

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

Minutes
Regular Board Meeting

May 21, 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 Vice Chair Solarz presiding. Other Board members present: Melissa Cribbins, and Dr. Charles Sharps. Board members absent: Bob Dillard. Water Board staff present: Ivan D. Thomas, General Manager; Jeff Page, Operations Manager; John McKeivitt, Water Treatment Supervisor; Bryan Tichota, via teleconference; and Karen Parker, Administrative Assistant. Board Legal Counsel Jim Coffey was present. Media present: None. Vice 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.

Vice Chair Solarz asked if there were any corrections or additions to the May 7, 2020 Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Ms. Cribbins and passed unanimously.

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

Mr. Thomas stated the proposed purchase of Gutterman Zonescan 820 correlating radio loggers (leak detection equipment) would allow staff to move forward with the current leak detection program.

Correlating radio loggers are a powerful tool for the elimination of actual water loss in the distribution system. This tool will help the Water Board identify and pinpoint leaks by use of cutting-edge leak correlation technology. The Gutterman Zonescan 820 performs automatic nightly correlation and cross correlation which will allow staff to find leaks that were nearly impossible to find in the past. The loggers can be put in a specified zone, placing them on valves and will read where the leak is, giving information as to how many feet the leak is from the valves.

The Gutterman Zonescan 820 is the only logger on the market with a proprietary radio module which allows the user to collect data from an area where the correlators are deployed, by simply driving near the correlators. This will reduce labor costs when surveying an area over multiple nights to collect data for leak analysis.

Dr. Sharps asked what is currently being used for leak detection. Mr. Thomas stated the current equipment is similar to a stethoscope where staff listens on valves and hydrants and as you get closer to the leak the noise gets louder. This equipment can't be left out overnight. Dr. Sharps asked what is the percentage of leaks at this time. Mr. Thomas stated he was unsure as to the leak percentage, but non-revenue water is usually under 10 percent. Ms. Cribbins inquired if staff

meters the hydrants. Mr. Thomas stated for contractor use the hydrants are metered, but not for the fire departments. The fire departments send a usage report monthly of their use. Mr. Solarz asked what the annual fee consisted of. Mr. Thomas stated this is to maintain the software and the loggers.

Staff researched several different brands of logging correlators. Based on this research, staff recommends purchase of the Gutterman system as they were the first in the market to produce correlating loggers, back in 2001. Gutterman offers the most user friendly and comprehensive software of those manufacturers researched.

The proprietary design of the sensors allows for the collection of both leak noise and performance of advanced spectrum analysis.

Given the size of the Water Board's distribution system, staff recommends purchasing the Zonescan 820 system with 20 loggers. This will give staff the capability to survey up to 2 miles of mains per day.

The following quotes were solicited:

Gutterman	\$24,615
Construction Product Marketing, LLC	\$26,115
Exeter Supply Co.	\$24,215 (price did not include training)

The quote from Exeter Supply Co. does not include training for the product that would cost the Water Board an additional \$1,500 in addition to the price of the equipment.

Through Gutterman, the price for the Zonescan 820 system with 20 correlating radio loggers and shipping is \$24,615. This system also includes the Zonescan 820 system communication link with an android tablet and case. One full day of training is included in the purchase through Gutterman. There is also a \$1 per month hosting fee per correlator. For the set of 20 correlators, the total annual hosting fee cost is \$240 per year. This hosting fee is included in the quote, though it will need to be budgeted for in years to follow. The amount of \$33,000 is included in the current fiscal year's budget for leak detection equipment.

After a brief discussion, Ms. Cribbins moved to authorize the purchase of the Gutterman Zonescan 820 system with 20 correlating radio loggers for \$24,615 from Gutterman. The motion was seconded by Dr. Sharps and passed unanimously.

Regarding the proposed award of surplus electric motors, Water Treatment Supervisor John McKeivitt stated over the years the utility has accumulated surplus electric motors ranging from 250 horsepower to less than 10 horsepower, which the Board of Directors declared as surplus earlier this year.

Mr. McKeivitt contacted three metal recycling companies and received the following quotes:

Contractor	Scrap Cost/pound	Purchase offer	Total
Industrial Electric Motor	N/A	\$10,000	\$10,000
Industrial Scrap Corporation	\$0.08	0	\$1,106.80
Cherry City Metals	\$0.10	0	\$1,383.50

Two of the quotes received ranged from \$0.08 to \$0.10 per pound for scrap value. Industrial Electric Motor, based in Utah, has the intention of repurposing and rebuilding the motors and has offered to purchase the surplus motors for \$10,000, and will transport them from the Water Board property.

