

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

Minutes
Regular Board Meeting

January 23, 2020
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 Bob Dillard presiding. Other Board members present: Greg Solarz and Dr. Charles Sharps. Board members absent: Melissa Cribbins. Water Board staff present: Ivan D. Thomas, General Manager; Jeff Howes, Finance Director; Rick Abbott, Distribution Supervisor; Matt Whitty, Engineering Manager; Bryan Tichota, Customer Relations Supervisor; Jeff Page, Operations Manager; John McKeivitt, Water Treatment Supervisor; Vince Stonesifer, Field Services Technician; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Brad Woodruff, owner of Red Moon Development; Joel Sweet of Pacific Properties; and Drew Baird of Consolidated Supply were present. Media present: None. Chair Dillard opened the meeting at 7:00 a.m. and lead the Board and assembly in the Pledge of Allegiance.

Chair Dillard asked if there were any corrections or additions to the January 9, 2020 Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Dr. Sharps and passed unanimously.

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

Mr. Thomas stated Jim Pex of Flagline Engineering attended a prior Board meeting on behalf of Red Moon Development requesting that a master meter be installed for the 450 unit mobile home park in lieu of constructing a water main extension per the Water Board's rules and regulations. The Board of Directors denied the appeal.

Brad Woodruff, owner of Red Moon Development, is present to further explain the appeal and ask for an exception to the Water Board's rules and regulations. Mr. Woodruff stated their main intent is to bring affordability to the area. Mr. Woodruff stated during the planning stages while his staff was preparing cost estimates he believes the one item that was overlooked was water. They had planned on a master meter for this 450 unit development and Mr. Woodruff commented he doesn't believe Mr. Pex, the Project Engineer, conveyed their intent of affordability to the Board of Directors. If individual meters are required to be installed this would put Red Moon Development over their threshold and it was their feeling the master meter would be approved. Mr. Woodruff inquired what the cost would be based on a master meter. Mr. Thomas said he believed based on a 3-inch meter the cost estimate was in the range of \$200,000, however a decision had not been arrived at as to what size meter was needed if a master meter was installed. The cost would increase if a larger meter was needed.

Dr. Sharps asked what the cost of a home would be if they do not have a master meter installed. Mr. Woodruff stated the home is approximately \$100,000 plus the cost difference of the water meter. Mr. Woodruff previously spoke with Mr. Thomas and Mr. Whitty and came to the conclusion a single 5/8-inch meter would be approximately \$3,800; and a single 3/4-inch meter would be in the high \$5,000 range.

Mr. Woodruff stated he had hopes a master meter would be approved but he has thought of other ways to make this more affordable for customers if the master meter is not a possibility, such as when a customer purchases a home they could be given the option to pay half the fee when moving in and pro-rate the remainder on their bill over a period of time. Mr. Coffey inquired who would be responsible to pay the balance of the bill if the property owner passed away and did not have an estate to pay for it, or the property was vacated for some reason. Mr. Woodruff stated he has thought about those scenarios but he does not have a definite answer. Mr. Solarz asked if the customer is the owner of the unit and Red Moon has ownership of the land. Mr. Woodruff confirmed this is correct. Mr. Solarz inquired if the units would strictly be sold through Red Moon or if they could be purchased elsewhere. Mr. Woodruff stated the units would be sold directly through Red Moon and the purchase would be just like buying a car. Mr. Solarz commented the SDC and the cost of the meter and installation could be included in their charge for the unit, therefore funding it as a whole. Mr. Woodruff stated he feels the more that gets added on to the price the less affordable it becomes and he wants people to have affordability and some options.

Mr. Thomas asked if there was an initial budget Red Moon was working with when looking at getting a master meter installed for the mobile home park. Mr. Woodruff explained the person in charge of looking into this put in a figure of \$65,000 and did not do a thorough research and get information from the Water Board. Mr. Woodruff commented the expense gets passed on to the customer and in an effort to make it more affordable to customers that he be allowed to have a master meter installed, or a separate meter at a reduced rate, and giving the customer the option to pay it over a certain length of time.

Mr. Dillard stated the use of a master meter doesn't bother him, but it is the loss of the System Development Charge that in essence the rest of the citizens would be paying for if Red Moon Development is not charged the fee. The Board members thanked Mr. Woodruff for his input and stated they would take this matter under advisement and take action at a future Board meeting.

Regarding the proposed updates to the utility's Personnel Policies and Procedures Manual, Section V. Time Off - Breast Milk Policy, and proposed Resolution No. 376, Oregon legislators passed House Bill 2593, relating to expanding Oregon protections for expression of breastmilk in the workplace, amending ORS 653.077. The utility currently has a Break Milk Policy in place in its Personnel Policies and Procedures Manual and wishes to update the current policy to meet the requirements of House Bill 2593.

