

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.
October 15, 2015

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Chair Cribbins presiding. Other Board members present: Dr. Charles Sharps, Richard Vigue and Greg Solarz (via telephone). Board members absent: None. Water Board staff present: Rob K. Schab, General Manager; Ron Hoffine, Operations Director; Rick Abbott, Distribution Supervisor; Matt Whitty, Engineering Supervisor; Jim Kaylor, Treatment Plant Supervisor; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Shannon Souza of Sol Coast Consulting and Design was present. Media present: None. Chair Cribbins opened the meeting at 7:00 a.m.

Chair Cribbins asked if there were any corrections or additions to the October 1, 2015 Regular Board meeting minutes. Mr. Vigue moved the minutes be approved as written. The motion was seconded by Dr. Sharps and passed unanimously.

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

Regarding the proposed Professional Services Agreement with Sol Coast Consulting & Design, LLC, Mr. Schab stated in 2001 the Board initially approved a contract with Souza Environmental, the predecessor to Sol Coast. It is timely to consider an updated 5-year master contract. The proposed Professional Services Agreement has been reviewed and edited by Mr. Coffey. Mr. Schab stated prior to each fiscal year Sol Coast prepares specific tasks, scopes and task budgets based on projects and planned activities for the upcoming year. After approval of the utility budget, the tasks and budgets are presented to the Board for approval to proceed. The average annual cost of services is \$40,000 to \$60,000, depending on scheduled projects. After a brief discussion, Dr. Sharps moved to approve the proposed 5-year Master Contract with Sol Coast Consulting & Design Services, LLC, and further authorize the General Manager to execute the Professional Services Agreement. The motion was seconded by Ms. Cribbins and passed unanimously.

Ms. Souza gave an update on the Matson Creek Project stating the project is 90 percent complete. The earth work has been completed and access for any equipment to enter Matson Creek has been removed. The preliminary seeding and mulching of the area has been completed and planting will begin after a prolonged period of rain. The contract has a final completion date of November 22, 2015. Ms. Souza said she is in contact with the planting contractor, Clean Rivers Erosion Control, and will keep eye on the weather, leaving the completion date as is for now. The contract may need to be extended to accommodate the rainfall. Dr. Sharps commented on what a great project this has been.

Mr. Hoffine gave an update on the South Empire Boulevard Waterline Relocation Project stating substantial completion was met October 14th. All the new water main has been installed, and all testing completed. Final Completion date is October 31; however, Knife River will most likely reach

final completion early which will result in some incentive pay, \$3,500 per day. There is some cleanup, paving and sewer lateral work remaining. One change order is in process for time and materials on moving a sewer main and some sewer laterals, estimated to be \$25,000 to \$30,000. The total project amount is \$1.2 million.

Mr. Schab updated the Board stating the City of North Bend passed the Resolution for the OTIB loan for the South Empire Boulevard Waterline Relocation Project. All information is being gathered to complete the application packet for submittal to the Oregon Department of Transportation for processing. Mr. Vigue inquired what the interest rate would be on the OTIB loan. Mr. Schab said the rate is 2 percent.

Mr. Schab said he received a letter from Milliman, the firm who prepares the utility's actuarial review. Milliman is suggesting changes to the actuarial assumptions by which the pension plan is calculated. Currently, the utility looks at a 7 percent return over the next 20 years, which is a baseline for their calculations. Milliman is recommending going from 7 percent to 6.5 percent. This would change contributions by approximately \$100,000 per year and the plan would be 83% funded, whereas currently it is 90% funded. There is a deadline to respond to Milliman, as the actuarial review needs to be available to the financial auditors for completion of their audit. Mr. Solarz inquired if staff had considered actuarial services through a different firm. Mr. Schab stated the Board has been with The Equitable and Milliman since the 1980's. If the Board so desires, a Request for Qualifications could be prepared and sent out to other firms. It was the Board member's consensus for Mr. Schab to proceed with a response to Milliman's letter, and they would revisit whether to pursue a Request for Qualifications at a later date.

The Board's next regular meeting was set for Thursday, November 5, 2015, at 7:00 a.m.

At 7:25 a.m. Chair Cribbins directed they go into executive session for the purposes of discussing personnel issues pursuant to ORS 192.660(2)(a). They returned to open session at 8:00 a.m. There being no other business to come before the Board, Chair Cribbins adjourned the meeting at 8:00 a.m.

Approved: _____, 2015

By: _____
Chair Melissa Cribbins

ATTEST: _____