

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

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

Guest(s): Attorney Mark Bartholomew; Central Point City Manager Chris Clayton*; City of Central Point Councilor Tanea West Browning; Rob Annear; Kim Grigsby* and Adam Sussman* of GSI (*Left early)

2. Comments from the Audience

None.

3. Consent Calendar

- 3.1 Approval or Correction of the Minutes of the Last Regular Meeting of February 16, 2022
- 3.2 Resolution No. 1801, A RESOLUTION Authorizing the Chair of the Board of Water Commissioners to Execute an Intergovernmental Agreement by and Between the Medford Water Commission and City of Medford, an Oregon Municipal Corporation, for Departmental Charges of the City of Medford

Motion: Approve the Consent Calendar.

Moved by: Mr. Dailey

Seconded by: Mr. Smith

Roll Call: Commissioners Bunn, Dailey, Smith, and Strosser voting yes.

Motion carried and so ordered.

4. Items Removed from Consent Calendar

None.

5. Intergovernmental Agreement for a Coordinated Water Rights Management and Water Sharing Plan

Adam Sussman and Kim Grigsby of GSI, and General Manager Brad Taylor presented information to on the previous negotiation sideboards of this agreement, and the strategy to secure water for the region.

- Project Drivers – 20 water rights at Duff WTP, held by Medford Water and 6 Partner Cities. Certification must be strategic; there are water supply imbalances among Partner Cities.
- IGA Development Process – Monthly meetings since January 2021; this has been a collaborative process to build IGA text. On-going review by Medford Water's attorney and on-going City staff communications with Councils.
- IGA Development Objectives – Document a certification strategy and develop framework for Partner Cities to share water supply.
- Certification Strategy – Limited ability to get new certificate at current WTP capacity;

certificate 20 water rights at future WTP capacity increments. Criteria used to establish order of certification.

Commissioner Dailey inquired about water rights when Duff II is built; water rights are associated with the point of diversion rather than the WTP. If the intakes are close together, WRD may accept it or may require a permit amendment to adjust the point of diversion slightly.

- Water Sharing - Foundation – Cities retain their water rights, share any “excess” water May through September (Medford Water provides water October through April); sharing provides source redundancy.
- Medford Water’s Role in Water Sharing - Foundation – Managing Agency for Cities’ Water Sharing; will administer the process (May through September). No change to existing contracts needed.

Commissioner Dailey and Taylor discussed the how the costs get overlayed to rate model. This is wrapped into rate allocation process, so that when work is done, the only mechanism is to expense it to them and pass it through rates. All Partner Cities are under a common rate. We are all working together and communicating, and there is a benefit to Medford Water in that process as well.

- Guiding Principles for IGA
 - Medford Water to be Managing Agency (with compensation), but not a fiduciary. Role is administrative/ministerial.
 - Medford Water retains control of water rights/Duff WTP – IGA provides Medford Water retains ownership/control of its water rights, Duff WTP, Rogue River intake, all related infrastructure.
 - Limited to water rights at Duff WTP – Scope of IGA pertains only to water rights at the Duff WTP.
 - IGA limited to Phase 1; Phase 2 encouraged but not required. IGA does not address Phase 2, and parties are not required to join a Phase 2 agreement.
 - Medford Water can withdraw from agreement; IGA allows any party to withdraw.
- Next Steps are to obtain motion of support from Board that we can move forward, City Councils to review IGA in April/May, bring back to Board for final review/approval, and City Councils final review/approval before the expected start date of October 2022.

The foundation of the agreement is that there is an upfront cost and annual O&M costs associated with going and acquiring more water from Lost Creek. Thus, there is benefit to those that have water rights because currently they pay O&M costs all on their own; with the IGA, the costs are shared. If you use water in excess, you pay the actual rateable cost rather than all of the additional transactional costs you would incur. This is a disincentive to getting new rights, as there are those with excess already. Payments are miniscule compared to the huge benefit of working together to share rights. It is not advantageous for someone to sell irrigation water, as cities that have acquired water rights from irrigation districts pay annual assessment costs very similar to what they will pay with this agreement. Commissioner Dailey requested emphasis on the responsibility for meter testing and calibration; Taylor confirmed the group discussed this, with the expectation that Partner Cities will share test results with the group—it will be made explicit. We will also get trending/tracking data from SCADA.

