

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

Minutes
Regular Board Meeting

October 18, 2018
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 Vice-Chair Dillard presiding. Other Board members present: Greg Solarz and Dr. Charles Sharps. Board members absent: Melissa Cribbins. Water Board staff present: Ivan D. Thomas, General Manager; Jeff Howes, Finance Director; Bryan Tichota, Customer Relations Supervisor; Matt Whitty, Engineering Supervisor; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Dave Livesay and Adam Sussman representing GSI were present. Gordon and Athena Roberts and family were present. Vice-Chair Dillard opened the meeting at 7:00 a.m. and asked Mr. Coffey to lead the Board and assembly in the Pledge of Allegiance.

Vice-Chair Dillard asked if there were any corrections or additions to the October 4, 2018, Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Dr. Sharps and passed unanimously.

Vice-Chair Dillard asked if there were any public comments. Gordon and Athena Roberts introduced themselves and stated they have purchased a lot at 685 S. Wall and were given a manufactured home to put on the site, however they need to arrange for water service before they can move there. They were under the impression a service was already on the property. Mrs. Roberts stated after checking with the Water Board, in order to get a water meter/service on the property a System Development Charge in the amount of \$6,500 needs to be paid prior to the service being put in.

The Roberts need to be out of their current home in two weeks. The Roberts stated they do not have \$6,500 and asked the Board if they would consider \$500.00 as a down payment, and once they get their tax refunds put \$3,000 towards the balance and make payments for the remainder of the money owed. The Roberts have a special needs son who is totally dependent upon them. They are unable to get financing, are on a fixed income, and have checked into other resources (Habitat, Orca) but have not been able to find any financial assistance.

Mr. Thomas stated staff has looked into policy considerations and have contacted other utilities regarding this type of issue.

Mr. Coffey inquired if the property was owned free and clear and what the value of the lot is. Mr. Roberts stated he owes approximately \$9,000.00 and the lot is assessed at about \$42,000. Mr. Coffey stated if the Board wanted to make an exception to the current policy under these particular circumstances, and if the Board is concerned about having the full balance being paid back, they could make an exception on the condition that Mr. and Mrs. Roberts give the Board a

Bargain and Sale Deed for the property. The Bargain and Sale Deed would not be recorded unless the Roberts defaulted in their payments. Once the payments are made in full, the Deed would be given back to the Roberts. Dr. Sharps commented if the Roberts can make a \$500 down payment then the Board could work out financial terms. Mr. Coffey stated he could prepare a contract if this is the direction the Board wants to take. Mrs. Roberts stated they could make the \$500.00 down payment today. Mr. Solarz asked the Roberts when they expect to receive their tax refunds. Mr. Roberts stated they sent all the necessary paperwork to the IRS in August and have not had a response as of yet.

Mr. Whitty mentioned due to their short timeline they would need water to their house by the end of October. Mr. Thomas stated staff would most likely put the service in at the beginning of next week. Mr. Whitty stated he has not reviewed any paperwork and asked when they received information as to the cost. Mr. Roberts stated they were given the estimate in January of 2018. Mr. Thomas stated since the Board is willing to work with the Roberts, they should fill out another application for service today, working with Mr. Tichota and Mr. Whitty, and pay a \$500.00 down payment.

After a brief discussion, motion was made by Dr. Sharps to make an exception to the Water Board's general policies of its Rules and Regulations in relationship to Mr. and Mrs. Roberts' application for water service, giving the Roberts authorization to make a \$500.00 down payment today, and authorize the Board's attorney to prepare a contract and deed allowing them to make payments up to 24 months. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Robert's mother, Margaret Stallknecht, stated the property at 685 S. Wall is in her name. The Roberts thanked staff and the Board for their time and willingness to work with them.

Mr. Thomas stated the Water Board is in the process of transitioning from an agreement with its current provider of environmental water rights management and consulting services. The Water Board has some very successful history with Dave Livesay and the staff at GSI Water Solutions for dunal aquifer storage investigations and regulatory reporting in the past.

