



BOARD OF WATER COMMISSIONERS MEETING MINUTES

Wednesday, May 3, 2023

Medford Police Department Prescott Room
219 S. Ivy Street, Medford, Oregon 97501

The regular meeting of the Medford Water Commission was called to order at 12:15 p.m. on the above date at Medford Police Department's Prescott Room, with the following commissioners, staff, and guests present:

Chair Michael Smith; Commissioners Jason Anderson, John Dailey, Bob Strosser, and David Wright.

General Manager Brad Taylor, HR Manager Tanya Haakinson, Engineering Manager Brian Runyen, Information Technology Manager Kris Stitt, Water Operations Manager Dan Perkins, Water Resources & Customer Service Manager Julie Smitherman, Executive Administrative Assistant Amber Furu

Guest(s): Robert Annear*, MW Attorney Mark Bartholomew, David McFadden (*Via Zoom)

3. Comments from the Audience
None.

4. Approval or Correction of the Minutes of the Last Regular Meeting of April 19, 2023

Motion: Approve the minutes of the last regular meeting as presented.

Moved by: Mr. Anderson Seconded by: Mr. Strosser

Motion carried and so ordered (there was no roll call and no objections).

5. Resolution No. 1872, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$8,526,803.00 with Slayden Constructors, Inc. for the Duff Filter/Reservoir/Pumping Expansion CM/GC Construction Services

The Duff WTP Filter/Reservoir/Pumping Expansion CM/GC construction services contract with Slayden Constructors, Inc. anticipated multiple contract amendments as the project design elements developed. Staff has received pricing for the next Early Work Amendment (EWA), EWA #3 items based on the 100% Filters plan and specifications provided by Jacobs Engineering. EWA #3 scope includes, but is not limited to, balance of filter building construction, balance of electrical switchgear, electrical installation, and air blower equipment. EWA #4 is anticipated to be for reservoir excavation, reservoir rebar procurement, aggregate, and additional yard piping. Future amendments will include construction of the reservoir and pump station.

Commissioner Anderson inquired what the original estimate was of this project; Runyen replied we started out in a range of \$62 million to just under \$80 million.

Motion: Approve Resolution 1872

Moved by: Mr. Strosser Seconded by: Mr. Anderson

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, and Wright voting yes.

Motion carried and so ordered.

6. Resolution No. 1873, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment to a Purchase Order in the Amount of \$1,412,040.55 with HD Fowler Co. for the Table Rock Road PL-1 Pipe Procurement

The original contract for the Table Rock Road PL-1 Pipe Procurement was based on 60% design plans. CO #2 was anticipated for additional pipe and fittings being added to the contract and identified during completion of 100% design plans. This approach was engaged to take advantage of August 2022 pricing and to ensure availability of pipe and fittings on a timely basis for construction. The increased total contract value is 15.8% of the original contract.

Commissioner Smith asked if these were August prices or today's prices; those are today's prices, that was the importance of ordering \$10.7 million of the pipe that we knew of; what was left was a fraction of that amount. Commissioner Anderson inquired if there was a cost difference in price per lineal foot from August versus current lineal foot price; Runyen replied we will compare those prices per linear foot and will report back that information. Taylor stated one of the reasons we didn't have the full picture of what we needed for pipe was the finished water pump station and reservoir part of the design hadn't reached 30%, so for the last part of this pipeline there wasn't any clarity around how it was all going to be connected to the plant, because the plant hadn't finished design. Now we know what is going on at the plant and we can specify what pipe is needed. Commissioner Dailey requested information on the supply situation when the pricing report is provided. Commissioners and Staff further discussed storage pricing and the savings of pre-ordered pipe from the manufacturer. Commissioner Anderson asked if we are going to follow up on the pipe storage issue. Runyen confirmed there will be follow up regarding pipe storage.

Motion: Approve Resolution 1873

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, and Wright voting yes.

Motion carried and so ordered.

7. Resolution No. 1874, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$195,068.00 with McClure & Sons, Inc. for the Water Quality Improvement Projects

Several items have been identified during the Water Quality Improvements Project construction contract that have varied from contract plans and specifications. The project is providing pH adjustment to the finished water at both the Duff WTP and Big Butte Springs facilities. Several design deficiencies require additional work that was outside of the original contract plans and specifications. These items and additional project opportunities comprise this contract amendment which includes: additional paving at Duff, chemical feed lines to new FWPS 2, a new gate operator at Duff, UPS backup power at BBS, and a BBS roof wall interface.

Motion: Approve Resolution 1874

Moved by: Mr. Anderson

Seconded by: Mr. Dailey

Commissioner Anderson asked when our next board meeting will be out at Duff. Taylor replied we are thinking sometime in August. Commissioner Smith inquired about putting UPS backups on the system and asked if it has its own generator; both Duff and the Springs have a backup generator and the UPS backup will provide power balancing. Commissioner Dailey stated his recollection of this project was that this was going to be a 2-to-3-million-dollar project with a few pumps and a few tanks, it seems this project has mushroomed into a decade long project and the cost has increased. Taylor did not disagree with the reality that this project has grown since the original view. The complication is that it took two separate buildings at two different sites to do a simple task of hooking up a pump and pumping into the system, these building costs are a big component of what it is taking to build this project.

