

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

Minutes
Regular Board Meeting

November 7, 2019
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 Bob Dillard presiding. Other Board members present: Greg Solarz and Melissa Cribbins. Board members absent: Dr. Charles Sharps. Water Board staff present: Ivan D. Thomas, General Manager; Jeff Howes, Finance Director; Matt Whitty, Engineering Manager; Bryan Tichota, Customer Relations Supervisor; Jeff Page, Operations Manager; John McKeivitt, Water Treatment Supervisor; Vince Stonesifer, Field Services Technician; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Chair Dillard opened the meeting at 7:00 a.m. and lead the Board and assembly in the Pledge of Allegiance.

Chair Dillard asked if there were any corrections or additions to the October 17, 2019, Regular Board meeting minutes. Ms. Cribbins moved the minutes be approved as written. The motion was seconded by Mr. Solarz and passed unanimously.

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

Finance Director Jeff Howes stated Milliman has completed the bi-annual actuarial valuation of the defined pension plan year beginning July 1, 2019. The purposes of this valuation is to determine the funded status of the Plan as of July 1, 2019, and to develop the recommended employer contribution for the plan years beginning July 1, 2020 and July 1, 2021.

The recommended changes to the contribution for fiscal year 2021 are 14.49% of base payroll for employees within the plan and \$18,185 per month.

After the last valuation, the Board directed staff to use a contribution that was higher than recommended, 13.34% of base pay for an employee within the plan and \$16,835 monthly.

The table below shows the recommended contributions from each actuarial valuation and the Board's direction for each year a valuation has been completed.

	<u>Milliman Recommended Asset Contribution</u>		<u>Board Adopted Asset Contribution</u>	
2011	11.49%	\$14,429	11.49%	\$14,429
2013	11.73%	\$12,105	11.73%	\$14,429
2015	13.34%	\$14,240	13.34%	\$14,429
2017	13.07%	\$16,835	13.34%	\$16,835
2019	14.49%	\$18,185	?%	\$?

Staff has projected a conservative approach in the 2021 budget, using the higher of the above contribution rates. This approach would include funding 14.49% of base payroll for employees within the plan and \$18,185 per month equating to a total cost of \$392,919 for the 2021 budget year. The actuarial valuation and GASB 67 & 68 disclosures explain the proposed differences in contributions and assumptions for the upcoming period.

After a brief discussion, Ms. Cribbins moved to approve the 2019 actuarial valuation and adopt 14.49% of base pay less overtime wages and a flat fee of \$18,185 per month to fund the Board's defined pension plan for the 2021 fiscal year. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Thomas presented staff's request for replacement of the current meter test bench and gave a brief slide presentation in order to give the Board members a better perception of the condition of the current meter test bench and the space available to house a new one.

The utility currently uses a water meter test bench for meters below 2 inches in size. A water meter test bench is a device where meters are mounted and a volumetric amount of water is ran through them at different flow rates to verify accuracy of the meter. Four meters, of the same size, can be tested at one time. Staff tests meters upon purchase prior to installation, conduct sample tests for researching when to replace meters of certain age or criteria, and upon any customer complaints that would require a meter test. This is done to ensure accuracy of the meter and to determine the meter is within specifications if a problem arises with a customer account.

The meter test bench that is currently owned by the utility was installed in 1968, but could likely be older than that. The manufacturer of the test bench is unknown and could have been hand fabricated just for the Water Board. The test bench has been repaired many times in the past and is continuing to show signs of needed repair in the near future. Staff has determined that more repairs or breaks in the material on the test bench may be permanent, making the test bench non-repairable. Vince Stonesifer, Field Services Technician, stated due to deterioration of the equipment, he has had to make modifications to make it work.

Staff contacted three vendors for quotes for a new meter test bench to replace the currently owned failing test bench. Quotes received are as follows:

Ford Meter Box Company:	\$72,615.90
Mars Company:	\$73,700.00
Sensus	No quote provided

Quotes came in as much as \$8,700 over budget. The amount of \$66,000 has been budgeted in the current fiscal year for the purchase of a new meter test bench. There are adequate funds in the active capital account to cover the extra cost.