Water Board staff met with Dave Livesay and Adam Sussman of GSI and reviewed their qualifications to perform dunal aquifer and water rights consulting services. GSI is viewed as the leading firm in experience for those professional services.

Mr. Livesay stated their office is located in Corvallis. GSI specializes in water resources, water rights and resource planning. He has been involved with the Water Board since early 1990s working with the dunes and the Special Use Permit and is very familiar with the wellfield, the dunes, the hydrogeology and permitting aspects.

Mr. Sussman stated he is the lead for the firm's water rights and water resources practice. He previously worked for 14 years with the Department of Water Resources in Salem and has developed many relationships which have been very useful. Mr. Sussman is familiar with the Water Board's water rights through his work with Mr. Coffey in prior years. The Water Board has a large portfolio of water rights which are all in different stages of development and GSI will help manage these for the utility's future supply.

The proposed contract/scope of work for services provided by GSI for fiscal year 2019 is \$60,000. Monies are budgeted in the current year's fiscal year budget. Mr. Dillard asked how this fee

estimate compares to what has been spent in the past. Mr. Thomas stated this fiscal year the expenses will increase by approximately \$20,000 to \$30,000 due to an extended scope of work with Coos Watershed Association and services that are being completed by Sol Coast Consulting & Design. These additional monies are not included in the current year's budget. The contract will renew annually per the language in the professional services agreement and GSI will assist in preparing quotes for budgetary consideration on a year to year basis.

After a brief discussion Dr. Sharps moved to authorize the General Manager to enter into a professional services agreement with GSI Water Solutions, Inc. in an amount not to exceed \$60,000 for dunal aquifer and water rights consulting services for fiscal year 2019. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding proposed Resolution No. 366, Mr. Thomas stated the utility processes and collects payments for multiple services including water, sanitary sewer, storm water, and public safety fees, and other miscellaneous fees and charges. The Water Board has always fairly prioritized its billings and collections for all customers for all fees and charges per its internal standard operating procedures.

While these processes and procedures are done fairly, the Water Board's Rules and Regulations do not include policies on how or in what priority payments from customers would be applied to accounts. Staff has reviewed Water Board internal policies and Intergovernmental Agreements it has for these services with the Cities of Coos Bay and North Bend. Staff has made suggestions to update and add current Water Board practices and procedures for Billing, Payments, and Non-Payments to Section III., D. of the Water Board Rules and Regulations.

After a brief discussion Dr. Sharps moved to adopt Resolution No. 366 updating Section III D of the Water Board's Rules and Regulations. The motion was seconded by Mr. Dillard and passed unanimously. The resolution read as follows:

RESOLUTION NO. 366

**REVISIONS TO COOS BAY-NORTH BEND WATER BOARD'S
RULES AND REGULATIONS, SECTION III D
PAYMENT AND NON-PAYMENT OF BILLS**

WHEREAS, by and pursuant to the authority vested in the Coos Bay-North Bend Water Board (Board) through the respective Charters of the Cities of Coos Bay and North Bend, Oregon, and the laws of the State of Oregon, said Board has the right and authority to make effective regulations and service policies in connection with the operation of said water system; and

WHEREAS, Board has reviewed its Rules and Regulations and found it prudent and beneficial to make additions to Section III D. of those Rules and Regulations pertaining to Payment and Non-Payment of Bills;

NOW, THEREFORE, be it resolved that Section III D. of the Rules and Regulations of Board be modified as shown on attached Exhibit "A", effective October 18, 2018. All prior practices and procedures of said Section III D. remain in effect, and said modifications in the Board's Rules and Regulations shall remain in full force and effect until changed by appropriate action of Board.

Adopted by the Board of Directors this _____ day of October, 2018.

