

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

Minutes
Regular Board Meeting

June 9, 2022
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 Dr. Charles Sharps presiding. Other Board members present: Greg Solarz, Bob Dillard and Carmen Matthews. Board Members absent: None. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Bryan Tichota, Customer Relations Supervisor; Rick Abbott, Distribution Supervisor; and Karen Parker, Administrative Assistant. Media present: None. Dan Draper of Coos Watershed was present. Chair Sharps opened the meeting at 1:00 p.m. and lead the Board and assembly in the Pledge of Allegiance.

Chair Sharps asked if there were any corrections or additions to the May 19, 2022, Regular Board meeting minutes. Mr. Dillard moved the minutes be approved as written. The motion was seconded by Mr. Matthews and passed unanimously.

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

Regarding adoption of the FY2022-23 financial budget, Mr. Thomas stated the Budget Committee recommended a 6.25% rate adjustment in general water rates, fire services and fire hydrants as shown in Exhibit "A" of proposed Resolution No. 392, and a 6.56% rate adjustment in System Development Charges, and asked the Board if they had any modifications or comments.

After a brief discussion, Mr. Dillard moved to adopt FY22-23 budget as recommended by the Budget Committee and approve Resolution No. 392. The motion was seconded by Mr. Matthews and passed unanimously. The Resolution read as follows:

Resolution No. 392

**ADJUSTMENTS TO GENERAL WATER RATES
FIRE SERVICES, FIRE HYDRANTS
AND
SYSTEM DEVELOPMENT CHARGES**

WHEREAS, by and pursuant to the authority vested in the Coos Bay-North Bend Water Board (Water Board), pursuant to the respective charters of the Cities of Coos Bay and North Bend, Oregon, and the laws of the State of Oregon, said Water Board has the right and authority to fix rates to be paid by users of water from the Water Board system, to make and determine reasonable classifications of various rates, and to promulgate and make effective regulations and service fees in connection with the operation of said water system; and

WHEREAS, Water Board has reviewed current rates and charges in relationship to the operational and capital needs of the utility and found them insufficient to meet Water Board's goals; and

WHEREAS, Water Board has determined that the needs of the utility must be appropriately funded;

NOW, THEREFORE, BE IT RESOLVED, that general water rates, fire services fire hydrants and System Development Charges for all classifications of water users within and without the corporate limits of the Cities of Coos Bay and North Bend, Oregon, established by duly adopted resolutions of Coos Bay-North Bend Water Board, shall be amended by the attached Exhibit "A" to be effective July 1, 2022, for all bills rendered on or after July 1, 2022.

Adopted this _____ day of _____, 2022.

COOS BAY-NORTH BEND WATER BOARD

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

ATTEST

EXHIBIT "A"
GENERAL WATER RATES

Rate per 100 cubic feet for all consumption over 300 cubic feet			Minimum charge for consumption metering from 0 to 300 cubic feet per month		
<u>Classification</u>	<u>Inside</u>	<u>Outside</u>	<u>Meter Size</u>	<u>Inside</u>	<u>Outside</u>
Residential	\$3.826	\$5.093	Meter Surcharge	\$0.00	\$5.00
Multiple-residential	3.002	4.374	5/8-inch	26.00	36.32
Commercial	3.045	4.440	3/4-inch	27.59	38.63
Industrial	2.641	3.537	1-inch	34.09	47.71
Public/Other	2.767	4.026	1 1/2-inch	50.29	70.44
Untreated		0.453	2-inch	74.63	104.49
			3-inch	131.43	184.06
			4-inch	212.62	297.64
			6-inch	415.49	581.69
			8-inch	658.93	922.52
			10-inch	942.98	1,320.18

FIRE SERVICES

To be charged monthly at the rate of \$6.56 per inch of diameter of service pipe in addition to any meter rate

<u>Fire Service Line Size</u>	<u>Monthly Fee</u>
2" or less	\$13.12
3"	19.68
4"	26.24
6"	39.36
8"	52.48
10"	65.60

SYSTEM DEVELOPMENT CHARGES

<u>METER SIZE</u>	<u>(ME) Meter Equivalent</u>	<u>SDC</u>
5/8"	1.0	\$ 4,462
3/4"	1.5	\$ 6,693
1"	2.5	\$ 11,155
1.5"	5.0	\$ 22,310
2"	8.0	\$ 35,696
3"	16.0	\$ 71,392
4"	25.0	\$ 111,550
6"	50.0	\$ 223,100
8"	80.0	\$ 356,960
10"	115.0	\$ 513,130

FIRE HYDRANT RATES

- Hydrants inside the Cities of Coos Bay and North Bend which are owned by the Cities of Coos Bay and North Bend - NO CHARGE
- Hydrants owned and maintained by private parties or by other public bodies within the Cities of Coos Bay and North Bend, per month in advance - \$13.54
- Hydrants owned and maintained by organized fire districts, private parties, or by other public bodies outside the corporate limits of Coos Bay and North Bend, per month in advance - \$18.80

NOTE: THE ABOVE GENERAL WATER RATES, FIRE SERVICES, FIRE HYDRANTS, AND SYSTEM DEVELOPMENT CHARGES SHALL BE IN EFFECT FOR ALL CHARGES MADE AND BILLED AS OF THE JULY 1, 2022, BILLING DATE.