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, and Wright voting yes.

Motion carried and so ordered.

8. Leadership Team Reports

- Dan Perkins, Water Operations Manager
 - Pre-Purchase for Meters & Radios - Due to supply chain issues staff desires to pre-order Sensus meters, SmartPoints (AMI Radios) and meter measuring chambers due to supply chain issues. Taylor stated this purchase is in a budget the Board has not yet approved, and we did not want to take that step without first reaching out to the Board for a thumbs-up approval. Delivery date is undetermined but will not be delivered prior to July 1, 2023. Commissioner Strosser stated while there are pitfalls with pre-ordering,

the staff has been very judicious in how they have handled that, and he supports this. Commissioners agreed to move forward with the pre-purchase for meters and radios.

- Julie Smitherman, Water Resources & Customer Service Manager
 - Watershed Update – Precipitation is the same as we were last year at this time with above average snowpack in the Rogue Basin. Spring flow has plateaued but is well above the last 3 years. Willow Lake is now 100% full.
 - Big Butte Springs & Duff WTP Tour - The next tour will be May 24, 2023, from 9:00 a.m. to 4:30 p.m. Emerald Charter Bus will provide transportation and bus pick up at RCC Table Rock Campus. We had a waiting list of 100 people from last September's tour. This tour we will take 40 members of the public, 5 new staff, and 50 people will be left on the waiting list. Next tour date is September 27th, 2023.

- Brian Runyen, Engineering Manager
 - System Development Charges (SDC) - System Development Charges (SDC) are a one-time charge paid by a new customer for system capacity. It is also assessed to existing customers requiring increased system capacity. The receipts from these charges are used to finance the development of capacity-related facilities and are an important funding/financing source for these facilities. Calculated fees are within a reasonable range of the present fees and updated SDCs reflect our current costs and value of capacity. Next step is a thumbs up from the Board to proceed with advertising for a public hearing. A minimum of 90 days from the first advertisement is required before a public hearing can be held; August 2 board meeting would be the earliest option. Board members gave thumbs up to proceed with advertising.
 - CLA and Charges for Special Services – Historically these fees are adjusted annually based on the percent increase in the Construction Cost Index (CCI). That escalation of fee has become out of alignment with actual costs. During the April 2022 Study Session, the Board suggested we recalibrate for this year. We have recalibrated and the new CLA fees have been updated using actual developer costs. Commissioner Dailey inquired how did the developer cost get so out of alignment; the index encompasses so many things, our starting point could have been off. Commissioner Dailey stated it seems if our costs are diverging so far from the industry, we should be looking into that. Proposed changes to Charges for Special Services include updates to time, materials and other costs. Next Step is a thumbs up from the Board to proceed with advertising for a public hearing. Board members gave a thumbs up to proceed with advertising.
 - Table Rock Rd (PL-1) Pipe Storage & Handling - Pipe manufacturing is in progress, and we have short-term storage with US Pipe staging facility in Iowa through July 31. Our Construction contractor will not be engaged prior to that pipe coming to Medford for delivery. We need a local storage solution for pipe storage. Once we secure pipe storage locally, we can start diverting pipe from Iowa to here. We are exploring options to lease property that will include site prep, pipe handling, and security; we have interest from some parties able to provide all these services. Next step will be to advertise a quick bid opening for a pipe storage and handling contract on May 24 with the contract awarded at the June 7 board meeting. Commissioner Wright asked where the contract will be advertised; we advertise on our website, multiple publications, land review centers, and anybody we have talked to and has interest. Commissioner Anderson stated the pre ordered pipe, and the shipping and storage process seem backwards. Runyen explained timing has been a challenge, the intent was to have the original pipe manufacture be able to deliver on demand to the contractor, it took longer than expected to realize that was not going to work. It is a by product of ordering early and schedules taking longer than expected. The cost saving from purchasing the pipe early puts us still way ahead in terms of cost and time. Commissioner Anderson asked what HD Fowler's role in this project is; they are the supplier, US Pipe is the manufacturer, our contract is with HD Fowler.

- Tanya Haakinson, HR Manager

- Recruitment Update – We have filled our last open position; Water Treatment Operations Specialist III, Tony Thompson started on April 25, 2023. He previously worked for us a few years ago and has returned to us from the City of Jacksonville. We have 2 open intern positions to fill; one is in conservation, and one is in the watershed.
 - Careers In Gear – This is the 13th year for this event; there were 170 employers and over 2,300 students. This is a career fair to teach kids what kind of jobs and industries are in our valley.
 - MW Volunteer Days in the Community – We started a new program called MW volunteer days. Our employees participate for a half day in several different types of events that we have throughout the year. This year we specialized in watershed type activities, next year we might do something different. In April we had a water station at Pear Blossom, Scotch Broom pulling at Denham Wildlife Area and more events to come in July and October. A reminder to RSVP to the company picnic on June 3, 2023.
- Brad Taylor, General Manager
 - Upcoming Meetings - May 17th Budget-Part 2 and Rules and Regulations Updates

9. Propositions and Remarks from the Commissioners

None.

10. Adjourn

There being no further business, this meeting adjourned at 1:37 p.m. The proceedings were recorded and are on file along with the complete agenda of this meeting.

Amber Furu
Assistant Clerk of the Commission