EXHIBIT "A" to Res. No. 366

D. Billing, Payment, and Non-Payment of Bills

1. All customers will be billed for services on a monthly basis.
2. The Water Board may enter into Intergovernmental Agreements with Cities or other Governmental organizations, within the Water Board's service boundary, to authorize the Water Board to bill charges and/or fees for services provided by such City's or other Governmental organizations, to collect payments for the charges and/or fees billed, to transmit the payments collected to the Cities or other governmental organizations, and to enforce the collection of the charges and/or fees billed for such other Cities or other Governmental organizations.
3. Bills for all services are due and payable on the billing date and become ⁴⁴past due fifteen (15) days thereafter. All bills become delinquent on issuance of a two-month bill.
4. Payments received from a Water Board customer will be processed and applied to customer accounts in the following priority: first, to water service, second, to Water Board meter charges, third, to any Water Board miscellaneous fees, fourth, to any Water Board surcharge fees due. The application of payments received from Water Board customers that pay for municipal or other governmental services as provided in paragraph 2, above, shall be applied by Water Board according to the priority established in the Intergovernmental Agreement.
5. The Water Board shall not act upon any customer request to apply a payment to any specific priority listed in Section 4, above, and, further, shall not apply a customer payment in any priority other than as contained in an adopted Water Board procedure or Intergovernmental Agreement.
6. If customer has a past due balance, the Water Board shall apply payments made on the account first to any past due balance and then to new charges as provided by the priorities as provided in paragraph 4, above.
7. Service may be discontinued to customers having delinquent bills or invoices if, in the judgment of the Water Board, such action is necessary to enforce collection.
8. ⁴⁴At least five days before service is disconnected for a delinquent bill, a final written notice of such action shall be provided to the customer. The notice must be printed in boldface type and must state in easy to understand language the following:
 - The reasons for the proposed disconnection;
 - The earliest date for disconnection;
 - The amount required to be paid to avoid disconnection;
 - An explanation of the Water Board's appeal process.

This final written notice may be served on the customer by personal service or by sending it by first class mail to the last known address of the customer and/or the customer's designated representative. Service is complete on the date of mailing or personal delivery.
9. ⁴⁴A door-hanger notice of intent to disconnect service shall be issued to the customer's service location at least twenty-four (24) hours prior to such disconnection. A service charge shall be charged to any customer to whom a 24-hour notice is issued. If payment in full of the amount specified in the final notice and the door-hanger charge is not received by the Water Board in its main office within the allotted time, service may then be disconnected. An applicable delinquency charge shall be made on all accounts to which a final notice has been mailed if the specified payment has not been made in the allotted time as defined above. (See Section VII of Operating Policies for current charges.)
10. ⁴⁴Resumption of service after discontinuance or termination for non-payment of bills shall not be made until payment of the delinquent bill is received in the office of the Water Board plus applicable

delinquency charge, door-hanger charge, and lock charge as listed in Section VII of Operating Policies. In cases involving a backflow prevention assembly, there may be additional charges (See Section V of Rules and Regulations).

