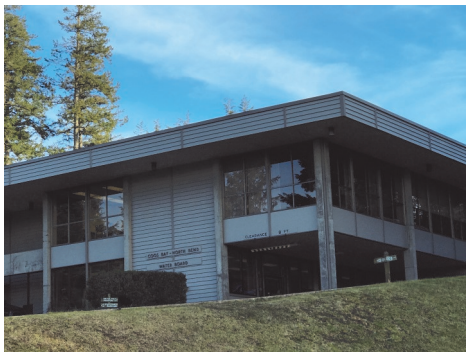
ANNUAL REPORT

FISCAL YEAR 2019—2020

Merritt Lake



Service Center

COOS BAY • NORTH BEND
WATER BOARD

Pony Creek Treatment Plant

2305 OCEAN BOULEVARD
P. O. BOX 539
COOS BAY, OREGON 97420

OFFICE: (541)267-3128
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www.cbnbh2o.com

Coos Bay-North Bend Water
BOARD OF DIRECTORS' MESSAGE

"Providing a Reliable, Quality Service Meeting the Present and Future Needs of Our Communities"

Left to right:
Mr. J. Gregory Solarz, Chair
Charles J. Sharps Ph.D., Vice-Chair
Ms. Melissa Cribbins, Secretary
Mr. Robert Dillard, Member

Thank you for reviewing the 2019-2020 Coos Bay-North Bend Water Board's Annual Report. You will find information related to your utility's projects, finances, and water quality as well as an overview of the operations of the Coos Bay-North Bend Water Board and the services it provides. Additional information about your utility can be found on our website: www.cbnbh2o.com

America's infrastructure of roads, sewers, bridges, and water systems are at capacity and/or are wearing out. With our dedicated staff and General Manager's guidance and leadership, the Board has been able to anticipate potential shortfalls in our water system and has planned and scheduled Water Board operations, weeks, months and years ahead of time.

As members of your Water Board, we encourage your comments and suggestions. Please contact staff at the Water Board or ask to be connected to one of us at (541)267-3128. We respect your opinions and advice in operating your utility. For a closer look at your facilities, consider attending a board meeting or arranging for a tour.

BOARD OF DIRECTORS

J. Gregory Solarz, Chair

Charles J. Sharps, Ph.D., Vice-Chair

Melissa Cribbins, Secretary

Robert Dillard, Member

Water Utility Infrastructure Inventory

Water Treatment Plants

Pony Creek Filtration Plant—12 MGD*
(North Spit Treatment Plant—1 MGD*
Non-functional-emergency use only)

Surface Water Storage

- Upper Pony Creek Dam and Reservoir
  6,230 AC-FT
- Merritt Lake Dam and Reservoir
  385 AC-FT
- Joe Ney Dike, Reservoir and Pump Station
  275 AC-FT

Dunes Aquifer System

18 Wells
12 Miles of Pipe
25 Test Wells (Piezometers)
1 Booster Pump Station
3 Monitoring Wells

Distribution System

13,160 Water Services
258 Miles of Pipe
1,195 Hydrants
5,494 Control and Hydrant Valves

*MGD = Million Gallons per Day
AC-FT= Acre Feet (325,830 gallons)

Pump Stations
6th and I
10th and E
10th and Ingersol
13th Court
14th and Nutwood
Brights Mill
California
Crestview
Everest 2nd Level
Everest 3rd Level
Flanagan
Glasgow
Glasgow Heights
Hauser
High Level
Joe Ney
Knob Noster
Market
Minnesota
Newmark and Ash
Newmark and Tremont
Oregon
Pennsylvania
Pigeon Point
Shinglehouse
Shorewood
Shoshone
Sierra
Telegraph
Terramar
Union High Level
Wisconsin
Woodlawn High Level

Storage Facilities
10th and I Reservoir
14th and F Reservoir
Bay Park Reservoir #2
Brights Mill Reservoir
Charleston Reservoir
Clearwell
Everest Reservoir
Flanagan Reservoir
Glasgow Reservoir
Hauser Reservoir
High Level Reservoir
Ingersol Reservoir
Isthmus Reservoir
Joe Ney Reservoir
Libby Reservoir
Radar Reservoir
Shorewood Reservoir
Terramar Reservoir
Union Reservoir
Woodlawn Reservoir

