

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 14, 2016

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, Dr. Charles Sharps, and Bob Dillard. Board members absent: None. Water Board staff present: Ivan D. Thomas, General Manager; Jerre Cover, Water Treatment Supervisor; Matt Whitty, Engineering Manager; Jeff Howes, Finance Director; and Monica Kemper, Accounting Technician. 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 October 20, 2016 Regular Board meeting minutes. Dr. Sharps 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 option to renew the Lease Agreement with Charter Communications, Mr. Thomas stated in 2001, the Water Board signed a Lease Agreement with Charter Communications to lease property for cable utilities located on property owned by the Water Board. In 2006, Charter Communications exercised the right to renew the Lease Agreement per the terms and conditions in the original Lease Agreement. In 2011, the Water Board and Charter Communications agreed to a First Amendment to the original Lease Agreement, extending the agreement for an additional five years with an Option to Renew the term of the lease for one more five year period in early 2017.

In August 2016 a notice was received from Charter Communications exercising their Option to Renew for an additional 5 years commencing March 1, 2017 through February 28, 2022. Charter has made timely payments on all previous invoices from prior lease years. Last year's payment totaled \$11,141.01. Mr. Thomas stated future year's invoices will include an annual increase based on the December Portland CPI total from the prior year. Any future lease agreements with Charter Communications will need to include a new Lease Agreement or a Second Amendment to the terms and conditions which are currently in place. After a brief discussion, Dr. Sharps moved to authorize the General Manager to renew the Lease Agreement with Charter Communications through February 28, 2022, under the existing terms and conditions in the First Amendment and in the original Lease Agreement. The motion was seconded by Ms. Cribbins and passed unanimously.

Joe Colo of Hough, MacAdam, Wartnik, Fisher & Gorman, LLC, was present to review the contents of the completed financial audit of the Board's accounting system for the Fiscal Year ended June 30, 2016. Mr. Colo said the utility's accounting systems are adequate and the accounting records are properly maintained. The internal controls for the Board are operating as designed and regulations are being complied with. The utility has a good system of checks and balances. Mr. Colo reviewed the Schedule of Operating Revenues – Budget to Actual and the Statement of Net Position. He stated the utility is in very good financial position and complimented the Board and staff on their long-term planning.

At 7:20 a.m. Chair Solarz asked for a brief recess to enable the appointed audit committee, consisting of Dr. Sharps and Chair Solarz, to meet privately with Joe Colo to go over the annual financial audit. At 7:32 a.m. the Board reconvened to open session. Ms. Cribbins moved they accept the annual financial audit as presented. The motion was seconded by Dr. Sharps and passed unanimously.

Mr. Thomas reviewed a request from Russ Dodge of Dodge Surveying and Planning, on behalf of Terrence Graves, to use a private engineer for design and a contractor for construction of a water main in Clyde Drive in the Shinglehouse area of Coos Bay. The selected engineer is Richard Nored, and the selected contractor is Knife River Materials. The proposed project consists of 990 feet of new water main from the end of the utility's existing 175 foot-long 2-inch diameter PVC main in Clyde Drive. The proposed project will add three additional services. Mr. Solarz inquired if the respective fire departments have been notified. Mr. Whitty stated staff has received an authorization letter stating they were going to take over maintenance of the fire hydrants and will be paid for by the developer. After a brief discussion, motion was made by Ms. Cribbins to approve the developer's (Terrence Graves) request for the engineer, Richard Nored, and for the contractor, Knife River Materials, and authorize the General Manager to accept maintenance of the new water main and service lines upon successful installation and final inspection per Water Board standards and specifications. The motion was seconded by Mr. Dillard and passed unanimously.

Mr. Thomas informed the Board there are barrels of unused treatment related chemicals stored in the upper parking lot. Staff previously requested quotes for identification and removal of these, however one firm stated they would not provide a quote until the chemicals were identified, and another firm gave a quote but did not include the unmarked barrels, saying they would add those on to their quote once identified. Water Treatment Supervisor Jerre Cover stated he has arranged for a firm to come to the Water Board this week to inventory, identify and package the chemicals for removal. Once this process is complete, the firm will give a quote for removal, and staff will obtain quotes from the other firms as well. Mr. Solarz inquired as to the percentage of unidentified chemicals. Mr. Cover said most of the barrels are marked, however staff is unsure if additional chemicals were added to barrels, and approximately only 5 percent are completely unmarked.

The Board's next regular meeting was set for Thursday, December 15, 2016, at 7:00 a.m.

At 7:45 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 8:12 a.m. There being no other business to come before the Board, Chair Solarz adjourned the meeting at 8:12 a.m.

Approved: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Chair Greg Solarz

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