

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.
November 5, 2015

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Chair Cribbins presiding. Other Board members present: Dr. Charles Sharps, Richard Vigue and Greg Solarz. Board members absent: None. Water Board staff present: Rob K. Schab, General Manager; Ron Hoffine, Operations Director; Rick Abbott, Distribution Supervisor; Matt Whitty, Engineering Supervisor; Jim Kaylor, Treatment Plant Supervisor; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Chair Cribbins opened the meeting at 7:00 a.m.

Chair Cribbins asked if there were any corrections or additions to the October 15, 2015 Regular Board meeting minutes. Mr. Vigue moved the minutes be approved as written. The motion was seconded by Dr. Sharps and passed unanimously. Chair Cribbins asked if there were any corrections or additions to the October 21, 2015 Special Board meeting minutes. Mr. Vigue moved the minutes be approved as written. The motion was seconded by Dr. Sharps as passed unanimously.

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

Regarding South Empire Boulevard Waterline Relocation Project, Operations Director Ron Hoffine stated Knife River Materials has completed all work, and have submitted their Affidavit certifying all subcontractors and suppliers have been paid in full. They are requesting final payment and final acceptance of the project, as well as approval of Change Order No. 1. Proposed Change Order No. 1 totals \$89,644.72 to include adjustment in bid quantities; change in 6-inch couplings; 10-inch and 12-inch couplings; water service relocation; sewer force main replacement; sewer force main investigations; and early completion incentive pay. A significant amount of the change order is the early completion incentive pay in the amount of \$52,500. The utility was given a project completion date by the City of Coos Bay as no later than October 31, 2015 to ensure that the utility's contractor would be off the project site and not conflict with the City's street improvement project on South Empire Boulevard. Knife River Materials completed all work on October 16, 2015.

The bid amount for the project was \$1,225,227.50. The proposed change order totals \$89,644.72, resulting in a final construction cost of \$1,314,872.22. Final payment to Knife River Materials includes the change order amount as well as the 5 percent retainage for the full project, or \$285,330.61. After a brief discussion, Dr. Sharps moved to approve Change Order No. 1, accept the project as complete, and release final payment to Knife River Materials in the amount of \$285,330.61. The motion was seconded by Mr. Vigue and passed unanimously.

Operations Director Ron Hoffine presented a scope and budget from AECOM (formerly URS Corporation). Mr. Hoffine stated AECOM is the design firm for the Upper Pony Creek Dam that was constructed in 2001 and they have provided ongoing dam inspection and monitoring services since the project was completed. The proposed scope of services are divided into two tasks: Data evaluation (\$13,040); Dam Inspection and Report (\$12,552). The data evaluation task would include the evaluation of piezometer and seepage data collected by staff each week, evaluation of the utility's semi-annual inclinometer readings, and evaluation of annual crest movement surveys. A dam inspection would be performed in spring 2017, along with a written report. The utility's current fiscal year budget includes \$21,000 for the work. After a brief discussion, Dr. Sharps moved the Board accept AECOM's proposal as written and authorize a work order in an amount not to exceed \$25,592. The motion was seconded by Mr. Solarz and passed unanimously.

Engineering Supervisor Matt Whitty presented staff's request regarding the proposed Isabelle Main Replacement Project. The existing main has experienced leaks in 2011 and 2013 and is in poor condition. The main is located behind the sidewalk and there are short retaining walls constructed over the pipe. According to a recent right-of-way survey performed by Derek Windham, PLS, of the City of North Bend, the back of the sidewalk corresponds with the right-of-way line. The main serves three homes and fronts on one vacant lot.

This project is included in the current fiscal year's budget in the amount of \$36,300. Mr. Whitty said staff proposes using in-house design and the utility's crew to complete the project. After a brief discussion, Dr. Sharps moved to authorize staff to design and install the Isabelle Main Replacement Project at an estimated cost of \$36,300. The motion was seconded by Mr. Solarz and passed unanimously.

Finance Director Jeff Howes gave a brief overview of Milliman's actuarial report of the Retirement Income Plan for employees of the utility as of July 1, 2015. At the prior actuarial report the rate of investment return was assumed at 7 percent. Milliman recommends the utility change the rate to 6.5 percent based on market experience over the last two years. This would increase the pension contributions in FY17 to \$355,012 and in FY18 to \$356,058. With the new actuarial assumptions, the plan would be 83 percent funded. After a brief discussion, Mr. Vigue moved to accept the 2015 Actuarial Report by Milliman. The motion was seconded by Dr. Sharps and passed unanimously.

Regarding the proposed job description of Operations Manager, Mr. Schab stated the Board previously adopted a new organizational structure in relation to future recruitment. The Operations Manager position will, in part, replace Ron Hoffine's position as Operations Director. Under the proposed job description, the Operations Manager will exercise full supervision over the Water Treatment and Distribution Sections. If approved by the Board, It is staff's intention to begin advertising for this position. After a brief discussion, Dr. Sharps moved to adopt the job description for Operations Manager. The motion was seconded by Mr. Solarz and passed unanimously.

Finance Director Jeff Howes advised staff is proposing a review of the System Development Charges (SDC) Methodology prior to adoption of the FY17 budget. The last review was completed in 2011 which was built off of the analysis completed by Phil Matson in 2006. The utility is required to review the SDC methodology and report every five years. Mr. Howes stated the cost for a review of this nature is approximately \$20,000 to \$25,000. Due to an oversight, this project is not included in the current fiscal year's budget, so it would be funded from reserves. Staff proposes to solicit proposals from a minimum of three consultants. After a brief discussion, Dr. Sharps moved to authorize staff to

proceed with a Request for Proposals for review of System Development Charges Methodology. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Schab updated the Board on the OTIB loan for the South Empire Boulevard Waterline Relocation Project stating the loan has been approved and is in process. There will be two separate loans, one for each city.

Regarding the Matson Creek Project, Mr. Schab said the planting contractor, Clean Rivers Erosion Control, has initiated planting and is near completion.

The Board's next regular meeting was set for Thursday, November 19, 2015, at 7:00 a.m.

At 7:40 a.m. Chair Cribbins directed they go into executive session for the purpose of discussing legal counsel pursuant to ORS 192.660(2)(h). They returned to open session at 8:20 a.m. There being no other business to come before the Board, Chair Cribbins adjourned the meeting at 8:25 a.m.

Approved: _____, 2015

By: _____
Chair Melissa Cribbins

ATTEST: _____