Projects and Equipment Included in Fiscal Year 2019-20 Budget

No.	Project Listing	Estimated Cost
1	Install 8" DI on South 4th Street 1,080 ', Retire 1080' 6" CI	$225,600
2	Install 2" PVC on Ferguson 245', Retire 245' 2" GI	19,200
3	Install 6" PVC on Brussels 340' plus 2" PVC on Clark and State 600', Retire 500' 6" CI and 440' 2" GI.	177,100
4	Tunnel Repair In-house Design	15,000
5	Steel Tank Coating Maintenance Program	274,000
6	Joe Ney Spillway Sealing	16,000
7	Merritt Dam Seismic Evaluation	52,000
8	Bright's Mill Pump Station Building and Appurtenances	82,900
9	Wisconsin Pump Station Replacement (Note:$242K budgeted in FY 20)	221,800
10	6th and I Street Pump Station Replace Pumps and Control Panels	46,500
11	Glasgow Pump Station	13,700
12	Ingersol Pump Station Mission Telemetry Upgrade	11,800
13	Shorewood Pump Station Mission Telemetry Upgrade	11,800
14	Oregon Pump Station/Libby Reservoir Mission Telemetry Upgrade	23,500
15	Well Meter Replacements	5,400
16	SCADA Master Plan	50,000
17	Turbidimeters	15,000
18	Parking Lot Paving	77,000
19	Phone System Server	25,000
20	Meter Replacement Program	133,000
21	Master Planning	100,000
	Total Project Costs	**$ 1,645,500**

No.	Equipment Listing	Estimated Cost
1	SUV	$35,000
2	Accessories and Safety Equipment	1,000
	Total Equipment Costs	**$36,000**
	Total Estimated Capital Expenditures	**$ 1,681,500**

Frequently Asked Questions and Utility Statistics
Fiscal Year 2019-2020

Q: How many customers does the Water Board serve?
A: As of June 30, 2020, our customer total is 13,265, which includes 10,266 customers inside the city limits of Coos Bay and North Bend and 2,999 customers outside the city limits. The total population served by the Water Board is approximately 34,500 within a service area of approximately 100 square miles.

Q: How much per month does the average residential customer spend for water?
A: The rates are different for customers inside the city limits than customers outside the city limits. The average monthly residential bill inside the city limits is $30.78 and outside the city limits is $45.35. The average residential customer uses 4,271 gallons of water monthly.

Q: What does it take to get the water from the treatment plant to the customer's tap?
A: More infrastructure than most people might imagine! When the water leaves the treatment plant, it goes into the distribution system which consists of 258 miles of various sizes of pipeline, approximately 5,494 control and hydrant valves within those pipelines, and approximately 1,195 fire hydrants. It takes 33 pump stations within the distribution system to get the water to customers at adequate pressure, plus 20 storage reservoirs located throughout the system.

Q: Where does the water come from that's treated by Pony Creek Water Treatment Plant?
A: There are two surface water reservoirs upstream of the treatment plant, Upper Pony Creek and Merritt Reservoirs. The larger, Upper Pony Creek Reservoir, can hold 2 billion gallons of water; and Merritt Reservoir can hold 125 million gallons. There is a third surface water storage area at Joe Ney Slough which can store 90 million gallons.

Water is pumped from Joe Ney through a pipeline into the Upper Pony Creek Reservoir when the need for more water arises.

Q: How much water is produced in a year for customers?
A: The total amount of water produced for customers this fiscal year was 1,279 million gallons of treated water and 179 million gallons of untreated water. The average daily demand for treated water was 3.50 million gallons and 0.490 million gallons for untreated water. The demand peaked at 6.120 million gallons per day for treated water in fiscal year 2019-20.

Q:Does all the water produced reach our customers?
A: Approximately 92.5% of the water produced at Pony Creek Water Treatment Plant reaches its ideal destination. Non-revenue water is the rest of the water that has been produced and is "lost" before it reaches the customer. Losses can be real losses such as leaks, water used for fire-fighting purposes, or apparent losses such as theft or metering inaccuracies. A team of Water Board staff meets on a regular basis to discuss potential improvements that can be made. The Water Board is in compliance with the latest Oregon rules and regulations, keeping non-revenue water loss below 10%.

Q: How many water treatment plants are there?
A: There are two. The main treatment plant is Pony Creek Water Treatment Plant. It is located on Ocean Boulevard in Coos Bay and has a production capacity of 12 million gallons per day (MGD). The North Spit Water Treatment Plant is located on TransPacific Lane in North Bend and has a capacity of 1 MGD. If an emergency arises, the North Spit Plant can treat water from the dunes well system to supplement the needs of Water Board customers.

