

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

Minutes
Regular Board Meeting

February 1, 2024
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 Greg Solarz presiding. Other Board members present: Rob Kilmer, Bill Richardson (virtually) and Carmen Matthews (virtually). Water Board staff present: Ivan D. Thomas, General Manager; Matt Whitty, Engineering Manager; Jeff Miller, Water Treatment Supervisor; Karen Parker, Administrative Assistant; and Vince Stonesifer, Field Services Technician (virtually). Melissa Cribbins, Board Legal Counsel was present. Media present: None. Paul Nielson, Isler CPA was present (virtually); and Spencer Gordon of Nasburg Insurance was present.

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

Chair Solarz asked if there were any corrections or additions to the January 18, 2024 Regular Board meeting minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Mr. Kilmer and passed unanimously.

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

Paul Nielson of Isler CPA was present virtually to review the contents of the completed financial audit of the Board's accounting system for the fiscal year ended June 30, 2023.

Mr. Neilson stated there are certain items which the auditor is required to communicate to the Board. One is the auditor's responsibility. The biggest point with that is even though Isler CPA drafts the financial statements for the Water Board, this is a non-audit function and they are management's responsibility. In the auditor's opinion, Isler states there are no material misstatements in the financial statements which means they are saying if there is an error in this report it is small enough if someone were to read it and make a decision on this report that error would not affect that decision.

There are no significant findings in the report; no significant difficulties encountered during the audit; and no corrected or uncorrected misstatements. The internal controls for the Board are operating as designed and regulations are being complied with. No material mistakes or deficiencies were noted.

There have been no significant disagreements with management and as far as Mr. Nielson is aware management did not consult any other auditors and ask about audit-related issues, and no other findings or issues. Mr. Neilson stated the audit went very well. Mr. Neilson asked if there were any questions. There were none.

After a brief discussion, Mr. Kilmer moved to accept the Fiscal Year 2023 financial audit and statements as completed by Isler CPA. The motion was seconded by Mr. Matthews and passed unanimously.

Regarding the proposed renewal of Cyber Insurance Coverage with Coalition Insurance Solutions, Inc., Interim Finance Director Monica Kemper stated the Water Board's Cyber Insurance Coverage expires on February 20, 2024. Nasburg Insurance has provided the renewal for this year. The Water Board purchased Cyber Insurance Coverage with Coalition Insurance Solutions, Inc. in 2023-2024 with limits of \$2,000,000 for a premium of \$6,375.11. The quote for the same coverage for the February 2024-2025 period is \$7,025.73. This is approximately a 10% increase from last year, which staff included in the current fiscal year's budget.

As was discussed when the renewal came up last year, 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 the Water Board renew its policy with Coalition for cyber insurance at the provided limits. The insurance provides assurance that we have coverage in the event of a cybercrime that may compromise our sensitive information. It also helps cover both first and third party financial losses in the event of a cyber-breach.

Mr. Thomas asked Mr. Gordon of Nasburg Insurance if he had any additional information. Mr. Gordon stated he did go out and check with other carriers. They received a quote from Cowbell Insurance. Cowbell's quote was lower, but the problem is there are different coverages that were not in their quote that are in Coalition's quote. The biggest one is the breach response. With Coalition, breach response is a separate limit of \$2,000,000. What breach response covers is essentially everything with a cyberattack such as paying ransomware, covering credit monitoring, negotiating with the cyber criminals, and a legal team that is assigned to your case. Cowbell does not provide this coverage in their quote.

After a brief discussion, Mr. Kilmer moved to allow 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 \$7,025.73. The motion was seconded by Mr. Matthews and passed unanimously.

The Board's next regular meeting was set for Thursday, March 7, 2024, at 7:00 a.m.

Updates were given as follows:

- Sale of Crane – The crane was advertised for sale on Oregon Buys. The bid started out in the amount of \$7,500 and sold for \$19,100.
- Upcoming Timber Sale Area in close proximity to the Service Center – Garrett from Stuntzner Engineering took a look at the trees in question at the Service Center and stated the trees would be susceptible to windthrow. Staff concur with this as many of the trees are in reach of cars. Mr. Solarz asked about the trees behind the shop. Mr. Whitty stated those trees would also be taken out.

At 7:17 a.m. Chair Solarz directed they go into executive session for the purpose of discussing potential litigation pursuant to ORS 192.660(2)(h).

The Board returned to open session at 7:25 a.m. There being no other business to come before the Board, Chair Solarz adjourned the meeting at 7:25 a.m.

Approved: _____, 2023

By: _____
J. Gregory Solarz, Chair