

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

Minutes
Regular Board Meeting

May 17, 2019
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 Vice-Chair 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; Jerre Cover, Water Treatment Supervisor; Rick Abbott, Distribution Supervisor; Bryan Tichota, Customer Relations Supervisor; Jeff Page, Operations Manager; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Vice-Chair Dillard opened the meeting at 7:00 a.m. and asked Ms. Parker to lead the Board and assembly in the Pledge of Allegiance.

Vice-Chair Dillard asked if there were any corrections or additions to the April 4, 2019, Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Mr. Solarz and passed unanimously.

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

Regarding the proposed Amendment to the Lease Agreement with Charter/Spectrum, Mr. Thomas stated in March of 2002, the Water Board signed a property lease agreement with Charter/Spectrum to lease property for utilities located on property owned by the Water Board. The agreement was renewed in 2007, 2012 and 2017 per the terms and conditions in the original lease agreement for 5-year extensions. The rent is set to increase on an annual basis per the December Portland-Salem Consumer Price Index for Urban areas (CPI-U).

The CPI has recently changed the geographic area used when sampling to determine changes in prices. The change occurs every 10 years. With the 2018 revision, the 2010 Decennial Census is utilized and there is a reduction in urban areas from 87 to 75. The Portland-Salem CPI-U did not meet the population threshold and will no longer be calculated by the U.S. Bureau of Labor Statistics, therefore being discontinued.

Due to the Portland-Salem CPI-U being discontinued, staff researched several national CPI's for comparison and found the average annual CPI was typically in the range of 3 percent or less dependent on the market. Mr. Thomas stated in negotiating with Spectrum's managers, Spectrum offered a 3 percent annual rent increase. Staff feels this is an acceptable annual increase, and if found to be out of range with future CPI's, terms could be renegotiated at the time of the lease renewal.

After a brief discussion, Mr. Solarz moved to authorize the General Manager to enter into the Amendment to the Lease Agreement with Spectrum on behalf of the Water Board. The motion was seconded by Dr. Sharps and passed unanimously.

Operations Manager Jeff Page gave an update on the Vehicle Replacement Program (VRP) stating historically it has been based upon age as the primary criterion when considering removal from service. Mr. Page stated this method can be used with some success, although it can result in causing a vehicle to be retired prematurely. In the case when a vehicle exceeds longevity expectations and continues to perform reliably, it makes sense to keep a vehicle if maintenance and repairs do not cross a defined threshold. Mr. Page gave an example of a defined threshold as to consider retirement of a vehicle if maintenance and repair costs are equal to or greater than 30% of the current residual value of the vehicle within a given year. Mr. Solarz commented the VRP has been very successful for the utility and vehicles haven't been sold solely because of age. Dr. Sharps agreed and stated there is no reason to retire a vehicle if there is nothing wrong with it.

Mr. Thomas stated Operations Manager Jeff Page and Distribution Supervisor Rick Abbott plan to revamp the VRP spreadsheet, start tracking monthly and increase funds placed into the plan to cover anticipated costs. In the past, \$95,000 has been put into the VRP annually, and commencing next year staff plans to increase it to \$96,000 annually. Mr. Solarz stated staff would need to update and amend the ongoing spreadsheet accordingly as vehicles are retired.

Mr. Solarz inquired if staff is aware of any certain year in which the utility incurred the highest costs to replace vehicles. Mr. Page stated he has not researched this but could do so. Mr. Solarz commented staff needs to always keep a certain minimum balance in this fund.

Mr. Page stated with the anticipated additional staffing in the Distribution section, staff believes it would be best to assign the current flushing van to the new employee and purchase a new flushing van that is better suited for this task. The estimated cost of a new flushing van is \$42,000. Currently, the VRP fund consists of \$209,300. Staff requests authorization to obtain quotes for one new flushing van. After a brief discussion, Dr. Sharps moved to authorize staff to obtain quotes for a new flushing van. The motion was seconded by Mr. Solarz and passed unanimously.

The Board's next regular meeting was set for Wednesday, June 19, 2019, at 1:00 p.m. immediately following the Budget Committee Meeting.

Updates were given as follows:

- Tank Replacement Program – A single complaint was received in the Terramar Tank service area. VOC results came back under the maximum contaminant levels. Another VOC was taken at a later date and also resulted in a non-detect for ethylbenzene and xylenes. No current complaints have been received.
- Glasgow Pump and Telemetry Systems – Project is installed and near completion.
- Coos River Highway Main Replacement Project – Request for Quotes has been prepared and will be issued next week.
- Madrona Street – Bid documents have been reviewed and the design is complete. This project will be put out to bid within the next couple of weeks.

- City Sidewalk Projects – Fourth Street-Some adjustments will need to be made to valve boxes; Safe Route to School Project – Staff reviewed the design and concerns were noted regarding catch basins were very close to the utility’s water mains. Water Board crew pot holed and the City’s consultant did a physical tie to the water main so they know the exact location of the water main. Staff is waiting to review the City’s updated design.

At 7:22 a.m. Vice-Chair Dillard directed they go into executive session for the purpose of discussing labor negotiations pursuant to ORS 192.660(2)(d). They returned to open session at 8:25 a.m. Motion was made by Dr. Sharps to approve the job description for Distribution Specialist as drafted, and authorize the General Manager to negotiate the wage scale with the union. The motion was seconded by Mr. Solarz and passed unanimously.

There being no other business to come before the Board, Vice-Chair Dillard adjourned the meeting at 8:34 a.m.

Approved: _____, 2019

By: _____
Vice-Chair Robert Dillard

ATTEST: _____