

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

Minutes  
Regular Board Meeting

May 18, 2023  
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 Greg Solarz presiding. Other Board members present: Carmen Matthews, Bill Richardson, and Rob Kilmer. Board Members absent: None. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Jeff Howes, Finance Director; Bryan Tichota, Customer Relations Supervisor; Jeff Page, Operations Manager; Vince Stonesifer, Field Services Technician; Jason Mills, Distribution Specialist; Reshma Parrish, Water Quality Technician; Nathan Brown, Engineering Tech I; Leah Cogan, Water Resources Analyst of GSI Water Solutions, Inc.; and Karen Parker, Administrative Assistant. Board Legal Counsel Melissa Cribbins was present. David Foroudi was present. Media present: None.

Chair Solarz opened the meeting at 7:00 a.m. and asked Mr. Morefield to lead the Board and assembly in the Pledge of Allegiance.

Chair Solarz asked if there were any corrections or additions to the April 20, 2023, Regular Board meeting minutes. Mr. Kilmer noted a correction on page 1 removing Mr. Dillard's name and inserting Mr. Solarz. Mr. Richardson moved the minutes be approved as amended. The motion was seconded by Mr. Matthews and passed unanimously.

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

Regarding the proposed Professional Services Agreement with GSI Water Solutions, Inc. and Scope of Work for FY2024, Mr. Thomas stated, since 2018 the Water Board has been working with GSI Water Solutions to conduct its water rights management, dunal aquifer management, environmental commitments and planning and preparation of the Surface Water Management Plan annual report required by the U. S. Forest Service.

Ms. Cogan of GSI stated they had another successful year with submitting the annual report to the Forest Service. Obtaining the Joe Ney permit that became certificated was more of a struggle than GSI expected with the Oregon Water Resources Department. There are two permits, one for storage in Joe Ney Reservoir and one for water use out of the reservoir and that is the one that is now certificated. Oregon Water Resources Department wanted to tie that permit to having the reservoir be completely built out to the size on the storage permit and that permit is for about 10 times the volume that Joe Ney Reservoir currently holds. Oregon Water Resources Department wanted to keep that in limbo until the reservoir is completely built out. GSI, through a lot of persuasion and logic, convinced them it was

appropriate to get the Water Board the certificate to be able to pump about 3,600 gallons a minute from Joe Ney reservoir without tying it to the size of the reservoir. So those are not linked and the Water Board can just have that permit certificated now in perpetuity.

Ms. Cogan commented the Water Board is one of the most organized water utilities that she has worked with in Oregon. GSI needed data on the upper Pony Creek system from 2001 and for additional questions the department had. Most utilities that she works with would have minimal paper records or a spreadsheet that isn't labeled making it hard to decipher if it is gallons or cubic feet. When documentation was needed from the Water Board, Water Quality Technician, Reshma Parrish provided GSI a labeled spreadsheet that was very well organized within a short amount of time. She complimented Ms. Parrish for her thorough work.

Staff has met with GSI and reviewed the scope of work for fiscal year 2024 to continue meeting expectations set by regulatory agencies the Water Board has committed to and found it adequate to continue to meet all environmental and regulatory commitments. Staff wishes to amend the original GSI contract from 2018 to include an annual renewal and scope of work for fiscal year 2024. A majority of the work to be completed includes water rights management, dunal aquifer management and planning, and preparation of the 2023 Surface Water Management Plan annual report required by the US Forest Service.

The total of the proposed contract for fiscal year 2024 is \$41,410. Monies are budgeted in the fiscal year 2024 budget for these services. Upon agreement by the Water Board and GSI, the contract can be renewed annually per the language in the original professional services agreement in 2018.

After a brief discussion, motion was made by Mr. Matthews authorizing the General Manager to enter into the amended professional services agreement with GSI Water Solutions, Inc. in an amount not to exceed \$41,410 for dunal aquifer and water rights consulting services for fiscal year 2024. The motion was seconded by Mr. Kilmer and passed unanimously.

