

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

Minutes
Regular Board Meeting

February 12, 2026
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 Bill Richardson presiding. Other Board members present: Rob Kilmer, Greg Solarz and Carmen Matthews (virtually). Board Members absent: none. Water Board staff present: Ivan D. Thomas, General Manager; Jeff Miller, Operations Manager; Matt Whitty, Engineering Manager; Monica Kemper, Finance Director; Aimee Hollis, Customer Relations Manager; and Stacey Parrott, Executive Assistant & HR Specialist. Board Legal Counsel Melissa Cribbins was present (virtually). Media present: None.

Chair Richardson opened the meeting at 7:00 a.m. and led the Board and assembly in the Pledge of Allegiance.

Chair Richardson asked if there were any corrections or additions to the January 15, 2026, Regular Board meeting minutes. Mr. Kilmer moved the minutes be approved as written. The motion was seconded by Mr. Solarz and passed unanimously.

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

Regarding the purchase of a Blue-White emergency peristaltic metering pump, Operations Manager Jeff Miller explained that all water delivered to customers passes through the treatment plant and, although some redundancy exists within the current pumping system, there have been occasions when both primary pumps malfunctioned simultaneously. In those instances, the plant had to be shut down to complete emergency repairs. To prevent future service interruptions and improve operational reliability, staff proposed acquiring an emergency peristaltic pump that could be deployed immediately to keep the plant operational while repairs are made.

Mr. Miller shared that \$7,000 had been allocated in the 2026 capital budget for this purchase. Quotes were solicited from three vendors. One vendor was unable to provide an NSF-approved pump suitable for drinking water applications. Radwell Company submitted a quote of \$7,830. TMG Services of Tacoma submitted a quote of \$6,636 and was identified as the only supplier in the Northwest capable of providing an NSF-approved pump that meets water quality standards. Although TMG effectively hold the regional market for this specification, their quote came in under the budgeted amount. A recommendation was made to authorize the purchase of the Blue-White M3 peristaltic pump from TMG Services for \$6,636.

During discussion, Mr. Solarz inquired about the pump's capacity. Mr. Miller reported that the unit is capable of pumping 33 gallons per hour, or nearly 800 gallons per day. This capacity would allow it to serve as a backup for most treatment chemicals, including ACH, chlorine, and bleach. It would not be necessary for caustic soda, as the plant currently has three pumps dedicated to that chemical, and it would not typically be used for fluoride,

which is not considered an essential chemical for immediate operations in an emergency scenario.

Following discussion, Mr. Solarz moved to authorize the purchase of the Blue-White M3 peristaltic pump from TMG for \$6,636. The motion was seconded by Mr. Kilmer and passed unanimously.

Regarding the proposed professional services contract with Crow/Clay & Associates, Inc. for architectural design related to a storage room remodel at the Water Board Service Center, General Manager Ivan Thomas explained that this project is the first of two remodel projects to be discussed and the current request pertains only to architectural design, not construction. Crow/Clay & Associates has provided architectural design services for the Boards three most recent service center projects. Mr. Thomas reported positive experiences with the firm and expressed confidence in the quality of their work.

The proposed remodel involves reconfiguring an existing storage room in the distribution area of the service center. As staffing has evolved, including the hiring of additional female field employees, the need has been identified for a dedicated female locker room and drying room. The remodel would provide a separate, appropriately designed drying space to better accommodate female staff and improve overall functionality and privacy.

In addition, the project would create a dedicated office for the Distribution Supervisor. At present, the supervisor works in an open area shared with the distribution crew, which provides little to no privacy for computer work or supervisory responsibilities.

Crow/Clay & Associates submitted a proposal in the amount of \$6,400 to provide architectural design services for this project. Mr. Thomas indicated that, following completion of the design phase, quotes for construction would be obtained and brought back to the Board for consideration at a later date.

Mr. Kilmer moved to authorize the General Manager to enter into a professional services contract with Crow/Clay & Associates, Inc. in the amount of \$6,400 for architectural design services for the Water Board service center storage room remodel. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding the proposed professional services contract with Crow/Clay & Associates, Inc. for architectural design related to a remodel of the female breakroom at the Water Board Service Center. Mr. Thomas explained that the space in question includes the woman's breakroom and adjoining restroom. While a full restroom remodel is not anticipated at this time, the primary driver for the project is the need to create a compliant private mother's room. He noted that current rules and workplace requirements mandate the availability of a dedicated, private space for nursing mothers, and the Water Board does not presently have a dedicated space to meet these standards.

