



BOARD OF WATER COMMISSIONERS MINUTES

Wednesday, April 21, 2021

Via teleconference

The regular meeting of the Medford Water Commission was called to order at 12:15 p.m. on the above date via teleconference with the following commissioners, staff, and guests present:

Chair Jason Anderson; Commissioners Daniel Bunn, Michael Smith, and Bob Strosser; Commissioner John Dailey was absent

General Manager Brad Taylor; Executive Administrative Coordinator Yvette Finstad; Finance & Administration Services Director Tessa DeLine; Information Technology Manager Kris Stitt; Human Resources Manager Tanya Haakinson; Water Meter & Controls Supervisor Ken Johnson; Capital & Special Projects Coordinator Andy Huffman; Water Treatment & Quality Director Ben Klayman; Interim Engineering Supervisor Brian Runyen; Senior Engineer Rachel Lanigan

Guest(s): Attorney Mark Bartholomew; Tanea West Browning; Medford Council Liaison Tim D'Alessandro*; Alex Brown (*Left early)

2. Comments from the Audience

None.

3. Approval or Correction of the Minutes of the Last Regular Meeting of April 7, 2021

The Chair put forth the question on approval of the minutes of the last regular meeting. The minutes were approved by general consent.

4. Butte Falls Community Forest Support

The Governor's Office and Oregon Solutions are working with the City of Butte Falls (City) to purchase 430 acres of forested land surrounding Butte Falls known as the Community Forest Project. The Oregon Solutions team has asked for a letter of support and \$6k contribution from MWC, as the BBS pipelines and associated easement runs through this area. Support for this project would allow MWC to continue and enhance the good neighbor relationship that has been developed. Commissioner Anderson asked for verification that our easement would not change; per Klayman, there would be no impact to the easement. We would be working with a local jurisdiction that would own the land rather than a private landowner. Commissioner Strosser added that this is a good project that he is familiar with from his time at the County. Commissioners authorized staff to proceed with the letter and contribution.

5. HB2616 Discussion

General Manager Taylor informed board members that HB2616 (Carey Pond/Reservoir) did pass the House floor vote and will move to the Senate Committee on Natural Resources and Wildfire Recovery, chaired by Senator Jeff Golden. One question that continues to come up is the location of this reservoir relative to others for firefighting purposes: it is 4.5 miles from Indian Lake Reservoir and 6.7 from Lost Creek Reservoir, with multiple other reservoirs/ponds in the area. Some of our water rights are restricted based on flow targets in the Rogue River, so unauthorized storage of water from BBS results in injury to MWC in terms of future withdrawal scenarios. It also compromises our long-term abilities around drought and resource protection. This reservoir directly prevents water from running down into the watershed and river.

Senator Golden asked for input based on what County Commissioner Roberts sent to him, wherein she focused on the issue of drought and removing stored water reserves that could be used during fire season. She has also commented that she would be approaching the City of Eagle Point. Commissioner Strosser's response noted that while at the County as a commissioner, the biggest single problem is lack of aerial assets rather than access to water. In fact, Eagle Point

is closer to Indian Lake than Carey Pond. The Watermaster has confirmed that the responsibility to advertise the 1993 registration was exercised and gave ample opportunity to participate, although Carey Pond does not meet any of the engineering requirements for its size (10' dam, impounding over 11 acre feet of water) for registration, and does not have an outlet to let water out. The bill is currently not scheduled for a hearing; it is up to the chair to determine. The rest of the committee members will be contacted and provided with information on our position.

6. Review of Vouchers

Commissioners reviewed the vouchers; no questions were received.

7. Management Reports

7.1 Engineering Report (Capital & Special Projects Coordinator Andy Huffman)

- Duff 65 MGD
 - Ozone equipment procurement – Notice to Proceed has been issued, and the project kickoff meeting with Suez occurred this morning.
 - Ozone Installation Construction – Design/Bid/Build; will advertise mid-July
 - Relocated Entrance bid opening yesterday; Knife River Materials \$517,800, JRT, Inc. \$515,000. Apparent low bid is JRT, Inc.
- Transmission Mains – Scope and Fee has been reviewed; staff is considering options for streamlined delivery of this work
- Coker Butte Reservoir – Staff is entertaining various consultants in preparation for RFP
- Reservoir Baffle/CT time tracer study for OHA occurring in May
- Pilot Filter skid for piloting of new filter process; shop drawings in review
- Ozone Construction – 90% plans are due for review by MWC in June; MWC is considering options to expedite long lead times
- Raw Water Pump Update – Raw Water Pump #3 has been reinstalled. During startup operations, MWC staff and the installer noted an issue with the impeller shaft. Diagnostic investigations have demonstrated the need to remove Raw Water #3 for further investigations. It was removed this morning and Perrine will evaluate and get back to us with recommendations. Raw Water #4 and #5 have been reinstalled and are functioning properly. Current nominal pumping capacity at RW is 54 MGD.