After a brief discussion, motion was made by Dr. Sharps to approve the recommended policy updates and adopt Resolution No. 376 allowing staff to update the utility's Breast Milk Policy to meet the requirements of House Bill 2593. The motion was seconded by Mr. Solarz and passed unanimously. The resolution read as follows:

RESOLUTION NO. 376

A RESOLUTION ADOPTING REVISIONS TO COOS BAY – NORTH BEND WATER BOARD’S PERSONNEL POLICIES AND PROCEDURES TO PROVIDE FOR UPDATES TO SECTION V – TIME OFF, SECTION L (BREAST MILK POLICY) PURSUANT TO HOUSE BILL 2593

RECITALS

1. **WHEREAS**, In 2019, Oregon legislators passed House Bill 2593, relating to expanding Oregon protections for expression of breastmilk in the workplace; amending ORS 653.077; and prescribing an effective date of September 29, 2019.
2. **WHEREAS**, House Bill 2593 requires all Oregon employers that employ 10 or more employees to amend their written policy to the new language and requirements pertaining to accommodations for milk expression; and
3. **WHEREAS**, the Water Board now wishes to adopt a policy to protect Water Board employees and comply with House Bill 2593 and to set forth the policy in the Water Board’s Personnel Policies and Procedures.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The above recitals are true and accurate and are incorporated herein by this reference.
2. The Water Board hereby adopts the Water Board’s amended Breast Milk Policy, identified as Exhibit “A”, attached hereto and incorporated herein by this reference, and directs Water Board staff to amend its current Section V of the Water Board’s Personnel Policies and Procedures and insert in its place the text in Exhibit “A”.
3. It is the policy of the Board of Directors of the Water Board that Water Board’s Personnel Policies and Procedures is to be considered a document which is to be continually updated, to keep current with changes made to Oregon employment law and to provide a coherent framework for teamwork and success oriented attitudes of Water Board employees.
4. The Water Board shall provide each employee of the Water Board a copy of this Resolution and Exhibit “A”, and each employee of the Water Board shall sign an Acknowledgement that the employee has received a copy of this Resolution and Exhibit “A”.

Adopted this _____ day of _____, 2020.

Regarding the proposed updates to the utility’s Personnel Policies and Procedures Manual, Section IX. Non-Discrimination and Harassment – Pregnancy Accommodations, and proposed Resolution No. 377, Oregon legislators passed House Bill 2341, relating to reasonable accommodations for pregnancy related conditions, amending ORS 659A.885. The utility currently has a Non-Discrimination and Harassment Policy in place in its Personnel Policies and Procedures Manual and wishes to update the current policy to meet the requirements of House Bill 2341.

After a brief discussion, motion was made by Dr. Sharps to approve the recommended policy updates and adopt Resolution No. 377 allowing staff to update Section IX. of the Water Board's Personnel Policies and Procedures Manual to meet the requirements of House Bill 2341. The motion was seconded by Mr. Solarz and passed unanimously. The resolution read as follows:

RESOLUTION NO. 377

A RESOLUTION ADOPTING REVISIONS TO COOS BAY – NORTH BEND WATER BOARD'S PERSONNEL POLICIES AND PROCEDURES TO PROVIDE FOR UPDATES TO SECTION IX - NON-DISCRIMINATION AND HARASSMENT FOR PURPOSES RELATING TO REASONABLE ACCOMMODATIONS FOR PREGNANCY RELATED CONDITIONS PURSUANT TO HOUSE BILL 2341

RECITALS

1. **WHEREAS**, in 2019, Oregon legislators passed House Bill 2341, relating to reasonable accommodations for pregnancy related conditions; creating new provisions; amending ORS 659A.885; and prescribing an effective date of January 1, 2020.
2. **WHEREAS**, House Bill 2341 requires employers with six or more employees to adopt a written policy to provide reasonable accommodations for employees with pregnancy related conditions unless there is an undue hardship for the employer. Employers are also required to post signs in an accessible location informing employees of these new discrimination protections and their right to reasonable accommodations for known limitations related to pregnancy, childbirth and pregnancy related medical conditions, and deliver a written copy of the policy to each employee; and
3. **WHEREAS**, the Water Board now wishes to adopt a policy to protect Water Board employees and comply with House Bill 2341 and to set forth the policy in the Water Board's Personnel Policies and Procedures.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The above recitals are true and accurate and are incorporated herein by this reference.
2. The Water Board hereby adopts the updates to Section IX - Water Board's Non-Discrimination and Harassment Policy for purposes relating to reasonable accommodations for pregnancy related conditions pursuant to House Bill 2341, identified as Exhibit "A", attached hereto and incorporated herein by this reference, and directs Water Board staff to amend its current Section IX of the Water Board's Personnel Policies and Procedures and insert in its place the text in Exhibit "A".
3. It is the policy of the Board of Directors of the Water Board that Water Board's Personnel Policies and Procedures is to be considered a document which is to be continually updated, to keep current with changes made to Oregon employment law and to provide a coherent framework for teamwork and success oriented attitudes of Water Board employees.
4. The Water Board shall provide each employee of the Water Board a written copy of this Resolution and Exhibit "A", and each employee of the Water Board shall sign an Acknowledgement that the employee has received a copy of this Resolution and Exhibit "A".