After evaluating available options within the facility, the existing breakroom was identified as the most feasible location for accommodating the required improvements. The concept would involve constructing interior walls within the existing footprint to create a private room, along with limited modifications to the sink area, plumbing, and shelving as necessary to support the new layout, with the intent to meet regulatory requirements while maintaining a functional breakroom space.

Crow/Clay & Associates, Inc., who was also recommended for the storage room remodel discussed under the previous agenda item, provided a proposal in the amount of \$5,550 for architectural design services for this project. As with the prior agenda item, Mr. Thomas clarified that this request is limited to design services. Once construction drawings are complete and bids are obtained, the project will be brought back to the Board for approval of construction costs.

Mr. Solarz moved to authorize the General Manager to enter into a professional services contract with Crow/Clay & Associates in the amount of \$5,550 for architectural design services for the Water Board service center female breakroom remodel. The motion was seconded by Mr. Kilmer and passed unanimously.

Regarding the proposed additional scope of work with FCS Group for public outreach services related to the Water Rate Study, General Manager, Ivan Thomas recapped that during prior meetings, the Water Rate Study had been completed and the Board had discussed and selected a preferred path forward regarding rate interpretation and the proposed rate adjustments affecting various customer classes. In conjunction with that decision, the Board also discussed the importance of conducting public outreach to ensure customers are informed about the study's findings, the rationale behind the selected rate structure, and how different customer classes may be impacted.

Mr. Thomas subsequently contacted FCS Group, the consultant that completed the Water Rate Study, to request a proposal for assisting with public outreach efforts. FCS Group submitted a proposal in the amount of \$22,960. The capital budget includes \$25,000 earmarked for this purpose, which is sufficient to cover the proposed scope of work. The proposed outreach effort would include development of a customer-facing informational flyer or bill insert explaining the completion of the master plan and rate study, the Board's selected rate option, and anticipated impacts. In addition, FCS would assist with outreach to the customer classes most significantly affected by the rate adjustments, and would participate in public meetings and presentations to provide explanation and answer questions. The intent is to ensure transparency and provide the public with at least one additional opportunity to receive information and offer input before final implementation. A request was made to execute the amended professional services agreement with FCS Group for public outreach assistance in the amount of \$22,960.

Mr. Kilmer moved to authorize the General Manager to enter into an amended professional services agreement with FCS Group for the Water Rates Analysis public outreach services in the amount of \$22,960. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding acceptance of the Milliman actuarial review and determination of employer contribution rate, Finance Director Monica Kemper reported that Milliman completes a formal valuation of the defined pension plan every two years. The most recent actuarial valuation has been finalized and recommended that the employer contributions to the plan be set a 15.58% of base pay (excluding overtime) for active plan participants, along with a monthly contribution of \$25,278 to support plan funding. The Water Board currently has nine active employees participating in this legacy defined pension plan, which is fully employer-funded. Ms. Kemper reminded the Board that during the prior actuarial valuation cycle, the actuary had recommended a significantly higher monthly contribution, approximately \$33,000 annually, which would have resulted in a estimated 2% budget increase. At the time, the Board elected to fund the plan at 75% of the recommended level rather than adopt the full increase. Since then, investment market performance has been

stronger than anticipated. In 2023, following the pandemic period, the plan was approximately 82% funded. The current valuation shows the plan at approximately 96% funded, reflecting substantial improvement in funded status. Additionally, investment returns over the past six months have continued to trend positively, though future market performance cannot be guaranteed.

Ms. Kemper consulted with the actuary regarding the option of continuing contributions at the current higher rate. The actuary advised that maintaining the present funding level would place the Water Board in a strong position moving forward, providing a buffer against potential future market downturns. She further noted that the recommended contributions structure for fiscal years 2027 and 2028 would have no additional impact on the upcoming 2027 budget if current contribution practices are maintained. Recommended contributions from each actuarial review and the Board direction for each review year is as follows:

	<u>Milliman Recommended Asset Contribution</u>		<u>Board Adopted Asset Contribution</u>	
2011	11.49%	\$14,429	11.49%	\$14,429
2013	11.73%	\$12,105	11.73%	\$14,429
2015	13.34%	\$14,240	13.34%	\$14,429
2017	13.07%	\$16,835	13.34%	\$16,835
2019	14.49%	\$18,185	14.49%	\$18,185
2021	16.76%	\$10,169	14.49%	\$18,185
2023	15.90%	\$33,704	15.90%	\$25,278
2025	15.58%	\$20,124		

Accordingly, it was recommended that the Board approve the 2025 biennial actuarial valuation and adopt employer contributions at 15.9% of base pay, along with a flat monthly contribution of \$25,278, for fiscal years 2027 and 2028 to continue funding the Water Board's defined pension plan.

