

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.  
September 15, 2016

Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time with Chair Vigue presiding. Other Board members present: Melissa Cribbins, Greg Solarz and Dr. Charles Sharps via telephone. Board members absent: None. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Bryan Tichota, Customer Relations Supervisor Jerre Cover, Water Treatment Supervisor; Jeff Howes, Finance Director; Bill Hagan, Operations Manager; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Chair Vigue opened the meeting at 7:00 a.m.

Chair Vigue asked if there were any corrections or additions to the August 11, 2016 Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Ms. Cribbins and passed unanimously.

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

Mr. Thomas introduced Bob Dillard and welcomed him as a new member of the Board of Directors. Mr. Dillard will begin his term on the Board on October 6, 2016.

Mr. Thomas reviewed a letter from Board Attorney Jim Coffey requesting an adjustment in legal fees effective September 1, 2016 based on the Portland CPI percentage. There are sufficient funds in the Fiscal Year 2017 budget for legal expenses to accommodate this increase. Legal fees would be increased by 1.2 percent as follows: Jim Coffey and Mike Stebbins from \$173.06/hour to \$175.14/hour; Jane Stebbins from \$161.80 to \$163.74; and paralegal services from \$61.44 to \$62.18. The last attorney fee increase was July 1, 2015. After a brief discussion, Dr. Sharps moved to approve the attorney fee increase as outlined in Mr. Coffey's letter effective September 1, 2016. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding the proposed telemetry projects at Telegraph Pump Station and Bay Park II Reservoir, Mr. Thomas stated currently there is no telemetry or SCADA (Supervisory Control and Data Acquisition) for the Bay Park II Reservoir. The existing telemetry equipment at Telegraph Pump Station is outdated and obsolete.

Staff recommends purchasing Mission Control telemetry equipment from Correct Equipment, the local distributor and sole source provider. Mission Control is a cellular based telemetry provider. Correct Equipment would provide two remote telemetry units and annual telemetry

service for each. The cost for these two units is \$5,117.00. Each unit has an annual service fee of \$563.40.

Pressure transmitters are needed to measure suction and discharge pressures at the Telegraph Pump Station. These units are available from S & B in the amount of \$2,300. The Bay Park II Reservoir requires a submersible level transducer for measuring the tank level which is available through Instrumart for \$620. Additional expenses include installation costs for an electrical contractor estimated at \$600, and Water Board staff labor estimated at \$1,500. The total estimated costs for the upgrades at Telegraph Pump Station and Bay Park II Reservoir are \$11,420. Both of these projects are included in the current fiscal year's budget as follows: \$26,700 for the Telegraph Pump Station Telemetry Project and \$15,600 for the Bay Park II Reservoir Telemetry Project. After a brief discussion, Ms. Cribbins moved to authorize the purchases for the telemetry upgrades as recommended by staff in the amount of \$11,420. The motion was seconded by Mr. Vigue and passed unanimously.

Engineering Manager Matt Whitty presented staff's request for authorization to construct the new Everest Road Pump Station. He stated the Everest Road distribution system has seven service connections with pressure below the minimum 20 psi threshold required. These services were installed in the 1970's. After an inspection performed by the Oregon Health Authority, it was their recommendation to increase pressure to these services. In order to accomplish this, a new pump station would need to be installed.

The Board previously approved design of the new pump station. Staff's initial plan was to develop a bid package for a package pump station and present it to the Board for authorization to solicit bids. During preliminary design, staff suggested to design the pump station in-house, and also utilize the utility's crew for construction. Design of the pump house has been completed by staff.

This project was included in the FY2016 budget with an estimated cost of \$91,300. The project was estimated using costs based on the Millington package pump station installed in 2007 and provided by Pumptech, Inc. The new estimate for complete installation of the pump station is \$37,000 to include in-house engineering, construction of the pump station by Water Board crews, installation of the new power service by Pacific Power and pump station electrical work by a local electrician. After a brief discussion, Dr. Sharps moved to authorize construction of the new Everest Road Pump Station as recommended by staff in the estimated amount of \$37,000. The motion was seconded by Mr. Solarz and passed unanimously.

Distribution Supervisor Rick Abbott presented staff's request to solicit bids and purchase new vehicles (4 pickup trucks) and equipment (diesel compressor) for FY2017 in accordance with the Vehicle Replacement Program (VRP). The proposed purchases are as follows:

1. One new pickup truck 2WD extended cab to replace Truck #22, a 2011 Chevrolet Silverado with 88,000 miles, for use by a Field Customer Service Representative. The rotation period established in the VRP for this vehicle is six years. Cumulative corrective maintenance costs total approximately \$1,800. The amount of \$23,000 is included in the current fiscal year's budget for its replacement.
2. One new pickup truck 2WD regular cab to replace Truck #23, a 2011 Chevrolet Silverado with 81,000 miles, for use by a Field Customer Service Representative. The rotation period established in the VRP for this vehicle is six years. Cumulative corrective maintenance costs total approximately \$4,000. The amount of \$23,000 is included in the current fiscal year's budget for its replacement.