Mr. Thomas introduced David Foroudi who lives in the Shorewood neighborhood and is in attendance to present his appeal of the Water Board's Rules and Regulations Section V-Cross Connection Control that he must install an approved backflow prevention assembly at his service due to having a pumped system or a pump in his home.

Mr. Foroudi brought in a used filter from his pumped system in his home to show the Board members. Mr. Foroudi handed out exhibits to the Board of Directors. Exhibit 1 was Mr. Foroudi's communication to the manufacturer of Apollo Reduced Pressure Backflow Preventor asking about this product with their response stating they have provided their specifications sheet with a chart that shows pressure loss. Exhibit 2 was information regarding troubleshooting a double check valve assembly. Exhibit 3 was a photo of Mr. Foroudi's filter system. Exhibit 4 contained Mr. Foroudi's communication to Grundfos regarding the 5-way valve that comes off the Grundfos CMBE Booster. Exhibit 5 is a printout of Grundfos CMBE installation and operating instructions. Exhibit 6 are photos of Mr. Foroudi's meter, shower head and pump cartridge. Exhibit 7 was an internet printout

regarding water volume and the tap connection and what causes a backflow preventor to clog up.

Mr. Foroudi says he has proof that the new booster pump he has installed has the backflow prevention certification required by the NSF/ANSI 61 and NSF/ANSI 372. Mr. Foroudi feels a backflow preventor reduces water volume and water pressure and that he has communication from the manufacturers of suggested products they will malfunction if the incoming water supply has debris/sand in it. Mr. Foroudi stated he has also been told by the manufacturer if a backflow prevention device is installed anywhere before the water is filtered and free of debris/sand, he would have to service the device weekly rather than once a year (as required by Water Board Rules & Regulations Section V-Cross Connection Control).

Mr. Foroudi commented due to the flow-reducing fixtures installed near his water meter, the water volume flow to his residence is only 7 gpm and the water pressure at the meter is 38 and states these are low by any standard.

Mr. Foroudi asked why the meter was changed from a one-inch to a 5/8-inch meter?

Mr. Thomas said there is no record of a one-inch meter being there other than when the Water Board did a test for several months. At that time, Mr. Thomas asked Mr. Foroudi if he was willing to pay the difference in the SDC cost between the 5/8-inch meter and the one-inch and at that time he was not willing to do so, therefore staff changed the meter back to 5/8-inch, and he was not charged anything. This test was solely done to see if it helped his problem.

Mr. Thomas asked Mr. Foroudi again if the Water Board increased the meter size would he be willing to pay the difference in the System Development Charge (SDC) cost. The SDC is based on how much water is provided to each home. The SDC for a 5/8-inch meter is \$4,462 and for a 3/4-inch meter is \$6,693. The SDC's increase from there for larger meter sizes. SDC's cannot be waived.

Mr. Foroudi stated he could purchase the same meters himself. Mr. Thomas stated the SDC is in addition to the meter. You're paying for system capacity and your availability to pull the amount of system capacity based on meter units.

Mr. Whitty confirmed the home originally had a 5/8-inch meter at the time Mr. Foroudi purchased it and when he requested a larger meter because he suspected that was part of the problem the Water Board installed it as a test.

It was the Board's consensus to take this matter under advisement and told Mr. Foroudi he would be notified of their decision at a later date.

Regarding proposed Vista Court Main Replacement project, Engineering Manager Matt Whitty stated Vista Court in North Bend is served by a 45-year old 2-inch diameter water main which serves 3 homes.

The water main experienced a corrosion leak in 2018 and was found to be in poor condition. Replacement of this main is included in the current fiscal year's budget in the amount of \$12,900. Staff proposes using in-house design and construction for this project.

After a brief discussion, motion was made by Mr. Matthews authorizing staff to design and install 130 feet of 2-inch PVC replacement main on Vista Court at an estimated cost of \$12,900. The motion was seconded by Mr. Richardson and passed unanimously.