Q: How can I pay my water bill?
A: You can mail your water bill to P.O. Box 539, Coos Bay, OR 97420; at the Water Board Service Center; or by visiting us **online** at www.cbnbh2o.com

Water—Use it Wisely . . .

There are many effective ways to conserve water in and around your home. Saving water is more a matter of habits than high-tech gadgets. Here are some tips to get you started:

- Run your dishwasher and washing machine only when you have full loads.

- Use faucet aerators on all faucets. Like the water-saving showerhead, the aerators give you the same water pressure without using as much water.

- Turn off the tap when shaving, brushing your teeth, or washing your hands and face. You would be surprised how the gallons add up.

- Insulate hot water pipes for more immediate hot water at the faucet and for energy savings.

- Winterize outdoor spigots when temperatures dip below freezing to prevent pipes from leaking or bursting.

- Water your lawn in early morning or evening; you can lose as much as 30 percent of your water in evaporation from wind and heat when watering mid-day. Check automated sprinkler systems to make sure they are not over watering or watering unwanted areas. If you see soggy areas along buried irrigation lines or near sprinkler heads, you may have a problem.

- When the children want to cool off, use the sprinkler in an area where your lawn needs it the most.

- Position your sprinklers to avoid watering sidewalks, driveways, and other paved areas.

- Check your toilets for leaks: Put a little food coloring or toilet dye tabs (available at the Water Board) in your toilet tank. If, without flushing, the color begins to appear in the bowl, you have a leak that should be repaired immediately.

- If you do not have a low flow toilet, reduce the amount of water your toilet uses with each flush. Fill a plastic container with water and weight it down in the tank. It will take up the space normally filled with water and save water each time you flush.

- Check for leaks in pipes, hoses, faucets, fixtures and couplings. A faucet leaking one drop of water per second wastes 60 gallons of water per week, or almost 200 gallons in a month.

- Replace old fixtures with new low flow fixtures; saving water and eliminating leaks before they happen.

- Make sure you know where your master water shut-off valve is located. This could save gallons of water and damage to your home if a pipe were to burst.

- Check for household water leaks on a regular basis. Next time your house is empty for the weekend, check your water meter before you leave. Check it again when you return before anyone has a chance to use any water. If the meter has moved, you may have a leak.

- Monitor your water bill for unusually high use. Your bill and water meter are tools that can help you discover leaks.

COOS BAY-NORTH BEND WATER BOARD
Statement of Net Position
June 30, 2020

ASSETS	
Current assets:	
Cash and cash equivalents	$ 5,431,356
Customer accounts receivable-net of allowance of $64,776	426,780
Accounts receivable—other	77,855
City sewer receivable	459,185
Prepaid expenses	198,846
Inventory	568,563
Total current assets	7,162,585
Noncurrent assets:	
Capital assets	63,595,539
Total assets	70,758,124
DEFERRED OUTFLOWS OF RESOURCES	
Deferred gain on debt refunding	61,644
Deferred amounts related to OPEB	39,396
Deferred amounts related to pensions	326,826
Total deferred outflows of resources	427,866
LIABILITIES	
Current liabilities:	
Accounts payable	140,800
Payroll payable	191,863
City receivable payable	1,340,225
Accrued interest	150,212
Current portion of long-term debt	1,327,031
Compensated absences	114,001
Total current liabilities	3,264,132
Long-term liabilities	
Customer deposits	150,212
Bonds and notes payable	10,312,860
Net pension liability	1,320,071
Net OPEB liability	189,750
Total long-term liabilities	11,972,893
Total liabilities	15,237,025
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to OPEB	22,818
Deferred amounts related to pensions	489,946
Total deferred inflows of resources	512,764
NET POSITION	
Net invested in capital assets	51,955,648
Unrestricted	3,480,553
Total net position	$ 55,436,201

COOS BAY-NORTH BEND WATER BOARD
Statement of Revenues, Expenses and Changes in Net Position
Year ended June 30, 2020

