authorization by the Board, the WMCP will be provided to affected local agencies for a 30 day review period after which the plan can be finalized and submitted to OWRD.

Ms. Souza stated due to the fact updates to the Plan are automatically triggered by extensions, the Board should work collaterally with OWRD on the timing of when the utility finalizes updates and when OWRD issue final orders. Currently, the Water Board has submitted four applications for extensions on permits that have not yet been fully developed and have not yet received a Final Order authorizing an extension in the time to develop them, as follows:

- S-53683 Upper Pony Creek Reservoir 4,100 acre feet
- S-18955 Winchester Creek 8.0 cubic feet per second
- S-50155 Pony Creek Treatment Plant 18.0 cubic feet per second
- R-2252 Joe Ney Reservoir 2,500 acre feet

When the Board negotiated the final language in the Tenmile Creek permit, as a provision the Board agreed to give up the Winchester Creek water right and also agreed to give up any further expansion plans for the Joe Ney Reservoir, therefore those are permanent extensions needing Final Orders. The other 2 permits the Board intended to fully develop and have done so. When a water right permit is issued a C date is applied (the date construction is to be completed)

and that is what these extensions are asking to move. With regards to Upper Pony Creek Reservoir and Pony Creek Treatment Plant, the Board was unable to fully construct and put to beneficial use the entire amount of water prior to the C date, which led to the need for the extension, even though as of now both have fully developed.

Ms. Souza explained when a municipality applies for an Extension of Time for a permit OWRD freezes their 'authorized diversion' at whatever quantity they were beneficially using at that time. The amount of undeveloped water remaining in the permit is referred to as Redlight water. A municipality may access red light water through the WMCP update and a Greenlight water authorization request.

A water freeze was never mentioned in any of the utility's previous extensions. The anticipated Final Order for Pony Creek Treatment Plant and Upper Pony Creek Reservoir will include freezing water at amounts that we have proven were developed prior to the Construction dates. The previous interpretation was how much has been developed at the time that the application for an extension was submitted, and in both of these cases the Board has fully developed all of the water.

After completion of the final draft of the WMCP, Ms. Souza received communications from OWRD stating they had determined the Board needs to request greenlight water in this WMCP update. The WMCP will not be finalized and put out for public comments until meetings are held with the extensions office and WMCP office to ensure the Board has the information needed to complete the plan. It was the Board's consensus to authorize Ms. Souza and Mr. Schab to further communicate with OWRD regarding greenlight water in order to finalize the updated draft of the WMCP and bring this back to the Board for final approval before being provided to community shareholders.

Sol Coast Consulting and Design, LLC (Sol Coast) currently provides environmental monitoring, reporting and water rights consultation services to the Water Board under a five (5) year specialty services contract. Ms. Souza gave an update of the current status of various environmental elements of Water Board operations and outlook for Fiscal Year 2017-18 environmental services.

Water Supply Expansion Mitigation and Monitoring

In order to secure permits for the expansion of the municipal water supply in 1999, the Water Board agreed to various mitigative actions in the areas of Fisheries, Wildlife and Wetlands. The various agreements take the form of permit conditions and memorandums of understanding entered into with affected agencies and were summarized in three documents:

- Fisheries Mitigation and Management Plan
- Wildlife Mitigation and Management Plan and
- Wetland Mitigation and Management Plan

All of the plans are adaptive by design and changes to previously agreed upon mitigation or monitoring approaches have been documented with affected agencies over the past seventeen years. A summary of the status of each of those plans is as follows:

Fisheries

Pending successful re-establishment of native vegetation, final mitigation for the fisheries components has been completed at Matson Creek. Vegetation re-establishment has been included in the 2017/18 fiscal budget.

Monitoring of Matson Creek and other completed mitigations under the Fisheries Plan occurs at various frequencies with annual monitoring requirements early in the project that taper to less frequent monitoring events (five to ten year periods) as the projects establish themselves.

The upcoming monitoring events will focus on Matson Creek stream restoration and a final event at the Willanch Creek restoration site. ODFW has recently requested that the Water Board revisit monitoring efforts at Joe Ney fish ladder and Upper Pony Creek Reservoir culverts for potential inclusion in the 2018/19 fiscal year.

