



WATER COMMISSION BOARD MEETING MINUTES

Wednesday, August 19, 2020 – 11:30 a.m.

Via teleconference

The regular meeting of the Medford Water Commission was called to order at 11:32 a.m. on the above date via teleconference with the following commissioners, staff, and guests present:

Chair Daniel Bunn; Commissioners Jason Anderson*, John Dailey, Greg Jones (*Joined as noted)

General Manager Brad Taylor; Executive Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Information Technology Manager Kris Stitt; Water Meter & Controls Supervisor Ken Johnson; Water Treatment & Quality Director Ben Klayman; Finance & Administration Services Director Tessa DeLine; Human Resources Manager Tanya Haakinson

Guest(s): Attorney Mark Bartholomew; Central Point City Manager Chris Clayton

2. Comments from the Audience

Central Point City Manager Chris Clayton thanked General Manager Taylor for sending out information last week regarding hot weather predicted for the weekend and potential supply issues; the notice allowed them to notify their customers and make operational changes, being mindful of the regional supply.

*Commissioner Anderson joined the virtual meeting at 11:33 a.m.

3. Consent Calendar

3.1 Approval or Correction of the Minutes of the Last Regular Meeting of August 5, 2020

3.2 Resolution No. 1750, A RESOLUTION Providing for the Collection of a Proportionate Share of the Cost of a Water Main Construction on Hart Avenue From Agate Street Approximately 400 Feet North of Agate Street From Property Owners Benefitting Thereby at the Time of Use of the Said Water Main and Providing for the Payment of the Sums so Collected to Horton Homes, Inc., Installer of Said Water Main

The Chair put forth the question on the adoption of the Consent Calendar.
The Consent Calendar was adopted by voice vote.

4. Items Removed from Consent Calendar

None.

5. Review of Vouchers

Commissioners reviewed the vouchers; no questions were received.

6. Management Reports

6.1 Engineering Report (Principal Engineer Eric Johnson)

- Rancheria UV Facility – Interior piping and installation of the UV unit is complete and electrical installation is underway. The target date for startup and testing is August 31st.

Commissioner Bunn inquired if the reactor is protected by a UPS in case of power fluctuation. Johnson replied that the UPS serves as a backup for the controls, it does not run the pumps. Johnson responded to several questions from Commissioner Dailey about the UV unit: the cost of the unit was approximately \$80k and staff expects to be able to flow 2 mg through it, but will have to refer to the equipment

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specifications to determine how much power it will consume. Commissioner Dailey also asked for confirmation that the unit is not on the backup power generator; Johnson confirmed that the backup power maintains the controls, so that the instrumentation can relay the message that something has occurred. When there is a power failure, the actuated valve, the reactor, and the pumps shut down. Commissioner Jones asked about the UV bulb life; Water Treatment & Quality Director Klayman estimated it to be 3-5 years. Klayman noted that this UV treatment was not deemed required by the State and there is no regulatory requirement for it in this case. If there was a requirement, it would mandate that the UV application be operational 95% of time, so we would be covered for short periods such as power outages. Johnson clarified that the State did require the rebuilding of the intake and allowed us to use UV treatment as an alternate solution.

- Duff WTP 65MGD Expansion – The Project Criteria and Goal Technical Memorandum (TM) has been received and is being reviewed by staff, the Ozone TM has been reviewed by staff and returned to Jacobs, and the reservoir evaluation is underway, with the TM due this month. The Hydraulic Modeling TM is also due this month. Filter Testing Plan field testing is in progress, and the Table Rock Road concept design has been submitted.
- WQIP – Black and Veatch to deliver 98% plan and specifications for the project by August 20th. It is currently on track for bidding in November. The engineering kickoff meeting has been held and design is under way for the new point of entry; the Type II planning application is being compiled for submittal to Jackson County.
- Lagoons – The footings and walls have been poured, and the interior grading and piping is underway, as is the exterior piping for the decant structures.
- Flagpole at Duff WTP – Johnson noted that there is not currently a flagpole at Duff WTP and proposed the installation of one. Staff has reached out to consultants and contractors currently working on projects at the plant, and they have volunteered to contribute the flagpole, a monument with bronze plaques and flatwork, at no charge to the Commission. Approval from the Board is necessary since it would require alteration to an existing building.