Operating Revenues:	
Water Sales	$ 7,840,098
Rent from water property	172,413
Billing and collecting revenue	155,649
Total operating revenues	8,168,160
Operating expenses:	
Source of supply	161,777
Power and pumping	394,821
Purification	987,676
Distribution	965,393
Customer accounting	1,288,616
Administration and general	1,102,290
Depreciation	1,808,407
Total operating expenses	6,708,980
Operating income (loss)	1,459,180
Non-operating revenues (expenses):	
Interest income	87,804
Miscellaneous non-operating expenses	(161,626)
Interest expense	(380,134)
Total non-operating revenues (expenses)	(453,956)
Income (loss) before capital contributions	1,005,224
Capital contributions:	
System development charges	372,701
Change in net position	1,377,925
Net position-beginning	54,058,276
Total net position-ending	$ 55,436,201

2020 WATER QUALITY STATISTICS

One of the most important focuses of the Water Board is to provide high quality drinking water to our customers. Thousands of tests are performed annually as part of our quality control program and to insure compliance with state and federal regulations. The following results are reflective of 2020 reporting requirements.

Abbreviations and units used in trace concentration measurements issued by the Oregon Health Authority:

Waiver = non-vulnerability to contaminant
NTU = nephelometric turbidity unit
mg/L = milligrams per liter
pCi/L = picocuries per liter
MCL = maximum contaminant level
MFL = million fibers per liter (EPA)
ug/L = micrograms per liter
ND = not detected
CU = color units
< = less than
> = greater than
AL = action level
P/A = presence/absence

PARAMETER	UNIT	MCL	RESULTS
Turbidity	NTU	0.3	0.06
MICROBIOLOGICAL			
Coliform	P/A	5% positive	480 - Absent 0 - Present
INORGANICS			
Antimony	mg/L	0.006	ND @ 0.0002
Arsenic	mg/L	0.01	ND @ 0.001
Asbestos	MFL	7.0	ND
Barium	mg/L	2.0	ND @ 0.0107
Beryllium	mg/L	0.004	ND @ 0.0001
Cadmium	mg/L	0.005	ND @ 0.0001
Chromium	mg/L	0.1	ND @ 0.005
Cyanide	mg/L	0.2	ND @ 0.003
Fluoride	mg/L	2 – 4	0.71
Lead	mg/L	0.015-AL	• 0.0022
Mercury	mg/L	0.002	ND @ 0.0002
Nickel	mg/L	0.1	ND @ 0.0005
Total Nitrate (as N)	mg/L	10.0	0.44
Nitrate + Nitrite (as N)	mg/L	10.0	ND
Nitrite (as N)	mg/L	1.0	ND @ 0.05
Selenium	mg/L	0.05	0.0005820
Sodium	mg/L	20	12.8
Thallium	mg/L	0.002	ND @ .0005
SYNTHETIC ORGANIC CHEMICALS			
2, 4-D	mg/L	0.07	ND @ 0.001
2,4,5-TP (Silvex)	mg/L	0.05	ND @ 0.005
Adipates	mg/L	0.4	ND @ 0.004
Alachlor	mg/L	0.002	ND @ 0.0002
Atrazine	mg/L	0.003	ND @ 0.0003
Benzoapyrene	mg/L	0.0002	ND @ 0.00004
BHC-gamma (Lindane)	mg/L	0.0002	ND @ 0.00002
Carbofuran	mg/L	0.04	ND @ 0.004
Chlordane	mg/L	0.002	ND @ 0.00025
Dalapon	mg/L	0.2	ND @ 0.005
Dibromochloropropane	mg/L	0.0002	ND @ 0.0000188
Dinoseb	mg/L	0.007	ND @ 0.0005
Dioxin	mg/L	0.00000003	Waiver
Diquat	mg/L	0.02	ND @ 0.002
Endothall	mg/L	0.1	ND @ 0.01
Endrin	mg/L	0.002	ND @ 0.00002
Ethylene Dibromide	mg/L	0.00005	ND @ 0.00001
Glyphosate	mg/L	0.7	ND @ 0.05
Heptachlor Epoxide	mg/L	0.0002	ND @ 0.00002
Heptachlor	mg/L	0.0002	ND @ 0.00002
Hexachlorobenzene	mg/L	0.001	ND @ 0.0001
Hexachlorocyclopentadiene	mg/L	0.05	ND @ 0.0005

