

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

Minutes
Regular Board Meeting

April 4, 2024
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 Greg Solarz presiding. Other Board members present: Rob Kilmer, Bill Richardson and Carmen Matthews. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Jeff Miller, Water Treatment Supervisor; Monica Kemper, Finance Director; Jason Mills, Distribution Specialist; Karen Parker, Administrative Assistant; Vince Stonesifer, Field Services Technician (virtually); and Stacey Parrott (virtually). Melissa Cribbins, Board Legal Counsel was present. Media present: None.

Chair Solarz opened the meeting at 7:00 a.m. and asked Mr. Whitty to lead the Board and assembly in the Pledge of Allegiance.

Chair Solarz asked if there were any corrections or additions to the March 21, 2024 Regular Board meeting minutes. Mr. Matthews moved the minutes be approved as written. The motion was seconded by Mr. Kilmer and passed unanimously.

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

Mr. Thomas introduced Ms. Parrott, who will begin employment in mid-April with the Water Board as Executive Assistant/HR Specialist. The Board members welcomed Ms. Parrott.

Regarding staff's request to send out an RFP to solicit proposals from qualified professional firms for a Water Rates and System Development Charge Study, Mr. Thomas stated the current Rate Study the Water Board has is the "System Development Charges and Comprehensive Water Rate Study" prepared by Economic and Engineering Services, Inc. in October 2002. System Development Charges (SDC) have since been analyzed in a comprehensive SDC methodology report prepared by FCS Group in 2016.

Best industry practice recommends that rate and SDC studies be conducted every 5 years. The objective of this study is to develop water rates, and system development charges that reflect current operational costs, provide sufficient revenue to continue the safe and reliable operation of the water system, and provide Capital Improvement Program (CIP) funding. It is important for our organization to efficiently utilize our ratepayer funds. This study is instrumental in that goal.

Currently, the Water Board is working with a consultant to finalize its Water Systems Master Plan in the next 2-3 months. Part of the Master Plan is to develop a comprehensive CIP. Staff expect CIP costs to rise significantly over the next 20 years.

A rate and revenue analysis following the work of the Master Plan is appropriate and common within the water utility industry.

Currently, staff are in the final stages of the Master Plan. There are over \$100 million worth of projects identified to do over the next 20 years on the Water Board's infrastructure. Mr. Thomas stated staff does not have a final number but it will be approximately \$165 million. This figure includes a mixture of rates, bonds, loans, grants as it is dynamic and there are several pieces to this.

This study will look at the means to pay for these projects and the structure and rates needed moving forward, along with what SDCs pay back to that part of the capital and future investment in water.

Staff is asking for the Board's approval to send out request for proposals to solicit proposals from qualified firms. Board members were given a draft of the Request for Proposal for a Water Rates and SDC Study. There are still a few items that need to be finalized. Staff would like to send out the RFP soon as the Master Plan will probably be complete in May.

Mr. Solarz inquired about Task No. 5 on page 2 where it states, "develop a recommended rate structure and alternative that will guarantee funding availability to operate, maintain and improve the Water Board's systems until 2055". Mr. Solarz asked what an alternative would be. Mr. Thomas stated it could be one way to get where we are going with a certain rate structure. Currently, the Board has a fee for the first 300 cubic feet of water used and that flat fee is set no matter what. An example of an alternative to that is instead of a flat fee the Water Board could go back to a per CCF, and charge more per CCF overall. This allows us a couple of options.

Regarding Task No. 6, on page 2, it states the consultant will make one formal presentation of the study and after approximately 2 weeks of receiving the Board's comments the selected consultant will prepare and deliver 8 copies of the final report.

Mr. Solarz commented he would like to receive and review a draft report prior to the consultant's presentation. Once the presentation has been made, Mr. Solarz stated he would like additional time for the Board to review and make any necessary recommendations. Mr. Richardson asked if the Board would like to extend the 2 weeks to 4 weeks. Mr. Thomas stated he didn't think that would be a problem. Mr. Solarz also noted on page 3, Section 3, line 3, the word "City" should be Water Board.

After a brief discussion, Mr. Matthews moved to authorize the advertisement of Request for Proposals for a Rate and SDC study. The motion was seconded by Mr. Kilmer and passed unanimously.

Regarding the proposed purchase of a coagulant diffuser pump, Treatment Plant Supervisor Jeff Miller stated Pony Creek Treatment Plant uses primarily five chemicals in the water treatment process. One of those chemicals used is Polyaluminum Chloride (ACH). This chemical is a coagulant that is injected at the headworks which is the beginning of the treatment process.

The treatment plant uses a 5 Horsepower diffusion pump at the ACH injection point to create an even and thorough mixing of the coagulant and raw water. With this mixing process, the coagulation, flocculation and sedimentation processes are greatly enhanced.

The current diffuser pump has been rebuilt once and the motor is 12 years old. With the likelihood that this motor may be near the end of life, staff budgeted \$11,000 in the FY 2024 capital budget for backup replacement of the pump.

Staff contacted three vendors and only Reiner Pump Systems replied. They suggested the Water Board purchase the Sulzer ABS pump. The cost of this new pump is \$10,350.00. Installation would be done in-house.

After a brief discussion, Mr. Richardson moved to authorize the purchase of a Sulzer ABS diffuser pump from Reiner Pump Systems for \$10,350.00. The motion was seconded by Mr. Matthews and passed unanimously.

The Board's next regular meeting was set for Thursday, April 18, 2024, at 7:00 a.m.

Updates were given as follows:

- 2023 Surface Water Management Plan – Staff received the 2023 Surface Water Management Plan from GSI. This is the 23rd report for the dunal wellfield, and the 3rd report since renewal of the permit with the US Forest Service. The point of the monitoring plan and this report is to make sure that we're not affecting surface water features in the dunes and the lakes, and to make sure that we are not getting intrusion from seawater into the dunal wellfield. In all of our reporting, there is no indication of either of those this past year.
- SCADA System Master Plan – Staff just had a workshop with Brown and Caldwell. The current and future state of the SCADA system, including short-term needs and long-term needs, were discussed. The next step is researching changing software from one SCADA system to the other. Staff are looking at an integrator to use short term, as we need someone closer, maybe having three in the case one is not available.

- FY23 Water Main Bundle – All water mains have been installed and the only item to be done is crack sealing which will be performed next week.
- PAC Unloader and Feed System – The new system just arrived and staff are in the process of moving the feed system from the polymer room into the old boat bay where the chlorine tanks use to be.

At 7:32 a.m. Chair Solarz directed they go into executive session for the purposes of discussing potential litigation pursuant to ORS 192.660(2)(h) and personnel issues pursuant to ORS 192.660(2)(a).

The Board returned to open session at 7:52 a.m. There being no other business to come before the Board, Chair Solarz adjourned the meeting at 7:52 a.m.

Approved: _____, 2024.

By: _____
J. Gregory Solarz, Chair