Commissioner Dailey supported the proposal and asked if the plaque should be tied into the Commission's centennial date rather than the date the plant was completed; Commissioner Bunn stated that it makes more sense to tie the Centennial into our new headquarters facility, and advised staff to make sure to comply with state laws regarding flag displays. Board members gave the thumbs up to proceed with the project, and Taylor reaffirmed that the rules for flag displays will be verified.

6.2 Operations Report (Water Meter & Controls Supervisor Ken Johnson)

- Fiscal Year 19/20 Fleet Vehicle Update:
 - Large Meter Truck - 2004 Ford F-350 replaced by a 2020 Ford F-550
 - Locate Vehicle - 2013 Ford F-150 replaced with Ford Escape Hybrid (37/44 MPG)
 - Engineering Tech Vehicle - 2008 Ford F-150 4x4 replaced by 2020 Ford F-150 4x4
 - Water Quality Truck - 2006 Ford F-150 4x4 replaced by 2020 Ford F-150 4x4
 - Crew Truck - Service body from 2016 F-450 truck repurposed as a permanent platform for WACHS valve exercising machine and placed on 2020 F-550 chassis.

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

- Big Butte Springs operating and pipe and a half capacity; at no point during this water year has the springflow level exceeded the amount necessary to fill both pipes. The target startup of Rancheria is planned for August 31, but even so, it does not appear likely that levels will allow us to fill both pipes.
- Finished water production from the Duff WTP since the middle of June has been climbing steadily, along with total system demand. The plant has to produce an extra approximately 6 mgd to make up the difference between demand and springflow, and August 14 set a new record for daily production of just over 38 mgd. Good preparation allowed for flexibility to get through the warm weekend and increased demand.
- Compliance with water quality regulations is 100%.

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

- DeLine compared 2019 water utility cash receipts to 2020 calendar year to date; 2020 numbers are expected to be higher due to increased lag time in deposits to resulting from COVID-19 precautions, and mail delivery delays.
- Water accounts receivable aging figures for 2019 and 2020 were also compared; DeLine noted that total AR for 2019 is \$1.1M and \$1.7M for 2020. At least four scenarios could impact AR for 2020: the slowdown of cash receipts, increased water usage for July and August, rate increases that took effect in March, and the financial toll of COVID-19 on our customers.
- Closed accounts to collections – staff will be testing the collections process on closed accounts next week while running testing for the version 4 upgrade of our billing system.
 - There are currently 566 closed accounts, for a total of \$26,065; the minimum amount to be sent to Collections is \$25.01 per account.
 - Pre-COVID-19, Southern Oregon Credit Service had a 57.6% recovery rate, following up on a question from the last meeting.

Commissioner Bunn questioned if the recovery rate included or excluded the fee charged by the collections service. DeLine predicted that the number included their fee; she will provide more information on the topic as the process moves forward.

- A bill for a closed account does not go to Collections for 90 days.
- Other Finance & Administration current activities:
 - Running parallel systems for testing CIS version 4 through August 25. This requires double data entry processing for CSR's and Billers.
 - Compiling nearly \$122K in expenses for reimbursement from CoronavirusReliefFund for COVID-related activities incurred; the expected reimbursement rate is 75%.
 - Working on 2019-2020 Year End Statements and Audit preparation.

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

- Billing system upgrade – Entered the final testing phase last week, which is going well; will run parallel systems for two weeks. Stitt thanked the CSR staff for their work.
 - Next Steps – after testing, any last-minute issues will be cleaned up, and the final data conversion begins September 11 at 5:00 p.m.; on-line services for customer service website and IVR system will be offline over the weekend, and the new system will go-live on the morning of September 14.

6.6 HR Report (Human Resources Manager Tanya Haakinson)

- Health Care Review Team – The project is complete; next steps will be HRA education and completion of final details before the team recommends a healthcare option.
- HR Compensation Review – Continuing to work on Equal Pay Act process and related items; it requires a lot of data entry and pulling info from files.
- Safety Committee – The committee is moving forward with training, policy updates/additions, and safety award alternatives since we can no longer have safety lunches due to COVID-19.

