

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

Minutes
Regular Board Meeting

March 5, 2020
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 Bob Dillard 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; Jeff Howes, Finance Director; Matt Whitty, Engineering Manager; Bryan Tichota, Customer Relations Supervisor; Jeff Page, Operations Manager; Rick Abbott, Distribution Supervisor; John McKeivitt, Water Treatment Supervisor; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Chair Dillard opened the meeting at 7:00 a.m. and lead the Board and assembly in the Pledge of Allegiance.

Chair Dillard asked if there were any corrections or additions to the February 20, 2020 Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Mr. Solarz and passed unanimously.

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

Mr. Thomas stated in addition to updating the Water Board's Purchasing Guidelines, and after discussions with Board attorney Jim Coffey, the Water Board's Permanent Public Contracting Rules need to be amended first to give the Board a basis for updating the Purchasing Guidelines. Proposed Resolution No. 380 was drafted in anticipation of the Board's approval to amend the Permanent Public Contracting Rules as follows:

RESOLUTION NO. 380

COOS BAY-NORTH BEND WATER BOARD

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COOS BAY-NORTH BEND WATER BOARD, ACTING AS THE LOCAL CONTRACT REVIEW BOARD ADOPTING PERMANENT AMENDMENTS TO THE WATER BOARD'S PUBLIC CONTRACTING RULES AND PRESCRIBING RULES OF PROCEDURE FOR PUBLIC CONTRACTING

WHEREAS, the Coos Bay-North Bend Water Board (hereinafter "Water Board") is a joint instrumentality of the Cities of Coos Bay and North Bend, organized and operated under the authority granted by the City Charters of Coos Bay and North Bend and ORS 225.050; and

WHEREAS, ORS 279A.065 (5) provides that a local contracting agency may adopt its own rules of procedure for public contracts that:

(A) Specifically state that the Model Rules adopted by the Attorney General do not apply to the contracting agency; and

(B) Prescribe the rules of procedure that the contracting agency will use for public contracts, which may include portions of the model rules adopted by the Attorney General; and

(C) That the Water Board shall regularly review changes in the Public Contracting Code and the Model Rules to ensure that the Local Public Contracting Rules adopted by the Water Board are consistent with current law.

(D) That any prior Resolutions, or parts of prior Resolutions, in conflict herewith are hereby repealed.

NOW, THEREFORE, BE IT RESOLVED:

The Water Board has previously adopted rules of procedure governing the solicitation and award of public contracts by Water Board Resolution No. 287. The public contracting rules adopted by the Water Board in Resolution No. 287 are now in need of amendment and defined as follows:

Page 4, Section 4.1.5

4.1.5 Change orders or contract amendments reasonably related to the scope of work under the original contract subject to the provisions of Section 4.3.3 and 4.9.1(H) of this Resolution;

Page 7, Section 4.3.1

4.3.1 For procurements of goods and services not exceeding \$10,000, the LCRB may solicit for and award a contract in any manner deemed to be practical or convenient by the local contracting agency. The local contracting agency may choose any method of selecting such contractors, including, but not limited to, direct selection, obtaining oral quotes or obtaining written quotes (ORS 279B.065). If oral or written quotes are utilized for the procurement, the contracting agency shall keep written records of the sources of the oral or written quotations or proposals received. If three (3) quotations are not reasonably available, the contracting agency may proceed with the procurement but only after making a written record of the effort made to obtain the required number of oral or written quotations.

Page 14, Section 5.2.1

5.2.1 Personal Services Contracts Under \$75,000

Personal services contracts involving an anticipated fee not to exceed \$75,000 per fiscal year may be awarded by the LCRB or contracting agency following a solicitation of offers made by the General Manager in any manner deemed to be practical or convenient. The General Manager may choose any method of selecting such contractors as he/she, in his/her discretion, determines to best suit the needs of Water Board, including, but not limited to, direct negotiation and selection, obtaining oral quotes, or obtaining written quotes. The General Manager may determine the selection criteria to be used in any solicitation for a personal services contract falling under this section. The General Manager may award personal services contracts involving anticipated fees not to exceed \$10,000 per fiscal year.

