

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

Minutes
Regular Board Meeting

September 19, 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 Chair Cribbins presiding. Other Board members present: Dr. Charles Sharps, Greg Solarz and Bob Dillard. Board members absent: None. Water Board staff present: Ivan D. Thomas, General Manager; Jeff Howes, Finance Director; Bryan Tichota, Customer Relations Supervisor; Jerre Cover, Water Treatment Supervisor; Jason Mills, Distribution Technician; Vince Stonesifer, Field Services Technician; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Aaron Speakman of The Dyer Partnership was present. Media present: None. Chair Cribbins opened the meeting at 7:00 a.m. and asked Mr. Dillard to lead the Board and assembly in the Pledge of Allegiance.

Chair Cribbins asked if there were any corrections or additions to the September 6, 2018, Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Mr. Dillard and passed unanimously.

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

Regarding proposed Resolution No. 364, Mr. Thomas stated the Board has had prior discussions about having some flexibility in assigning customers with special use or special needs with certain rates within the existing rate structure. The existing language in the utility's Rules and Regulations does not give the Board of Directors the authority to negotiate with a customer concerning rates or rate classifications without going through an arduous process. After a brief discussion, Mr. Solarz moved to adopt Resolution No. 364 adopting revisions to Coos Bay-North Bend Water Board's Rules and Regulations Section II.A.2 regarding Basis of Rates. The motion was seconded by Dr. Sharps and passed unanimously. The resolution read as follows:

RESOLUTION NO. 364

**REVISIONS TO COOS BAY-NORTH BEND WATER BOARD'S
RULES AND REGULATIONS, SECTION II A #2
REGARDING BASIS OF RATES**

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 and deletions to Section II A of those rules and regulations pertaining to Basis of Rates;

NOW, THEREFORE, be it resolved that Section II A #2 of the Rules and Regulations of Board be modified as follows:

Delete current paragraph:

2. ⁴⁴All rate schedules are based on class of service to one customer at one point of delivery. The Water Board will make the final decision on customer classifications.

Replace with the following paragraph:

2. ⁸⁴All rate schedules are based on class of service to one customer at one point of delivery. The Water Board will make the final decision on customer classifications. The Board of Directors reserves the right to negotiate with any customer who may have a special use or special needs and assign such customer to any of the Water Board's specific and existing customer classifications or a special water rate structure.

Said modifications in the Board's Rules and Regulations shall remain in full force and effect until changed by appropriate action of Board.

Adopted this ____ day of _____, 2018.

Regarding the proposed Cathodic Protection Survey Services by Cascade Corrosion Consulting Services, Inc., Mr. Thomas stated the utility has four cast iron water main slough crossings with cathodic protection (CP) systems as follows: South Slough upstream of the bridge at Charleston, Isthmus Slough downstream of the bridge to Eastside, North Slough at the Shorewood Treatment Plant, and across the Charleston Boat Basin to Point Adams. The Shorewood Reservoir is a steel tank with a CP system. The CP systems protect the pipelines and reservoir from external corrosion. In addition to the utility's water main across the Charleston Boat Basin, the Port of Coos Bay has a sewer line crossing and fuel tanks at Point Adams that are protected by the CP system. Costs of any capital or maintenance expenditures for cathodic protection at the Boat Basin/Point Adams are shared with the Port. The shares are split 47% for water lines, 38% for sewer lines, and 15% for fuel tanks.

The utility monitors all sites on a monthly basis, and also depends on a corrosion control specialist to verify operation of the systems every third year. Jason Mills, Distribution Technician, stated George Richards of Cascade Corrosion Consulting Services, Inc. has provided these services in the past, has a good history of the utility's systems, and performs good work. Following are cost estimates per system:

South Slough	\$1,313
Isthmus Slough	\$1,313
Shorewood (North Slough)	\$1,313
Shorewood Reservoir	\$ 664
Point Adams (Charleston Boat Basin)	\$1,672
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	\$6,275

Staff has prepared a contract which has been reviewed and approved by Mr. Coffey. Dr. Sharps asked what the costs for these services were previously. Mr. Mills stated the current cost estimates are increased by approximately 4%. After a brief discussion, Dr. Sharps moved to accept the proposal from Cascade Corrosion Consulting Services for cathodic protection surveys, and allow the General Manager to execute a contract in the amount of \$6,275. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding proposed award for repair of the Joe Ney Dike, Mr. Thomas stated The Dyer Partnership (Dyer) completed plans and specifications for installation of a concrete cut-off wall to repair the leak in the Joe Ney Dike. Dyer solicited quotes from four local contractors. Two quotes were received with no irregularities, and both were responsive and responsible. Quotes received were as follows:

Benny Hempstead Excavating, Inc.	\$32,500.00
Johnson Rock Products, Inc.	\$68,550.00

Benny Hempstead Excavating, Inc. has sufficient experience and qualifications to satisfactorily construct the project. It is staff's recommendation to accept all quotes and award the contract to Benny Hempstead Excavating, Inc. in the amount of \$32,500.00. Mr. Dillard inquired what the engineer's estimate was. Mr. Speakman stated approximately \$40,000.00. Knife River and West Coast Contractors did not bid as their schedules were full. Motion was made by Mr. Solarz to accept all quotes and award a contract to Benny Hempstead Excavating, Inc. in the amount of \$32,500. The motion was seconded by Dr. Sharps and passed unanimously.

Mr. Thomas stated the Board previously discussed GMA Garnet's request for reduction of their water consumption rate for their facilities located in Bunker Hill. The Board discussed charging GMA Garnet the inside city rate based on cost of service versus the outside city rate for an industrial entity, as they are located outside the city limits.

The adoption of Resolution No. 364 gives the Board authority to negotiate with a customer concerning rates or rate classifications. Adoption of proposed Resolution No. 365 allows the Water Board to charge GMA Garnet inside city limits water consumption rates for their industrial facilities. After a brief discussion, motion was made by Dr. Sharps to adopt Resolution No. 365. The motion was seconded by Mr. Dillard and passed unanimously. The resolution read as follows:

**COOS BAY-NORTH BEND WATER BOARD
RESOLUTION NO: 365
A RESOLUTION ADOPTING INSIDE CITY LIMITS WATER CONSUMPTION RATES FOR GMA
GARNET AMERICAS' OPERATIONS**

WHEREAS, the Coos Bay-North Bend Water Board is a joint instrumentality of the Cities of Coos Bay and North Bend, Oregon organized and operated pursuant to the provisions of Oregon law; and

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, the Board of Directors of the Coos Bay-North Bend Water Board have previously adopted Resolution 364 modifying rules and regulations pertaining to Basis of Rates which states in Section II Rates A #2 as follows:

All rate schedules are based on class of service to one customer at one point of delivery. The Water Board will make the final decision on customer classifications. The Board of Directors reserves the right to negotiate with any customer who may have a special use or special needs and assign such customer to any of the Water Board's specific and existing customer classifications or a special water rate structure.

NOW, THEREFORE, be it resolved by the Board of Directors of the Coos Bay-North Bend Water Board as follows:

That GMA Garnet America has a special high consumption use, and the request for reduction of water consumption rates by GMA Garnet Americas has been considered and the Board hereby agrees to charge and bill GMA Garnet Americas applicable monthly rates/fees based on the Board's rate structure for an Industrial entity "inside the City limits". All user rates/fees are subject to future Board rate/fee increases. This shall remain in full force and effect until changed by appropriate action of the Board.

Adopted by the Board of Directors this ____ day of September, 2018.

The Board's next regular meeting was set for Thursday, October 4, 2018, at 7:00 a.m.

Updates were given as follows:

- Tank Maintenance Project – SUEZ will be on site to do the scheduled repairs on the Terramar and Millington Reservoirs.
- Hemlock/Juniper –The crew will start to tie in and connect the new services.
- McCullough Bridge – Staff is waiting for completion of the slide repair and then the utility's crew will install the new water main during the evening due to other ongoing operations on the bridge. The project should start within the next couple of weeks.
- Sodium Hypochlorite System – The tie in to the chlorine solution line will be completed today. The chemical feed pump will then be tested. Request for Quotes for Sodium Hypochlorite have been solicited.
- High Service Pump Drive Replacement – The new high service pump drive has been shipped and will be installed by General Electric.

At 7:15 a.m. Chair Cribbins 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 7:33 a.m. There being no other business to come before the Board, Chair Cribbins adjourned the meeting at 7:33 a.m.

Approved: _____, 2018

By: _____
Chair Melissa Cribbins

ATTEST: _____