

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

Minutes
Regular Board Meeting

March 6, 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 Solarz presiding. Other Board members present: Melissa Cribbins and Bob Dillard. Board members absent: Dr. Charles Sharps. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Bill Hagan, Operations Manager; Jeff Howes, Finance Director; Bryan Tichota, Customer Relations Supervisor; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Chair Solarz opened the meeting at 7:00 a.m.

Chair Solarz asked if there were any corrections or additions to the February 16, 2017, Regular Board meeting minutes. Mr. Dillard moved the minutes be approved as written. The motion was seconded by Ms. Cribbins and passed unanimously.

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

Regarding the proposed 13th Court Main Replacement Project, Engineering Manager Matt Whitty stated staff proposes to replace 372 feet of 2-inch galvanized iron water main with 2-inch diameter PVC pipe on 13th Court in Coos Bay. The existing main was installed in two segments. 256 feet of water main was installed in 1950. This segment has been repaired in 2008 and again in 2009. The remaining 116 feet was installed in 1971. In 2005, the 116 foot long segment of galvanized water main experienced a corrosion related failure.

This project is included in the current year's fiscal budget in the estimated amount of \$41,000, to include design and installation of the main and surface restoration. Mr. Whitty stated staff proposes installation of the new main to be performed by the utility's personnel and equipment. Ms. Cribbins asked how long it would take to complete the project. Mr. Whitty stated approximately 3 weeks. After a brief discussion, Ms. Cribbins moved to authorize staff to design and install 372 feet of replacement 2-inch diameter PVC pipe on 13th Court at an estimated cost of \$41,000. The motion was seconded by Mr. Dillard and passed unanimously.

Regarding the proposed award of the 2017 Scrap Materials Sale, Mr. Thomas stated staff requested quotes for removal of recycled and surplus scrap metal that included approximately 3 tons of "dirty" brass, 300 lbs of copper and a large pile of iron. The Request for Quotes stated the utility would sell each material type to the highest bidder. All vendors viewed the materials as a prerequisite. Four quotes were received as follows:

<u>BIDDER</u>	<u>BRASS</u>	<u>COPPER</u>	<u>IRON</u>	<u>TOTAL</u>
Fred Warren, Coos Bay	\$0.75/lb	\$1.35/lb	\$.62/ton	\$ 7,163.68
Schnitzer Steel, Eugene	\$1.29/lb	\$2.27/lb	\$1.37/ton	\$ 14,271.49
McGovern Metals, Roseburg	\$0.45/lb	\$1.60/lb	NO BID	\$ 4,530.00
Hempstead Excavating	\$0.75/lb	\$0.75/lb	(-\$0.38/lb)	\$ 6,443.00

After a brief discussion, Ms. Cribbins moved to authorize the sale of brass, copper and iron to Schnitzer Steel of Eugene in the amount of \$14,271.49. The motion was seconded by Mr. Dillard and passed unanimously.

Mr. Thomas reviewed the quotes received for one new ¾-ton 2WD truck chassis, one new ½-ton 2WD pickup, and one new ½-ton 4WD pickup truck. Quotes were requested from local dealerships as well as dealerships through the Oregon Procurement Information Network (ORPIN). ORPIN has price agreements with several automobile and truck dealerships in Oregon. The following quotes were received:

<u>Dealerships</u>	<u>¾-ton 2WD chassis</u>	<u>½-ton 2WD p/u</u>	<u>½-ton 4WD p/u</u>
Power Dodge	21,729.00	23,093.00	24,175.00
Gresham Ford	23,311.00	20,877.00	23,875.00
Ron Tonkin Dodge	22,183.00	21,165.00	23,397.00
Suburban Chevrolet	23,503.00	22,512.00	25,408.00
Gm Global	23,669.00	22,711.00	25,592.00
Power Chevrolet	23,224.00	22,255.00	25,136.00
Tower Ford	No Bid	21,073.00	24,209.00
Ken Ware	No Bid	No Bid	No Bid
Land Mark Ford	No Bid	No Bid	No Bid
Northside Ford	No Bid	No Bid	No Bid

The low bid for the ¾-ton 2WD truck chassis was received by Power Dodge. The low bid for the ½-ton 2WD pickup was received by Gresham Ford. The low bid for the ½-ton 4WD pickup was received by Ron Tonkin Dodge. The ¾-ton 2WD truck chassis will be used as a service truck and be fitted with a new utility box that will be bid and purchased separately. Mr. Dillard moved to award purchase of the ¾-ton 2WD chassis, ½-ton 2WD pickup to the vendors as stated with the low bid.

