

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

Minutes
Regular Board Meeting

February 2, 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, Greg Solarz and Carmen Matthews. Board Members absent: None. Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Supervisor; Jeff Howes, Finance Director; Bryan Tichota, Customer Relations Supervisor; Jeff Miller, Treatment Plant 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. Whitty to lead the Board and assembly in the Pledge of Allegiance.

Chair Dillard asked if there were any corrections or additions to the January 5, 2023, Regular Board meeting minutes. Dr. Sharps moved the minutes be approved as written. The motion was seconded by Mr. Solarz and passed unanimously.

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

Spencer Gordon of Nasburg Huggins Insurance Agency was in attendance to present the 2022 Water Board's CIS Membership Report.

The Water Board's insurances are coming due in June 2023 and Nasburg Huggins will be reviewing all information prior to renewal. The CIS membership report shows a good breakdown of information as far as where the Water Board is and summary of coverages. CIS will be holding a conference in February and at that time Nasburg Huggins will obtain additional information regarding what the renewals are going to look like and percentage increases.

The Board has been with CIS for 36 years, and they are a good carrier. CIS is a trust provider of insurance with other cities, municipalities and counties. Money gets pooled together within that trust and then goes out to pay any claims. The great part about being part of the trust as compared to other carriers is that rates do not typically increase with every claim. With a traditional carrier if you have too many claims then your rates really start to hike up and as an individual you now become a high risk within that carrier, which may result in cancellation of coverage.

Nasburg Huggins administers the Water Board's General Liability, Auto Liability, Property Coverage, and Workers Compensation coverage. Dr. Sharps asked what would follow under excess liability coverage. Mr. Gordon stated once the general liability amount of \$5 million is exhausted, that is where the excess liability would come into play and additional coverage could be obtained for higher limits.

Mr. Gordon reviewed the breakdown of where the Water Board is with the covered exposures in FY22-23, the CIS pool averages and also reviewed CIS Services by the numbers for FY2021-22.

Mr. Gordon stated the learning center is one of the great benefits offered through CIS. Employees can get trainings inside of a learning center, and at no cost. The Risk Management department will actually come on site and offer trainings as well upon request. The defensive driver training is one Mr. Gordon spoke with staff about contacting Risk Management for a training in person because of past claims that have occurred.

A breakdown on the risk management member activity was reviewed and Mr. Gordon focused on the Best Practice Surveys. The Water Board is a little bit above the average on both the General Liability Best Practices survey and the Cyber Survey. Nasburg Huggins has copies of these if staff or the Board would like to review. They give good information as far as where to ask questions on liability and cyber, and plans of action.

Loss Comparisons were reviewed showing a 5-year loss history. The Water Board's loss ratio right now is averaged at 15%, which is actually not a bad loss ratio. Usually with CIS, 30% is when it starts to become a red flag. Being at 15% is where the Water Board wants to stay. Some of the Water Board's previous larger losses were on the property side. There have been increases on the auto side, and the defensive driving will come into play on this.

Mr. Gordon stated they just received workers compensation information projected for June. Currently the modification factor is at .76 and is going to increase to .90. A modification factor is a calculation that plays into how many claims we have had, how many claims that have been paid out and frequency of claims; 1.00 being the average for our industry. Anything below that means we're doing a little bit better than the industry average. Being at a .76 is really good. Going to a .90 is something we need to pay attention to but we're still below the average. With the data that just came out, the rate increased due to a claim just reopened recently and Mr. Gordon will be contacting SAIF to obtain more information.

Cyber coverage is coming up for renewal on February 20. Staff are soliciting quotes and will report to the Board at the next Board meeting.

The Board thanked Mr. Gordon for his presentation.

Regarding staff's request for Section and Lead Credit Card for Purchases, Finance Director Jeff Howes stated staff has been reviewing current purchasing processes and recommending changes to promote efficiencies. Staff proposes to provide credit cards in some sections to promote time saving for the purchasing process.

Currently, the Water Board has two credit cards and section directors, managers, and leads have to get a purchase order, then go to the Accounting Department to check out one of the two credit cards to make their purchases. This is very time consuming, not only for the sections, but also for accounting staff.