11. Unauthorized resumption of service by the customer will result in additional charges to recover the actual costs to the Water Board of re-terminating the service and repairing damage.
12. ⁴⁴If within the five-day period for making payment provided in paragraph 3 above any affected customer wishes to dispute the delinquent bill or the proposed discontinuance or termination of service, that customer may contact the ⁵³Finance Director or his/her designee of the Water Board to discuss the customer's disagreement with the Water Board's action. To request any meeting, the affected customer should call the Water Board or go to the Water Board offices in person not later than 5:00 p.m. on the working day prior to the date water service is scheduled to be discontinued.
13. The Water Board has discretion to make payment arrangements with the affected customer, depending upon the customer's ⁵³necessity for credit arrangements, previous payment record, current account status, and the customer's ability to pay. If reasonable payment arrangements are not made or there are no reasonable grounds for the customer's disagreement with the Water Board's proposed termination of water service, water service will be discontinued or terminated unless payment in full of all delinquent bills is made by 5:00 p.m. on the date scheduled for discontinuance or termination.
14. ⁵³If payment arrangements (Credit Agreement) are made but the customer fails to adhere to the mutually agreed upon payment schedule, the discontinuance or termination of service process due to non-payment will be started by giving the customer a 15-business-day written notice of termination of service, followed by a 5-business-day written notice of termination of service, as well as a 24-hour notice as provided for in paragraph III.D.4 above. The notices shall inform the customer that service will be disconnected on or after a specific date and shall explain the alternatives. The notice may be served in person or sent via first class mail to the last known address of the customer. Service is considered complete on the date of mailing or personal delivery.
15. ⁴⁴If disputes regarding delinquent bills or discontinuance or termination of service cannot be resolved informally by the ⁵³Finance Director or his/her designee, the customer shall be notified of the right to appeal the Water Board's action to the General Manager. This request must be made in writing and must be presented to or received by the General Manager within five days of the date of the previous adverse decision by the ⁵³Finance Director or his/her designee. The General Manager shall, within five days of receipt of the written appeal, render his decision and mail a written notice to the customer.
16. ⁴⁴Any customer who is not satisfied with the written decision rendered by the General Manager shall be informed of the right to appeal such decision to the Board of Directors. Any such appeal must be in writing and shall conform to the requirements of this section. Any such appeal must be delivered to the offices of the Water Board no later than five (5) calendar days from the date the General Manager rendered a decision adverse to the customer. The written appeal to the Board shall contain the following information:
 - a. The date of the appeal to the Board;
 - b. The facts and grounds upon which the request for relief is made;
 - c. The signature of the appellant or his/her attorney;
 - d. If service is to be restored pending the appeal, payment in full of all delinquent bills.Any such appeal will be scheduled by the Board for hearing at a special or regular meeting of the Board. Notice of the time, date, and place of the hearing will be mailed to the customer by first class mail to the last known address of the customer.
17. ⁴⁴Pending resolution of the dispute, the customer's obligation to pay undisputed amounts continues. A customer who has appealed a delinquent bill or discontinuance or termination of service to the General Manager or to the Board may be entitled to continued or restored service provided:

- a. Service was not terminated for theft of service or failure to establish credit;
- b. A bona fide dispute exists in which the facts asserted by the customer, if favorably resolved to the customer, would entitle the customer to service;
- c. Where discontinuance or termination is based on nonpayment, the customer makes adequate arrangement to avoid future loss to the Water Board, such as prepaying monthly water charges; and
- d. The customer diligently pursues the appeal.

If the above conditions are not met, the Water Board has no obligation to restore service once it is discontinued or terminated. If service is temporarily restored pending the Board hearing the customer's appeal and the conditions described in subparagraph c or d above are not met, the Water Board may again discontinue or terminate service by providing 24-hour notice, describing the defect in performance and the date and time service will terminate.

- 18. ⁴⁶A summary of the foregoing procedure shall be provided to any customer disputing a delinquent bill or proposed termination of service. This summary shall be provided at the time required in Section III.D.3.
- 19. ⁴⁴Service shall not be turned off on the day prior to a holiday or weekend, unless ⁵³a potential or actual health hazard exists.
- 20. Service may be discontinued or new service may be refused at a location under any of the following circumstances:
 - a. ⁴⁴If the customer has a delinquent bill or outstanding invoice from any location;
 - b. Where an account has been closed and the customer has turned on the service himself or he otherwise began use of the water service before contacting the Water Board to apply for the service and before the Water Board has had an opportunity to read the meter;
 - c. ⁴⁴A delinquent bill has been incurred by a customer of record at a service address. A new applicant for service resided at the service address above during the time the delinquent bill was incurred and/or the old customer of record will continue to reside at the service address.
 - d. In cases involving a backflow prevention assembly, see Section V of Rules and Regulations.
- 21. ³⁷A customer of the Water Board who has paid with a check which is then returned to the Water Board from the drawer's bank due to non-sufficient funds (NSF) in that account, or for any other reason, shall be charged a service fee reflective of the Water Board's cost of service (See Section VII of Operating Policies for current NSF fee).
- 22. At the time specified by the customer that he expects to vacate the premises where service is supplied or that he desires service to be discontinued, the meter will be read and a bill rendered. The customer will be charged for consumption used or the prorated minimum provided for in the schedule applying to the class or classes of service furnished, prorated on the basis of the number of days in the period in question to thirty (30) days.
- 23. ⁴⁴If, at the customer's request, the water is temporarily shut off and turned on, or vice versa, such as for emergencies, plumbing repairs, or vacations, no charge shall be made for the Water Board's costs involved. If this temporary turn off exceeds ninety (90) days, it will be considered permanent. The customer's account will be closed, and any customer desiring water service at that location will have to apply for service as in Section III.A and pay the turn-on fee.
- 24. Any customer who applies for water service at any location shall pay a turn on fee (see Section VII of Operating Policies for current fee). Exceptions may be allowed at the discretion of the Board. (See Operating Policies, Section VIII, for exceptions already approved.)

