

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.
March 24, 2016

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Vice-Chair Vigue presiding. Other Board members present: Greg Solarz and Dr. Charles Sharps. Board members absent: Melissa Cribbins. Water Board staff present: Ivan D. Thomas, General Manager; Ron Hoffine, Operations Director; Matt Whitty, Engineering Supervisor; Rick Abbott, Distribution Supervisor; Jim Kaylor, Water Treatment Supervisor; Jeff Howes, Finance Director; Bryan Tichota, Customer Relations Supervisor; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. John Ghilarducci of the FCS Group was present. Vice-Chair Vigue opened the meeting at 7:00 a.m.

Vice-Chair Vigue asked if there were any corrections or additions to the March 3, 2016 Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Mr. Vigue and passed unanimously.

Vice-Chair Vigue asked if there were any public comments, and there were none.

In November 2015, the Board authorized staff to issue Request for Proposals for review of System Development Charges (SDC) Methodology. The last review was completed in 2011 which was built off of the analysis completed by Phil Matson in 2006. The utility is required to review the SDC methodology and report every five years. After submittals for qualifications were received and reviewed by staff, the Board awarded review of the System Development Charges methodology to FCS Group. Mr. John Ghilarducci of the FCS Group was present and gave an overview of the review draft. Service Development Charges (SDC) are a one-time charge paid at the time of development. SDCs are calculated based on the cost of capital and the funds can only be spent on capital projects. SDC's are intended to represent a share of system facilities. SDC's include two components: 1) a future looking component based on the cost of the utility's planned capital projects, and 2) an existing cost component which is based on infrastructure and capacity that is available for future users. In accordance with state law, SDC credits against the improvement fee must be provided for the construction of a capital improvement which is required as a condition of development, identified in an adopted capital facilities plan, and is either off-site or, if on-site, is required to provide more capacity than needed by the development in question. Mr. Ghilarducci reviewed the SDC calculation summary. The draft report recommends that the SDC rates increase from the utility's current approved rate of \$2,990 for a 5/8 meter to \$3,484, an increase of \$494. The review recommends that the new rate consist of a reimbursement fee of \$3,224, an improvement fee of \$238, and an administrative fee of \$22. The utility's last fee

structure was based on reimbursement fees only. The Board thanked Mr. Ghilarducci for his presentation.

Staff has published a 90-day public notice of the utility's intent to modify its System Development Charges. The final report is available for public review on April 14, 2016 and written comments are to be received by 4:00 p.m. on June 13, 2016.

Regarding proposed Pony Creek Watershed and Joe Ney Watershed 2016 Vegetation Control, Operations Director Ron Hoffine stated quotes were solicited from 5 contractors with only one quote received as follows:

Professional Reforestation of Oregon, Coos Bay, OR	\$13,216.29
Rye Tree Timber Services, Florence, OR	No quote
Doug Schlatter, Roseburg, OR	No quote
ForTec Forestry, Coos Bay, OR	No quote
Strata Forestry, Springfield, OR	No quote

The vegetation control work includes pre-commercial thinning on 40 acres of mixed conifer within Units 31 and 32 of the Pony Creek Watershed and manual release brush control on 25 acres of fixed conifer within Unit 3 of the Joe Ney Watershed. All work is required to be complete by September 1, 2016. Stuntzner Engineering & Forestry has issued their opinion letter to award the 2016 vegetation control contract for Professional Reforestation of Oregon based on their low bid of \$13,216.29, stating Professional Reforestation is a reputable contractor and has worked with the utility on many reforestation projects in the past. Mr. Hoffine commented the quote came in under budget. This project is included in the current fiscal year's budget in the amount of \$15,000. After a brief discussion, Dr. Sharps moved to award the Pony Creek Watershed and Joe Ney Watershed 2016 vegetation control to Professional Reforestation of Oregon in the amount of \$13,216.29. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Thomas stated discussions of Country Club Estates' (CCE) request for water service have been ongoing, and at this point no action needs to be taken. The Board reviewed options of water service for CCE to bring Board members up date in the event they were not present at prior meetings when this topic was discussed. Mr. Thomas said representatives from CCE will be attending a meeting in the near future and he would be contacting Chris Moore to get a date certain when they are available.

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

Engineering Supervisor Matt Whitty gave an update on the Dyer Engineering Task Order for the 6th Avenue bridge replacement. Dr. Sharps inquired where the project is located. Mr. Whitty said it is in the Eastside area. The City of Coos Bay is putting a bridge in. The Dyer Partnership is doing the design work and will be preparing the bid package. Staff's concern is if the water main work comes in higher than expected, and the bridge work lower, the City would award it because of it being the low bid. To alleviate this concern, staff has discussed the possibility of having the utility's crew perform the construction work. The work consists of installation of 60 feet of water main. Mr. Whitty said he has discussed this with Aaron Speakman of The Dyer Partnership and will revisit the issue with him. Dr. Sharps inquired as to the initial estimate of the project. Dyer's estimate for construction costs are \$35,000 and \$5,000 for engineering costs.

Mr. Vigue asked for an update on the minimum wage affect. Mr. Thomas said there is no effect on the utility as the new wage law puts minimum wage at certain increments over the next few years, at \$12.50 an hour. The utility's lowest paid position at this time is \$12.88 an hour.

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

At 8:08 a.m. Vice-Chair Vigue directed they go into executive session for the purposes of discussing personnel issues pursuant to ORS 192.660(2)(a) and labor negotiations pursuant to ORS 192.660(2)(d). They returned to open session at 9:35 a.m. There being no other business to come before the Board, Vice-Chair Vigue adjourned the meeting at 9:35 a.m.

Approved: _____, 2016

By: _____
Vice-Chair Richard Vigue