Page 40, Section 8.1.3

8.1.3 Contracts exempt from competitive bidding as provided by ORS 279C.335 and/or this Resolution.

Page 43, Section 8.6.7

8.6.7 Change orders or contract amendments reasonably related to the scope of work under the original contract. All change orders or contract amendments must be separately approved by the General Manager with notice of the change order or contract amendment provided to the Board of Directors;

Adopted by the Board of Directors of Coos Bay-North Bend Water Board this ____ day of March, 2020.

After a brief discussion, Dr. Sharps moved to adopt Resolution No. 380 as drafted allowing staff to amend and update the Water Board's Permanent Public Contracting Rules. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding proposed Resolution No. 378 to Adopt Updates to the Administrative Regulations-Purchasing Guidelines, Mr. Thomas stated the cost of materials are increasing and the current Purchasing Guidelines bring challenges of having to gain higher levels of approval for small and regularly purchased items, such as rock and fuel. As costs rise, the costs for labor and materials are passed to the Water Board in personal services contract and public improvement projects. The proposed updates to the utility's Purchasing Guidelines are as follows:

Good and Services

- Direct purchasing authority be given to Supervisors in the organization for up to \$1,000. This is a change from \$750 to \$1,000.
- Supervisors have a limit of approval for \$2,000 purchases that require three written solicitations. This is a change from \$1,000 - \$2,000.
- Division Heads have a limit of approval for \$5,000 purchases that require three written solicitations. This is a change from \$3,000 - \$5,000.
- The General Manager have final approval of Direct Selection of Goods and Services for up to \$10,000. This is a change from \$5,000 - \$10,000 and consistent with ORS 279B.065 and Sole Sourcing capabilities already within the Water Board Purchasing Rules and Regulations.

Personal Services Contract

- The General Manager be able to award personal services contracts involving anticipated fees not to exceed \$10,000. This is a change from \$3,000 - \$10,000. This allows the General Manager a little more leverage when dealing with personal or professional service contractors. This value would also be set to be consistent with approval amounts for sole sourcing and used equipment purchases already set within the existing purchasing guidelines.

Change Orders

- The General Manager be able to award change orders for goods and services and/or public improvement contracts in the amount of \$10,000 for small projects (Projects or purchases less than \$40,000). This is a change from \$5,000 - \$10,000. This sets the

approval amounts for the General Manager even with sole sourcing, used equipment purchases, while using methodology of approval amounts from ORS 279B.065.

After a brief discussion, Dr. Sharps moved to adopt Resolution No. 378 accepting the proposed updates to the Water Board’s Administrative Regulations-Purchasing Guidelines. The motion was seconded by Mr. Solarz and passed unanimously. The resolution read as follows:

RESOLUTION NO. 378

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COOS BAY-NORTH BEND WATER BOARD TO ADOPT UPDATES TO THE ADMINISTRATIVE REGULATIONS-PURCHASING GUIDELINES

WHEREAS, the Coos Bay – North Bend Water Board (hereinafter “Water Board”) is a joint instrumentality of the Cities of Coos Bay and North Bend, Oregon, organized and operated under the authority granted by the City Charters of Coos Bay and North Bend and ORS 225.050; and

WHEREAS, the Board of Directors of Water Board has the authority to adopt resolutions; and

WHEREAS, the Water Board now desires to update the Administrative Regulations-Purchasing Guidelines;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOS BAY – NORTH BEND WATER BOARD AS FOLLOWS:

1. The above recitals are true and accurate and are incorporated herein by this reference.
2. The Water Board’s Administrative Regulations-Purchasing Guidelines shall be amended by the attached Exhibit “A”, attached hereto and incorporated herein by this reference, is hereby adopted by the Board of Directors of the Coos Bay-North Bend Water Board.

Adopted this ____ day of _____, 2020

**EXHIBIT “A”
Coos Bay-North Bend Water Board
Administrative Regulations – Purchasing Guidelines**

Goods and Services

<u>Rule Section</u>	<u>Value</u>	<u>Method</u>	<u>Initial Solicitation</u>	<u>Final Approval</u>
4.3.1	\$0 – 1000	Direct/Verbal/written	Supervisor	Supervisor
4.3.1	\$1001 – 2,000	3- written	Supervisor	Supervisor*
4.3.1	\$2,001 – 5,000	3- written	Supervisor/Div. Head	Division Head*
4.3.1	\$1,000 – 10,000	Direct selection (written)	Supervisor/Div. Head	General Manager
4.4.2	\$5,001 – 50,000	3-oral/written	Supervisor/Div. Head	General Manager
4.4.3	\$50,001 – 100,000	3-written	Supervisor/Div. Head	LCRB
4.5	\$100,001 – 150,000	Advertised ITB or RFP	Supervisor/Div. Head	LCRB
* unbudgeted items must be approved by General Manager				

