

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

Minutes
Regular Board Meeting

May 16, 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/Interim Operations Manager; Monica Kemper, Finance Director; Aimee Hollis, Customer Relations Manager; Micah Demanett, Meter Services Supervisor; Karen Parker, Administrative Assistant; Stacey Parrott, Executive Assistant-HR Specialist; Vince Stonesifer, Field Services Technician (virtually). Dan Draper, Coos Watershed Association; Leah Cogan, Water Resources Analyst of GSI Water Solutions, Inc. (virtually); Tara Kamp, Pauly, Rogers and Co., P.C. (virtually); Melissa Cribbins, Board Legal Counsel, was present. Media present: None.

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

Chair Solarz commented that this is Ms. Parker's last Board meeting and welcomed Stacey Parrott as the new Executive Assistant-HR Specialist.

Chair Solarz asked if there were any corrections or additions to the April 18, 2024 Regular Board meeting minutes. Mr. Kilmer moved the minutes be approved as written. The motion was seconded by Mr. Richardson and passed unanimously.

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

Regarding the proposed amendment of the professional services agreement and scope of work with GSI Water Solutions, Inc. for fiscal year 2025, Mr. Thomas stated the Water Board transitioned its water rights management and consulting services in 2018 to GSI Water Solutions, Inc. Since, the Water Board has been very successful in meeting its commitments for water rights management and regulatory commitments.

Mr. Thomas met with GSI and reviewed the scope of work for FY 2025 to continue meeting expectations set by regulatory agencies the Water Board has commitments to. Much of the work to be completed includes water rights management, preparation of the 2024 Surface Water Management Plan annual report required by the US Forest Service, and a full update of the Water Board's Water Management and Conservation Plan required by the Oregon Department of Water Resources. Previous updates to the WMCP were completed on a 10-year schedule, however after communications with Oregon Department of Water Resources, review of the current water management plan and water right statuses, the decision was made to move forward with a 5-year update of the Water Board's Water Management and Conservation Plan.

The total cost of the contract for FY 2025 is \$57,400. Monies are budgeted in the FY 2025 budget for these services.

Mr. Thomas introduced Leah Cogan from GSI, who was virtually in attendance, and asked if she had additional comments to add. Ms. Cogan stated and agreed that one major project for FY25 is completing the Water Management Conservation Plan, as the Oregon Department of Water Resources shared a letter advising it is time for an updated Water Management and Conservation Plan. The majority of other items listed in the contract are comparable to prior years.

After a brief discussion, Mr. Matthews moved to approve the General Manager to enter into the amended professional services agreement with GSI Water Solutions, Inc. in an amount not to exceed \$57,400 for dunal aquifer and water rights consulting services for FY 2025. The motion was seconded by Mr. Kilmer and passed unanimously.

Regarding the consideration of scope of work and contract with Coos Watershed Association (CWA) for environmental monitoring services for fiscal year 2025, Mr. Thomas stated the Water Board has historically contracted with Coos Watershed Association for its environmental monitoring needs on many different projects and requirements. The scope of work includes continued streamflow gauging to maintain water rights for Tenmile Creek, required vegetation and photo monitoring at Matson Creek, and completion of the annual fisheries management plan. The dunal vegetation monitoring as required by the US Forest Service, will be an addition to the scope of work for fiscal year 2025.

Mr. Thomas introduced Dan Draper from Coos Watershed Association and asked if he had additional comments. Mr. Draper stated the dunal vegetation monitoring is the only item that will be added to the FY2025 contract, which is on a four-year rotation. This report was last completed by Coos Watershed Association in 2020. Many other projects are completed annually, as with Matson Creek vegetation monitoring, in which CWA is hopeful to be wrapping up this year.

Mr. Kilmer moved to approve the General Manager to enter into the FY 2025 contract with Coos Watershed Association for the proposed environmental monitoring and reporting in an amount not to exceed \$54,707. The motion was seconded by Mr. Matthews and passed unanimously.

Regarding the award of financial auditor for fiscal years 2024, 2025, and 2026, Finance Director, Monica Kemper stated a Request for Proposal for Auditing Services was sent to six financial auditing firms across the State of Oregon. One submittal was returned from Pauly Rogers and Co., P.C.

Per the review of the RFP submitted, it was determined that Pauly Rogers is more than qualified to perform a fair and comprehensive audit, having adequate staffing available and will have a certified fraud examiner available during the review process during the audits. Services would be for the next three years and would be \$129,230.

Mr. Thomas introduced Tara Kamp, from Pauly Rogers and Co., P.C. who was virtually in attendance. Ms. Kamp asked the group if there were questions concerning their auditing.

