

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.
May 7, 2015

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Chair Sharps presiding. Other Board members present: Richard Vigue, Greg Solarz, and Melissa Cribbins. Board members absent: None. Water Board staff present: Rob K. Schab, General Manager; Matt Whitty, Engineering Supervisor; Rick Abbott, Distribution Supervisor; Bryan Tichota, Customer Relations Supervisor; Jeff Howes, Finance Director; Jason Mills, Distribution Technician; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Shannon Souza of Sol Coast Consulting & Design was present. Media present: None. Chair Sharps opened the meeting at 7:00 a.m.

Chair Sharps asked if there were any corrections or additions to the April 16, 2015 Regular Board meeting minutes. There being none, Ms. Cribbins moved the minutes be approved as written. The motion was seconded by Mr. Vigue and passed unanimously.

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

Regarding the updated General Manager's job description, Mr. Schab stated the job description has been edited to include the Board's recommendations to include additional language in the Essential Job Functions and Minimum Skills and Abilities sections. After a brief discussion, Mr. Vigue moved to adopt the amended General Manager's job description as presented. The motion was seconded by Ms. Cribbins and passed unanimously.

Regarding the proposed Professional Services Agreement with Water Quality and Training, LLC (WQT) for the Water Treatment Plant Supervisor, Mr. Schab stated an agreement has been developed by Board Attorney Jim Coffey, and reviewed by Nasburg-Huggins Insurance for insurance compliance. WQT Principal Jim Kaylor has reviewed and is satisfied with the terms of the agreement. Mr. Vigue questioned if Mr. Kaylor would carry his own automobile coverage. Mr. Schab confirmed Mr. Kaylor will carry his own automobile insurance and indemnifies any liability if an accident occurs. Mr. Coffey stated the utility is contracting with a company, WQT, not individually. The Professional Services Agreement would commence on June 1, 2015. For the services described in the Agreement, WQT would be compensated \$125,450 for 1,930 hours. Mr. Schab stated in addition the utility would pay one-half of the premium (\$1,401.34) on behalf of WQT for Contractor's Commercial General Liability and Professional Liability coverage. After a brief discussion, Ms. Cribbins moved to approve the Professional Services Agreement with Water Quality and Training, LLC, and further approve the General Manager to execute the proposed agreement documents. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Schab stated staff is moving forward with the South Empire Boulevard Water Main Relocation. An 80% design set has been delivered to the City of Coos Bay and ODOT for review. Dr. Sharps asked if there has been any feedback on the 80% design. Mr. Hoffine said the City Engineer had some minor questions/comments.

Mr. Schab said currently the project is funded with funds from deferred projects in the Fiscal Year 2015 Capital Improvement Plan. Funding for the project construction in Fiscal Year 2016 is currently being planned using funds from the Mains/Pump Stations/Reservoir Capital Financing Program, as well as Unrestricted Capital Reserves. The utility has sent the first submittal to Oregon Department of Transportation for any reimbursement funds that may become available. Mr. Schab said the North 8th and Hemlock Street Project in Coos Bay is in dire need of completion due to numerous main breaks. The utility will need to borrow money for this project in Fiscal Year 2017 unless funds are borrowed for the South Empire Boulevard Project.

Mr. Schab has researched outside financing options in order to reduce the impact of the project on the capital budget and continue on schedule with other priority projects. Three options have been researched as follows: 1) USDA 2) ODOT and 3) OR-IFA. Mr. Schab said funding options do not seem viable through USDA as no co-borrowers are allowed, therefore the required loan procedure of funding 50/50 between the Cities would not be possible. In addition, the application process is very timely.

Mr. Schab spoke with a representative at ODOT (through the Oregon Transportation Infrastructure Bank). The relocation project is a good fit for this program and their application and approval process is fairly expedient. The project can begin prior to the loan award and funds can be used to reimburse the project. The Oregon Transportation Infrastructure Bank prefers short term loans, such as 10 years at 2%. The required loan procedure of 50/50 between the Cities is acceptable with this program.

The utility has had prior loan and grants through OR-IFA (Infrastructure Finance Authority). Under the water and waste water infrastructure fund, a 20-year loan is currently 3.51% through this program. IFA indicated the application process could be processed quickly as long as the loan award was made before the construction contract was awarded. IFA is researching potential grant or reduced financing cost options.

Mr. Schab stated he would like to meet with the City Managers to advise them the Water Board would like to move forward with an ODOT loan application. After a brief discussion, Mr. Vigue moved to authorize the General Manager to pursue a single finance option, work with the Cities on seeking their concurrence in pursuing a loan for the project, and bring a recommendation back to the Board for their consideration. The motion was seconded by Dr. Sharps and passed unanimously.

