

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

Minutes
Regular Board Meeting

February 15, 2023
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 Bob Dillard presiding. Other Board members present: Dr. Charles Sharps, and Carmen Matthews. Board Members absent: Greg Solarz. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Jeff Howes, Finance Director; Bryan Tichota, Customer Relations Supervisor; Jeff Page, Operations Manager; and Karen Parker, Administrative Assistant. Board Legal Counsel Melissa Cribbins was present. Media present: None. Spencer Gordon of Nasburg Huggins Insurance Agency was present.

Chair Dillard opened the meeting at 7:00 a.m. and asked Mr. Matthews to lead the Board and assembly in the Pledge of Allegiance.

Chair Dillard asked if there were any corrections or additions to the February 2, 2023, Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Mr. Matthews and passed unanimously.

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

Mr. Thomas stated in recent weeks the Water Board's Distribution section have encountered and repaired eight water main breaks that took the call for duty above and beyond normal business hours each time. The main breaks were primarily due to a combination of factors that make the likelihood for breaks higher in certain times. Colder weather over an extended period combined with a recipe of pipe age, condition, and type increase the probability of leaks and breaks.

The eight main breaks, two of which were on major highways, prompted the crews to work outside normal business hours nine different times. Three of which required having staffing available to work nearly all night to repair the issues and restore service to customers. Mr. Thomas identified seven main breaks which occurred between December 1st through December 28th:

- Sherman Avenue – 30 man hours
- Broadway Avenue – 35 man hours
- Bayshore/Hwy 101 – 45 man hours
- Woodruff Lane- 18 man hours
- Virginia Ave/Sherman Ave – 37 man hours
- North 8th Street – 32 man hours
- South 4th Street – 30 man hours

Mr. Thomas recognized the Distribution Supervisor and each of the crew members for their outstanding performance in safely completing the repairs in less than desirable weather conditions while working to restore safe drinking water to Water Board customers. The Board of Directors complimented and thanked the Distribution Section for their outstanding performance.

Regarding the proposed renewal of cyber insurance coverage with Coalition Insurance Solutions, Inc., Mr. Thomas stated the Water Board's cyber insurance coverage expires on February 20, 2023. Nasburg Insurance has provided the renewal for this year. The Water Board purchased Cyber Insurance Coverage with Coalition Insurance Solutions, Inc. in 2022-2023 with limits of \$2,000,000 for a premium of \$4,796.62. The quote for the same coverage for the February 2023-2024 period is \$6,375.11. This coverage is included in the current fiscal year's budget. Staff requested Nasburg Insurance to obtain additional quotes.

Nasburg provided other quotes from cyber insurance providers and found the next closest company was Evolve which would provide comparable coverage for \$8,200 annually.

Cyber insurance premiums for all providers have increased over the years because of the increasing number of attempted breaching that occurs each year. Some factors that the insurance companies take into account are a continuation of the following circumstances:

- Increase in remote workers and electronic data being transmitted instead of in person transactions has made a better target for cyber criminals
- Decreased number of employees has led to complacency in other avenues of work, leaving companies vulnerable.
 - Emails being opened or responded to that were sent from hackers or phishers
 - Security and firewalls not properly monitored or updated
 - Companies prematurely installing or updating online portals to keep up with customer demand

Staff suggest renewal of the policy with Coalition for cyber insurance at the provided limits. The insurance provides assurance the Water Board has coverage in the event of a cybercrime that may compromise sensitive information. It also helps cover both first and third party financial losses in the event of a cyber-breach.

Dr. Sharps inquired why the coverage has increased so much from last year. Mr. Gordon stated he has seen large increases in cyber coverage. There are many more people working remotely making exposure in different ways to cyber attacks. Many more businesses are taking payments on line which creates additional exposure. Unfortunately, there are businesses that can't afford to have a dedicated IT service that is qualified to help them. Executech is a great company and are one of the best IT service providers in the area. Dr. Sharps asked if Nasburg found only one other company to provide Cyber insurance for \$8,200. Mr. Gordon stated there are other insurance companies that will provide Cyber coverage for less but the problem is the company will give you coverage for \$2,000,000 but if you have a ransom attack your coverage is only \$50,000 and they will lower limits on the remaining coverages. Coalition and Evolve are two of the best insurance companies in the industry at this time and are very comparable to each other. Nasburg Insurance continually researches Cyber insurance through other companies annually to make sure it is still competitive.