Mr. Solarz moved to approve the 2025 actuarial valuation and adopt 15.90% of base pay less overtime wages and continue the flat fee of \$25,278 per month to fund the Board's defined pension plan for the 2027 and 2028 fiscal years. The motion was seconded by Mr. Kilmer and passed unanimously.

Regarding cyber insurance coverage with Evolve Cyber Insurance Services LLC, Ms. Kemper reported that the Water Board's current cyber insurance policy is set to expire on February 20, 2026. Currently, the Water Boards' cyber coverage policy is in place with Coalition Insurance Solutions, Inc. The premium for the prior year was approximately \$7,000. During the renewal process, it was discovered that the revenue information used in prior renewals had been understated. Once corrected revenue figures were submitted, the renewal quote from Coalition Insurance Service increases to just over \$10,000.

In response to the significant increase, staff worked with Nasburg Insurance to explore alternative options. The proposals were presented for comparison. Although Coalition

Insurance Services remained an option at approximately \$10,012, staff reviewed an alternative proposal from Evolve Cyber insurance Services LLC, with a quoted premium of \$10,648.18. While Evolve's premium is approximately \$600 higher than Coalition's revised quote, she explained that the Evolve policy provides materially stronger coverage in several key areas. Specifically, the Evolve proposal includes lower deductibles, generally at approximately half the level of Coalition's policy, which would reduce the Water Board's financial exposure in the event of a claim. In addition, Evolve's policy includes breach response services with a \$50,000 sublimit and no deductible, whereas similar coverage under the Coalition policy would be optional and subject to additional premium. Ms. Kemper noted that breach response and phishing-related incidents represent some of the most common and growing cyber risks facing organizations today. The Evolve policy also provides more robust protection in areas related to cybercrime and phishing losses.

Ms. Kemper emphasized that the improved coverage and lower deductibles provide greater long-term value and better protection for the Water Board in light of increasing cyber threats. The budgeted amount for this coverage assumed continuation of the prior year premium of \$7,729. The difference of \$2,919.18 between the budgeted amount and the proposed premium will be paid from the active capital fund.

Mr. Kilmer moved to authorize the General Manager to accept the new contract and enter into an agreement with Evolve Cyber Insurance Services LLC, for data breach and cyber liability insurance in the amount of \$10,648.18 and pay the unbudgeted remainder of \$2,919.18 from the active capital fund. The motion was seconded by Mr. Solarz and passed unanimously.

The Board's next regular meeting was scheduled for Thursday, March 5th, 2026, at 7:00 a.m.

Updates were given as follows:

- SolarBee for Merritt Lake – the mixer has now been placed into service and is actively circulating water within the reservoir. While it's too early to definitively see a definite impact in water quality, staff see the installation of the mixer as a positive move for future raw water quality. Staff expect the system may effectively disrupt stratification and improve water quality conditions in the lake.

The mixer is installed in approximately 20 feet of water near the dam. It is positioned roughly 1.5 feet off the bottom to avoid sediment disturbance while still promoting effective circulation. It was noted that the unit is designed to maintain that clearance and adjust with normal fluctuations in lake levels. Merritt Lake is currently at spill elevation and is not expected to rise significantly. If water levels were to drop, the mixer is expected to remain properly suspended and operational. Overall, the early results are encouraging, and staff will continue monitoring raw water manganese levels and overall performance.

At 7:25 a.m. Chair Richardson directed they go into executive session for the purpose of discussing potential litigation pursuant to ORS 192.660(2)(h).

There being no other business to come before the Board, Chair Richardson adjourned the meeting at 7:58 a.m.

Approved: ___ March 5 _____, 2026

By: _____
Bill Richardson, Chair

ATTEST: _____