While both the Ford product and the Mars product are well known in the industry and both are very good products, staff feels it can make more efficient use of time and space with the Mars test bench. Staff will be able to test up to ten meters at a time with the Mars test bench and seven meters at a time with the Ford test bench (A 42% increase in productivity). Because there is limited space in the meter test shop, the quoted Mars tank would be more beneficial. The Mars tank that is provided with the quote will come in a single cylindrical tank for all flow rates. The Ford tanks that are provided are two cylindrical tanks requiring more floor space.

Mr. Dillard asked how many meters are tested. Mr. Stonesifer stated the 5/8-inch meters, which are typically the ones that get tested, can be tested 4 at one time, and it takes approximately one hour to perform the test. Staff orders approximately 300 to 500 new meters per year so these are tested prior to installation, plus other tests that need to be conducted, primarily speaking about residential and small commercial meters (1 ½ and 2 inch). The larger meters will be tested on an annual basis, or as needed if there are issues on the customer's account.

Mr. Dillard asked how many other tests are performed. Mr. Thomas stated for sample testing approximately 60 to 70 per year, and 6 to 12 meters due to customer issues. Mr. Coffey inquired how long a meter generally lasts. Mr. Thomas said AWWA standards state 15 to 20 years. Some States, because of non-revenue water issues, have either a testing requirement or a change out requirement as low as 5 years. Oregon does not have a given requirement.

Mr. Dillard inquired how many residential meters are in the system. Mr. Tichota stated approximately 11,000 to 12,000. Mr. Dillard stated staff is looking at about 800 meters to test per year in order to keep up with the AWWA standards. Mr. Thomas stated staff will be focusing on that in the near future and will address the Board regarding meter change out programs.

Mr. Dillard asked how the Mars Company test bench would fit into the existing room. Mr. Stonesifer stated the Mars test bench is shorter lengthwise than the Ford Company's and if staff were to remove the paint hood from the old meter shop there would be adequate room, as with the Mars tank the other tank is built inside so it is a smaller footprint which makes it more favorable. Mr. Solarz voiced his concern stating the Ford Company's quote is lower than the Mars Company. Mr. Thomas stated Ford did give another option in their quote which tested 11 meters, however it would not fit into the existing meter shop and it was approximately \$17,000 more than the Mars Company's quote. Ms. Cribbins commented the fact that the Mars Company's bench has the capability to test 10 meters as opposed to 7 meters as quoted by the Ford Company is more beneficial to staff.

Mr. Coffey asked what was specified in the request for quotes. Mr. Thomas stated a 10-foot test bench was one of the specifications in the request for quotes as that is what would fit into the existing meter shop. Mr. Coffey stated if the Ford Company doesn't feel the competition was fair, they always have the option to protest the quote.

Motion was made by Ms. Cribbins authorizing the General Manager to complete the purchase of the Mars Company test bench and accompanied apparatus in the amount of \$73,700. The motion was seconded by Mr. Dillard and passed unanimously.

The Board's next regular meeting was set for Thursday, November 21, 2019, at 7:00 a.m.

Updates were given as follows:

- Eastside School – The backflow assembly was not installed per the Water Board's policy/specifications.
- Audit – The audit will be presented at the next Board Meeting
- Computer Upgrade and Server – Comp-U-Talk has the new computers ready but will not install them until a later date. The Springbrook upgrade will take place in mid-December.
- Roof Repair – The contract has been sent to Rayburn Roofing and staff is waiting for receipt of the signed contract.
- Lead and Copper Testing – 60 sample sites are needed and staff has 45 sample sites in to date and will have the remainder within the next two weeks
- Madrona Street Main Replacement Project-Bids have been solicited and the closing date is today at 2:00 p.m. at which time the bids will be opened. Staff is expecting 5 or 6 bids.
- Coos River Highway- Roto-Rooter has installed approximately 450 feet of HDPE pipe. They are waiting on a part before proceeding.
- McCullough Bridge – Staff is waiting on the final permit before the crew continues work on the north end of the bridge

At 7:40 a.m. Chair Dillard 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 8:08 a.m. There being no other business to come before the Board, Chair Dillard adjourned the meeting at 8:08 a.m.

Approved: _____, 2019

By: _____
Chair Robert Dillard

ATTEST: _____