Adopted this _____ day of _____, 2020.

Exhibit "A"

G. Pregnancy Accommodation

The Coos Bay-North Bend Water Board will make reasonable accommodations for known physical or mental disabilities of an applicant or employee as well as known limitations related to pregnancy, childbirth or a related medical condition, such as lactation, unless the accommodation would cause an undue hardship. Among other possibilities, reasonable accommodations could include:

- Acquisition or modification of equipment or devices;
- More frequent or longer break periods or periodic rest;
- Assistance with manual labor; or
- Modification of work schedules or job assignments.

The Water Board will not:

- Deny employment opportunities based on a need for reasonable accommodation due to pregnancy.
- Deny reasonable accommodation for known limitations, unless the accommodation would cause an undue hardship.
- Take an adverse employment action, discriminate or retaliate because the applicant or employee has inquired about, requested or used a reasonable accommodation.
- Require an applicant or an employee to accept an accommodation that is unnecessary.
- Require an employee to take family leave or any other leave, if the employer can make reasonable accommodation instead.

To request an accommodation or to discuss concerns, the employee will contact their direct supervisor or the General Manager. The request for accommodation can be verbal or in writing and should be memorialized in writing by the General Manager.

The Water Board will post signs that provide notice, informing employees of the employment protections under this section, including the right to be free from discrimination because of pregnancy, childbirth and related medical conditions, and the right to reasonable accommodation under this section of policy.

Operations Manager Jeff Page presented staff's request to surplus and sell miscellaneous water piping, water fittings, and other appurtenances. There is several thousand feet of various types and sizes of water pipe that is no longer useful to the utility. The integrity of the PVC piping has been compromised by years of exposure to the sun and other elements. The cast iron and ductile iron pipe is also in unusable condition as the concrete lining is falling out and the outside is pitted. The original cost of these pipes is estimated to be about \$83,000. The surplus value is unknown. In addition, there is also approximately 50 fittings that are obsolete and will never be used. The original cost of these fittings was around \$13,000. The surplus value is also unknown. Dr. Sharps commented this is \$96,000 worth of materials and asked if staff has a better handle on what is going to be declared surplus from this point forward. Mr. Page stated staff needs tighter inventory controls and once a project is complete and there are unused supplies staff should

contact the supplier to see if some or all of the unused material could be returned for a refund. Mr. Thomas added that staff does keep some of the leftover materials on hand in the case of emergencies. Mr. Coffey inquired if the piping is left out in the open or covered up. Mr. Thomas stated staff has discussed adding a building to store the surplus material in, but for now the materials are outside in the open.

Mr. Page stated in addition to these substandard fittings, the utility collects leftover scrap metal from finished jobs and meter exchanges. Staff separates the scrap metal in three different categories of brass, copper, and iron. For purposes of surplus, the leftover scrap and in stock substandard fittings will be weighed and sold together. We estimate there to be a combined total of 8,000 lbs of brass, 400 lbs of copper, and 15 tons of iron. In researching current metal prices, we estimate the combined revenue from the sale to generate approximately \$15,700. That is \$14,000 for brass, \$1,200 for copper, and \$1,500 for iron respectively.

The water treatment section proposes to surplus and sell the old gas chlorination system that is in good condition but no longer needed, various sized pump motors that were retired during the plant upgrade and expansion (most likely scrap), and two electrical panels that are no longer of use from that same project.

All inventory items declared as surplus are to be publicly advertised. Depending on the item, some staff proposes to request bids from qualified buyers and some are to be sold at the online auction site GovDeals.com.

After a brief discussion, motion was made by Dr. Sharps to declare the inventory items discussed as surplus and authorize staff to advertise and sell them to the highest bidder. The motion was seconded by Mr. Solarz and passed unanimously.

Mr. Thomas introduced Drew Baird of Consolidated Supply. Mr. Baird is present to give a presentation on meter change out programs. Mr. Thomas stated the Water Board has a total of 13,626 water meters. There are 3 categories of water meters as follows:

Types:	Total meters in system:
Commercial/Industrial (3-inch and larger)	61
Commercial/Industrial/Multi-family (1 ½ & 2-inch)	379
Residential/Small Commercial (1-inch, ¾-inch, 5/8-inch)	13,186

The main area of focus is the 1-inch and smaller meters as they are the most used meters in the utility. Some of these meters date back as far as 1951. These meters are responsible for 60 percent or more of revenue on any given month and test results showing that they are failing. Staff has performed some sample meter testing which consists of testing a meter at 3 different flow rates per AWWA specifications. All the 1950 meters were pulled, and all failed low or were non-testable. Staff changed and tested 9 meters that were installed in 1970's – 4 of them failed low and 3 failed just high. Staff changed and tested 42 meters that were installed in the 1990's. Ten of them failed low, 3 of them failed low and high at different flow rates, and 9 of them failed just high.