In addition to the current Water Board process and procurement limits, staff suggests the following cards and limits:

	Daily spending limits	Monthly card limits
Matt Whitty	\$ 3,000	\$ 5,000
Jeff Page	\$ 3,000	\$ 5,000
Jeff Miller	\$ 2,000	\$ 3,000
Bob Backman	\$ 2,000	\$ 3,000
Rick Abbott	\$ 2,000	\$ 3,000
Jason Mills	\$ 2,000	\$ 3,000
Bryan Tichota	\$ 2,000	\$ 3,000
Total Credit limit		<u>\$ 25,000</u>

Staff has attempted to collaborate with the utility's current banks to see who would have the best internal controls available from a local government standpoint. The local manager at Banner Bank has provided convincing evidence that they are able to issue credit cards with an online portal to provide good internal controls of the above cards.

Mr. Solarz inquired if these credit cards would be used for purchasing items that staff buy ordinarily at the same place of business or are these just for random purchases from any vendor. Mr. Thomas stated these purchases could be made online, or at a store where the utility does not have an established account. In the event an item is needed on the weekend, staff would be able to utilize the card as long as the purchase was not over the daily limit. Mr. Thomas stated this is a common practice and there are internal Standard Operating Procedures in place.

Dr. Sharps commented he doesn't approve of this when the current system in place and works and asked how much time is lost. Mr. Howes stated the current procedure is not efficient and would save time.

Mr. Thomas stated the limits set are within the utility's purchasing policies and rules. Every purchase is tied to a name and there is an online portal that can be monitored.

After a brief discussion, motion was made by Mr. Matthews authorizing the General Manager to sign the Banner Bank Credit Card application and establish an account for the credit cards with a credit limit not to exceed \$25,000 total for all cards. The motion was seconded by Mr. Solarz and passed unanimously.

Regarding the proposed Virginia Avenue Sidewalk Replacement, Engineering Supervisor Matt Whitty stated on December 8, 2022 the utility experienced a large main break on an 8-inch diameter cast iron main in Virginia Avenue just East of the intersection with Highway 101 Northbound. Damage from the break included 600 square feet of subgrade and pavement and nearly 1,000 square feet of uplifted sidewalk including the driveway approach to the old State office building.

Following the break staff mobilized Knife River Materials for immediate repair of the pavement as it was in a high traffic area. A final invoice has not been received, but the cost for pavement replacement is approximately \$9,000.

With the pavement stabilized, an estimate has now been obtained for replacement of the sidewalk from Greg Brock in the amount of \$12,895. The scope of work does not include demolition and rough grading. This prep work will be accomplished by Water Board staff. Funding for the work would come from the active capital fund.

Due to a desire to quickly replace the sidewalk staff did not solicit quotes from outside the area. Greg Brock is the only local contractor who carries the required insurance to do the job. His price of approximately \$13/sq.ft. (including the thicker driveway approach in the average) is fair and compares well with previous smaller sidewalk jobs he did for us at \$16.65/sq.ft.

The quoted price requires Board approval for sole sourcing because it exceeds the maximum of \$10,000 that could be approved by the General Manager.

After a brief discussion, motion was made by Dr. Sharps approving the sole source of the Virginia Avenue Sidewalk Replacement at a cost of \$12,895 plus a contingency of \$2,000. The motion was seconded by Mr. Matthews and passed unanimously.

Updates were given as follows:

- McDaniel Street Water Main Replacement – Paving is done and the project is complete.
- Grinnell Lane Pump Station Improvements – Design was submitted to the State and accepted. Review of pump station is complete and approved so construction will begin soon by in-house crews.
- Pavement Patching – Knife River has completed the patching in several areas where they were previously contracted to do so.

- Shorewood – A letter was sent out to all Shorewood residents and to date there has been no feedback.

The Board's next regular meeting was set for Wednesday, February 15, 2023, at 7:00 a.m.

At 7:45 a.m. Chair Dillard 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). They returned to open session at 7:57 a.m. There being no other business to come before the Board, Chair Dillard adjourned the meeting at 7:57 a.m.

Approved: _____, 2023

By: _____
Bob Dillard, Chair

ATTEST: _____