

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

Minutes
Regular Board Meeting

February 20, 2019
6:30 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 Cribbins presiding. Other Board members present: Greg Solarz, Bob Dillard and Dr. Sharps. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Bryan Tichota, Customer Relations Supervisor; Jeff Howes, Finance Director; Rick Abbott, Distribution Supervisor; Jerre Cover, Water Treatment Supervisor; Jeff Page, Operations Manager; Karen Parker, Administrative Assistant; Vince Stonesifer, Field Services Technician; Becky Varga, Lead Customer Service Representative; Lily Hubbell, Customer Service Representative; Mark Merry, Water Treatment Plant Operator; David Hermansen, Water Treatment Plant Operator; Board Legal Counsel Jim Coffey was present. Ed Ellington of Nasburg Huggins Insurance was present. Media present: None. Chair Cribbins opened the meeting at 6:30 a.m. and lead the Board and assembly in the Pledge of Allegiance.

Chair Cribbins asked if there were any corrections or additions to the February 5, 2019, Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Mr. Solarz and passed unanimously.

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

Mr. Thomas recognized the following employees for their nominations for “Employee of the Month” for the months of May, July, October, November and December: Vince Stonesifer, Field Services Technician; Rick Abbott, Distribution Supervisor; Mark Merry, Water Treatment Plant Operator; David Hermansen, Water Treatment Plant Operator; and Becky Varga, Lead Customer Service Representative. Special recognition was given to Customer Service Representative Lily Hubbell for her success story published in the 2018 Oregon State Vocational Rehabilitation Council Annual Report.

Regarding proposed cyber liability and data breach insurance, Finance Director Jeff Howes stated the utility currently has cyber insurance coverage through CIS. The coverage limit was \$250,000 with a cost of \$900 for a 6 month period. In order to renew this coverage, CIS is requiring the utility to adopt a new Red Flag policy and make immediate changes to its practices and procedures.

Staff feels its current internal policies and procedures are more than adequate. Staff contacted Mr. Ellingson of Nasburg Huggins Insurance, the utility’s agent of record, and requested options for cyber insurance coverage.

Mr. Ellingson stated his company has had experience with cyber insurance within the last couple of years as the market evolves. Many things are happening in the cyber world in terms of breaches, extortion attempts and the utility is not immune to any of this. The utility's exposure has increased and there is a definite need for cyber coverage. He stated the coverage through CIS is short on limits of coverage available. Some of the features it does not cover are loss of business income, reputation repair, service fraud and computer replacement. Mr. Ellingson has researched and suggested a cyber insurance plan through Coalition Insurance Solutions for a \$2,000,000 aggregate policy limit of liability for data breach and cyber liability insurance coverage. The annual premium for this coverage would be \$3,272.35.

Dr. Sharps inquired how much has been budgeted for this insurance. Mr. Howes stated staff would postpone the Springbrook upgrade until after July, which would allow use of \$3,400 from the current fiscal year's operations budget.

After a brief discussion, Dr. Sharps moved to authorize the General Manager to enter into an agreement with Coalition Insurance Services, Inc. for data breach and cyber liability insurance in the amount of \$3,272.35. The motion was seconded by Ms. Cribbins and passed unanimously.

Regarding the proposed 3rd Avenue Main Replacement project, Engineering Manager Matt Whitty stated the project would consist of replacement of 340 feet of 2-inch asbestos pipe with 340 feet of 4-inch diameter PVC pipe on 3rd Avenue in Eastside.

The existing main serves 9 homes on 3rd Avenue, has experienced multiple breaks and is in poor condition.

This project is included in the current fiscal year's budget in the estimated amount of \$48,600, including a 25 percent contingency. Staff estimated the cost based on a 6-inch diameter main, however after reviewing the network of mains in this area it was determined the existing north-south mains have significant redundancy, and adding an additional 6-inch or larger diameter main between D and E Streets would have no positive impact on fire flows.

The estimated costs for material and installation for a 4-inch main will be \$4,000 to \$5,000 lower than costs for installation of a 6-inch diameter main. This reduces the total estimated cost to \$44,000.

After a brief discussion, Mr. Solarz moved to authorize staff to design and install the 3rd Avenue main replacement at an estimated cost of \$44,000. The motion was seconded by Mr. Dillard and passed unanimously.

The Board's next regular meeting was set for Thursday, March 21, 2019, at 7:00 a.m.

Updates were given as follows:

- High Service Pump Drive Replacement – Reese Electric is working with the manufacturer. CIS has paid the claim to date totaling \$34,000.
- Terramar Reservoir – Tarramar tank is back in service and no complaints have been received regarding taste and odor.

- Millington Reservoir – SUEZ did a wipe test on the tank, however once again there was transference from the coating so staff is waiting to hear back as to what their next recommendation will be.
- Coos River Highway Main Replacement – Staff has identified drilling contractors and will be requesting quotes.
- E Street Main Replacement – This project is near completion, with one service remaining to be moved over to the new main.
- Madrona Street Main Replacement Design – Design is near completion and staff is obtaining updated contract documents.
- City Sidewalk Projects – City of Coos Bay is planning two sidewalk projects that are rush jobs: One is 6th Avenue “Safe Route to School”. The Water Board has infrastructure that will need to be moved which will be fairly significant in cost. Staff has asked for a timeline in order to plan for budget. The second sidewalk project is on 4th Street from Golden to Park Avenue.
- Timber cruise & harvest plan – Staff is working with Stuntzner Engineering to evaluate all the units and will update the Board at that time.

At 7:20 a.m. Chair Cribbins directed they go into executive session for the purpose of discussing personnel issues pursuant to ORS 192.660(2)(a). They returned to open session at 7:29 a.m.

There being no other business to come before the Board, Chair Cribbins adjourned the meeting at 7:29 a.m.

Approved: _____, 2019

By: _____
Chair Melissa Cribbins

ATTEST: _____