Mr. Solarz asked if Pauly Rogers and Co., P.C. was currently the auditor for the cities of Coos Bay and North Bend. Ms. Kamp stated they are the auditors for both cities and have been for the past several years. They have included the Water Board's report in the cities' reports due to the joint venture, concluding that this would create more efficiency to all be on the same schedule. Mr. Solarz went on to inquire about the Water Board and the two cities working so closely with one another and if Pauly Rogers has had clients like this in the past. Ms. Kamp stated there would not be any independence issues per their

professional standards and would keep all information separate to avoid crossing of client information.

Mr. Richardson commented on prior experience and great rapport working with Pauly Rogers while on North Bend City Council. Mr. Matthews commented that the Coos Bay City finance team has had a good relationship with Pauly Rogers as well.

After a brief discussion, Mr. Matthews moved to approve the General Manager to enter into a contract with Pauly Rogers and Co., P.C. for auditing services for the 2024, 2025, and 2026 fiscal years in an amount not to exceed \$129,230. The motion was seconded by Mr. Kilmer and passed unanimously.

Regarding the purchase of water meters and automated meter reading units from Consolidated Supply Company, Meter Services Supervisor Micah Demanett stated the Water Board has been progressively transitioning to Automated Meter Reading. With AMR the Board has seen substantially better efficiency in meter reading labor. Advantages also include the availability of detailed customer usage history, fewer re-reads, and less staff dependent systems. The customer usage inquiry has been utilized many times to identify customer side leaks and detailed usage history for customer follow up with less research time for staff. The advantages in efficiency and safety are clearly in favor of continuing the transition to AMR.

Last year, a large AMR installation was completed for three of the twelve meter reading cycles, approximately 4500 meters, bringing total completion to five of the twelve meter reading cycles and approximately 6500 AMR meters. Moving forward, the approach is to complete one cycle per year. For fiscal year 2025, it was identified that meter reading cycle 1 will be replaced, which consists of 955 water meters to be installed.

The current contract with Consolidated Supply Company to supply water meters cited increases in cost would be no more than 3% from one fiscal year to the next, which is a substantial value. Consolidated has given the Board a quote for purchase of 513 water meters with AMR meter interface units honoring the FY24 rate, 3% above the FY23 rate. The total quote is \$156,039.68 for the Mueller water meters and AMR meter interface units. The purchase of the water meters is budgeted in the FY25 capital budget.

Mr. Thomas added the cost of meters will increase 3% as of July and the contract will end next year. Consolidated Supply has stated it will not renew at the current rate plan. Currently, this cost is 25% to 35% lower than other bids received. Mr. Richardson inquired if the Water Board should purchase more meters at current price. Mr. Thomas responded that the considered phased implementation approach over multiple years will help avoid the financial burden of replacing meters at the same time. However, a review and option to purchase additional meters can be determined before the contract ends June 2025.

After a brief discussion, Mr. Matthews moved to approve the General Manager to purchase the second round of Mueller water meters and AMR meter interface units from Consolidated Supply Company for \$156,039.68. The motion was seconded by Mr. Richardson and passed unanimously.

The Board's next regular meeting was set for Thursday, June 13, 2024, at 1:00 p.m.

Updates were given as follows:

- PAC Unloader and Feed System – the PAC arrived, has been assembled, and moved from Polymer feed room to boat bay due to size. Will schedule an electrician and plumber for completion. One month estimated completion. Once completed CMT will demonstrate start up.

- Pony Creek Water Treatment Plant Roof Replacement and Security Upgrades - Roofing project began May 14th, 2024, estimated completion is 2-3 weeks. Possible Energy Trust credit due to needed insulation replacement. Gate and security project estimated completion in 45 days.
- SCADA Systems Master Plan – Currently working with Brown and Caldwell and making progress in planning efforts. Finding short-term solutions that may be reflected in the next budget year. Immediate actions are being taken to address current issues before the Master Plan is finalized. For example:
 - Conduct manual mode analysis to ensure the plant can operate manually without the SCADA system, mitigating risks if the systems were to fail.
 - Ongoing transition of distribution sites to Mission has begun in previous years. Additional requests for transitioning more sites to Mission will be made in the coming year to ensure all distribution systems are on Mission.
 - Issue a request for Proposals (RFP) to replace outdated hardware and Programmable Logic Controllers (PLCs).
 - Select new software for the major SCADA replacement.
 - Conduct a comprehensive cyber security audit on the SCADA System to ensure its security and integrity.
 - Issue an RFP for a programmer for the current SCADA System; seeking backup to the current service provider S&B, preferably located closer than Bellevue, WA.

Long-term planning includes a full replacement of the SCADA system as all PLCs are outdated and parts are becoming increasingly difficult to source. The estimated cost for the entire SCADA replacement is between \$3-\$5 million. The full replacement process will happen around 2027-2029, allowing time to plan and bundle with other projects in the Master Plan. Staff is also exploring grant opportunities to help offset costs.

At 7:43 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 7:59 a.m. There being no other business to come before the Board, Chair Solarz adjourned the meeting at 8:00 a.m.

Approved: _____, 2024.

By: _____
J. Gregory Solarz, Chair

ATTEST: _____