Regarding proposed Resolution No. 367, it was the Board's consensus to join in Board Chair Cribbins via telephone conference on this agenda item. Ms. Cribbins was joined. Mr. Thomas stated the proposed resolution would enter the Water Board into an Intergovernmental Agreement with the City of North Bend for Sanitary Sewer, Storm Water and Public Safety Fee collection and enforcement. Dr. Sharps asked Ms. Cribbins her opinion on this item concerning the Water Board enforcing collection of the mentioned fees. Ms. Cribbins stated it is her understanding if customers fail to pay their bill, after any Board required notices, they would be sent to Western Mercantile for collection, and this resolution codifies what the Board has been practicing. Ms. Cribbins asked if the Board is looking at the specific question if a customer comes in and just pays their water portion of the bill but refuses to pay the remainder of the fees. Mr. Coffey stated yes. Ms. Cribbins commented she is in favor of this resolution as she would not want the Board to be in the position where they would differentiate between what customers are paying. Mr. Coffey commented the Intergovernmental Agreement gives the Board the legal right to practice its' usual and standard collection method and procedures when dealing with accounts that are past due for non-payment of any portion of the bill that may not be paid. Motion was made by Dr. Sharps to adopt Resolution No. 367 entering into an Intergovernmental Agreement with the City of North Bend to enforce collection of its fees that the Water Board has previously agreed to bill and to specify application for customer payments for City of North Bend residents. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Whitty gave an overview of the Joe Ney Dike Repairs. Excavation and installation of a cut-off wall was accomplished by Benny Hempstead. There is a concern that water may be inside the dike right next to the spillway. At high tide water is coming back through and in order to stop this grout needs to be injected. The Dyer Partnership works with a company (Contech) that is available to do the repair which will incur additional costs of approximately \$7,500.00. The work can be performed next Monday as the company is already scheduled to be in town on another job. Mr. Whitty reviewed the summary of costs totaling \$49,210 consisting of: Benny Hempstead's Contract \$32,500; increased trenching work - \$15,826; and the facing rock \$884. The estimated cost for the grout injection is \$7,500. After a brief discussion, Dr. Sharps moved to approve a change order for the grout injection in an amount not to exceed \$7,500.00. The motion was seconded by Mr. Solarz and passed unanimously.

The Board's next regular meeting was set for Thursday, November 15, 2018, at 7:00 a.m.

Updates were given as follows:

- Tank Maintenance Project – SUEZ was on site this week doing washouts and disinfection to get the tanks ready to be back in service.
- High Service Pump Drive Replacement – The new high service pump drive has been installed by General Electric but needs to be programmed.
- Audit – The audit will be presented at the next Board meeting

At 8:15 a.m. Vice-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 8:28 a.m. There being no other business to come before the Board, Vice-Chair Dillard adjourned the meeting at 8:28 a.m.

Approved: _____, 2018

By: _____
Vice Chair Bob Dillard

ATTEST: _____