Meter manufacturers suggest the life of a water meter is 20 to 25 years. The AWWA does not recommend a meter life based on time but does recommend that a certain percentage of water

meters be changed each year so that maximum revenue potential is gained over the life of each water meter.

Staff would like to create a plan to implement a meter change out program and have asked Drew Baird of Consolidated Supply to present information on meter change out programs, new meter technology, and cost estimates.

Mr. Baird of Consolidated Supply gave a presentation on meter change out programs, new meter technology and estimates of cost as it pertains to a meter change out program for the Water Board. A water meter is now a commodity, so whichever system you invest in you are buying a 20 year commodity. Mr. Baird reviewed the history of meter reading stating it started out with manual meter reading, then electronic meter reading using a handheld device that the read is entered into. About 20 years ago touch reading was introduced, which includes a touch pad. Most recently utilities have moved to AMR, automated meter reading - a radio is attached to the meter and the meter is read simply by driving by the meter; it captures the read and the data is then downloaded at the office. Most of utilities are going to this system or are already using this system. There is also an advanced metering infrastructure (AMI) – a network collector is put up and the data is received directly in the office.

Estimated costs based on 13,000 water meters is as follows:

Manual and touch reading - \$40 to \$80 per meter and \$520,000 to \$1,040,000 total parts.

Automated Meter Reading (AMR) - \$130 to \$200 per meter and \$1,690,000 - \$2,600,000 total parts

Advanced Metering Infrastructure (AMI) - \$130 to \$200 per meter and \$2,250,000 - \$4,250,000 total parts

There are many advantages to the AMR and AMI Systems, to include: Ease of meter reading, less meter reader injuries, faster leak detection, improved customer service, water profiling-customer education on their usage, increased billing accuracy, identifying stopped meters sooner, and easy isolation for District metered areas for leak detection purposes.

Mr. Thomas stated \$50,000 was included in last fiscal year's budget for an AMR pilot, however staff wanted to get direction from the Board once the options were explained. Staff can continue to read meters manually, paying \$40 to \$80 per meter and doing the meter change out program over a certain amount of time or go fully into AMR. Mr. Coffey inquired if staff has looked at what the cost savings would be if the utility moved on to an AMR system and if it would allow for fewer meter readers. Mr. Solarz commented an annual cost comparison would be good information to have.

Mr. Solarz asked Mr. Thomas what his thoughts were. Mr. Thomas recommended proceeding with an AMR pilot. Dr. Sharps asked how many meters could be purchased within the amount that has been budgeted. Mr. Thomas stated about 300 meters. Mr. Dillard commented the AMR system would be very beneficial in certain areas and hard to get to places. Customer Relations Supervisor Bryan Tichota commented staff has looked at the system and would like to do the AMR pilot in the Glasgow area as the meters are in several areas which are hard to get to. Mr.

Thomas commented, depending on how the Water Board decides to get caught up and starts replacing meters, a decision needs to be made for long term budgeting as it is a rotating system that needs to be kept up. It was the Board's consensus to proceed with an AMR pilot and bring the Board up to date once staff starts the pilot program.

The Board's next regular meeting was set for Thursday, February 6, at 7:00 a.m.

Updates were given as follows:

- Computer Upgrade and Server – Staff is ready to schedule the upgrade.
- Meter Test Bench Installation – The meter test bench should be delivered in February.
- Tank Maintenance – Staff have been communicating with SUEZ about the Isthmus and Radar tanks and maintenance will be scheduled most likely in the spring.
- McCullough Bridge – Staff has been in contact with an archeologist who is willing to do the study and is waiting for a response from SHPO.
- Madrona Street Main Replacement – The Contract has been executed and Notice to Proceed will be issued. The project is expected to begin in March.
- 5th Avenue Main Replacement – The crew is scheduled to start next Monday.
- 4th Avenue Main Replacement – Civil West has been retained and staff is working with them on the scope of work.
- Pennsylvania Avenue Pump Replacement – Still waiting for receipt of all parts that have been ordered and the project should begin within the next 2 weeks.

At 8:30 a.m. Chair Dillard 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 9:10 a.m. There being no other business to come before the Board, Chair Dillard adjourned the meeting at 9:10 a.m.

Approved: _____, 2020

By: _____
Chair Robert Dillard

ATTEST: _____