Mr. Dillard moved they award purchase of one new ¾-ton 2WD chassis from Power Dodge in the amount of \$21,729; one new ½-ton 2WD pickup from Gresham Ford in the amount of \$20,877; and one new ½-ton 4WD pickup from Ron Tonkin Dodge in the amount of \$23,397. The motion was seconded by Ms. Cribbins and passed unanimously.

Mr. Thomas presented staff's request to enter into an agreement with a provider to process the utility's debit/credit card payments and provide online billing services. Currently, the utility accepts payments in the form of cash, check or money order.

In April of 2015, staff completed a customer survey on how the Water Board's customers would prefer to pay their bills. The response indicated a strong customer demand to accept debit/credit cards both in person and online. Mr. Howes communicated with other utilities as to what their experience rate has been regarding debit/credit card payments and found the majority of them had a 10 to 15% usage. We are anticipating 13% of our customer base will use credit/debit cards. Mr. Solarz asked how staff would let customers know when this takes effect. Mr. Thomas stated staff will promote through our website as well as on our billing statements.

Finance Director Jeff Howes researched vendors and found three providers that meet the utility's needs: Accela, Water Smart and Smart Utility Systems. A spreadsheet showing the breakdown of the initial and per transaction charges was provided to the Board members.

Accela's upfront and repeating annual fee is \$7,800 and they could install and initiate the complete setup within the current fiscal year. The estimated per transaction cost is \$2.38 for an estimated average household billing of \$66.16. The transaction charge for Accela would vary depending upon the amount billed.

Water Smart's upfront and repeating annual costs are \$19,200, in addition to a one-time setup fee of \$5,000 with implementation in 2018. An estimated per transaction cost is \$2.75 for an estimated average billing with variable fees is yet to be determined.

Smart Utility's upfront and repeating annual costs are \$17,500 with a one-time setup fee of \$10,000. They were not able to provide a time frame for implementation. The estimated per transaction cost is also unknown.

Staff currently utilizes Accela, formerly Springbrook, for utility billing and financial accounting software. Mr. Howes stated using software modules of the same provider would be the most time and cost efficient as opposed to additional back end programming issues and any unforeseen issues that may arise with another provider. The amount of \$60,000 is included in the current fiscal year's budget for these services. Staff proposes to enter into an agreement with Accela to provide online debit/credit card services and online billing solutions for \$7,800 annually, in addition to the proposed per transaction fees. After a brief discussion, Ms. Cribbins moved to authorize staff to enter into an agreement with Accela as proposed. The motion was seconded by Mr. Dillard and passed unanimously.

The Board's next regular meeting was set for Thursday, March 23, 2017, at 7:00 a.m.

Mr. Thomas updated the Board stating he has been contacted by the City of North Bend inquiring about the possibility of additional billing services for them. The City is currently proposing a fee to gain budget for the hiring of additional police officers. Ms. Cribbins commented how important it is that Water Board customers be made aware of the reason for the increase.

Mr. Thomas advised that due to the recent heavy rains there is slide on the west side of the McCullough Bridge. Engineering Manager Matt Whitty stated staff was made aware of the sliding issue from Oregon Department of Transportation. The current water main is located immediately above the slide scarp.

The slide scarp is approximately 8 to 12 feet tall and about 100 feet long. The water main is exposed for about 30 feet and only about 3 to 5 feet of soil before the scarp for an additional 75 feet of water main. The main has been shut down. Staff is looking at an alternative route as there is no way to stabilize it. Mr. Whitty stated it will cost approximately \$160,000 to re-lay the 16-inch

main. Mr. Dillard asked how old the main is. Mr. Whitty said he wasn't sure but thought it was installed in the late 60s. Mr. Solarz asked what the new route would be to relocate the main. Mr. Whitty said along the east side of the bridge where the old ferry slip road is. The estimate of \$160,000 is based on an in-house design and installation of the new main being performed by the utility's personnel and equipment.

At 7:29 a.m. Chair Solarz 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 8:16 a.m. Ms. Cribbins moved to authorize the General Manager to provide SEIU Local 503, Oregon Public Employees Union, with contact information for those employees who have given their consent, along with names of employees who have not consented, and to provide such information to SEIU every 6 months. The motion was seconded by Mr. Dillard and passed unanimously.

There being no other business to come before the Board, Chair Solarz adjourned the meeting at 8:17 a.m.

Approved: _____, 2017

By: _____
Chair Greg Solarz

ATTEST: _____