Engineering Manager presented staff's request to convert to a GIS mapping system. The Water Board utilizes extensive electronic data in our daily operations. Examples include AutoCAD based mapping of the 253 miles of distribution and transmission mains, engineering file database, hydrant flow test database, work orders, valve record database, main break database and a project cost estimating program. We also access the county GIS database. Except for the engineering file database and our mapping system none of these databases are linked.

The mapping system staff uses now is very useful. It is accessible by anyone who has a computer at the Water Board and there is an index map which links to PDF files. Most recently there's been an effort in the engineering department to link that mapping system to some of our records. Nathan Brown is the draftsman and he's done a good job of doing that. PDF files have been created of all the standing files which are large maps. You can click on the line on the map and the as-built will come up. Mr. Brown has done extensive work to accomplish this, but it is by no means complete.

Staff has been considering a conversion to GIS to streamline access to the information currently in use. ArcGIS will help staff manage assets, analyze data, and make data-driven decisions. Improved access to information will bolster productivity and help us provide better service for our customers.

The FY 2023 budget included \$10,000 for basic startup of GIS. We planned to use an on-site server that was recently retired. Following approval of the budget we further investigated options for GIS. One option we identified is utilizing cloud-based GIS where we would not have to maintain our own server.

ESRI, Inc. is a major provider of cloud-based GIS services. After meeting with ESRI, Inc. we identified a basic startup package. The package includes annual subscriptions for three users. Quoted costs are as follows:

Online Viewer Annual Subscription	\$110
Online Mobile Worker Annual Subscription	\$385
Online Professional Standard User	<u>\$3,025</u>
Total Cost	\$3,520

ESRI, Inc. recommended training for our Standard User which includes a three-day instructor-led training at a cost of \$2,685.

Following initial start-up staff plans to add additional Viewer and Mobile subscriptions for key office and field personnel.

Mr. Richardson commented this system has been used at the City of North Bend and it has proven to be very beneficial and has brought it to a new level.

Mr. Solarz asked if the cost would be approximately \$8,000 to \$10,000 per year going forth. Mr. Whitty agreed. Mr. Solarz commented if staff can find the funds to budget for this it would be favorable.

Mr. Thomas stated he feels the efficiencies that we will see in staff time, running reports and mapping once we get there, the bigger picture is going to more than pay for those licenses. Mr. Solarz noted there was no mention of savings in the report. Mr. Thomas stated that is because what staff is asking for now is an addition to what staff currently has. This will be a very timely conversion. Mr. Solarz inquired if there is ever a problem with getting our information back from the cloud, does staff have a copy on file. Mr. Whitty confirmed staff does have everything on file.

After a brief discussion, motion was made by Mr. Matthews authorizing staff to move forward with a conversion to GIS using cloud-based ArcGIS services provided by ESRI, Inc. at an initial annual cost of \$6,205. The motion was seconded by Mr. Kilmer and passed unanimously.

The Board's next regular meeting was set for Thursday, June 15, 2023, at 1:30 p.m. Budget Committee Meetings are scheduled for June 1 and June 15, 2023 at noon.

Updates were given as follows:

- Newmark & Ash Street Pump Station Roof Replacement –This project is in the capital improvement plan and the Board approved \$10,000 for this project. Staff solicited quotes and the lowest quote was from Pacific Northwest Building Specialists in the amount of \$8,520.
- Diversified Construction-Installation of Automated Meters – Diversified Construction will be here next week to start installation of Cycle 11 which includes about 1200 meters, for new meter installation and automated meter reading modules. Staff anticipates it will take about three weeks to complete, and then we will be ready to use that system within the next four to five weeks. Cycle 11 is in the Empire-Charleston area which is one of the harder areas to read so that is why staff is getting this accomplished first.

Mr. Thomas asked the Board for feedback of where they would like to head with this program. The utility has had hard times over the last 2 to 3 years retaining meter reading staff, some being promoted from within the utility, others terminating their employment here within 2 weeks to 3 months.

