

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

Minutes
Regular Board Meeting

November 17, 2022
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: Dr. Charles Sharps, Greg Solarz and Carmen Matthews. Board Members absent: None. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Bryan Tichota, Customer Relations Supervisor; Jeff Howes, Finance Director; and Karen Parker, Administrative Assistant. Board Legal Counsel Melissa Cribbins was present virtually. Paul Nielson of Isler CPA was present virtually. Media present: None.

Chair Dillard opened the meeting at 7:00 a.m. and asked Mr. Speakman to lead the Board and assembly in the Pledge of Allegiance.

Chair Dillard asked if there were any corrections or additions to the November 8, 2022, Regular Board meeting minutes. Dr. Sharps 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. Mr. Charles Couture was present. Mr. Couture stated recently his dishwasher quit working. The dishwasher was old so he replaced it. Mr. Couture stated he took the old machine apart and noticed the water intake fill valve was filled with large white crusted flakes and the dishwasher was never receiving any water. He called the manufacturer and was told that the fill valve only receives water from the street, it is not recirculated water within the dishwasher. Mr. Couture stated he has flex and copper tubing in his house. Mr. Couture asked if the Water Board mechanically filters the water. Mr. Thomas stated the water is filtered through sand and anthracite/filter media and chemicals are added to ensure the safety of the water. Dr. Sharps commented he feels the Water Board is not at fault for the failure of his dishwasher. Dr. Sharps asked if he had any pictures, however Mr. Couture stated he did not. Mr. Solarz asked Mr. Couture what he is asking of the Water Board. Mr. Couture stated he is not asking for anything of the Board but wanted to make the Water Board was aware of this and there may be an issue.

Mr. Couture also advised the Board that he had spoke with Mr. Foroudi about a week ago. Mr. Foroudi lives in the same neighborhood and said his filters were full of sand.

After a brief discussion, Dr. Sharps advised Mr. Couture the Board of Directors would take this matter under advisement.

Regarding proposed Task Order No. 26 with The Dyer Partnership for completion of the chlorine contact time tracer study, Mr. Thomas stated the Pony Creek Water Treatment Plant was upgraded in January 2013 and included converting the 375,000 gallon backwash reservoir to a clearwell. The conversion of the reservoir to the Water Board's main clearwell requires a chlorine contact time tracer study to verify that chlorine contact time requirements are being met. The tracer study is to ensure that finished water meets the disinfection requirements per the Oregon Health Authority (OHA) Surface Water Treatment Rules.

During the most recent OHA sanitary survey, the authority documented the Water Board must complete a tracer study by July 31, 2023. Water Board staff had planned the tracer study to be completed as an in-house effort this fiscal year. With recent departure of the Water Board's Operations Manager, staff has approached Dyer Partnership to provide a draft task order to complete the project.

Dyer is currently retained as the Water Board's engineer and has experience with the process and procedure of completing a tracer study. Dyer has provided Task Order 26 proposing the services needed to complete the tracer study by July 31, 2023, meeting the OHA deadline. The cost to complete the study is estimated at \$10,150. Budgeting for the project can be funded by savings from the currently vacant Operations Manager position or the Water Board Active Capital Fund.

Mr. Thomas commented the tracer study is to make sure that we have the correct contact time out of the chlorine contact basin, especially if we want to deliver water straight out onto Ocean Boulevard from the from the chlorine contact basin instead of going up on the hill.

Mr. Dillard inquired how much time it will take to complete the study. Mr. Speakman stated once the plan is approved, they will organize staff with the schedule and once staff is ready from an operations standpoint, it could most likely be completed in a day. It will take approximately 1 to 2 weeks to compile the data.

Dr. Sharps questioned if the cost includes time and materials. Mr. Speakman stated services will be performed and billed on a time and materials basis. After a brief discussion, Dr. Sharps moved to approve Task Order No. 26 with The Dyer Partnership in the amount of \$10,150 to complete the Chlorine Contract Time Tracer Study. The motion was seconded by Mr. Matthews and passed unanimously.

Paul Nielson of Isler CPA was present virtually to review the contents of the completed financial audit of the Board's accounting system for the fiscal year ended June 30, 2022. Mr. Neilson stated this year GASB 87 was implemented. GASB passed a new rule about reporting of leases which means the leases the Water Board has on land which people put communications equipment on is now being recorded as a receivable on the balance sheet.

Mr. Neilson reviewed the Schedule of Operating Revenues and Expenditures-Budget and Actual for the year ended June 30, 2022.

Total operating revenues for FY2021-2022 were \$8,693,883, which is an increase of 1.54% over the FY 2020-2021 amount of \$8,561,655.

Total operating expenses for the fiscal years 2021-2022 and 2020-2021 were \$7,405,125 and \$6,813,181 respectively. This is an increase of 8.69% 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.

Change in Net Position shows what was budgeted for income for the year and what the actual income was for the year. In the last few years all the expenses are actually lower than anticipated.

Mr. Neilson noted the audit went very well.

Dr. Sharps commented the Board of Directors just received a draft of the audit yesterday and questioned why it was late. Mr. Neilson stated they have a heavy workload and are understaffed. Dr. Sharps stated he would like the auditors to present the audit in person rather than virtually. Mr. Neilson commented unfortunately he wasn't able to do this year but would appear in person for the next audit.

After a brief discussion, Mr. Matthews moved to accept the Fiscal Year 2022 financial audit and statements as presented. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding consideration of an additional Utility Worker Position, Mr. Thomas stated as a follow up from discussions at the last Board meeting, staff has researched budgetary information for the Board's consideration.