•90th percentile for Lead and Copper

PARAMETERS	UNIT	MCL	RESULTS
SYNTHETIC ORGANIC CHEMICALS cont'd.			
Methoxychlor	mg/L	0.04	ND @ 0.0001
Pentachlorophenol	mg/L	0.001	ND @ 0.0001
Phthalates	mg/L	0.006	ND @ 0.0006
Picloram	mg/L	0.5	ND @ 0.005
Polychlorinated Biphenyls	mg/L	0.0005	ND @ 0.0001
Simazine	mg/L	0.004	ND @ 0.0004
Toxaphene	mg/L	0.003	ND @ 0.0003
Vydate (Oxamyl)	mg/L	0.2	ND @ 0.004
VOLATILE ORGANIC CHEMICALS*			
Trihalomethanes **	mg/L	0.08	0.025
Halo Acetic Acids ***	mg/L	0.06	0.013
1,1,1,2-Tetrachloroethane *	mg/L		ND @ 0.0005
1,1,1-Trichloroethane	mg/L	0.2	ND @ 0.0005
1,1,2,2-Tetrachloroethane *	mg/L		ND @ 0.0005
1,1,2-Trichloroethane	mg/L	0.005	ND @ 0.0005
1,1-Dichloroethane *	mg/L		ND @ 0.0005
1,1-Dichloroethylene	mg/L	0.007	ND @ 0.0005
1,1-Dichloropropene *	mg/L		ND @ 0.0005
1,2,3-Trichloropropane *	mg/L		ND @ 0.0005
1,2,4-Trichlorobenzene	mg/L	0.07	ND @ 0.0005
1,2-Dichloroethane	mg/L	0.005	ND @ 0.0005
1,2-Dichloropropane	mg/L	0.005	ND @ 0.0005
1,3-Dichloropropane *	mg/L		ND @ 0.0005
1,3-Dichloropropene *	mg/L		ND @ 0.0005
2,2-Dichloropropane *	mg/L		ND @ 0.0005
Benzene	mg/L	0.005	ND @ 0.0005
Bromobenzene *	mg/L		ND @ 0.0005
Bromodichloro-methane	mg/L		0.00192
Bromoform	mg/L		ND @ 0.0005
Bromomethane *	mg/L		ND @ 0.0005
Carbon Tetrachloride	mg/L	0.005	ND @ 0.0005
Chloroethane *	mg/L		ND @ 0.0005
Chloroform	mg/L		0.00180
Chloromethane *	mg/L		ND @ 0.0005
cis-1,2 Dichloroethylene	mg/L	0.07	ND @ 0.0005
Dibromochloro-methane	mg/L		0.00107
Dibromomethane	mg/L		ND @ 0.0005
Dichloromethane	mg/L	0.005	ND @ 0.0005
Ethylbenzene	mg/L	0.7	ND @ 0.0005
m-Dichlorobenzene *	mg/L		ND @ 0.00280
Methyl tert-butyl ether *	mg/L		ND @ 0.0005
Monochlorobenzene	mg/L	0.1	ND @ 0.0005
o-Chlorotoluene *	mg/L		ND @ 0.0005
o-Dichlorobenzene	mg/L	0.6	ND @ 0.0005
p-Chlorotoluene *	mg/L		ND @ 0.0005
p-Dichlorobenzene	mg/L	0.075	ND @ 0.0005
Styrene	mg/L	0.1	ND @ 0.0005
Tetrachloroethylene	mg/L	0.005	ND @ 0.0005
Toluene	mg/L	1.0	ND @ 0.0005
trans-1,2-Dichloroethylene	mg/L	0.1	ND @ 0.0005
Trichloroethylene	mg/L	0.005	ND @ 0.0005
Vinyl Chloride	mg/L	0.002	ND @ 0.0005
Xylenes (total)	mg/L	10.0	ND @ 0.0005
RADIONUCLIDES-NATURAL ORIGIN			
Gross Alpha	pCi/L	15	ND
Combined Radium 226/228	pCi/L	5	2.5
Combined Uranium	ug/L	30	ND @ 1.0
SECONDARY CONTAMINANT			
Color	CU	15	2
pH		6.5-8.5	8.5
Hardness	mg/L	250.0	13
Copper	mg/L	1.3-AL	• 0.0383
Iron	mg/L	0.3	0.02
Manganese	mg/L	0.05	0.017

* Blanks under MCL represent unregulated volatile organic chemicals
** Trihalomethanes include: Bromodichloromethane, Bromoform, Chloroform, Dibromochloromethane
*** Halo Acetic Acids include: Dibromoacetic acid, Dichloroacetic acid, Monobromoacetic acid, Monochloroacetic acid, Trichloroacetic acid

VISIT OUR WEBSITE AT

www.cbnbh2o.com

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