Emergency

<u>Rule Section</u>	<u>Value</u>	<u>Method</u>	<u>Initial Solicitation</u>	<u>Final Approval</u>
4.6.3(A) & 8.3	\$0 – 100,000	Any**	Supervisor/Div. Head	General Manager/LCRB
4.6.3(B) & 8.3	>\$100,000	Any**	Supervisor/Div. Head	LCRB
5.3.4.1 (A)	\$0 – 100,000	Any **	General Manager	General Manger/LCRB
5.3.4.1 (A)	>\$100,000	Any **	General Manager	LCRB
** may include oral, written proposals, or direct selection (written)				

Sole Source

<u>Rule Section</u>	<u>Value</u>	<u>Method</u>	<u>Initial Solicitation</u>	<u>Final Approval</u>
4.7.1	\$0 – 10,000	Determination	Supervisor/Div. Head	General Manager
4.7.1	>\$10,000	Determination	Supervisor/Div. Head	LCRB

Used Equipment

<u>Rule Section</u>	<u>Value</u>	<u>Method</u>	<u>Initial Solicitation</u>	<u>Final Approval</u>
4.9.1(F)	\$0 – 10,000	Direct selection (written)	Supervisor/Div. Head	General Manager
4.9.1(F)	>\$10,000	Direct selection (written)	Supervisor/Div. Head	LCRB

Personal Services Contract

<u>Rule Section</u>	<u>Value</u>	<u>Method</u>	<u>Initial Solicitation</u>	<u>Final Approval</u>
5.2.1	\$0 - \$10,000	Any**	General Manager	General Manager
5.2.1	\$10,001 – 75,000	Any***	General Manager	LCRB
5.2.2	> \$75,000	Any****	LCRB	LCRB
5.3.4.1(B)	\$0 – 75,000	Any **	General Manager	General Manager
5.3.4.1(B)	>\$75,000 – \$100K	Any **	General Manager	LCRB
5.3.4.1 (C)	\$0 - \$75,000	Any **	General Manager	General Manager
5.3.4.1 (C)	>\$75,000 - \$250,000	Any **	General Manager	LCRB
5.3.4.2	>\$250,000	Any **	General Manager	LCRB
5.3.5	>\$100,000	Any *****	General Manager	LCRB
May include oral, written, or direct solicitation (written) *May include direct selection, written, RFQ, RFP ****May include written, RFQ, RFP – LCRB to adopt method of solicitation				

Public Improvements

<u>Rule Section</u>	<u>Value</u>	<u>Method</u>	<u>Initial Solicitation</u>	<u>Final Approval</u>
8.6.3 & 4.3.1	\$0 – 5,000	3 – written	Supervisor/Div. Head	General Manager
8.7.1	\$5,001 – 25,000	3 – written	Supervisor/Div. Head	General Manager
8.7.2	\$25,001 – 100,000	3-written w/selection criteria*****	Supervisor/Div. Head	LCRB
8.2 (Statute: ITB/RFP)	>\$100,000	Statewide adv. ITB, RFP*****	Div. Head/Gen. Mgr.	LCRB
***** Full solicitation documents				

Change Orders

Goods and Services Contracts

<u>Rule Section</u>	<u>Value</u>	<u>Approval</u>
4.3.3 & 4.9.1(H)(5)	\$0 – 10,000	Up to 25% approved by General Manager; above 25% approval by LCRB
4.9.1(H)(6)	\$10,001 – 150,000	Up to 10% approved by General Manager; above 10% approval by LCRB
4.9.1(H)	>\$150,000	All change orders approved by LCRB

Public Improvements Contracts

<u>Rule Section</u>	<u>Value</u>	<u>Approval</u>
8.6.7	\$0 – 10,000	Up to 25% approved by General Manager; above 25% approval by LCRB
8.7.4 & 8.6.7	\$10,001 – 100,000	Up to 10% approved by General Manager with notice to LCRB; above 10% approval by LCRB
8.6.7	>\$100,000	Approval by LCRB per Rule 8.6.7

Personal Services Contracts

<u>Rule Section</u>	<u>Value</u>	<u>Approval</u>
5.2.3(A) & (B)	\$0 – 75,000	Up to 10% approved by General Manager; above 10% approval by LCRB
5.2.3(C)	>\$75,000	Approval by LCRB

Regarding proposed Resolution No. 379 allowing changes to the Water Board's Rules and Regulations regarding allowing master metering of mobile home parks, Mr. Thomas stated since January 11, 1974, the Water Board has not allowed master metering for manufactured home parks. The Board of Directors has been asked to give exception to this policy to allow master metering for manufactured home parks.