Motion was made by Dr. Sharps authorizing the General Manager to accept the renewal contract and enter into an agreement with Coalition Insurance Services, Inc. for Data Breach and Cyber Liability Insurance in the amount of \$6,375.11. The motion was seconded by Mr. Matthews and passed unanimously.

Regarding proposed Resolution No. 394 updating Section XI. Performance and Discipline; A. Employee Performance Reviews of the Water Board Personnel Policies and Procedures Manual, Mr. Thomas stated this section of the Personnel Policies and Procedures Manual is outdated and does not follow current practices and procedures for delivering performance reviews at each stage of employment with the Water Board.

The updated policy clarifies the outline for the review process and includes current best practices for performance review delivery. The updated policy includes the current practice of a work plan within the first 10 days of employment, specifies how and when annual performance review dates are due, explains differences in new hire trial dates versus transfer and promotional trial dates, further explains trial period extensions, and includes explanation of performance evaluations transfer in the trial period to the annual review date.

After a brief discussion, Mr. Matthews moved to adopt Resolution No. 394. The motion was seconded by Dr. Sharps and passed unanimously. The Resolution read as follows:

RESOLUTION NO. 394

A RESOLUTION ADOPTING REVISIONS TO THE COOS BAY-NORTH BEND WATER BOARD'S PERSONNEL POLICIES AND PROCEDURES MANUAL SECTION XI. – PERFORMANCE AND DISCIPLINE A. EMPLOYEE PERFORMANCE REVIEWS

WHEREAS, the Coos Bay – North Bend Water Board (hereinafter “Water Board”) is a joint instrumentality of the Cities of Coos Bay and North Bend, Oregon, organized and operated under the authority granted by the City Charters of Coos Bay and North Bend and ORS 225.050; and

WHEREAS, the Board of Directors of Water Board has the authority to adopt resolutions;
and

WHEREAS, the Water Board now finds it necessary to adopt amendments to Section XI; A.
– Employee Performance Reviews of the Water Board’s Personnel Policies and
Procedures manual; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
COOS BAY – NORTH BEND WATER BOARD AS FOLLOWS:**

1. The Water Board’s Personnel Policies and Procedures Manual, is hereby revised and amended as identified in Exhibit “A”, attached hereto and incorporated herein by this reference, and is hereby adopted as the revised “Employee Performance Reviews”.
2. It is the policy of the Board of Directors of the Water Board that the Personnel Policies and Procedures Manual is to be considered a document which is to be continually updated, to keep current with changes made to Oregon law and to provide a coherent framework for teamwork and success-oriented attitudes of Water Board employees.

Adopted the _____ day of February, 2023.

COOS BAY – NORTH BEND WATER BOARD

By: _____
Robert Dillard, Chair

EXHIBIT “A”

UPDATED POLICY

SECTION XI. PERFORMANCE AND DISCIPLINE

A. Employee Performance Reviews

1. **Purpose: Communication** - Employee performance reviews are an essential communication process between the employee and the immediate supervisor. Such reviews provide information relating to merit, identify areas of training needs, target the strengths and weaknesses of the employee's work performance, and measure the relationship between goals and objectives in the individual employee's productivity. The purpose of evaluations are to let employees know how well they are performing their job and whether they have performance problems.
2. **Goal: Form Desirable Behaviors** - The goal of the employee performance review process is to establish a pattern of expected work habits. The performance review process gives employees and supervisors an opportunity to review and establish goals, review or acknowledge good performance, create incentives, and to detect and correct improper behavior or activity and/or substandard work performance.
3. **Review Process** – After the probationary period, performance reviews shall be completed at least annually and in accordance with the instructions developed by the General Manager. All performance review forms will be reviewed by the division director and General Manager prior to delivering the evaluation to the employee. The employee and supervisor are required to sign the completed performance review forms. Completed and signed performance reviews will be placed in the employee's personnel file and become part of the personnel record. A copy shall be provided to the employee. If merit or step increases are due at the time of review, the supervisor shall request a payroll order form to be processed by instructions developed by the General Manager.