Distribution Technician Jason Mills presented staff's request to purchase telemetry units at Shinglehouse Pump Station and Brights Mill Pump Station and Reservoir. He said currently there are no monitoring and control capabilities at the Treatment Plant for these areas of the distribution system. This project would provide secure, password protected access to these sites via internet browser. Mr. Mills said Mission Communications, LLC is a cellular based telemetry provider which the utility has used with much success at the Bay Park 1 Reservoir. Staff proposes to purchase two Mission remote telemetry units through Correct Equipment, Mission Communication's distributor. One unit would

monitor and control the Shinglehouse Pump Station, and the other unit would monitor and control the Bright's Mill Pump Station and Reservoir. Correct Equipment's quote for these 2 units is \$5,440. In addition, staff proposes to purchase annual telemetry service through Mission Communications in the amount of \$1,126.80. Installation and start-up costs would be by the utility.

Mr. Mills stated a cost proposal was also requested from S & B, Inc. the utility's current I & C consultant. Their proposal was in the amount of \$40,015 plus the annual fee for 2 DSL lines of \$1,680.

This project is included in the current fiscal year's budget in the amount of \$35,300. Ms. Cribbins inquired if this would be on the SCADA screen. Mr. Mills said these would be on a separate computer, however they can be integrated at a later date if need be. Mr. Solarz asked if there is an alarm warning if something should go wrong. Mr. Mills confirmed the service includes an alarm system and dialer. After a brief discussion, Mr. Vigue moved to authorize the purchase of 2 Mission M800 remote telemetry units from Correct Equipment in the amount of \$5,440 and the first annual premium for telemetry service from Mission Communications in the amount of \$1,126.80, with the installation and start-up expenses to be provided by the Water Board consisting of services of an electrical contractor in the estimated amount of \$1,600 and staff labor in the estimated amount of \$1,500, with the total project not to exceed \$9,666.80. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding the proposed purchase of a tank mixer for Union Reservoir, Distribution Technician Jason Mills stated the water in Union Reservoir experiences thermal stratification year round. Some of the effects of thermal stratification on water quality are low chlorine residuals and old water age. Currently, staff routinely keeps these effects in check by manually closing valves to cause the level in the tank to deep cycle to better facilitate deep mixing. In severe cases, the entire reservoir is dumped to bring fresh water in. Mr. Mills said with the addition of a tank mixer, the water will be uniformly mixed by means of a submersible 120V AC powered pump. The mixer will improve chlorine residuals, reduce water age, and at the same time reduce utility labor costs. Staff proposes to purchase the tank mixer from PumpTech in the amount of \$5,605, with the installation and start-up expenses consisting of an electrical contractor in the estimated amount of \$1,000 and utility labor costs in the estimated amount of \$800.00. The total project will cost \$7,405.00. After a brief discussion, Ms. Cribbins moved to authorize the purchase of a Gridbee GS-9 Tank Mixer from PumpTech in the amount of \$5,605, with the installation and start-up expenses to be provided by the Water Board consisting of services of an electrical contractor in the estimated amount of \$1,000 and staff labor in the estimated amount of \$800, with the total project not to exceed \$7,405. The motion was seconded by Dr. Sharps and passed unanimously.

Regarding the Terramar Reservoir Altitude Valve Replacement, Engineering Supervisor Matt Whitty said Terramar Reservoir is served by the main High Level Reservoir. Terramar Reservoir is located on the top of Radar Road. The overflow elevation of Terramar is 5.5 feet below the overflow of the High Level Reservoir. This difference causes Terramar Reservoir to overflow when the High Level is full. An altitude valve on the reservoir supply line remedies this condition. The valve closes when Terramar is full, shutting off additional flow from the High Level Reservoir. At present, staff prevents Terramar from overflowing by keeping the High Level Reservoir below the overflow elevation of Terramar. This reduces the capacity of the High Level Reservoir by 40%. The current valve is 35 years old, out of service and needs replaced. The current vault is wood and staff proposes to replace it with a concrete vault. The estimated cost for replacement is \$20,000, including installation of a new vault and valve by the utility's crew. Mr. Whitty said this project is unbudgeted and funding would come from capital reserves. After a brief discussion, Ms. Cribbins moved to authorize the replacement

of the Terramar Reservoir altitude valve and vault in an amount not to exceed \$20,000. The motion was seconded by Mr. Vigue and passed unanimously.