After research into affordable housing in Coos County, current Water Board metering policies, and current System Development Charge methodology, staff is suggesting updates to the utility's Rules and Regulations and Operating Policies to allow master metering for manufactured home parks.

Board members were provided with the proposed updates in their Board packet. The following identifies the sections of the Rules and Regulations with proposed updates:

Section I – Definitions. Deletes the date of the prior change as is no longer relevant.

Section II – A. 8. Updates the policy to allow for master metering of manufactured home parks, gives clearer direction on what options a developer/owner may have for serving a newly built manufactured home park, and further clarifies metering differences for manufactured home parks versus transient and RV sites. This section also adds the requirement for property owners of any master metered park to grant the Water Board easements for its new/existing infrastructure and future infrastructure routes to serve properties currently beyond the Water Board's reach of service.

Section VIII – Water Main Extensions. E. Extensions of Service to Customers of another Water Utility or System. Updates the requirement to update or upgrade systems to Water Board specification prior to being transferred to Water Board ownership.

Mr. Solarz commented Section VIII E.c. doesn't state that the Water Board has authority to determine the route of the easement prior to approval. Mr. Thomas stated that was staff's intention and language could be added to clarify this issue. The language currently states *The General Manager or his/her designee will determine which properties require a route for easement*. Board Attorney Jim Coffey suggested amending the language to state *The General Manager or their designee will determine which properties require a route for easement and potential routes for such easement(s)*. The Board agreed to this amendment.

Mr. Solarz voiced his concern regarding Section VIII-Water Main Extensions where it states *The Board will require the utility that is to be transferred to Board ownership to be upgraded or re-built to current Water Board system specifications prior to taking ownership of said systems*. Mr. Solarz commented this does not identify who is responsible for payment. After a brief discussion, the Board agreed to amend this language by adding *The Water Board will not be responsible for paying for such upgrades*.

Mr. Solarz moved to adopt as amended Resolution No. 379 accepting the proposed updates to the Water Board's Rules and Regulations Section 1; Section II-A.8; and Section VIII-E. The motion was seconded by Dr. Sharps and passed unanimously. The resolution read as follows:

RESOLUTION NO. 379

**REVISIONS TO COOS BAY-NORTH BEND WATER BOARD'S
RULES AND REGULATIONS, SECTION I "DEFINITIONS",
SECTION II "RATES" and SECTION VIII "WATER MAIN EXTENSIONS"**

WHEREAS, by and pursuant to the authority vested in the Coos Bay-North Bend Water Board (Board) through the respective Charters of the Cities of Coos Bay and North Bend, Oregon, and the laws of the State of Oregon, said Board has the right and authority to make effective regulations and service policies in connection with the operation of said water system; and

WHEREAS, Board has reviewed its Rules and Regulations and found it prudent and beneficial to make additions and deletions to Section 1, Section II and Section VIII of those rules and regulations pertaining to Definitions, Rates and Water Main Extensions.

NOW, THEREFORE, be it resolved that Section I, Section II, and Section VIII of the Rules and Regulations of Board be modified as shown on attached Exhibit "A", incorporated herein by reference, effective immediately.

Said modifications in the Board's Rules and Regulations shall remain in full force and effect until changed by appropriate action of Board.

Adopted this ____ day of _____, 2020.

EXHIBIT "A" to RESOLUTION NO. 379

Potential changes to Water Board Rules and Regulations allowing Master Metering of Mobile Home Parks

Section I - Definitions

Multiple-Residential Customer - ^{28, 87}A water utility customer of the Board who receives water service at a property containing more than one dwelling unit. Examples of a water utility customer meeting the definition of multiple-residential would include, but are not limited to, permitted accessory dwelling units served through one meter, apartment buildings served through one meter; duplexes or triplexes served through one meter; mobile home parks that qualify for master metering per Section II.A.8, , and other water utility customers where the Board allows service through one meter to more than one dwelling under any other Board policy or resolution.