Mr. Thomas stated the Board has contracted with Coos Watershed Association (CWA) for its environmental monitoring needs on many different projects and requirements. The Water Board's fiscal year 2023 budget includes an exclusive scope of work with Coos Watershed for environmental monitoring and regulatory monitoring requirements. FY22-23 contract with Coos Watershed is down from last year's contract by approximately \$26,000. The amount fluctuates depending on commitments from year to year.

Mr. Thomas welcomed Dan Draper from Coos Watershed Association and asked if he would like to elaborate on the scope of work. Mr. Draper stated they perform photo monitoring as needed and fish monitoring every other year so the amount of the contract will fluctuate depending on the sequence of events. Mr. Dillard asked what changed the scope for this upcoming year. Mr. Draper stated this year they will not perform fish monitoring for Matson Creek. In addition, last year a fair amount of funds was spent on elk exposures and planting in the upper Matson Creek valley on both the north and south arms, so these tasks are not needed in the upcoming year.

The scope of work includes continued streamflow gauging to maintain water rights for Tenmile Creek, required vegetation monitoring and control, and photo monitoring at Matson Creek, and completion of the 2022 fisheries management plan. These results and reports must be submitted in a timely manner to the associated regulatory authority (ODFW) within the next year. The scope of work, including a 10% contingency, totals \$43,277 and is included in the Board's fiscal year 2022-2023 fiscal budget.

The following is a breakdown of the total projects for the FY2022-2023:

• Tenmile and Eel Creek Gauging Stations:	\$17,875
• Matson Creek – Vegetation Monitoring:	5,547
• Matson Creek – Invasive Species Control:	8,801
• Matson Creek – Photo Monitoring:	2,900
• Fisheries Management Report/Plan-2022:	4,940
	Subtotal: \$39,343
	10% Contingency: <u>3,934</u>
	Total Project: \$43,277

After a brief discussion, Dr. Sharps moved to approve the General Manager to enter into the FY 2023 contract with Coos Watershed Association for the proposed environmental monitoring and reporting in an amount not to exceed \$43,277. The motion was seconded by Mr. Matthews and passed unanimously.

Mr. Thomas presented proposed Resolution No. 393 titled "Resolution Extending Workers' Compensation Coverage to Volunteers of Coos Bay-North Bend Water Board for Policy Year 2022-2023. Insurance will be provided by SAIF Corporation. The estimated premium for coverage is \$2.04 per year. Mr. Dillard moved they adopt Resolution No. 393 as proposed. The motion was seconded by Mr. Matthews and passed unanimously. The resolution read as follows:

Resolution No. 393

A RESOLUTION EXTENDING WORKERS' COMPENSATION COVERAGE TO VOLUNTEERS OF COOS BAY-NORTH BEND WATER BOARD FOR POLICY YEAR 2022-2023

WHEREAS, ORS 656.031 provides that workers' compensation coverage will be extended to the classes of volunteer workers;

NOW, THEREFORE, be it resolved that Coos Bay-North Bend Water Board elects to provide workers' compensation coverage as listed below:

1. Unpaid volunteer Board Members will be provided with workers compensation based on providing administrative duties and hours volunteered. The assumed hourly wage for unpaid volunteer Board Members will be the assumed minimum wage filed by the National Council on Compensation Insurance for the year in which the volunteer services are provided.
2. A roster of active volunteers (non-public safety) will be kept monthly for reporting purposes. It is acknowledged that SAIF may request copies of these rosters during year-end audit; and
3. Unanticipated volunteer projects or exposure not addressed herein will be added to Coos Bay-North Bend Water Board's coverage agreement (1) by endorsement, (2) with advance notice to SAIF, and (3) allowing two weeks for processing. It is hereby acknowledged that coverage of this type cannot be backdated and must be pre-approved; and
4. This resolution will be updated annually.

Adopted this _____ day of _____, 2022.

COOS BAY-NORTH BEND WATER BOARD

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

Finance Director Jeff Howes presented the annual proposal for property and liability insurance for FY 2022-2023. Nasburg Huggins Insurance Agency, Inc. is the Water Board's current agent and City/County Insurance Services is the current provider for property and liability insurance.

The FY 2022-2023 proposed premium cost with a multiline credit is \$156,419.29. This is an increase of \$21,029.82 from FY 2021-2022. This significant increase in premium is from a 15.53% rise in the value of Water Board infrastructure as last evaluated by CIS, as well as an escalation in material costs to rebuild in the event of a loss.

Property and liability insurance services for FY 2022-2023 will be effective July 1, 2022. Premiums will be billed applicable to the service dates within the same year. The premium is budgeted accordingly in the FY 2022-2023 Water Board budget. The cost to renew the proposed property and liability insurance for FY 2022-2023 is \$156,419.29.

