

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

Minutes  
Regular Board Meeting

June 19, 2019  
1:00 p.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: Greg Solarz, Dr. Sharps and Bob Dillard. Board members absent: None. Water Board staff present: Ivan D. Thomas, General Manager; Bryan Tichota, Customer Relations Supervisor; Jeff Howes, Finance Director; Rick Abbott, Distribution Supervisor; Jeff Page, Operations Manager; Karen Parker, Administrative Assistant; Board Legal Counsel Jim Coffey was present. Media present: None. Chair Cribbins opened the meeting at 1:00 p.m. and asked Dr. Sharps to lead the Board and assembly in the Pledge of Allegiance.

Chair Cribbins asked if there were any corrections or additions to the June 5, 2019, 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 adoption of the FY2019-20 financial budget, Mr. Thomas stated the Budget Committee recommended a 4 percent rate adjustment in general water rates, fire services and fire hydrants as shown in Exhibit "A" of proposed Resolution No. 371, and asked the Board if they had any modifications or comments. Dr. Sharps stated he feels the rate adjustment should be 4.69% to cover the proposed budgeted amounts for additional wages as opposed to 4% as this could cause the Board to be in arrears in the following years.

Dr. Sharps inquired if it is acceptable to reject the Budget Committee's recommendation if the Board elected to raise the proposed rate to take into consideration the increase in wages. Mr. Coffey confirmed the Board could do so.

Mr. Solarz asked Mr. Thomas if he could review the breakdown of the proposed increase in wages and benefits. Mr. Thomas stated labor and benefits is broken down as follows:

- Market analysis wage study: \$ 61,919
- Cost of Living Adjustments: \$ 54,399
- Benefits: \$ 79,791

Labor total: \$ 196,109 or a 2.69 rate increase  
Capital Improvements and  
Tank restoration: \$ 146,000 or a 2.00 rate increase

Dr. Sharps commented staff would receive an increased cost of living adjustment (COLA) in 2020. Mr. Thomas confirmed the COLA for 2020 is 2.5%. It has been past practice to budget 1% for capital improvements, and an additional 1% into the capital fund for the tank maintenance program. A total rate increase of 4.69% would include all these items. Mr. Dillard commented he would like to increase the rate adjustment from 4% to 4.69%.

Mr. Solarz inquired what the monthly increase would be for a "residential inside customer family of 4", if the Board increased the rate from 4% to 4.69%. Mr. Thomas stated this customer would be looking at an approximate increase of \$1.02 per month (increase of .15 from 4% to 4.69%). Dr. Sharps asked Mr. Thomas his thoughts on this. Mr. Thomas stated financially this would go from \$468,000 at year end versus \$510,000. Ms. Cribbins stated she feels the Board does not want is to be in a position five years from now where possibly a large water rate adjustment is needed. Mr. Solarz expressed the same concern. After a brief discussion, Mr. Dillard moved to approve Resolution No. 371, modifying the 4% rate adjustment in general water rates, fire services and fire hydrants to 4.69%. The motion was seconded by Dr. Sharps and passed unanimously. The Resolution read as follows:

**Resolution No. 371**  
**ADJUSTMENTS TO GENERAL WATER RATES**  
**FIRE SERVICES AND FIRE HYDRANTS**

WHEREAS, by and pursuant to the authority vested in the Coos Bay-North Bend Water Board (Water Board), pursuant to the respective charters of the Cities of Coos Bay and North Bend, Oregon, and the laws of the State of Oregon, said Water Board has the right and authority to fix rates to be paid by users of water from the Water Board system, to make and determine reasonable classifications of various rates, and to promulgate and make effective regulations and service fees in connection with the operation of said water system; and

WHEREAS, Water Board has reviewed current rates and charges in relationship to the operational and capital needs of the utility and found them insufficient to meet Water Board's goals; and

WHEREAS, Water Board has determined that the needs of the utility must be appropriately funded;

NOW, THEREFORE, BE IT RESOLVED, that general water rates, fire services and fire hydrants for all classifications of water users within and without the corporate limits of the Cities of Coos Bay and North Bend, Oregon, established by duly adopted resolutions of Coos Bay-North Bend Water Board, shall be amended by the attached Exhibit "A" to be effective July 1, 2019, for all bills rendered on or after July 1, 2019.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Rate per 100 cubic feet for all consumption over 300 cubic feet			Minimum charge for consumption metering from 0 to 300 cubic feet per month		
<u>Classification</u>	<u>Inside</u>	<u>Outside</u>	<u>Meter Size</u>	<u>Inside</u>	<u>Outside</u>
Residential	\$3.354	\$4.463	Meter Surcharge	\$0.00	\$5.00
Multiple-residential	2.631	3.834	5/8-inch	22.79	31.83
Commercial	2.669	3.891	3/4-inch	24.19	33.87
Industrial	2.315	3.100	1-inch	29.87	41.82
Public/Other	2.425	3.529	1 1/2-inch	44.09	61.74
Untreated		0.397	2-inch	65.41	91.58
			3-inch	115.20	161.33
			4-inch	186.35	260.87
			6-inch	364.18	509.84
			8-inch	577.54	808.57
			10-inch	826.50	1,157.12

**FIRE SERVICES**

To be charged monthly at the rate of \$5.75 per inch of diameter of service pipe in addition to any meter rate

<u>Fire Service Line Size</u>	<u>Monthly Fee</u>
2" or less	\$ 11.50
3"	17.25
4"	23.00
6"	34.50
8"	46.00
10"	57.50