Section II – A.

8. Trailer/RV Parks or Manufactured Home Parks

- a. Water service to non-transient sites in manufactured home parks will be given the choice to master meter the park or administer the park in the manner that is used to serve single-family residential development. Rates shall be charged according to Section VII – Schedule of Rates, Fees, Charges, and Surcharges.
- b. If the park developer/owner elects to administer the site in the manner that is used to serve single family residential development, each permanent site shall be served by a properly sized water meter. The Board shall own and operate the on-site distribution system which shall be designed and installed in accordance with Board standards. All or part of the following criteria shall be used to classify permanent non-transient unit parking sites in a manufactured home park:
 - (1) Where no license for highway travel has been issued for the unit at the site;
 - (2) Where the wheels/axles are removed from the unit; in conjunction with Oregon Manufactured Dwelling Specialty Code
 - (3) Skirting is placed around the base;
 - (4) The unit is resting on a constructed foundation;
 - (5) Landscaping, fences, shrubs, etc., would be damaged by moving the unit out;
 - (6) The power company requires an individual power meter to the site;
 - (7) It is designated by tax status and/or state definition of the class of unit.
- c. If the park developer/owner elects to administer the site in the manner that is used to master meter the park, the owner shall pay all cost associated with setting the master meter; and set the meter at a location according to Section VI – Meters of the Water Board Rules and Regulations. The developer/owner shall grant the Water Board a perpetual easement for Water Board owned infrastructure and the master meter. The developer/owner shall grant the Water Board a perpetual easement through the park property from the closest point of Water Board service to properties that border the owner's property for the potential of future Board owned infrastructure. The General Manager or their designee will determine: (1) which properties require a route for easement and: (2) potential routes for such easement(s).
- d. Transient and RV sites in any manufactured home development shall be reasonably grouped and will be master metered. Parks that cater to only transient and RV trailer parking will be master metered. The following criteria shall be used to classify a transient-unit park site:
 - (1) License exists, making the unit at the site eligible for highway travel.
 - (2) The unit at the site is ready for highway travel without structural change.
 - (3) The unit at the site can be moved without altering the physical features at the site.

- e. ^{25, 44}Existing mobile/manufactured home parks not currently on service with the Water Board who request new service may, at the discretion of the General Manager or his/her designee, be served through a master meter under the multiple-residential rate.

Section VI. – Meters subsection B.4. (Already in policy)

4. Where a master meter is used to measure the total flow of water used, the Water Board will not furnish or read auxiliary or sub-meters used for the customer's convenience.

Section VIII – Water Main Extensions

E. ⁷Extensions of Service to Customers of another Water Utility or System

The Board will not accept applications for service from any customer currently receiving service from another water utility or system except where all current customers of that utility request service of the Board by negotiating the integration of the facilities of that utility into Board ownership and operation.

The Board will require the utility that is to be transferred to Board ownership be upgraded or rebuilt to current Water Board system specifications prior to taking ownership of said systems. The Water Board will not be responsible for paying for such upgrades.

Exception to the provision of this policy may be made by the Board where approval of the governing body of the other utility concerned is obtained regarding the request of the applicant for service.

The Board's next regular meeting was set for Thursday, March 19, 2020, at 7:00 a.m.

Updates were given as follows:

- McCullough Bridge – Stacey Scott, tribal archeologist, has been on site while the Water Board crew continues excavation work understanding the importance of protecting and documenting archaeological sites. Authorization from the State to continue the project will be forthcoming once they have received documentation of any artifacts.
- Madrona Street Main Replacement – A preconstruction meeting will be held today. The project is scheduled to start the third week in March.
- 4th Avenue Main Replacement – Staff has reviewed plans from Civil West Engineering which contained the Water Board's modifications. Staff was just informed their bid date has been moved up, Advertisement for Bid was sent on March 4th with a bid opening date of March 19th.

At 7:25 a.m. Chair Dillard 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 8:05 a.m. There being no other business to come before the Board, Chair Dillard adjourned the meeting at 7:35 a.m.

Approved: _____, 2020

By: _____
Chair Robert Dillard

ATTEST: _____