Included in the mitigation package was the previously implemented acquisition of lands and daylighting of culverted stream flows along the Hospital Fork stem of Pony Creek at Waite Street. Construction activities and storm water system failures in the area have contributed to a lack of functionality of this mitigation component. Affected agencies have been made aware of the situation. Pending a collaborative solution, further action may be required in the future.

A permanent remedy to the recently discovered breach in the Joe Ney dike may require environmental permitting assistance.

Wildlife

All initially prescribed wildlife mitigation and monitoring has been completed.

The adaptive management plan calls for a review of mitigation effectiveness pursuant to established plan Goals and Objectives at ten year increments after full Plan execution. A request for review was made of ODFW in 2016. Due to workloads ODFW was unable to schedule this review during the 2016/17 budget cycle. The 2017/18 environmental budget includes funding for the commencement of this collaborative review that will focus on forest stand management of the wildlife buffer at Upper Pony Creek Reservoir (UPCR) as well as the wildlife corridor between UPCR and Joe Ney.

Wetlands

All initially prescribed wetland mitigation has been completed. A final monitoring event at the Matson Creek Wetland restoration is scheduled and budgeted for the upcoming fiscal year.

Water Rights

In accord with the requirements of the 10-mile creek water right permit, an updated Water Management and Conservation Plan has been prepared and is scheduled for submittal to the Oregon Water Resources Department (OWRD) in August of 2017.

Four water right permits are currently under review for authorization of an extension of time in which to complete full development of the water right by OWRD. Pending issuance of authorizations two of the extended permits will be prepared for a Final Proof Survey and full Claim of Beneficial Use for certification.

Oregon Dunes National Recreation Area Surface Water Management Plan

The Water Board holds a Special Use Permit (SUP) with the United States Department of Agriculture Forest Service for the operation of an underground aquifer water supply component in the Oregon Dunes National Recreation Area. The permit will expire on December 31st, 2019. The application for renewal of the permit will commence in the upcoming fiscal year and may

entail a full federal Environmental Assessment or Impact Statement based on federal regulatory developments since the existing SUP was entered into in 1999.

Annual monitoring and reporting is required under the existing SUP as described in the binding Surface Water Management Plan (SWMP). The Water Board continues to operate within the parameters of the SWMP. The network of monitoring wells is in need of rehabilitation or replacement. A full assessment of that need is underway and scheduled for completion during the current fiscal year. A full scope and budget for the identified actions will be completed during the upcoming fiscal year for planned implementation during the 2018/19 fiscal year.

Engineering Manager Matt Whitty presented Cornforth Consultant's proposal for Joe Ney Dike Geotechnical Services. The proposal consists of investigation of a leak in the Joe Ney Dike and development of conceptual mitigation options. The total cost for the proposed work is \$7,000. Funding for this project would come from capital reserves. Staff would review conceptual repair options and make a recommendation to the Board for further action. Mr. Dillard inquired if traps have been used at the Joe Ney Dike. Mr. Whitty stated no, however he would contact Oregon Department of Fish and Wildlife. After a brief discussion, Ms. Cribbins moved to hire Cornforth Consultants for the Joe Ney Dike geotechnical services and authorize the General Manager to sign a purchase order for the work in the amount of \$7,000. The motion was seconded by Mr. Dillard and passed unanimously.

The Board's next regular meeting was set for Thursday, June 15, at 1:00 p.m., immediately following the Budget Committee meeting.

Mr. Thomas stated Oregon Health Authority (OHA) submitted a notice of violation for raw water turbidity reading. Staff had recorded all the necessary data but it was not included on the form submitted to OHA. Proof was provided to OHA the reading was taken and the notice of violation was removed. Mr. Cover commented this will be included in the CCR next year.

Regarding chemical removal, Mr. Cover stated he has taken inventory of the chemicals to be removed and has sent out a request for quotes to 3 companies.

The Board's next regular meeting was set for Thursday, June 15, at 1:00 p.m., immediately following the Budget Committee meeting.

At 2:37 p.m. Chair Solarz directed they go into executive session for the purpose of discussing potential litigation pursuant to ORS 192.660(2)(h) and ORS 192.660(2)(i). They returned to open session at 2:48 p.m.

There being no other business to come before the Board, Chair Solarz adjourned the meeting at 2:48 p.m.

Approved: _____, 2017

By: _____
Chair Greg Solarz

ATTEST: _____