4. **Work Plan & Trial Period Review** - During the six-month trial period, employees will receive a Work Plan within 10 days of employment. Employees will participate in goal-setting reviews as often as appropriate and will be evaluated in three (3) performance/progress reviews before being considered for regular employee status. These performance reviews shall be at the 3, 5, and 6 month period in accordance with the instructions developed by the General Manager. If the employee's trial period is extended or an alternate review schedule is set, it shall be done in writing with written notice given to the employee.
5. **Pay and Probation Recommendations** – At the 6 month mark, a recommendation for a merit or step increase can be made upon successful completion of the employee's trial period and passing the employee in to regular employee status. If the employee fails to satisfy the goals and objectives set in the trial period and/or violates Water Board policy, the trial period may be extended for up to six additional months or the employee may be terminated as more fully set forth in Section 6.
6. **Trial Period Extensions & Discipline for New Hires** - The General Manager can extend the duration of the trial period at his/her discretion or may terminate employment at any time during the trial period for any reason per Section II; G; of the Water Board Personnel Policies and Procedures. This process is only for new hires and does not apply to the transfer or promotion of an employee from one position to another internally.
7. **Reviews Process for Transfers & Promotions** – Employees who are transferred or promoted will receive a Work Plan within 10 days of employment. Employees will participate in goal-setting reviews as often as appropriate and will be evaluated in three (3) performance/progress reviews. These performance reviews shall be at the 3, 5, and 6 month period in accordance with the instructions developed by the General Manager. The employee's annual performance review date will remain the same unless otherwise specified in writing at the time of transfer or promotion.
8. **Supplemental Evaluation** - A supplemental performance evaluation may be submitted on any occasion deemed appropriate by a supervisor, division head, or the General Manager.

Mr. Thomas stated he would like input from the Board of Director's on the purchase of a generator for the Water Board Service Center and a timeline for purchase. The amount of \$60,000 is included in the current fiscal year's budget for a generator, however more funds are needed. Staff has looked into the cost of a generator that would run the entire building, including installation, and found the cost to be approximately \$200,000.

Dr. Sharps asked if the generator at the Treatment Plant is big enough to run the Service Center. Mr. Thomas stated it is not big enough and is only for the Treatment Plant to run the pumps.

Mr. Dillard asked when the generator was purchased for the Treatment Plant. Mr. Thomas stated it was purchased in 2012. Mr. Dillard inquired how many times power has been lost and for what length of time. Mr. Thomas stated over the last seven years there has been approximately five power outages. The longest period of time was about two days. On other days the outages have been anywhere from half a day or longer. The biggest issue for staff is not being able to answer customer calls and communicate with the public.

Mr. Thomas commented staff and customers use their cell phones if they are able. If a water main break occurs it makes it difficult for staff.

Mr. Matthews asked Mr. Thomas if he sees any potential loss of services that are missing when the power outages are happening. Mr. Thomas stated mainly it is the ability to communicate with customers. Customer Relations Supervisor Bryan Tichota commented when power outages happen it is pretty much a scramble in their section. They have a couple of extra cell phones to put in service so there is the ability to communicate to some degree.

Mr. Dillard stated it is hard to justify \$200,000 for a generator. Mr. Matthews commented what happens if the Water Board has an extensive power outage. Mr. Dillard said he is just basing it on the history of outages.

Mr. Matthews inquired how does work coordination occur if the Service Center doesn't have power. Mr. Thomas stated work gets done. The Distribution Section works steadily and the generator keeps the Treatment Plant running.

Mr. Dillard asked what size the generator is that staff has looked into. Mr. Thomas said he didn't have the information on hand but one big enough to be able to run everything at the Service Center.

Mr. Matthews commented if we do have some kind of natural disaster, tsunami or earthquake, the Service Center would become the general command control so it would be imperative that we have power and services to continue to run operations as usual. Mr. Matthews said spending \$200,000 for natural disaster planning is within reason. Mr. Thomas agreed the Service Center would be the central command. Staff had Dyer Partnership research to advise on the size of generator needed.

Dr. Sharps commented he would like to discuss this at the next Board meeting when all Board members are present as it is a large sum of money. Mr. Thomas stated if the Board decides they don't want to spend this amount of money for a generator now, the utility can budget funds and wait to purchase in another two to four years.

Mr. Matthews asked if there is any benefit in looking into solar installation with a battery backup storage as there may be incentives through the Energy Trust of Oregon for this. Mr. Thomas stated staff could check into this.

It was the Board's consensus to further discuss this matter at a later date when all Board members are present.

Updates were given as follows:

- Water Treatment Plant Operator – Advertisements have been posted with a first consideration date of March 10, 2023.

The Board's next regular meeting was set for Thursday, March 16, 2023, at 7:00 a.m.

At 7:30 a.m. Chair Dillard 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 7:40 a.m. There being no other business to come before the Board, Chair Dillard adjourned the meeting at 7:40 a.m.

Approved: _____, 2023

By: _____
Bob Dillard, Chair

ATTEST: _____