**SYSTEM DEVELOPMENT CHARGES**

<b>METER SIZE</b>	<b>(ME) Meter Equivalent</b>	<b>SDC</b>
5/8"	1.0	\$ 3,820
3/4"	1.5	\$ 5,730
1"	2.5	\$ 9,550
1.5"	5.0	\$ 19,101
2"	8.0	\$ 30,561
3"	16.0	\$ 61,122
4"	25.0	\$ 95,503
6"	50.0	\$191,006
8"	80.0	\$305,610
10"	115.0	\$439,314

**FIRE HYDRANT RATES**

- a. Hydrants inside the Cities of Coos Bay and North Bend which are owned by the Cities of Coos Bay and North Bend - NO CHARGE
- b. Hydrants owned and maintained by private parties or by other public bodies within the Cities of Coos Bay and North Bend, per month in advance - \$11.86
- c. Hydrants owned and maintained by organized fire districts, private parties, or by other public bodies outside the corporate limits of Coos Bay and North Bend, per month in advance - \$16.48

**NOTE: THE ABOVE GENERAL WATER RATES, FIRE SERVICES, FIRE HYDRANTS, AND SYSTEM DEVELOPMENT CHARGES SHALL BE IN EFFECT FOR ALL CHARGES MADE AND BILLED AS OF THE JULY 1, 2019, BILLING DATE.**

Operations Manager Jeff Page presented staff's request for renewal of property and liability insurance with City/County Insurance Services for FY2019-20. The proposed premium cost with a multiline credit is \$124,551.28 and will be effective July 1, 2019. The premium is included in the FY2019-20 budget. After a brief discussion, motion was made by Dr. Sharps approving the General Manager to execute the City/County Insurance Services property and liability renewal for FY2019-20 in the amount of \$124,551.28. The motion was seconded by Mr. Dillard and passed unanimously.

Mr. Thomas presented proposed Resolution No. 372 titled "Resolution Extending Workers' Compensation Coverage to Volunteers of Coos Bay-North Bend Water Board for Policy Year 2019-2020. Insurance will be provided by SAIF Corporation. The estimated premium for coverage is \$9.00 per year. Mr. Solarz moved they adopt Resolution No. 372 as proposed. The motion was seconded by Mr. Dillard and passed unanimously. The resolution read as follows:

**Resolution No. 372**

**A RESOLUTION EXTENDING WORKERS' COMPENSATION COVERAGE TO  
VOLUNTEERS OF COOS BAY-NORTH BEND WATER BOARD FOR POLICY YEAR  
2019-2020**

WHEREAS, ORS 656.031 provides that workers' compensation coverage will be extended to the classes of volunteer workers;

NOW, THEREFORE, be it resolved that Coos Bay-North Bend Water Board elects to provide workers' compensation coverage as listed below:

1. Unpaid volunteer Board Members will be provided with workers compensation based on providing administrative duties and hours volunteered. The assumed hourly wage for unpaid volunteer Board Members will be the assumed minimum wage filed by the National Council on Compensation Insurance for the year in which the volunteer services are provided.
2. A roster of active volunteers (non-public safety) will be kept monthly for reporting purposes. It is acknowledged that SAIF may request copies of these rosters during year-end audit; and
3. Unanticipated volunteer projects or exposure not addressed herein will be added to Coos Bay-North Bend Water Board's coverage agreement (1) by endorsement, (2) with advance notice to SAIF, and (3) allowing two weeks for processing. It is hereby acknowledged that coverage of this type cannot be backdated and must be pre-approved; and
4. This resolution will be updated annually.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Mr. Thomas reviewed a letter from Board Attorney Jim Coffey requesting an adjustment in legal fees effective July 1, 2019 based on the Seattle CPI percentage. There are sufficient funds in the Fiscal Year 2019-2020 budget for legal expenses to accommodate this increase. Legal fees would be increased by 2.4 percent as follows: Jim Coffey and Mike Stebbins from \$178.99/hour to \$183.28/hour; Jane Stebbins from \$167.34 to \$171.36; and paralegal services from \$63.55 to \$65.07. The last attorney fee increase was September 1, 2018. After a brief discussion, Mr. Dillard moved to approve the attorney fee increase as outlined in Mr. Coffey's letter effective July 1, 2019. The motion was seconded by Mr. Solarz and passed unanimously.

The Board's next regular meeting was set for Thursday, July 18, 2019, at 7:00 a.m.

Updates were given as follows:

- Tank maintenance – Staff will be meeting with SUEZ regarding renovation of Isthmus Heights and Radar tanks.
- Terramar Reservoir – No complaints have been received regarding taste and odor issues in this service area. Staff will provide SUEZ with a comparison spreadsheet with the VOC results.
- Millington Reservoir – Millington tank has been put back in service and no complaints have been received.
- Coos River Highway Main Replacement – Staff received a price for drilling from Roto Rooter in the amount of \$14,900. The project will be scheduled soon.
- Madrona Street Main Replacement Design – Solicitation of bids were sent out last week.
- 6<sup>th</sup> Avenue Sidewalk Project – Staff is working with the City of Coos Bay regarding timing of the project and waiting on design from the City's engineer.

At 1:15 p.m. Chair Cribbins 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). They returned to open session at 1:30 p.m.

Mr. Solarz asked if staff could write a description on the MasterCard statements to identify what the charges are for. Mr. Thomas stated he will ask staff to do so.

There being no other business to come before the Board, Chair Cribbins adjourned the meeting at 1:35 p.m.

Approved: \_\_\_\_\_, 2019

By: \_\_\_\_\_  
Chair Melissa Cribbins

ATTEST: \_\_\_\_\_