After a brief discussion, Mr. Matthews moved to authorize the General Manager to sign the CIS Property and liability proposal to secure these insurance services for FY 2022-2023 in the amount of \$156,419.29. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding the proposed renewal of Workers' Compensation Insurance with SAIF Corporation for FY2022-2023, Finance Director Jeff Howes stated the annual proposal was received from Nasburg Huggins Insurance Agency, Inc., the Board's current agent for workers' compensation insurance.

The estimate for workers' compensation in FY 2021-2022 was closed at \$23,699. The 2022- 2023 proposal illustrates a price increase of \$725 for a total estimate of \$24,424. The price increase for the FY22 renewal is primarily due to an increase in subject payroll and the increase in the Water Board's MOD rating. The modification (mod) rate increased from .67 to .76, a .09 point increase. The mod rate is based on the latest 3 year history of workers' compensation claims (FY 2019-2021) and projected payroll for the coming year. The Water Board's mod rate is still considered to be excellent. The best workers' compensation premiums are at a mod rate below 1.00.

Workers' compensation insurance services for FY 2022-2023 will be effective July 1, 2022. Premiums will be billed applicable to the service dates within the same year and we receive a 3.5% discount for paying the premium in advance. The premium is budgeted accordingly in the FY 2022-2023 Water Board budget.

After a brief discussion, motion was made by Mr. Solarz authorizing the General Manager to sign the SAIF Workers' Compensation agreement to secure the workers'

compensation insurance renewal for FY 2022-2023 at an estimated cost of \$24,424. The motion was seconded by Mr. Matthews and passed unanimously.

Regarding the proposed Ingersoll Pump Station Manifold Replacement Project, Distribution Supervisor Rick Abbott stated the fabricated welded steel manifold piping in Ingersoll pump station is in very poor condition, showing significant signs of corrosion and is prone to failure in the future. A leak in this manifold could flood the pump station and damage the pump and electrical equipment within.

To prevent an extended loss of water service for the Ingersoll pumping system, staff recommends the replacement of the old manifold with a new fabricated stainless-steel manifold.

Staff solicited quotes from two local fabricators who they felt were qualified to perform the fabrication of this manifold. Tarheel Aluminum and Coast Metal Works Inc. were the two local metal shops solicited. Of these two, only Coast Metal Works Inc. provided a quote in the amount of \$5,949.56.

Estimated costs for this project are as follows: Electrician work – less than \$1,000; In-house labor - \$3,500; and additional materials needed - \$2,500. The projected total for this project is \$13,000. The fiscal year 2022 budget includes \$8,700 for the replacement of this manifold. The additional cost can be covered by savings from other capital projects in the FY 22 budget.

After a brief discussion, motion was made by Mr. Matthews authorizing the purchase and installation of a new manifold and appurtenances for the Ingersoll Pump Station in the estimated amount of \$13,000.00. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding the IMS Cap Replacement Project, Mr. Thomas stated Boede Construction is nearing completion of the project and will be replacing the media in Filter 5 sometime next week. Dr. Sharps commented the project has moved along quickly. Mr. Thomas stated there have been some unexpected issues that have added time to the project such as crane scheduling; delay of receiving parts; silica sand media layer was missing several cubic feet of volume in each filter that had to be made up; the chamfer, or fillet course full length of the filter beds required removal and replacement.

The contractor has submitted an invoice for an additional contract fee of \$29,917.00. This is for the completion of 3 of the 5 filters. Staff is estimating that the completed project cost will be \$130,000.00. The percentage amount, 10% over the original contract price for change orders exceed the authority of the General Manager.

Staff is asking for a change order for \$29,917.00. This change order is only for the contractor's time. Boede Construction is just short of \$115,000 into the project (through Filter 4) so the completed project will be \$130,000 above the original bid price of \$84,295.

Mr. Dillard asked if the invoice for the additional costs was itemized. Mr. Thomas stated it was itemized and staff keeps a spreadsheet showing all expenditures. Mr. Solarz asked if replacement of the sand media was included in the bid estimation. Mr. Thomas stated the bid did include this for one filter but not for the sand that was lost in the other filters as staff assumed it was all in place.

Dr. Sharps asked what the total project cost is estimated to be. Mr. Thomas stated approximately \$288,000.

After a brief discussion, Mr. Dillard moved to authorize the General Manager to sign the change order for the IMS Cap Replacement Project in the sum of \$29,917.00. The motion was seconded by Mr. Matthews and passed unanimously.

The Board's next regular meeting was set for Thursday, July 21, 2022, at 7:00 a.m.

Updates were given as follows:

- Master Planning – In the process of gathering all the CIP work for the 5 and 20 year outlook. Murray Smith will present this in late August or September.
- Service Center Renovations – The contractor will be starting the project on the upcoming weekend. Diebold is scheduled to be on site to do work on the windows.

At 1:35 p.m. Chair Sharps directed they go into executive session for the purpose of discussing potential litigation pursuant to ORS 192.660(2)(h) and personnel issues pursuant to ORS 192.660(2)(a). They returned to open session at 1:47 p.m. There being no other business to come before the Board, Chair Sharps adjourned the meeting at 1:47 p.m.

Approved: _____, 2022

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

ATTEST: _____