3. One new pickup truck ½ ton 4WD extended cab to replace Truck #17, a 2009 Chevrolet Silverado with 98,000 miles, for use by the Engineering Section. The rotation period established in the VRP for this vehicle is eight years. Cumulative corrective maintenance costs total approximately \$2,300. The amount of \$27,000 is included in the current fiscal year's budget for its replacement.
4. One new pickup truck 4WD extended cab to replace Truck #48, a 2002 Chevrolet Silverado with 38,000 miles, for use by the Operations Manager. The rotation period established in the VRP for this vehicle is eight years. Cumulative corrective maintenance costs total approximately \$500. The amount of \$22,000 is included in the current fiscal year's budget for its replacement. The purchase price for this new vehicle will be approximately \$4,000 more than the budgeted amount.
5. One new air compressor, a 185 cfm capacity machine for use in the Distribution Section. This would be used extensively for operation of air tools and pressure tank maintenance. This would replace the existing compressor #91 which is a 1972 model. The rotation period for the compressor is 20 years. The amount of \$17,500 is included in the current fiscal year's budget for its replacement.

Staff proposes to surplus the vehicles and equipment being replaced. Mr. Thomas stated staff will come back to the Board for authorization to surplus these vehicles and air compressor once the new items have been purchased. Mr. Vigue inquired if there are any carryover monies after these purchases. Mr. Abbott stated the utility's current VRP reserve carryover totals \$210,000. After a brief discussion, Mr. Solarz moved they approve staff's request to solicit bids for four pickup trucks from Coos Bay and North Bend dealers, authorize solicitation of bids for an air compressor from qualified dealers, then presenting the bids to the Board for consideration of award at a future meeting. The motion was seconded by Ms. Cribbins and passed unanimously.

Finance Director Jeff Howes presented staff's request to consider award of Water Board internet services contract with Frontier Communications for upgraded internet services. Internet services were purchased in the late 1990's and at that time internet usage was minimal, being used mainly in administration. Currently, the utility has the need for internet services for 25 workstations and 7 laptops. In addition, staff is moving towards integrating credit cards and online bill pay. This will require increased internet speed. Staff developed the following matrix for determining the services needed:

- Reasonable monthly fees
- Annual renewable service agreement
- Minimum bandwidth with a guaranteed speed of 20 megabytes
- 4-hour maximum response time for service interruptions, with a reduction of 10% in invoice if delayed; if response time is delayed for 6 hours, a 50% reduction in invoice

Staff has been in contact with three internet providers regarding the proposed upgrades as follows: ORCA (the utility's current internet provider); Charter Communications, and Frontier Communications.

ORCA is currently developing agreements for placement of fiber on telephone poles along Ocean Boulevard with an unspecified start date; therefore ORCA is not an option.

Charter Communications is willing to provide a service agreement with a 5-year commitment at \$600 per month, guaranteeing only "Best as Service", which is not a guarantee of bandwidth and also does not provide a guarantee of response time or reduction of invoice if the utility's needs are not met.

Frontier Communications is willing to provide a service agreement with an annual renewal at \$545 per month and a minimum of 20 megabytes of bandwidth. In addition, Frontier also guarantees invoice reduction and contract termination clauses if service agreements are not met.

Dr. Sharps asked if 20 megabytes of bandwidth would allow for the use of credit cards. Mr. Thomas stated this bandwidth should be more than ample. Mr. Vigue inquired as to the timeline. Mr. Thomas stated once a contract is finalized and reviewed by Mr. Coffey, installation time is 45 days. After a brief discussion, Ms. Cribbins moved to authorize the General Manager to execute an annual service contract with Frontier Communications for internet services as discussed by staff. The motion was seconded by Mr. Solarz and passed unanimously.

Engineering Supervisor Matt Whitty updated the Board regarding the Miner Creek box culvert main replacement project. This is located at Bastendorff Beach where fields upstream are flooding due to the inadequately sized culvert. Oregon Department of Transportation will be replacing the box culvert. This culvert will have 2.1 feet of cover so the water main will have only 13 inches of cover. Staff will be applying for a waiver from Oregon Health Authority, Drinking Water Services, for the box culvert crossing and a wetland's permit from the Division of State Lands and Army Corp of Engineers.

The Board's next regular Board meeting was scheduled for Thursday, October 6, 2016, at 7:00 a.m.

At 7:25 a.m. Chair Vigue directed they go into executive session for the purpose of discussing current and potential litigation pursuant to ORS 192.660(2)(h). They returned to open session at 8:15 a.m. There being no other business to come before the Board, Chair Vigue adjourned the meeting at 8:15 a.m.

Approved: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Chair Richard Vigue