7.2 Operations Report (Water Meters & Controls Supervisor Ken Johnson)

- Pump Station Pump & Motor Evaluation – Perrine Electric (Contract) performs annual evaluation of pumps and motors. They will evaluate findings, correct pump/motor problems where possible (rebalancing-to reduce vibrations), and implement a pump motor rebuild schedule based on findings. A table of all MWC pumps and motor locations was provided; there are 39 Pumps/Motors in total. Current maintenance activities will be part of the future asset management of our facilities.
- Archer Pump Station – Pump pulled from station on April 15, 2021 for evaluation and repair. Solicited quotes for Pump # 2 priority repair. Perrine Electric awarded contract to rebuild pump and motor; \$17,811 and up to \$27,431 if impeller is needed. FY22 proposed Budget has money allocated for pump/motor rebuilds based on condition and criticality to ensure system reliability.
- Big Butte Springs Line #1 Air in Water – Since March 18, BSS Line #1 has been experiencing air in the water. The problem has not risen to the level of receiving any customer complaints. Staff continues to evaluate pipeline operations, and this week is performing high-level hands-on field investigation of the many air valves between Coal Mine Station to Nichols Gap North of Eagle Point.

7.3 Water Treatment/Quality Report (Water Treatment/Quality Director Ben Klayman)

- Treatment plant activities are ramping up and record production continues.

- Seasonal algal toxin sampling to begin in May, along with the Reservoir Tracer Study and Filter Pilot Study.
- Compliance with water quality regulations is 100%.
- Watershed – Unit 202 currently being thinned and piled; operation by Grayback following Lomakatsi prescription. Forest Service currently conducting prescribed burning nearby. The next Rogue Drinking Water Partners meeting will take place April 28.

7.4 Finance Report (Finance & Administration Services Director Tessa DeLine)

- Insurance Agent of Record – Payne West of Medford was selected as the Commission's Agent of Record. We will meet Thursday to get acquainted and to discuss the insurance needs of the Commission. This is our first Agent of Record change in 35 years.
- Payroll Services – We are getting closer to selecting a payroll services solution.
- Audit Services RFP – Due date is 2:00 pm on April 28th, 2021.
- Water District Water Rates – \$400K transfer to Future Water Rights was inadvertently included in the calculation for Water Districts resulting in higher rate. We caught this prior to billing the districts and will have HDR recalculate the rate. This will be resolved as soon as possible. This will be brought back to the Board formally, by resolution.

Commissioner Anderson queried DeLine on whether this will necessitate refunds; DeLine confirmed it was caught prior to billing.

- Investments – We have a \$749K investment maturing on Thursday. Staff agreed with Government Portfolio Advisor's proposal to split the maturity and to re-invest into three Treasury securities. The split of the maturity was recommended in order to continue to diversify the portfolio's maturity and to allow for more liquidity and reinvestment opportunities going forward.

7.5 I.T. Report (Information Technology Manager Kris Stitt)

- Project Updates – The City migrated the phone system from ShoreTel to Mitel last night; new client software, same phones.
- Meter Project – Data collection
- Migration to Azure Active Directory – Provides backup authentication site and allows for the further deployment of Multi-Factor Authentication. Remote password reset, Mobile Device Management, Single Sign-On.

7.6 HR Report (Human Resources Manager Tanya Haakinson)

- Training – Forklift Operation via SAIF and our Forklift TTT Mark Hunter on May 5 and 6. 3 from Service Center for initial classroom/hands-on training and testing, and the remaining Service Center crews will cycle through for recertification training. Initial Training/Recertification is valid for 3 years, and is documented in BasicSafe.
- Recruitment – Service Center: Utility Person I (not new position, but a refill) new hire Dalton Lester will start May 3. This brings our total employee headcount to 63.

7.7 General Manager's Report (General Manager Brad Taylor)

- WIFIA Application Update – We have received our preliminary Bond Rating Letter from S&P: "AA" Rating received. This will meet WIFIA criteria. Favorable factors behind this rating include: stable customer base, projected debt service ratio above 2.0, liquidity relative to unrestricted cash and investments, demonstrated willingness and ability of the Board to increase rates to meet needs; robust financial and capital planning, formalized debt policies, and anticipated fund target balances. Offsetting factors include exposure to wildfire during drought, which could impact revenue, and economic fundamentals such as median income and slightly higher unemployment and County poverty rate; projected rate increases could put pressure on affordability based on these factors.

- Update on Water Districts – Charlotte Anne and Elk City are going through Oregon Health Authority, Drinking Water Program (OHA-DWP) process to be classified as Purchasing Water Systems. New classification comes with additional sampling, reporting, and oversight, and opens doors for State and Federal support programs. Existing contracts do not address this issue so they will need to be updated in the future.
- Campus Property – Delivered Letter of Interest, and an appraisal is being conducted as the first step in the process. Verified planned facility would work with site size and constraints. Developed some conceptual images of layout.
- Upcoming Board Schedule – 5/5 Annual Budget Part 1 & Development Policy Review/Discussion, 5/19 Annual Budget Part 2

8. Propositions and Remarks from the Commissioners

Commissioner Anderson thanked Commissioner Strosser for his work on HB2616. Regarding charging developers in advance for plan review (as mentioned in the Study Session), Commissioner Bunn remarked that the collection of payment can sometimes hold up review, and recommended that as we design the process we should be careful to ensure it is not an impediment. Interim Engineering Supervisor Runyen noted that the current review process is also sped up by being entirely electronic, as necessitated by the pandemic.

9. Adjourn

There being no further business, this Commission meeting adjourned at 1:07 p.m. The proceedings of the Medford Water Commission meeting were recorded and are on file along with the complete agenda of this meeting.

Yvette Finstad
Assistant Clerk of the Commission