The Water Board currently employs ten personnel to maintain its water distribution system including the Distribution Supervisor. Staff has recently completed a comprehensive work analysis for the distribution work group. The analysis includes distribution related work in twenty-five different categories that nine of the ten distribution personnel are responsible for completing. The current breakdown of personnel included in the analysis are:

- 2 Distribution Specialist/Technician
- 1 Lead Utility Worker
- 6 Utility Workers

The analysis found in order to complete work in the identified categories that a total of 18,941 work hours are needed from the distribution group. With the current level of staffing, a total of 16,613 work hours are available. This is a shortfall of 2,328 work hours which equates to 1.25 full time employees. The beginning annual cost of one additional Utility Worker including salary and benefits is \$73,000.

Mr. Thomas stated he and the Finance Director have now completed a current salary & benefits analysis compared it to budget for fiscal year 2023, 2024, & 2025. This analysis includes study of current staff turnover and career path progression for all Water Board positions and comparison to forecasted budgetary amounts. The results demonstrate savings for fiscal year 2023, 2024 and 2025.

In consideration of the cost of an additional Utility Worker and the savings associated with the comparison, staff are requesting the Board of Directors consider an additional Utility Worker position for the Distribution Work Group. A price comparison chart for the Board's consideration:

Fiscal Year	2023	2024	2025
Utility Worker	\$ (36,500.00)	\$ (79,689.00)	\$ (86,991.00)
Turnover	\$ 84,411.00	\$ 98,952.00	\$ 93,797.00
Total Savings	\$ 47,911.00	\$ 19,263.00	\$ 6,806.00

After a brief discussion, motion was made by Dr. Sharps authorizing the General Manager to facilitate the addition of a Utility Worker position. The motion was seconded by Mr. Matthews and passed unanimously.

As a follow-up from the last Board meeting on business discussions, Mr. Thomas stated he looked further into the pumps at Joe Ney and discovered the Joe Ney Pump Station can run on one pump at a time, so the purchase of new pumps could be spread out over a 3-year period. Dr. Sharps asked what the cost is for the pumps. Mr. Thomas stated approximately \$120,000 for all 3 pumps, so staff would replace the large pump first which costs approximately \$40,000 to \$50,000.

Community and Customer Outreach: Staff is researching information on emergency notification to include water outages and boil water notices. Mr. Thomas explained what the Everbridge call system consisted of. This system is currently used by Coos County, including the Sheriff's office and Fire Departments. This is an electronic notification and customers would download the software and choose the way they would like to be notified, text/email/phone call. Mr. Dillard asked what the fee is to use the Everbridge system. Mr. Thomas stated the Water Board could go through the County.

The County's emergency manager stated this is a legitimate emergency use and therefore can be used for free. The County receives a grant from the State each year. If the Water Board used Everbridge enough, and passed the grant amount, then a fee would be charged. This would still be saving the Board money as compared to having employees in the field delivering notices. The Board agreed this system would be very effective.

Business Opportunities – Water Rights: The Board has many investments in water rights and environmental agreements. Mr. Thomas discussed a recent auction notice which was received for industrial water and storage rights at Tahkenitch and Siltcoos Lakes. Mr. Thomas asked the Board of Directors how they felt if and when potential for purchases of water rights come up. It was the Board's consensus to keep watch of future water rights that may become available.

Business Opportunities within Springbrook Cirrus- Mr. Thomas stated this is an opportunity to increase efficiency within the utility. Springbrook software is currently installed on the Water Board's servers and the servers need to be replaced approximately every 5 to 10 years. If the utility switched over to Springbrook Cirrus which is cloud based, it allows more modules readily available for work orders, payroll and HR. The current cost to purchase these modules individually and have them on the server over a 5-year period is approximately \$455,000. The hardware expenditure is \$761,000. The utility's current cost on what is used through Springbrook is \$397,000. Springbrook Cirrus would allow staff access to mobile work orders. It would take approximately 1 year to implement. Mr. Thomas stated staff will continue researching and bring this back to the Board at a later date.

Timber Cruise: The total acreage available for timber harvest is 1,444 acres. As an example, Mr. Whitty noted that a harvest rate of 25 acres per year would result in a harvest age of 58 years. The timber units currently do not have an even age distribution supporting sustained yield. Mr. Whitty presented a scenario of timer harvests by decade over the next 40 years that will result in an even age distribution in 2061. The first decade ending in 2031 includes four 69-acre timber sales with projected revenue of \$2 million to \$3 million.

Mr. Thomas briefly reviewed current and future projects:

- Pony Creek Water Treatment Plant Tracer Study
- Point Adams Cathodic Protection
- RFP for Rate and SDC Study
- IVR Outbound
- Service Center Generator
- GIS Mapping
- Design of Vista Court, Myrtle Avenue, South 8th Street, Pacific Avenue Water Main Replacements
- Design of Transmission Main Tunnel Repair
- HVAC Replacement at Pony Creek Treatment Plant

- RFP for SCADA Master Plan
- Chlorine SCADA Integration
- Nutwood and 14th Street Pump Replacement
- Brights Mill Pump Station Replacement
- Chlorine and Fluoride Sensor Replacement
- Wisconsin Pump Station Replacement

The Board's next regular meeting was set for Thursday, December 15, 2022, at 7:00 a.m.

At 8:55 a.m. Chair Dillard directed they go into executive session for the purposes 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 9:17 a.m. There being no other business to come before the Board, Chair Dillard adjourned the meeting at 9:17 a.m.

Approved: _____, 2022

By: _____
Bob Dillard, Chair

ATTEST: _____