

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

Minutes
Regular Board Meeting

November 18, 2021
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 Dr. Charles Sharps presiding. Other Board members present: Greg Solarz, and Bob Dillard. Board members absent: Melissa Cribbins. Water Board staff present: Ivan D. Thomas, General Manager; Bryan Tichota, Customer Relations Supervisor; Jeff Howes, Finance Director; Matt Whitty, Engineering Manager; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Paul Neilson of Isler CPA and Michael Scott of Barnes & Associates were present. Media present: None. Chair Sharps opened the meeting at 7:00 a.m. and asked Mr. Neilson to lead the Board and assembly in the Pledge of Allegiance.

Chair Sharps asked if there were any corrections or additions to the November 4, 2021, Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Mr. Dillard and passed unanimously.

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

Paul Nielson of Isler CPA was present to review the contents of the completed financial audit of the Board's accounting system for the fiscal year ended June 30, 2021. Mr. Neilson reviewed the Schedule of Operating Revenues and Expenditures-Budget and Actual for the year ended June 30, 2021.

Total operating revenues for FY2020-2021 were \$8,549,655, which is an increase of 4.67% over the FY 2019-2020 amount of \$8,168,160.

Total operating expenses for the fiscal years 2020-2021 and 2019-2020 were \$6,813,181 and \$6,708,980 respectively. This is an increase of 1.55% over the prior year.

The internal controls for the Board are operating as designed and regulations are being complied with. No material mistakes or deficiencies were noted.

There have been no significant disagreements with management as far as he is aware however management can consult with the auditors regarding any audit issues.

Regarding the change in net position which is the utility's actual change in equity during the year, Mr. Neilson stated after operating income, the debt interest payments come out and System Development Charge fees are added in.

Mr. Neilson noted the audit went very well. Dr. Sharps asked for clarification of the increase in net position. Mr. Neilson stated the Water Board is considered a business type activity. There is a business type activity and a government type activity. Mr. Thomas stated the operating income doesn't include capital expenditures. Mr. Neilson said this is accurate because of being a business type activity.

Dr. Sharps asked if the Board needed to temporarily adjourn for the purpose of a conference between the audit committee and the auditor. It was the Board's consensus there was not a need for a conference.

After a brief discussion, Dr. Sharps moved to accept the Fiscal Year 2021 financial audit and statements as presented. The motion was seconded by Mr. Dillard and passed unanimously.

Jason Mills, Distribution Specialist, presented staff's request for replacement of the heating unit in the Distribution Office. Mr. Mills stated the current ceiling-mounted three-phase electric furnace unit is a 1960s model furnace. The old heater is showing its age and gives those employees in its vicinity the impression that it is not operating normally. Contractors came in to try and troubleshoot the unit and it was their impression it is not repairable as parts are not available.

Dr. Sharps inquired if it is ducted. Mr. Mills stated it is ducted and blows heat into the meter shop as well. Mr. Dillard asked how many square feet it covers and Mr. Mills stated he did not have the measurement at hand.

Replacement for a modern heater was recommended by technicians from two different heating, ventilation and air conditioning (HVAC) companies after each of their troubleshooting efforts.

Staff solicited quotes from three HVAC companies for a "like with like" replacement. The three companies solicited were RHR Heating LLC, Pacific Air Comfort, and Addcox Heating Center. Addcox Heating Center was the only company that provided an estimate.

The estimate provided by Addcox totals \$6,317.00. This price is not a guarantee of the final price of the work to be performed if unforeseen issues arise during the replacement of the unit. The 2021-22 fiscal budget has \$5,000 allocated for this purchase. There are adequate funds available in the active capital reserve fund to cover the budgetary difference.

After a brief discussion, Mr. Solarz moved to authorize the General Manager to enter into an agreement with Addcox Heating Center in the amount of \$6,317 for replacement of the heating unit in the Distribution office. The motion was seconded by Mr. Dillard and passed unanimously.

Regarding the proposed purchase of Turbidimeters, Operations Manager John McKevitt stated staff has obtained current pricing for this year's budgeted replacement of 3 older Hach 1720E Turbidimeters with 3 Hach TU5300sc Turbidimeters along with 1 SC200 Controller.

Turbidimeters measure the clarity of water. Clarity of the filtered water is one of the primary water quality measurements at a water treatment plant used for compliance with the Safe Drinking Water Act. Three new TU5300sc units were purchased in the previous budget cycle, and these 3 will bring a total number of upgraded units to 6 with 3 more to go next budget year.

The Water Board maintains a contract with HACH for other instrumentation calibration and repair. Staff is recommending a sole source purchase for the turbidimeters to keep continuity of the instrumentation program at the plant. The amount of \$15,000 is included in the current fiscal year's budget for the purchase of 3 new turbidimeters. The Quote, number 100683971v1 to purchase them is \$11,415.20.

Dr. Sharps inquired if a total of 9 Turbidimeters are to be purchased what is the need to bring this back to the Board. Mr. Thomas stated this is an annual item that is included in the capital budget, rather than feeding the cost in one year it is included in a total of three budget cycles.

After a brief discussion, motion was made by Mr. Solarz authorizing the sole source purchase of the 3 Hach TU5300sc turbidimeters and Hach SC200 controller in the amount of \$11,415.20. The motion was seconded by Mr. Dillard and passed unanimously.

The Board's next regular meeting was set for Thursday, December 9, 2021, at 7:00 a.m.

Updates were given as follows:

- Timber Cruising Services - Mr. Thomas introduced Michael Scott of Barnes & Associates who was present to give an update on the timber cruising services. Mr. Scott stated Barnes & Assoc. has completed their field work for the hybrid approach they are taking with a conventional timber cruise. All of the data that has been compiled has been sent to Northwest Management that they will use to verify and strengthen the end result of the lidar. The lidar flight took place in June. The next step for them is a field verification which includes finding the trees the lidar picked up and taking several measurements on each tree within the plots. The final product from Northwest Management should be received sometime in June of 2022. The Board thanked Mr. Scott for his update.

- IMS Cap Replacement Project – Four proposals were solicited for contractors but no positive responses were received. Two additional solicitations were made and information has been received from Boede Construction and Bill Maddox. The IMS Caps will be shipped mid-January.

At 7:26 a.m. Chair Sharps directed they go into executive session for the purpose of discussing potential litigation pursuant to ORS 192.660(2)(h) and personnel issues pursuant to ORS 192.660(2)(a). They returned to open session at 7:29 a.m. There being no other business to come before the Board, Chair Sharps adjourned the meeting at 7:29 a.m.

Approved: _____, 2021

By: _____
Chair Charles Sharps, Ph. D.

ATTEST: _____