Regarding the Matson Creek Fisheries Restoration Project, Mr. Schab stated the final design and construction documents have been completed and the project is ready for bid solicitation. The project cost has escalated. The original project cost was estimated at \$310,000 and is included in the current year's fiscal budget. Engineering and construction costs have exceeded the initial estimate. Based on input from the permitting agencies and a 90% design brings the estimated total cost of the project to approximately \$520,000. The difference of \$210,000 will be available from Unrestricted Reserves at the end of Fiscal Year 2015. Shannon Souza of Sol Coast Consulting & Design was present to answer any questions regarding the project.

Ms. Souza said she met with the design engineer of ESA Vigil Agrimis and ODF&W and was able to incorporate all of their comments into the 90 percent draft. An application to the U.S. Army Corp of Engineers/Oregon Department of State Lands 404 Joint Permit has been submitted and is based on the National Marine Fisheries Services Nationwide Permit for Stream Restoration.

The original budget was based on Anderson Creek Restoration expenses and since the 30% design, additional costs have been added to the 90% budget:

- After revisiting Anderson and Toms Creeks with ODF&W and discussions with South Slough National Estuary staff, design features were altered to improve upon the results observed at Anderson Creek and offer greater assurances of a fully functioning salmonid habitat, the restoration of the entire flood plain and additional log placements.
- Compliance with the Slopes V nationwide joint permit application including the removal from site of all non-native vegetation in the floodplain and existing ditches of the project area
- An additional stream crossing and access road improvements have been included in the revised construction budget allowing for access through the project partner/landholder The Wetland Conservancy

Mr. Vigue asked what the utility would gain from this. Mr. Schab explained as part of the permit for construction of the Upper Pony Creek Dam, the utility is required to release water from the dam into Pony Creek.

This starts during the summer months at 1 cfs and gradually increases through the winter months (2, 3, 4 cfs). The utility negotiated with ODF&W for the south arm and north arm of Matson Creek. On the north arm the utility obtained a new fish passage waiver for Merritt Dam. For the south arm we were able to get a modification on the existing waiver that allows staff to eliminate the 2,3,4 cfs during winter months which then allows storage of that water. The utility still has the requirement of releasing 1 cfs year round. That block of stored water will be very significant throughout the years which could add 30 to 60 days of supply at the end of a dry season.

Mr. Vigue questioned what the flexibility is if the construction bids come in substantially higher than what has been budgeted. Mr. Schab said our proposed budget for FY2016 has unreserved funds if needed. After a brief discussion, Ms. Cribbins moved to authorize the solicitation of construction bids for the Matson Creek Fisheries Restoration Project and present the bids for the Board's

consideration at the June 4th Regular Board Meeting. The motion was seconded by Mr. Solarz and passed unanimously.

Engineering Supervisor Matt Whitty updated the Board on the 8th Street Main Break. Staff has coordinated with the City of Coos Bay and determined the extent of damages. Excavation and sub-grading have been completed. The City plans on doing a storm drain project and has asked the utility to delay the paving until they have completed their project.

Operations Director Ron Hoffine updated the Board on the South Empire Boulevard Project. A 100% design will be submitted by The Dyer Partnership at the end of the week. A permit should be secured prior to the next Board meeting on May 18th. Discussions have taken place regarding the cost of redesign of the storm drain laterals and who would be the responsible party to pay for the redesigns. Staff and Arron Speakman of The Dyer Partnership met with the City and their representatives. At that time it was decided the Water Board would pay for the redesign of the culverts. Mr. Hoffine asked for cost of redesign. The cost came in at \$42,000. After further discussions, the city agreed the Water Board will pay for the hydrants that are going to be relocated as part of the project, which is estimated at \$41,000. The City will absorb the cost for the redesign and construction of the culverts.

Operations Director Ron Hoffine updated the Board on remaining work to be accomplished on the Ocean Boulevard Main Replacement Project. The issue of the depth of asphalt, 8” versus 12” has been determined. The decision is to go with 12” depth of asphalt. Staff will be meeting with Laskey Clifton to finalize project details, and the work should be completed by the end of May.

The Board’s next regular meeting was set for Monday, May 18, 2015 at 7:00 a.m.

At 8:05 a.m. Chair Sharps directed they go into executive session for the purposes of discussing personnel issues pursuant to ORS 192.660(2)(a) and current and potential litigation pursuant to ORS 192.660(2)(h). They returned to open session at 8:35 a.m. There being no other business to come before the Board, Chair Sharps adjourned the meeting at 8:35 a.m.

Approved: _____, 2015

By: _____
Chair Charles J. Sharps, Ph.D.

ATTEST: _____