Motion: Endorse the Phase 1 conceptual framework for the Coordinated Water Rights Management and Water Sharing Plan as presented.

Moved by: Mr. Bunn

Seconded by: Mr. Dailey

Roll Call: Commissioners Bunn, Dailey, Smith, and Strosser voting yes.

Motion carried and so ordered.

6. Resolution No. 1802, A RESOLUTION Approving Amendments to Section 9, Drug and Alcohol-Free Workplace Policy, of the Personnel Rules and Policies (Personnel Manual) for Employees of Medford Water Commission, Effective March 2, 2022

HR Manager Tanya Haakinson presented updates to Section 9 of the Personnel Manual – Drug & Alcohol-Free Workplace Policy; the prior policy was last updated in 2009. In 2019, Medford Water updated a draft version, based on employment attorney’s content recommendations. 2022 Medford Water and attorney re-reviewed the draft policy, ensuring compliance with required DOT rules. Some areas had section headings updated. Example: The 2009 version of 9.2 Objectives, became 9.2 Applicability & Notice in the 2022 version. Certain areas had content updated, such as in 9.2 Applicability & Notice, content related to job postings where testing policy is communicated to candidates was added, or mentions of Federal DOT program via FMCSA like the “clearinghouse” found in section 9.10 of Commercial Motor Vehicle Drivers/Covered Employees. In 9.3 Definitions, additional terminology and definitions added, updated, or removed, per recommendations via DOT requirements. Example: Safety Sensitive Function and Position. Staff requests Board approval to implement updated Section 9 of Personnel Manual - Drug & Alcohol-Free Workplace.

Commissioner Dailey remarked that the policy seemed to be focused on CDL employees, asking if there any equipment that they operate that would be dangerous but is not under the CDL rule. Our Drug & Alcohol policy is related specifically to CDL drivers and safety sensitive functions and positions; there are some general functions that can fall under the policy that could apply such as with random testing or if an employee volunteers information. Our service crew has CDLs, but there are Duff employees considered safety sensitive that do not.

Motion: Approve Resolution 1802.

Moved by: Mr. Dailey

Seconded by: Mr. Bunn

Roll Call: Commissioners Bunn, Dailey, Smith, and Strosser voting yes.

Motion carried and so ordered.

7. Management Reports

- Commissioner John Dailey, has received an award for 10 years of volunteer service to the City of Medford through the Board of Water Commissioners

- Engineering Manager Brian Runyen
 - On-Call Right-of-Way and Property Acquisition Services – Seeking partner to assist with acquisition of property for CIP projects. 4 proposals received following RFP/QBS Selection Process; top 3 teams interviewed Feb 10. Highest ranking proposer: Epic Land Solutions, Inc. 3-year contract NTE \$150K. Scope: Property Owner Contact, Rights of Entry, Title Reports, Appraisals, and Acquisition. Staff seeks thumbs up from the Board to continue to move forward; Commissioners had no issues.

- Water Maintenance Supervisor Lester McFall
 - BBS line #1 was hit by a private contractor working on a subdivision between Cedar Links Drive and Lone Pine Road around 11 a.m. on Tuesday, February 22. Crews were on site by 11:30 a.m., and staff across several departments worked together to analyze the system and determine how to isolate the break by shutting down valves in the affected area. It was weld-repaired that afternoon. Only two customers were affected, and water pressures and storage levels were manageable, but a loss of pressure and storage levels could have resulted in a much bigger system event. The contractor will be billed for the expense, and staff will work internally to be proactive and make developers aware of the significance of our lines and their locations to reduce the risk in the future.

- Water Treatment/Quality Director Ben Klayman
 - Watershed Report – Driest February on record, at 0.2 inches (precipitation levels are at 70% of average). There is still snowpack, which has the potential to recharge supplies, but it is not where we want it to be. Willow Lake Storage is below average as well, but we will see what the snowpack brings. Continuing to watch conditions.

- General Manager Brad Taylor
 - Upcoming Meetings
 - March 16 – Capital Planning Part B, April 6 – Bulk Water Policy discussion, and April 20 – SDCs/CLAs/Fees

8. Propositions and Remarks from the Commissioners

Commissioner Strosser congratulated Commissioner Dailey on ten years of service.

9. Adjourn

There being no further business, this Commission meeting adjourned at 1:13 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