After a brief discussion, motion was made by Dr. Sharps authorizing the General Manager to complete the transaction and sell the surplus motors directly to Industrial Electric Motor for \$10,000. The motion was seconded by Ms. Cribbins and passed unanimously.

The Board's next regular meeting was set for Thursday, June 4, 2020, at 1:30 p.m.

Regarding customer statistics and collection activities, Mr. Thomas reviewed a graph showing monthly gallons sold by customer class. For the residential class for the month of April, this year is the highest in the last 4 to 5 years; however it does not represent payments received. There are many customers not paying their water bill and the Water Board is currently not enforcing collection activities because of the state of emergency. This is common throughout the State of Oregon right now.

Mr. Thomas reviewed the last quarter of total payments received. Looking at the last quarter compared to monies received in the month of April, payments are down \$89,796. A comparison showing payments received in April 2019 compared to April 2020 indicates the utility is down \$87,915. The shortage of payments is due to the fact the Water Board is not enforcing payments/collection activities, however the customers' debts are still accruing. Dr. Sharps commented the customers should be aware that their debts are due and they are responsible for payment. Mr. Thomas asked the Board members their thoughts regarding a timeframe/benchmark to work back into the collection schedule. Mr. Thomas stated the state of emergency is set to end on July 6, 2020, unless notified otherwise, and staff could send a letter

approximately 1 month prior stating the utility will commence collection activities. Dr. Sharps stated perhaps the date to start could be the beginning of the new fiscal year, July 1, 2020. Ms. Cribbins commented many individuals have not received any unemployment compensation as the unemployment office has experienced many problems getting claims processed and have a huge backlog. Mr. Thomas asked Mr. Tichota what his thoughts were from a customer service perspective. Mr. Tichota stated he agrees with the primary comment of the need to let customers know that the utility will start enforcing collection efforts. There are some residential accounts with balances owing of \$2,000 or more which is a concern as far as the customers' ability to be able to bring their accounts current. Mr. Thomas suggested sending out a letter, without referencing a date of enforcing collection since it is unknown when the state of emergency will end, asking customers to contact a Customer Service Representative if they are unable to pay and staff will be glad to make arrangements for a payment plan. Mr. Thomas stated the utility usually gives customers a maximum of six months to pay their bill and asked the Board their thoughts on this timeframe. Ms. Cribbins stated the main goal is to collect the funds and additional time may be needed. Mr. Thomas commented staff could review the accounts and if there are customers in need of additional time the payment arrangements could possibly go as long as 8 months. The Board is sensitive to the current situation. It was the Board's consensus for staff to notify customers, without referencing a date of enforcing collection, asking customers to contact a Customer Service Representative if they are unable to pay and staff will be glad to make arrangements for a payment plan.

Mr. Solarz stated the utility is down \$87,915 compared to April of last year and inquired if this also reflects the fish plants being down. Mr. Tichota is in the process of getting the number of customers who have fallen behind in payment and stated he researched this. In regards to large commercial customers, historically being the two fish plants and GMA, the fish plants historically don't use a lot of water in April, but heavier usage starts in May. GMA's water usage did pick up this April.

Mr. Solarz commented the Board has not had any discussions on how to minimize expenses should this state of emergency continue. Mr. Thomas stated there are currently some positions that have not been filled as of yet. There are a couple positions in the Distribution Section that could be left open longer, and a meter reader position that will become open as one meter reader is retiring on June 1, 2020. Staff can review the capital budget for next year, to determine what projects could be put on hold until more revenue comes in.

Updates were given as follows:

- Oregon Pump Replacement – The pump station has been gutted and is ready for the new pump to be installed. This project should be finished in a couple of weeks.
- Flanagan Pump Replacement – This will be scheduled once the Oregon Pump Station is complete.
- Budget Committee – Members of the Budget Committee will be Mike Erbele, Aaron Speakman, Rodger Craddock and Patty Scott.
- North 15th Street Water Main Replacement – The pressure test passed yesterday and the crew will be chlorinating today; this project is expected to be complete within the next few weeks.
- Springbrook Upgrade – This is scheduled for September however this may change due to the state of emergency.

- Lake Levels – Upper Pony Creek is at 101.5 feet which is good for this time of year. Merritt Lake is at 39.5 feet.

At 7:40 a.m. Vice Chair Solarz 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 7:49 a.m. There being no other business to come before the Board, Vice Chair Solarz adjourned the meeting at 7:50 a.m.

Approved: _____, 2020

By: _____
Vice Chair Greg Solarz

ATTEST: _____