With next year's capital budget, we will have about \$459,000 included in the 2024 FY budget to spend on AMRs and meter change out. That gets us about one and a half cycles if we purchased the meters and have a contractor install them the way we're doing it now. If we wanted to jump to another option and do three more cycles that is almost half of our meter reading cycles.

We have 12 Total cycles. We currently have one that has been done and one cycle is getting ready to be completed. If we purchase an additional three, the three that we are looking at would be a total of approximately 6,400 meters of the utility's 13,500. This is almost half and comes at an estimated cost of about \$647,000 extra in addition to the \$459,000 which is about \$1.1 million worth of work. The Board has money in reserves, active capital reserves, restricted repairs and timber funds in the approximate amount of \$3.3 million. This is an option if the Board wanted to consider it. The main reason staff needs direction from the Board now is if we want to do something large ordering meters by June 30 would be in our best interest as we would get this year's pricing which is very reasonable. If we wait to order after June 30<sup>th</sup> the cost will most likely increase as we get an annual pricing from July 1 to June 30.

Mr. Solarz asked what the expected useful life is on these. Mr. Thomas stated 15 to 20 years depending on the program. Mr. Solarz stated if there are a total of 12 cycles the Board would be looking at doing one cycle per year. Mr. Thomas stated it may not be a full cycle, but now we have funding source. The Board has raised rates over the past couple years. There is another half a percent rate increase proposed for this next year for this program, and to keep moving forward to build it up so we have that funding source over time. The other option, since we now have a funding source, is to go borrow money and pay it back with the funding source over time and get everything done.

Mr. Richardson asked if we could borrow from Water Board funds. Mr. Thomas confirmed funds could be taken out of reserves. The approximate reserves are as follows: Restricted repair and replacement for infrastructure - \$1.6 million; Timber funds - \$225,000;. and active capital reserves - \$850,000 to \$1 million.

Mr. Solarz stated it is always good to have extra funds in the event something unexpected comes up. Mr. Richardson asked what it would take to get this moving.

Mr. Thomas stated if we want to make a meter purchase before June 30<sup>th</sup> we would need to get it approved at the next Board meeting on June 15 and if the Board wants to go a different direction like borrowing money and wants the benefit of the cheaper infrastructure we need to act on it.

Mr. Richardson inquired what the cost is for 1 cycle. Mr. Thomas stated it depends on the size of the area. The first cycle completed was Cycle 9 which was done internally and consisted of 864 meters with the cost being approximately \$180,000 plus staff time which took a couple of months. We are in the process of doing Cycle 11 and it is approximately \$300,000; Cycle 12 would be next in the amount of \$331,755, then Cycle 10 in the amount of \$457,365 and Cycle 8 in the amount of \$317,231.

Mr. Thomas commented if the Board is uneasy with the additional \$647,000 they could consider doing two cycles - Cycle 12 and 10, which would be \$317,000 cheaper and wait to do the next Cycle with next fiscal year's funding.

Mr. Matthews asked Mr. Thomas what his preference would be. Mr. Thomas stated he would like to do 3 additional cycles.

At the next Board meeting staff will be asking to purchase meters. Mr. Thomas commented he and Mr. Howes are working on budgeting and can give the Board a stronger recommendation with two options to consider at the next Board meeting. Mr. Richardson asked if staff could get the pricing change from the manufacturer as well. Mr. Thomas stated he would obtain that.

At 8:45 a.m. Chair Solarz directed they go into executive session for the purposes of discussing potential litigation pursuant to ORS 192.660(2)(h) and personnel issues pursuant to ORS 192.660(2)(a).

The Board returned to open session at 9:34 a.m. Motion was made by Mr. Solarz to reject David Foroudi's appeal and direct staff to prepare a letter notifying Mr. Foroudi of the Board's decision. There being no other business to come before the Board, Chair Solarz adjourned the meeting at 9:35 a.m.

Approved: \_\_\_\_\_, 2023

By: \_\_\_\_\_  
J. Gregory Solarz, Chair

ATTEST: \_\_\_\_\_