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

6.7.1 Q4 FY19-20 Summary Report

- Fiscal Year 19/20 Metric Highlights:
 - Fire hydrant inspections – High number of inspections is representation of increased effort on maintenance of water infrastructure. The goal is to do all hydrants in a two-year time.
 - Valve exercising – Valve exercising is targeted to be completed once every three years; attaining equipment for efficiency and safety, and hope to make up ground in the coming year. Summer interns have been brought on to help.

- Air valve maintenance – Malfunctioning valves can contribute to main breaks and other system failures. This fiscal year our annual goal to reach all devices once every two years. Have calibrated with AWWA guidance regarding the schedules of such procedures, but it is generally specific to each system.
- Protecting Water Quality – There has been a higher than normal repair rate on backflow devices; ensuring they are working normally is the first step to protecting our system. The increase likely speaks to testing more devices.
- Progress on water meters – Progress has been made on meters thanks to a shift in efficiencies from shut offs. This combined with the healthy reduction in paperless billing and increased use of credit cards for payments is a positive result of COVID-19.

Commissioner Bunn asked for verification that paperless billing usage by our customers has been reduced. We have actually experienced an increase in paperless billing, and a reduction in paper billing, confirmed Taylor. If we are saving by mailing less paper bills and receiving more payments by credit card, Commissioner Dailey inquired if that saves us money or costs more. Taylor replied that we do not have a clear picture of all the related costs and savings because there are so many intertwined parts to the process. Commissioner Bunn noted that it would be hard for us to produce a bill, mail it to the customer, and deposit the check or cash for less than our interchange fee. Commissioner Jones remarked that the increase in the number of automatic payments from 2018 to date is dramatic.

- Watershed Management – Fuels reduction work has been accelerated due to favorable conditions; the number of acres in active forest management has gone from 0 in 2017/18 to 432 in 2019/20.
 - Training – Several training goals have been negatively impacted by COVID-19, such as body mechanic training, first aid, and defensive driving.
 - Emerging Regulatory Requirements – The Risk and Resiliency Study has been submitted in spite of the fast-moving nature of the mandate, and we were proactive about the changes needed by the Water System Survey (reservoir hatch covers, overflow pipe covers, starting design for the new entry point building, and monitoring algal toxins at raw water intake).
 - Capital Plan Execution – Over 99% of the planned capital expenditures for the fiscal year have been completed. The team meets monthly to determine what is moving forward and how to reprioritize when issues come up. He noted that Principal Engineer Johnson’s role in this will be missed.
- Upcoming Board Schedule – 9/2 MWC Regulations Update

7. Propositions and Remarks from the Commissioners

Commissioners have all had a chance to examine Taylor’s annual review; Commissioner Bunn mentioned that it was positive and focused on the Board’s expectations for the next 12 months, which are centered around their necessary involvement in the water right strategy process and any debt-financing research. The Board also made a salary recommendation, in spite of Taylor’s request to defer any salary increase until Union negotiations were resolved.

Motion: Approve the salary recommendation for the General Manager.

Moved by: Mr. Anderson

Seconded by: Dailey

Taylor requested that any pay modification continued to be deferred until the completion of the Union issues. Commissioner Anderson requested reasoning for the request from Taylor, who replied that it is a personal standpoint and his job is incomplete until those issues are resolved. Neither Commissioner Anderson nor Commissioner Jones believe that giving Taylor the increase will disincentivize him or hurt the negotiations. The Board appreciates the efforts towards reaching a labor agreement but agreed that the organization needs to move forward.

Roll Call: Commissioners Anderson, Bunn, Dailey, and Jones voting yes.
Motion carried and so ordered.

Taylor noted that he appreciated the opportunity to make his preference known.

8. Adjourn

There being no further business, this Commission meeting adjourned at 12:45 p.m. The proceedings of the Medford Water Commission meeting were recorded and are filed at Medford Water Commission's office, along with the complete agenda of this meeting.

Yvette Finstad
Assistant Clerk of the Commission